

Comprehensive Annual Financial Report
For the Year Ending June 30, 2019
City of Provo, Utah



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For the Fiscal year Ended June 30, 2019

PROVO CITY CORPORATION
Comprehensive Annual Financial Report
Year Ended June 30, 2019

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LETTER OF TRANSMITTAL

November 26, 2019

To the Honorable Mayor, members of the Municipal Council, and the Citizens of the City of Provo:

State law and local ordinance require that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In conformance with that requirement, we issue the Comprehensive Annual Financial Report (CAFR) of the City of Provo for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the City of Provo. Management assumes full responsibility for the completeness and reliability of all information presented in this report. In order to provide a reasonable basis for making these representations, management of the City of Provo has established an internal control framework—designed to ensure the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state, and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to the appropriate programs. This internal control structure is subject to periodic evaluation by management.

HBME, LLC, a firm of licensed certified public accountants selected by the Municipal Council, has audited the City of Provo's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Provo for the fiscal year ended June 30, 2019, represent an accurate portrayal of the City's financial position in all material respects. 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. HBME, LLC, concluded, based upon the audit, that there is reasonable basis for rendering an unmodified opinion that the City of Provo's financial statements for the fiscal year ended June 30, 2019, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the City of Provo's financial statements was part of a broader, federally mandated Single Audit Act of 2004 and the U.S. Office of Management and Budget's Circular A-133, Audits of State and Local Governments. Information related to this single audit, including a schedule of federal financial assistance, the independent auditors' report on internal controls and compliance with applicable laws and regulations, and a schedule of findings, are available in the City of Provo's separately issued Single Audit Report.

The CAFR is presented in three sections: introductory, financial and statistical.

PROFILE OF THE GOVERNMENT

The City of Provo, incorporated in 1851, is located in a metropolitan area that has a dynamic and diverse economy. The government is empowered to levy a property tax on both real and personal property located within its boundaries.

The City of Provo currently operates under the mayor-council form of government. Legislative authority is vested in the Municipal Council, which consists of seven members. The legislative branch is responsible, among other things, for passing ordinances, adopting the budget, and giving advice and consent to the appointment of committee members. The Mayor is responsible for establishing and implementing City policies, carrying out the ordinances of the Municipal Council, and overseeing the day-to-day operations of the government. The Council and Mayor are elected on a nonpartisan basis. Five of the Council members are elected from within their respective districts. The Mayor and the two remaining members are elected at large. All elected officials serve staggered four-year terms with four, then three, Council members elected every two years.

The City of Provo provides a full range of services that include public safety, streets, recreational and cultural events, community development and general administrative services. The City of Provo also operates energy, water, waste water, sanitation, and storm drain utilities. A general aviation airport and municipal golf course are also part of the City of Provo. Component units are legally separate entities for which the nature and significance of their relationship with the City of Provo are such that exclusion would cause the financial statements to be misleading or incomplete. Blended component units are included as part of the primary government. Accordingly, Provo City Redevelopment Agency is reported as a special revenue fund and the Provo City Storm Water Service District as an enterprise fund.

The City of Provo maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Provo Municipal Council. For the 2019 fiscal year, activities of the general fund, special revenue funds, debt service funds, and capital project funds are included in the annual appropriated budget.

The level of budgetary control, i.e., the level where expenditures cannot legally exceed the appropriated amount, is maintained at the departmental level for the General Fund and at the fund level for all other funds. The City of Provo also maintains an encumbrance accounting system as one method of maintaining budgetary control. Outstanding encumbrances at year-end are evaluated and, if deemed necessary by the City of Provo's management, are carried forward as part of the following year's budget.

As demonstrated by the statements included in the financial section of the report, the City of Provo continues to meet its responsibility for sound financial management.

The Management's Discussion and Analysis (MD&A) section of this report offers a more detailed discussion about the economic condition of the City, fund balance analysis and other management goals and achievements.

ECONOMIC CONDITION

The City has a diverse manufacturing and industrial base. Major industries include retail business, light manufacturing, software development, and a university community. This diversity stabilizes the unemployment rate and offers a broad range of employment opportunities.

The local economy continues to recover from the great recession and continues to outperform the national economy. The local (Provo-Orem) unemployment rate was 2.8% and the national average was 3.8% at the end of the year. The City's total tax revenue of \$44.2M increased by \$361K or by .3 percent over the prior year. Property taxes of \$12.1M decreased by \$348K or by 2.8 percent below the prior year. Franchise taxes of \$9.5M decreased by \$199K or by 4.1 percent over the prior year. Sales tax revenue of \$19.6M increased by \$609K or 3.2 percent versus the prior fiscal year. The City is cautious, but optimistic, that sales tax revenues will continue to improve as the economy improves during the next fiscal year. The City sales tax revenues received during the first two months of fiscal year 2020 are consistent with the current trends.

The City is closely monitoring the current economic environment. As the City plans for the future, we are being very cautious to align the commitment of City resources with the anticipated revenues for the City. Other major revenue sources, such as property tax and franchise taxes, showed moderate increases in comparison to previous years. The City enterprise funds reflected an increase in sales and expenses due to growth, a water rate increase, weather conditions, and overall increased demand as reflected in the overall economy.

The governmental funds revenues for fiscal year ending June 30, 2019 are \$78.4M. Tax revenue made up 56.3 percent of the total governmental funds revenue. Tax revenue consists of property, vehicle, sales, RAP, franchise and other taxes. Grant revenue accounts for 18.5 percent of the total. The remaining 25.2 percent is composed of charges for services, licenses and permits, fines and forfeitures, investment earnings, loan repayments/write-offs, lease income, and miscellaneous revenues.

While striving to control expenditures, the City is committed to maintaining infrastructure and delivering services at sufficient levels. The City will also continue to work on a variety of economic development projects with the intent of creating jobs and stimulating the economic growth and stability of the City.

LONG-TERM FINANCIAL PLANNING

The City maintains a 5-Year Capital Project/Budget Plan. This plan is updated each year and allows the City to make projections into the future regarding the infrastructure and other long-term capital projects that need to be initiated or completed. This plan helps to prioritize projects, estimate costs, and determine the most advantageous way to fund projects.

The City continues to refine a ten-year budget that examines all revenues and expenses. The focus is to establish a sustainable budget and place more attention on the long-term impact of decisions.

MAJOR INITIATIVES

The City is in the process of designing and constructing a new Airport Terminal. The groundbreaking ceremony took place on November 6th. The City received \$9 million in funding from the State and has received a commitment to provide \$4.3 million in funding from the County. The newer and larger terminal will include four gates with the ability to expand to ten gates.

In November 2018 the residents of Provo approved a general obligation bond to construct a new Public Safety/City Hall and a Fire Station on Canyon road. Construction is in process on the fire station and the Public Safety/City Center is in the design stages with construction to begin in the spring of 2020.

The City is in the process of implementing a city-wide software system. The project has been named Provo 360. The goal of the new system is to provide our residents, businesses, students and our visitors with a 360 degree view of their business with the city at any time, from anywhere and from any device. The system will enhance customer experience, improve efficiency, increase transparency, empower stewardship and promote innovation. The Finance Division went live on its application of Provo 360 on June 26, 2017 and Community Development applications went live during fiscal 2018. The City made the determination to find and select another vendor for its Human Capital Management system. The City is in the process of selecting a vendor. The implementation of Phase II (Customer Service and Work Order Management) started on October 1, 2018 and is expected to go live in fiscal 2020.

SIGNIFICANT EVENTS

CUSTOMER SERVICE

- Consolidated functionality from the online utility payment portal for the convenience of having one place for customers to view both electric and water daily usage, as well as view bills and make payments.
- Completed the automated meter reading program into the utility billing business process. Electric meters are being connected and disconnected using desktop computers, which has eliminated the need to send field personnel to the premises and gain access to the meter for physical disconnects or connects.

ENERGY

- Upgraded the BYU South Substation, 900 East and Power Plant Line Relays, Metering and Communication Equipment for the new BYU Cogen Project.
- Completely rebuilt and added two 12/16/20 MVA transformers at the 900 East Substation.
- Completed construction of a new distribution line to feed the Duncan Aviation project.
- Built a new transmission and distribution line to feed customers including Vanderhall in the Mountain Vista business park.
- The Forestry Division pruned over 8,100 trees and planted 541 trees and received our 35th Tree City USA award and our 23rd Tree Lined USA award. The Department gave away nearly 500 trees to residents for Conservation Efforts.
- Processed nearly 1,300 rebates expending \$136,000 for customer conservation efforts.

ENGINEERING

- 2019 Road Rehab Project - The 2019 Road Rehab Project included a significant effort in street maintenance and concrete improvements in many areas of the City. This project was funded with B&C Road funds and the Utility Transportation Fund. The project included 1,172,882 square feet of asphalt pavement and 1,833,938 square feet of pavement preservation. The overlays and surface treatments on the following streets:
 - ◇ 900 North – Center Street to State Street
 - ◇ 1700 North – Columbia Lane to 1500 West
 - ◇ 950 West – Columbia Lane to State Street
 - ◇ Oak Lane – Elm Avenue to 2300 North
 - ◇ Other local streets
- 3110 West (Lakeshore Drive) – Center Street to Lakeview Parkway – This project included widening what was previously known as 3110 West and the addition of a ten foot sidewalk/trail along the entire west side of the project. Additional property for the widening of this street was purchase in cooperation with MAG using Corridor Preservation Funds. The roadway pavement was reconstructed as part of this project. The completion of this trail now completes the connection of this trail system to the trailhead location on the Provo River Parkway Trail at approximately 400 North and Lakeshore Drive.
- Lakeview Parkway & Trail Project Phase 1 - Phase 1 construction from Mike Jense Parkway to Center Street is nearing completion and is approximately 95% complete. In addition to the road improvements, a new gravity flow sewer main is being installed through this project to serve future needs for the north and west parts of the city. This section of Lakeview Parkway includes two travel lanes in each direction, a center median and a ten foot bicycle and a pedestrian pathway along the west side of the street.

- Lakeview Parkway & Trail Project Phase 3 – Center Street to 620 North - Phase 2 of the project is from 620 North to 1280 North. Construction on Phase 2 began in the fall of 2017 and is anticipated to be completed August 2018. This section of Lakeview Parkway is being completed to provide alternative access to the new Provo High School. This project is constructing one travel lane in each direction and a six foot sidewalk along the east side of Lakeview Parkway for improved pedestrian access.
- Bulldog Boulevard Protected Bike Lanes & Safety Improvements – Canyon Road to State Street - Construction on this project began in the fall of 2018 and is anticipated to be completed October 2019. This project will provide protected bicycle lanes and improved pedestrian facilities along both sides of Cougar Boulevard from Canyon Road to State Street. The project also included the removal of overhead power and communication lines and placing them in buried conduit to improve the appearance of the street corridor.
- 200 East & 100 South Intersection Improvements – This project included the installation of bulb-outs, drainage inlets, handicap accessible pedestrian ramps and new asphalt pavement to improve safety at this intersection. This is a continuation of the bicycle and pedestrian improvements along 200 East from 700 North to 400 South.

ECONOMIC DEVELOPMENT

- Diversification of downtown continues as vacant spaces are being filled and providing new products and services for consumers. Several new locations opened – Mozz Pizza, Salt, Emulsions and Fillings, Ernie’s Deli and the newly renovated June Audio sound stage, to name a few. All are locally owned.
- The new Café Rio in Eastbay opened summer of 2019 and the new Ross – retail clothing store opened this fall.
- The Riverwoods Sales Tax Increment Agreement for \$1.5 million was approved by City Council. The AMC Theater renovations are complete, along with several additional restaurants opening this year. Roxberry and Bajio are the proposed tenants for the remodeled Macaroni Grill.
- Vanderhall Motors began construction on its Phase 2 out of 7 of a one million square foot facility, manufacturing the three-wheeled roadster. This is another 150,000 square feet.
- Staff applied for and was awarded a \$1.8 million EDA grant to help offset construction costs of a new road and associated utilities at Mountain Vista Business Park. This road will connect the roundabout to 1400 North in Springville.
- Duncan Aviation’s project of \$59 million, 250,000 square foot building is currently employing over 200 people and will eventually employ 450 at the Provo Airport. Duncan received its first jet for service in the first few days of 2019.

PARKS AND RECREATION

- Acquisition of Regional Sports Park 100-acre site acquired from single owner requiring major Federal Government processes and involvement of Mayor and Congress levels.
- Transition of golf course after medical school development. Turned a development land acquisition into a partnership with a true win/win solution for the golf course and the developer.
- Planning for Peaks Ice Arena facility upgrades in preparation for Salt Lake Olympic bid. Presented to Utah State Legislature and was approved for an appropriation of \$150,000 for Peaks Ice Arena Olympic facility preparation.

- Rock Canyon Trailhead Conservation Easement – Awarded a conservation easement to a non-profit partner Rock Canyon Preservation Alliance for the perpetual protection of this unique and iconic landscape
- Spring Creek Park – A new five-acre park was dedicated in the Spring Creek neighborhood providing a pavilion, playground, walking path, open turfgrass area, family style restrooms, landscaping with over 200 shade trees and other amenities
- Breaking ground and construction management of the Provo River Trail upgrade project
- Mausoleum – Worked throughout the year with a contractor and in-house crews to complete the mausoleum which offers new interment options for the citizens of Provo
- The golf course was able to begin a \$6 million renovation of the entire facility by using funds generated from the sale of property, to a proposed medical school, that will occupy current holes 10, 11, and 12.

POLICE

- Provo Police are committed to education and enforcement efforts to reduce traffic collisions within the city. For the second year in a row, a dedicated traffic team has focused enforcement efforts on roads experiencing the highest number of accidents. The department PIO sends weekly social media posts advising citizens where the team requesting cooperation to pay attention and help reduce the number of accidents on our roads.
- Provo Police Department, Victim Services Division, was awarded the Increasing Criminal Justice Responses Grant from the Federal Office on Violence against Women for \$748,399.00. This is a three-year grant that will cover personnel, much needed legal and immigration services for victims, training, and supplies. In collaborative partnerships with other area agencies, this grant will assist in making significant improvements to the system for victims of sexual assault. Also awarded was the VOCA grant, a two-year grant for the amount of \$164,000, and the CDBG grant and annual grant in the amount of \$ 30,000.

STORM DRAIN

- Completed installation of 3,000 feet of new 48” storm drain master trunk line on 1600 West from Lakeview Parkway to 890 South

WATER

- Completed 7,500 feet of 36” west side sewer main installation project.
- Began design of the new wastewater treatment plant.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Provo City Corporation for its CAFR for the fiscal year ended June 30, 2018. The Certificate of Achievement is a prestigious national award and recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, with contents conforming to program standards. As such, the CAFR must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last several years. We believe our current report continues to meet the Certificate of Achievement program requirements, and is being submitted to GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the staff of the City of Provo, Division of Finance. I would like to express my appreciation to my staff and other personnel from various departments, agencies, and authorities who assisted in its preparation.

Also, I would like to thank the Mayor and the Municipal Council for their interest and support in planning and conducting the financial operations of the City of Provo in a dedicated and responsible manner.

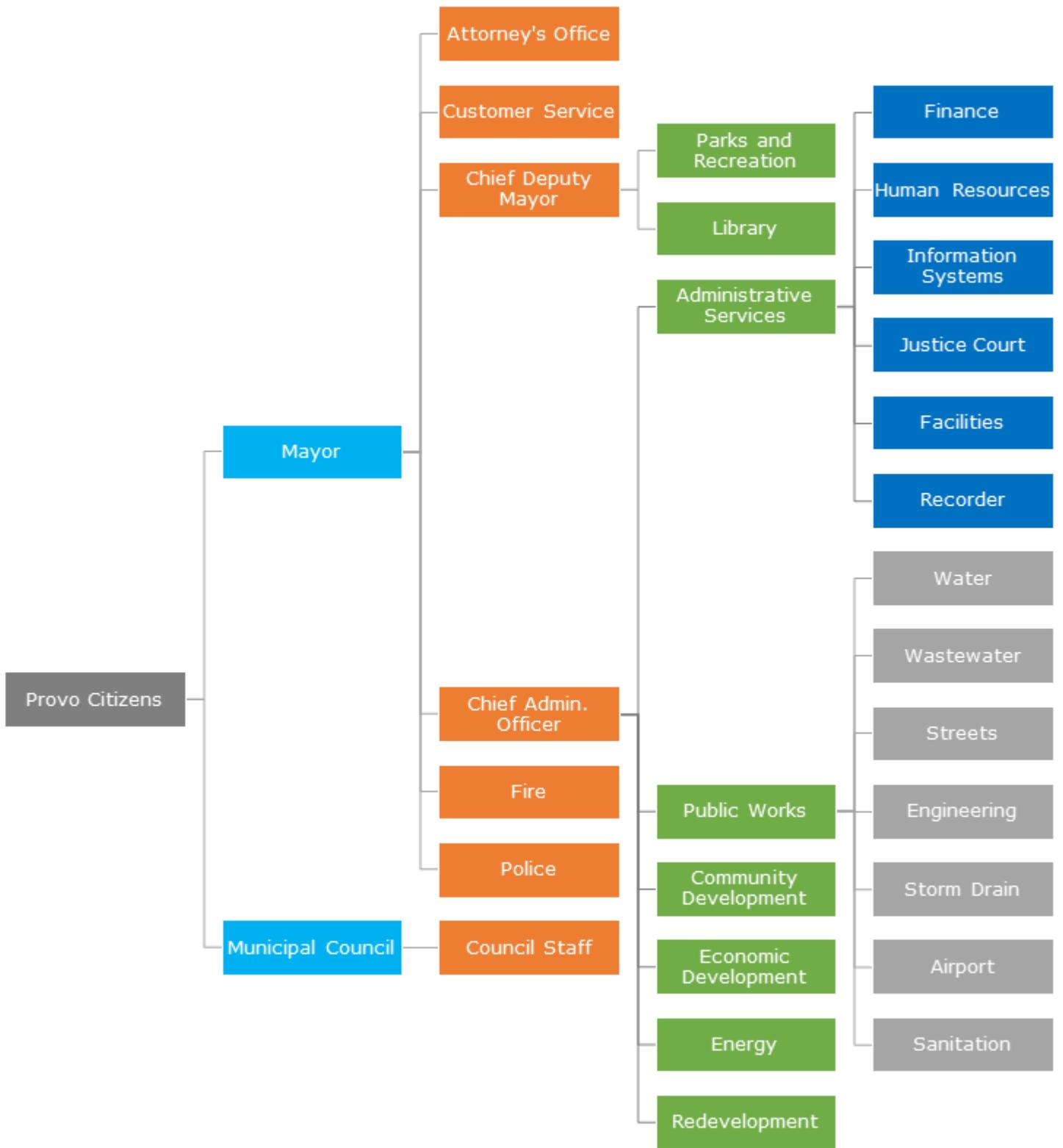
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Borget', with a stylized flourish at the end.

John D. Borget

Director of Administrative Services

Provo City Organizational Chart



Elected and Staff Positions

Council Members



(Left to right) Dave Harding (Chair), Kay Van Buren (Vice-Chair), George Handley, George Stewart, Dave Knecht, Gary Winterton, Dave Sewell

District 1: Gary Winterton
Present Term: 2016-2019

District 2: George Handley
Present Term: 2018-2021

District 3: David Knecht
Present Term: 2016-2019

District 4: Kay Van Buren
(Vice-Chair)
Present Term: 2016-2019

District 5: Dave Harding (Chair)
Present Term: 2018-2021

Citywide District I: Dave Sewell
Present Term: 2018-2021

Citywide District II: George Stewart
Present Term: 2016-2019

Cliff Strachan (Executive Director)

City Administration

Mayor: Michelle Kaufusi

Chief Administrative Officer: Wayne Parker

Chief Deputy Mayor: Isaac Paxman

Chief Deputy Economic Development: Dixon Holmes

Administrative Services: John Borget

City Attorney: Robert West

Community Development: Gary McGinn

Customer Service: Karen Larsen

Energy: Travis Ball

Fire: James Miguel

Library Services: Gene Nelson

Parks and Recreation: Scott Henderson

Police: Rich Ferguson

Public Works: David Decker

Redevelopment: David Walter



*Mayor Michelle Kaufusi
Present Term: 2018-2021*



COMMITTED. EXPERIENCED. TRUSTED

INDEPENDENT AUDITORS' REPORT

CERTIFIED PUBLIC ACCOUNTANTS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
DONALD M. JACK, CPA

Honorable Mayor and Members of the City Council
Provo City Corporation

Report on the Financial Statements

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 Provo City Corporation (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Provo City Corporation, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-25 and pension schedules on pages 87-90 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison information, and the introductory and statistical sections 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, and budgetary comparison information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBM&C, LLC

November 26, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Provo City Corporation (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2019. The Management’s Discussion and Analysis (MD&A) is designed to provide an overview of the City’s financial activity. It is also intended to assist the reader in focusing on significant financial issues including identifying changes in the City’s financial position (its ability to address the next and subsequent years’ challenges), identifying any material deviations from the approved budget, and identifying individual fund issues or concerns. Please read the MD&A in conjunction with the Transmittal Letter and the City’s financial statements.

HIGHLIGHTS

Financial Highlights

The City’s net position increased by \$18,923,068. The governmental net position increased by \$1,994,224 and the business-type net position increased by \$16,928,844.

At the close of the current fiscal year, the assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$647,218,001. Of this amount; \$107,980,546 (unrestricted net position) may be used to meet the government’s ongoing obligations to citizens and creditors.

As of the close of the current fiscal year, the City’s governmental funds (reflected on a current financial resource basis) reported combined ending fund balances of \$141,384,452, an increase of \$71,432,090 in comparison with the prior year. The increase is primarily the result of higher fund balances in the General CIP Fund related to the issuance of bonds for the Provo City Public Safety and City Facilities.

The General Fund (the primary operating fund), also reflected on a current financial resource basis, reported an increase of \$3,618,324 in fund balance. This increase is primarily the result of higher inter-governmental revenue, sales tax revenue, interest income and lower capital outlays.

At the end of the current fiscal year, assigned and unassigned fund balance for the general fund was \$16,871,192 (or approx. 24.17 percent) of 2019 general fund revenues and transfers.

USING THIS ANNUAL REPORT

The financial statements focus on both the City as a whole in the government-wide statements, and on the major individual funds in the fund financial statements. (An explanation of major and nonmajor funds can be found in the Note 1 of the financial statements of this report). Both perspectives allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City’s accountability.

Government-Wide Financial Statements

There are two basic statements in the **government-wide financial statements**: the *statement of net position* and the *statement of activities*. These statements report information about the City as a whole using accounting methods similar to the full accrual method used by private sector companies. These statements also provide both long-term and short-term information about the overall financial status of the City.

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

The **statement of activities** presents information showing how the net position of the government changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus,

revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. These changes are presented separately for each of the government's functional activities, (e.g., general government, public safety, and public works).

The government-wide financial statements are divided into two categories: *governmental activities* and *business-type activities*. Most of the basic services of the City are included in the *governmental activities*. This category includes services such as the police, fire, streets, parks divisions and general administration. Sales and use taxes, property taxes, and state and federal grants finance most of these activities. The *business-type activities* are similar to private sector type operations where the City charges fees to customers to cover all or most of the cost of the services provided. These services include the City's water, waste water, airport, sanitation, storm drain, golf course, and electric operations. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Fund Financial Statements

The *fund financial statements* provide more detailed information about the City's most significant funds, not the City as a whole. 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. Some funds are required by State law or by bond covenants, while other funds are established by the Municipal Council to manage money for a particular purpose. All of the funds of the City can be divided into two categories: *governmental funds* and *proprietary funds*.

There are two basic financial statements presented for *governmental funds*: the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances*. There is also a *statement of revenues, expenditures, and changes in fund balances – budget to actual* for the general fund and the special revenue funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, the *governmental fund financial statements* focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. To facilitate the comparison between *governmental funds* and *governmental activities*, both the *balance sheet* and the *statement of revenues, expenditures, and changes in fund balances* provide reconciliation to the *government-wide statements*.

There are three basic financial statements for *proprietary funds*: the *statement of net position*; the *statement of revenues, expenses, and changes in net position*; and the *statement of cash flows*. The City maintains two types of proprietary funds: *enterprise funds* and *internal service funds*.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. However, they provide more detail and additional information, such as a statement of cash flows.

Internal Service Funds are used to report activities that result in the accumulation and allocation of costs related to supplies and services provided and used internally among the City's various functions. The City uses internal service funds to account for employee benefits, insurance and claims, customer service, vehicle management and facility services. As mentioned above, internal service funds are included in the governmental activities in the government-wide statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39-86 of this report

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information, including the combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, can be found on pages 91-110 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following analysis examines the factors that affect the *net position* (Table 1) and the *changes in net position* (Table 2) of both the governmental and the business-type activities.

Net Position

By far the largest portion of the City's net position (81.3 percent) reflects its investment in capital assets (e.g., infrastructure, land, building, machinery and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The net position section shows the amount the City has invested in capital assets, less any related outstanding debt used to acquire those assets. It should be noted that since the capital assets themselves cannot be used to liquidate these liabilities, the resources needed to repay this debt must be provided from other sources.

Table 1 - Net Position

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 176,586,310	\$ 96,438,104	\$ 64,179,233	\$ 73,386,718	\$ 240,765,543	\$ 169,824,822
Capital assets	344,441,412	347,665,503	289,801,233	269,246,695	\$ 634,242,645	\$ 616,912,198
Other assets	21,609,833	22,765,466	9,981,568	9,522,859	\$ 31,591,401	\$ 32,288,325
Total assets	542,637,555	466,869,073	363,962,034	352,156,272	906,599,589	819,025,345
Deferred outflows of resources	15,520,768	15,523,966	2,705,891	2,673,038	18,226,659	18,197,004
					0	0
Current liabilities	28,168,432	23,805,787	15,974,879	18,368,956	44,143,311	42,174,743
Long-term liabilities	163,569,740	89,081,144	51,069,599	51,697,726	214,639,339	140,778,870
Total liabilities	191,738,172	112,886,931	67,044,478	70,066,682	258,782,650	182,953,613
Deferred inflows of resources	18,393,275	23,473,456	432,322	2,500,347	18,825,597	25,973,803
Net position:						
Net investment in capital assets:	281,008,409	282,888,781	245,278,480	225,102,007	526,286,889	507,990,788
Restricted	10,949,005	8,044,231	2,001,561	1,173,400	12,950,566	9,217,631
Unrestricted	56,069,462	55,099,640	51,911,084	55,986,874	107,980,546	111,086,514
Total Net Position	<u>\$ 348,026,876</u>	<u>\$ 346,032,652</u>	<u>\$ 299,191,125</u>	<u>\$ 282,262,281</u>	<u>\$ 647,218,001</u>	<u>\$ 628,294,933</u>

At the end of the current fiscal year, the City is able to report positive net position balances in all three categories of net position, (Net investment in capital assets, Restricted and Unrestricted) for both governmental and business-type activities.

Changes in Net Position

Governmental Activities

As shown below in Table 2 – Changes in Net Position governmental activities increased the City's net position by \$1,994,224.

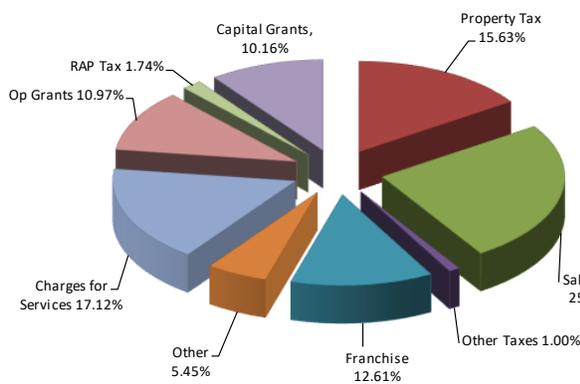
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over the estimated useful lives and reported as depreciation expense. The amount that the capital outlays exceeded depreciation in fiscal year 2019 is \$391,805.

Table 2 - Changes in Net Position

	Governmental		Business-type		Total	
	Activities		Activities			
Revenues	2019	2018	2019	2018	2019	2018
Program revenues:						
Charges for services	\$ 13,244,777	\$ 14,466,580	\$ 119,256,826	\$ 113,460,210	\$ 132,501,603	\$ 127,926,790
Operating grants and contributions	8,485,241	17,674,626	50,000	250,000	8,535,241	17,924,626
Capital grants and contributions	7,859,934	3,378,973	7,274,196	11,816,977	15,134,130	15,195,950
General revenues:						
Property taxes	12,090,421	12,438,085	-	-	12,090,421	12,438,085
Other taxes	32,306,868	31,598,404	-	-	32,306,868	31,598,404
Other	3,355,605	4,662,146	6,919,288	6,710,178	10,274,893	11,372,324
Total revenues	77,342,846	84,218,814	133,500,310	132,237,365	210,843,156	216,456,179
Expenses:						
General government	18,401,939	15,223,591			18,401,939	15,223,591
Public safety	36,263,547	35,567,703			36,263,547	35,567,703
Public services	4,817,070	4,630,125			4,817,070	4,630,125
Community revitalization	8,273,032	11,015,227			8,273,032	11,015,227
Culture and recreation	18,438,144	18,415,600			18,438,144	18,415,600
Interest on long-term debt	4,153,417	2,551,409			4,153,417	2,551,409
Golf course			1,575,803	1,176,952	1,575,803	1,176,952
Water			11,266,122	9,857,885	11,266,122	9,857,885
Wastewater			7,559,952	6,699,620	7,559,952	6,699,620
Energy			67,460,174	70,813,011	67,460,174	70,813,011
Airport			3,284,400	3,478,456	3,284,400	3,478,456
Utility Transportation			1,994,134	2,871,069	1,994,134	2,871,069
Sanitation			4,355,800	4,195,985	4,355,800	4,195,985
Storm drain			2,431,569	2,639,894	2,431,569	2,639,894
Ice Sheet			1,644,985	1,640,921	1,644,985	1,640,921
Total expenses	90,347,149	87,403,655	101,572,939	103,373,793	191,920,088	190,777,448
Increase in net position before transfers	(13,004,303)	(3,184,841)	31,927,371	28,863,572	18,923,068	25,678,731
Transfers	14,998,527	8,738,733	(14,998,527)	(8,738,733)	-	-
Change in net position	1,994,224	5,553,892	16,928,844	20,124,839	18,923,068	25,678,731
Net Position:						
Net position beginning	346,032,652	340,478,760	282,262,281	262,137,442	628,294,933	602,616,202
Net position ending	\$ 348,026,876	\$ 346,032,652	\$ 299,191,125	\$ 282,262,281	\$ 647,218,001	\$ 628,294,933

Sales and use taxes, which increased from the prior year, are the single greatest source of revenue for the City. In the current fiscal year, 25.32 percent of the City’s revenues from governmental activities were derived from sales and use tax.

Revenues by Source - Governmental Activities



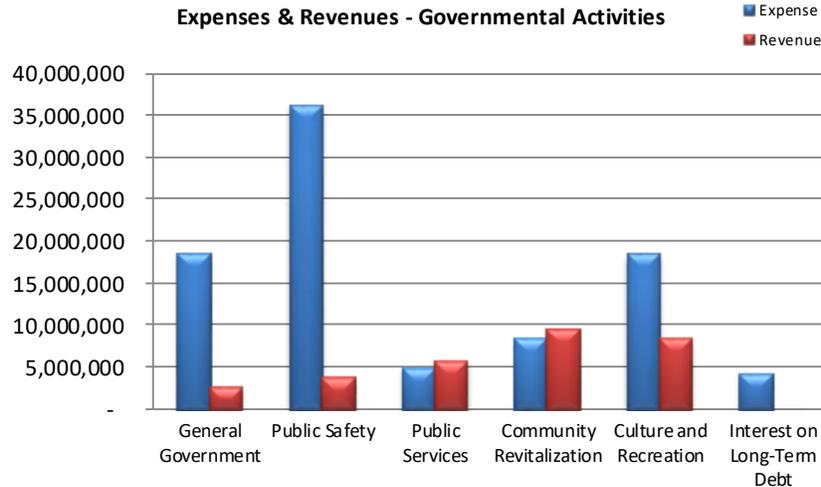
Another 15.63 percent of the City’s revenue was derived from property taxes.

From the prior fiscal year, the revenue from sales, property and other taxes increased \$360,800 or 0.82 percent. The increase is the result of higher sales and use tax revenue, higher vehicle tax revenue and higher Recreation Arts and Park (RAP) tax revenue.

The General Government category includes expenses for the following departments; Municipal Council, Mayor’s Office, Community Development, Economic Development, Administrative Services, Legal and Non-departmental.

The Public Services category includes Road Projects, Engineering and Streets. The Public Safety category includes Police, Fire, and Emergency Response. The Community Revitalization category includes all fund expenses in the Commercial Rehabilitation, Rental Rehabilitation, Community Development Block Grant, Housing Rehabilitation, Tax Increment, Housing Consortium and the Provo Business Development Fund.

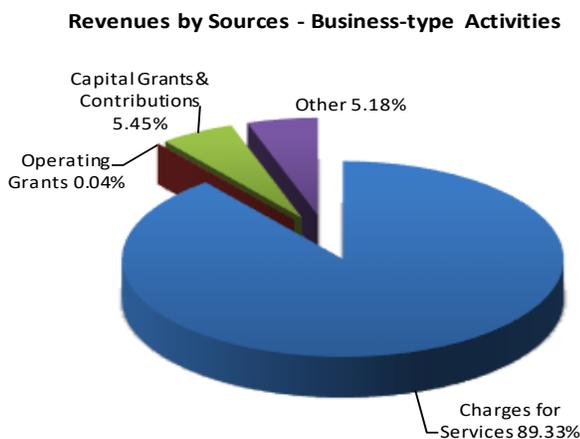
As reported on the statement of activities in the government-wide statements, net cost of services provided by governmental activities totaled \$60,757,197. Public Safety, which includes fire and police, reports program expenses of \$36,263,547; while program revenues were \$3,582,310. The result is a net cost of services for Public Safety totaling \$32,681,237.



The net amount of revenue and expenses from Public Safety is 53.8 percent of the total net cost of services provided by the City for governmental activities.

Transfers between the governmental activities from the business-type activities totaled \$14,998,527.

Business-type Activities



Business-type activities increased the City's net position by \$16,928,844. The primary elements of this change are as follows.

For the business-type activities, program and general revenues were \$31,927,371 greater than expenses (before transfers) and transfers of \$14,998,527 resulted in the net increase of \$16,928,844.

For business-type activities, 89.3 percent of the revenue came from charges for services.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City 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, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$141,384,452; an increase of \$71,432,090 from the prior year. The General Fund's portion of the total fund balance is \$22,827,269; an increase of \$3,618,324, of which \$12,274,382 is unassigned. The General CIP Fund's portion of the total balance is \$70,557,849; an increase of \$68,492,889 which is restricted for the construction of the Public Safety and City Facilities buildings. Other governmental funds and Debt Service comprise the remainder of the total fund balance in the amount of \$42,557,303 and \$5,442,031 respectively which is restricted, assigned or nonspendable.

The amounts that are unassigned represent funds not designated for a specific purpose. The remainder of fund balance is non-spendable, restricted, or assigned to indicate that it is not available for new spending. These amounts represent funds that are already committed to liquidate contracts and purchase orders of the prior period, pay debt, or a variety of other restricted purposes. See governmental fund detail beginning on page 29 of this report.

Proprietary Funds

The City's proprietary fund statements use basically the same accounting methods (full accrual) as those used in the government-wide statements. Because the accounting methods are similar, both statements provide the same types of information. However, the fund financial statements do present more detailed information about individual proprietary funds. See proprietary fund detail beginning on page 34 of this report. The internal service funds primarily benefit the governmental funds. Therefore, the internal service funds revenues that exceed expenses are eliminated in the government-wide statements. The activity of the internal service funds is grouped with the governmental funds on the government wide statements.

The City's Energy Department generates 57.9 percent of the Program Revenues (before operating transfers) for business-type activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets (Table 3) for its governmental and business-type activities as of June 30, 2019 and 2018 amounts to \$634,242,645 and \$616,912,198, respectively, (net of accumulated depreciation). The investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, library collection, roads, highways, sidewalks, bridges and construction in progress.

Table 3 - Capital Assets

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 174,330,467	\$ 172,491,435	\$ 48,066,510	\$ 47,077,735	\$ 222,396,977	\$ 219,569,170
Water stock			2,420,927	2,420,927	2,420,927	2,420,927
Machinery and equipment	14,422,825	15,596,427	5,514,564	6,685,917	19,937,389	22,282,344
Library collection	506,605	246,195	-	-	506,605	246,195
Buildings	58,086,259	60,197,494	47,140,747	48,970,891	105,227,006	109,168,385
Land improvements	11,379,859	11,805,587	25,768,562	19,633,599	37,148,421	31,439,186
Infrastructure	78,657,433	79,008,807	140,725,311	131,007,768	219,382,744	210,016,575
Construction in progress	7,057,964	8,319,558	20,164,612	13,449,858	27,222,576	21,769,416
Total	\$ 344,441,412	\$ 347,665,503	\$ 289,801,233	\$ 269,246,695	\$ 634,242,645	\$ 616,912,198

The total increase in the City's investment in capital assets for the current fiscal year was \$17,330,447 (net of accumulated depreciation). The capital assets in governmental activities decreased \$3,224,091 (net of accumulated depreciation). The capital assets in business-type activities increased \$20,554,538 (net of accumulated depreciation). The decrease in total assets in governmental activities is primarily the result of depreciation partially offset by an increase in land and the library collection during the fiscal year. The increase in business-type activities capital assets is primarily the result of the Energy Department related construction-in-progress and infrastructure improvements.

Additional information on the City's capital assets can be found in Note 4 of this report.

Long-term Debt

At the end of the 2019 fiscal year, the City had long-term debt (Table 4) totaling \$193,795,301. The bonded debt outstanding was \$168,970,400. Of this amount, \$103,961,042 is general obligation debt backed by the full faith and credit of the government. The remainder of the City's bonded debt, in the amount of \$65,009,358, represents bonds secured solely by specified revenue sources, i.e., revenue bonds.

Long-term debt also includes capital leases in the amount of \$7,273,894; accrued compensated absences of \$8,896,902 and net OPEB payable of \$7,504,600.

State statutes limit the amount of general obligation debt a governmental entity may issue up to four percent of its total assessed valuation. The current debt limitation for the City is \$377,689,000, which is significantly in excess of the City's outstanding general obligation debt of \$103,961,042, leaving a legal debt margin of \$273,727,958. (See detailed information in Statistical Section-Legal Debt Margin). More detailed information regarding long-term debt can be found in Note 8.

Table 4 – Long-term Debt

Table 4 - Long-term debt

	Totals	
	2019	2018
Governmental:		
General Obligation Bonds	\$ 103,961,042	\$ 35,411,471
Revenue Bonds	20,155,779	23,567,748
Notes Payable	1,149,504	0
Capital Leases	7,273,895	5,797,503
Accrued Compensated Absences	6,775,980	6,775,961
Net OPEB Payable	6,082,567	7,149,637
Total governmental	<u>145,398,767</u>	<u>78,702,320</u>
Business-type		
Revenue Bonds	44,853,579	47,156,093
Accrued Compensated Absences	2,120,922	2,073,448
Net OPEB Payable	1,422,033	1,671,502
Total Business-type	<u>48,396,534</u>	<u>50,901,043</u>
Total	<u><u>\$ 193,795,301</u></u>	<u><u>\$ 129,603,363</u></u>

BUDGETARY HIGHLIGHTS

General Fund Budgetary Highlights

The following is a brief review of significant budgeting changes from the original to the final budget for the General Fund:

Budget Appropriations

Police Compensation	\$5,248
Diesel Emission Removal	75,000
Urban Deer Program	10,500
Wildfire Revenues	162,200
Law Enforcement Officer	26,176
Apparatus Bay Purchase	139,530
Total	<u><u>\$418,654</u></u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

When preparing the City's budget for the 2020 fiscal year, there were several economic factors and trends taken into consideration. Elements of the budget process include projecting inflation, and the impact the national economy has on local economic growth. The state and local economy showed some improvement during the fiscal year ending June 30, 2019. The state and local unemployment rates have remained lower than the national rate. State and local sales tax revenues have slightly increased when compared to the prior fiscal year. These and other factors were considered in the City's budget for the 2019-2020 fiscal year. As of the date of this report, the fiscal 2020 revenues have been slightly more than budget.

REQUESTS FOR INFORMATION

The financial report is designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Provo City Finance Office, attention Division Director – Finance, 351 West Center Street, Provo, Utah, 84601.

PROVO CITY CORPORATION
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash	\$ 52,658,262	\$ 55,733,371	\$ 108,391,633
Restricted cash	89,890,117	2,001,561	91,891,678
Accounts receivable	24,440,951	13,878,704	38,319,655
Inventory	310,052	1,852,525	2,162,577
Internal balances	9,286,928	(9,286,928)	-
Total Current Assets	<u>176,586,310</u>	<u>64,179,233</u>	<u>240,765,543</u>
Noncurrent Assets:			
Capital Assets:			
Non Depreciable	181,388,431	70,652,049	252,040,480
Depreciable assets (net of depreciation)	163,052,981	219,149,184	382,202,165
Total Capital Assets	<u>344,441,412</u>	<u>289,801,233</u>	<u>634,242,645</u>
Other Assets:			
Notes and loans receivable	19,998,106	-	19,998,106
Investment in joint ventures	-	9,981,568	9,981,568
Other	1,611,727	-	1,611,727
Total Other Assets	<u>21,609,833</u>	<u>9,981,568</u>	<u>31,591,401</u>
Total Noncurrent Assets	<u>366,051,245</u>	<u>299,782,801</u>	<u>665,834,046</u>
Total Assets	<u>542,637,555</u>	<u>363,962,034</u>	<u>906,599,589</u>
Deferred Outflows of Resources	<u>15,520,768</u>	<u>2,705,891</u>	<u>18,226,659</u>
Liabilities and Net Assets			
Liabilities:			
Current Liabilities:			
Accounts payable	2,510,037	4,570,956	7,080,993
Accrued liabilities	6,557,320	6,691,341	13,248,661
Accrued interest payable	2,118,703	604,887	2,723,590
Customer deposits	7,292,982	1,171,417	8,464,399
Accrued compensated absences	2,032,793	636,278	2,669,071
Bonds, loans and leases payable	7,656,597	2,300,000	9,956,597
Total Current Liabilities	<u>28,168,432</u>	<u>15,974,879</u>	<u>44,143,311</u>
Long-term Liabilities:			
Accrued compensated absences	4,743,187	1,484,644	6,227,831
Net OPEB payable	6,082,567	1,422,033	7,504,600
Net pension liability	27,860,363	5,609,343	33,469,706
Lease payable	5,958,298	-	5,958,298
Note payable	1,149,504	-	1,149,504
Bonds payable	117,775,821	42,553,579	160,329,400
Total Long-term Liabilities	<u>163,569,740</u>	<u>51,069,599</u>	<u>214,639,339</u>
Total Liabilities	<u>191,738,172</u>	<u>67,044,478</u>	<u>258,782,650</u>
Deferred Inflows of Resources	<u>18,393,275</u>	<u>432,322</u>	<u>18,825,597</u>
Net Position			
Net investment in capital assets	281,008,409	245,278,480	526,286,889
Restricted for:			
Debt service	1,784,582	1,174,176	2,958,758
Capital projects	9,164,423	827,385	9,991,808
Unrestricted	56,069,462	51,911,084	107,980,546
Total Net Position	<u>\$ 348,026,876</u>	<u>\$ 299,191,125</u>	<u>\$ 647,218,001</u>

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Statement of Activities
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 18,401,939	\$ 754,295	\$ 1,897,560	\$ -	\$ (15,750,084)	\$ -	\$ (15,750,084)
Public safety	36,263,547	2,002,735	934,002	645,573	(32,681,237)	-	(32,681,237)
Public services	4,817,070	1,558,837	3,698,761	417,806	858,334	-	858,334
Culture and recreation	18,438,144	6,748,532	43,096	1,474,634	(10,171,882)	-	(10,171,882)
Community revitalization	8,273,032	2,180,378	1,911,822	5,321,921	1,141,089	-	1,141,089
Interest on long-term debt	4,153,417	-	-	-	(4,153,417)	-	(4,153,417)
Total governmental activities	<u>90,347,149</u>	<u>13,244,777</u>	<u>8,485,241</u>	<u>7,859,934</u>	<u>(60,757,197)</u>	<u>-</u>	<u>(60,757,197)</u>
Business-type activities:							
Golf course	1,575,803	936,358	-	-	-	(639,445)	(639,445)
Water	11,266,122	14,477,581	-	338,248	-	3,549,707	3,549,707
Waste water	7,559,952	14,863,919	-	858,198	-	8,162,165	8,162,165
Energy	67,460,174	73,247,473	-	507,451	-	6,294,750	6,294,750
Airport	3,284,400	1,344,372	-	5,352,165	-	3,412,137	3,412,137
Utility transportation	1,994,134	2,150,893	-	-	-	156,759	156,759
Sanitation	4,355,800	5,563,966	-	-	-	1,208,166	1,208,166
Storm drain	2,431,569	5,318,484	-	218,134	-	3,105,049	3,105,049
Ice Sheet	1,644,985	1,353,780	50,000	-	-	(241,205)	(241,205)
Total business-type activities	<u>101,572,939</u>	<u>119,256,826</u>	<u>50,000</u>	<u>7,274,196</u>	<u>-</u>	<u>25,008,083</u>	<u>25,008,083</u>
Total primary government	<u>\$ 191,920,088</u>	<u>\$ 132,501,603</u>	<u>\$ 8,535,241</u>	<u>\$ 15,134,130</u>	<u>(60,757,197)</u>	<u>25,008,083</u>	<u>(35,749,114)</u>
General revenues:							
Taxes:							
Property					12,090,421	-	12,090,421
Vehicle					773,424	-	773,424
Sales					19,582,083	-	19,582,083
Franchise					9,754,177	-	9,754,177
RAP					1,349,125	-	1,349,125
Other					848,059	-	848,059
Investment earnings					2,947,191	2,427,192	5,374,383
Miscellaneous					408,414	4,492,096	4,900,510
Transfers					14,998,527	(14,998,527)	-
Total general revenues and transfers					<u>62,751,421</u>	<u>(8,079,239)</u>	<u>54,672,182</u>
Change in net position					1,994,224	16,928,844	18,923,068
Net position-beginning					346,032,652	282,262,281	628,294,933
Net position-ending					<u>\$ 348,026,876</u>	<u>\$ 299,191,125</u>	<u>\$ 647,218,001</u>

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Balance Sheet – Governmental Funds
June 30, 2019

	Governmental Fund Types				Total Governmental Funds
	General	Debt Service	General CIP	Other Governmental Funds	
Assets:					
Cash	\$ 19,570,240	\$ 3,456,796	\$ -	\$ 10,564,904	\$ 33,591,940
Restricted cash	3,775,201	1,784,582	70,576,310	11,256,470	87,392,563
Accounts receivable	11,872,996	8,098,738	-	4,449,653	24,421,387
Inventory	63,972	-	-	-	63,972
Notes and loans receivable	1,723,026	-	-	19,120,596	20,843,622
Interfund loan receivable	2,029,396	-	-	-	2,029,396
Other	11,836	-	-	1,599,891	1,611,727
Due from other funds	1,582,508	-	-	-	1,582,508
Total assets	\$ 40,629,175	\$ 13,340,116	\$ 70,576,310	\$ 46,991,514	\$ 171,537,115
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities					
Accounts payable	\$ 1,027,693	\$ -	\$ 18,461	\$ 775,778	\$ 1,821,932
Accrued liabilities	2,378,405	5	-	137,945	2,516,355
Customer deposits	7,292,982	-	-	-	7,292,982
Total liabilities	10,699,080	5	18,461	913,723	11,631,269
Deferred Inflows of Resources					
Deferred property tax revenue	4,848,615	7,898,080	-	3,520,488	16,267,183
Deferred unavailable revenue	606,185	-	-	-	606,185
Deferred revenue-loans receivable	1,648,026	-	-	-	1,648,026
Total Deferred Inflows of Resources	7,102,826	7,898,080	-	3,520,488	18,521,394
Fund balances					
Nonspendable	2,105,204	-	-	1,599,891	3,705,095
Restricted	3,850,873	5,442,031	70,557,849	37,485,908	117,336,661
Assigned	4,596,810	-	-	3,471,504	8,068,314
Unassigned	12,274,382	-	-	-	12,274,382
Total fund balances	22,827,269	5,442,031	70,557,849	42,557,303	141,384,452
Total liabilities, deferred inflows of resources and fund balances	\$ 40,629,175	\$ 13,340,116	\$ 70,576,310	\$ 46,991,514	\$ 171,537,115

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Reconciliation to the Balance Sheet – Governmental Funds
To the Statement of Net Position
June 30, 2019

Total fund balance	\$141,384,452
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the fund statements.	331,370,919
Deferred loss on refunding not available for current period expenditures and is therefore deferred in the funds balance sheet.	2,082,189
An allowance for doubtful accounts is recorded on the entity-wide statements and not reported on the fund statements.	(845,516)
Notes and other receivables recorded on the entity-wide statements and not reported on the fund statements.	19,564
Net pension assets and liabilities are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.	(15,901,223)
Accrued interest is recorded in the entity-wide statements but not reported in the fund statements.	(2,092,601)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, maintenance, vehicles and employee benefits to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	24,844,462
The proprietary funds cumulative allocation of the internal service funds net income based on use of service are included in the entitywide statements.	5,675,024
Deferred revenue was reported in the funds to offset certain loan receivables. In the governmental activities, no expense or revenue is recorded when a loan is made or paid off leaving no deferred revenue liability associated with the loan receivable.	2,254,211
Accrued compensated absences are not due and payable in the current period and are not reported in the funds.	(6,464,103)
Net OPEB reported in the governmental activities and not in the fund statements.	(5,812,692)
Long-term liabilities, including bonds payable are not due and payable in the current period and are not reported in the funds.	<u>(128,487,810)</u>
Net position of governmental activities	<u><u>\$348,026,876</u></u>

PROVO CITY CORPORATION
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2019

	Governmental Fund Types				Total Governmental Funds
	General	Debt Service	General CIP	Other Governmental Funds	
Revenues:					
Taxes	\$ 36,515,647	\$ 3,697,349	\$ -	\$ 3,977,147	\$ 44,190,143
Licenses and permits	1,577,817	-	-	-	1,577,817
Intergovernmental	6,132,533	-	-	8,359,513	14,492,046
Charges for services	10,712,426	-	-	1,002,032	11,714,458
Fines and forfeitures	1,871,934	-	-	-	1,871,934
Impact fees	-	-	-	1,863,881	1,863,881
Interest income	793,105	135,375	815,022	529,646	2,273,148
Loan interest repayments	225,642	-	-	107,774	333,416
Lease income	49,275	-	-	-	49,275
Miscellaneous	42,471	-	-	16,774	59,245
Total revenues	57,920,850	3,832,724	815,022	15,856,767	78,425,363
Expenditures:					
Current:					
General government	12,102,684	-	-	-	12,102,684
Public safety	30,751,377	-	-	-	30,751,377
Public services	4,139,504	-	-	-	4,139,504
Culture and recreation	11,192,976	-	-	4,517,116	15,710,092
Community revitalization	3,407,026	3,225	-	3,645,948	7,056,199
Total current expenditures	61,593,567	3,225	-	8,163,064	69,759,856
Debt service:					
Interest	1,565	2,594,681	-	10,130	2,606,376
Rent/Lease	-	836,111	-	-	836,111
Principal on debt	-	3,952,000	-	1,520,496	5,472,496
Service fees on debt and issuance costs	-	725,077	-	-	725,077
Total debt service	1,565	8,107,869	-	1,530,626	9,640,060
Capital outlay:					
Capital outlay	2,719,109	-	3,160,470	9,515,063	15,394,642
Total expenditures	64,314,241	8,111,094	3,160,470	19,208,753	94,794,558
Excess (deficiency) of revenues over (under) expenditures	(6,393,391)	(4,278,370)	(2,345,448)	(3,351,986)	(16,369,195)
Other financing sources (uses):					
Transfers from other funds	11,886,117	4,514,786	700,465	1,002,335	18,103,703
Transfers to other funds	(2,549,711)	(1,183,921)	-	(219,902)	(3,953,534)
Proceeds from bond issuance	-	712,386	65,217,614	-	65,930,000
Proceeds from bond premium	-	-	4,920,258	-	4,920,258
Proceeds from sale of assets	675,309	-	-	2,125,549	2,800,858
Total other financing sources (uses)	10,011,715	4,043,251	70,838,337	2,907,982	87,801,285
Net change in fund balances	3,618,324	(235,119)	68,492,889	(444,004)	71,432,090
Fund balance at beginning of year	19,208,945	5,677,150	2,064,960	43,001,307	69,952,362
Fund balance at end of year	\$ 22,827,269	\$ 5,442,031	\$ 70,557,849	\$ 42,557,303	\$ 141,384,452

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2019

Net change in fund balances--total governmental funds \$ 71,432,090

Amounts reported for the governmental activities in the statements of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	391,805
In the Statement of Activities, only the gain on the sale is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net cost of the assets sold.	(3,727,569)
Revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements.	(1,581,015)
Pension and OPEB recorded in governmental activities and not in the fund statements.	(134,528)
The issuance of long-term debt (e.g., bonds, leases) 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. Repayment of principal on debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(65,309,801)
The proprietary funds allocation of the internal service funds net loss is based on use of service included in the entity-wide statements.	(889,335)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, maintenance, vehicles and employee benefits to individual funds. The net revenue (expense) associated with the internal service funds is reported with governmental activities.	<u>1,812,577</u>

Change in net position of governmental activities \$ 1,994,224

PROVO CITY CORPORATION
Budgetary Comparison Statement – General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 35,898,676	\$ 35,898,676	\$ 36,515,647	\$ 616,971
Licenses and permits	1,493,000	1,493,000	1,577,817	84,817
Intergovernmental	4,116,000	4,136,000	6,132,533	1,996,533
Charges for services	9,651,797	9,651,797	10,712,426	1,060,629
Fines and forfeitures	1,582,000	1,582,000	1,871,934	289,934
Interest income	334,000	334,000	793,105	459,105
Loan interest repayments	-	-	225,642	225,642
Lease income	-	-	49,275	49,275
Miscellaneous	1,751,513	1,751,513	42,471	(1,709,042)
Total revenues	<u>54,826,986</u>	<u>54,846,986</u>	<u>57,920,850</u>	<u>3,073,864</u>
Expenditures:				
Current:				
Mayor's Office	1,559,964	1,708,756	1,514,588	194,168
Municipal Council	1,084,874	1,130,121	1,020,991	109,130
Finance	1,293,148	1,328,975	1,289,377	39,598
Human Resources	991,673	1,023,133	969,316	53,817
Recorder	195,055	218,204	119,624	98,580
Justice Court	1,432,850	1,436,039	1,434,804	1,235
Legal	1,621,050	1,621,048	1,535,921	85,127
Community Development	2,881,113	2,979,093	2,667,379	311,714
Economic Development	754,996	1,033,849	739,647	294,202
Information Systems	3,245,748	3,992,796	3,470,924	521,872
Nondepartmental	650,051	2,884,327	747,139	2,137,188
Police	19,213,888	20,202,909	19,681,553	521,356
Fire	10,286,100	11,415,877	11,069,824	346,053
Streets	2,139,393	2,221,644	1,908,603	313,041
Engineering	2,253,590	2,343,694	2,230,901	112,793
Parks & Recreation	13,056,529	13,022,795	11,192,976	1,829,819
Total current expenditures	<u>62,660,022</u>	<u>68,563,260</u>	<u>61,593,567</u>	<u>6,969,693</u>
Debt service:				
Interest	-	-	1,565	(1,565)
Total debt service	<u>-</u>	<u>-</u>	<u>1,565</u>	<u>(1,565)</u>
Capital outlay:				
Capital outlay	<u>3,150,000</u>	<u>5,969,124</u>	<u>2,719,109</u>	<u>3,250,015</u>
Total expenditures	<u>65,810,022</u>	<u>74,532,384</u>	<u>64,314,241</u>	<u>10,218,143</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,983,036)</u>	<u>(19,685,398)</u>	<u>(6,393,391)</u>	<u>13,292,007</u>
Other financing sources (uses):				
Transfers from other funds	12,512,076	12,512,076	11,886,117	(625,959)
Transfers to other funds	(2,556,238)	(2,813,196)	(2,549,711)	263,485
Proceeds from land sales	-	-	675,309	675,309
Total other financing sources (uses)	<u>9,955,838</u>	<u>9,698,880</u>	<u>10,011,715</u>	<u>312,835</u>
Net change in fund balance	<u>\$ (1,027,198)</u>	<u>\$ (9,986,518)</u>	<u>3,618,324</u>	<u>\$ 13,604,842</u>
Fund balance at beginning of year			<u>19,208,945</u>	
Fund balance at end of year			<u>\$ 22,827,269</u>	

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Statement of Position – Proprietary Funds
June 30, 2019

	Water	Waste- Water	Energy	Airport	Total Nonmajor Proprietary Funds	Total	Governmental Activities Internal Service Funds
Assets							
Current Assets:							
Cash	\$ 6,880,418	\$ 7,679,258	\$ 33,115,946	\$ -	\$ 8,057,749	\$ 55,733,371	\$ 19,066,322
Restricted cash	330,361	275,325	568,025	827,385	465	2,001,561	2,497,554
Accounts receivable	2,248,118	1,664,736	8,225,408	208,789	1,531,653	13,878,704	-
Inventory	921,038	-	931,487	-	-	1,852,525	246,080
Total Current Assets	10,379,935	9,619,319	42,840,866	1,036,174	9,589,867	73,466,161	21,809,956
Noncurrent Assets:							
Capital Assets:							
Non Depreciable	12,936,734	5,790,592	4,243,611	16,158,930	31,522,182	70,652,049	31,166
Depreciable assets	57,081,510	39,209,156	68,245,751	27,259,793	27,352,974	219,149,184	13,039,327
Net Capital Assets	70,018,244	44,999,748	72,489,362	43,418,723	58,875,156	289,801,233	13,070,493
Equity in Joint Venture	-	-	-	-	9,981,568	9,981,568	-
Total Noncurrent Assets	70,018,244	44,999,748	72,489,362	43,418,723	68,856,724	299,782,801	13,070,493
Total Assets	80,398,179	54,619,067	115,330,228	44,454,897	78,446,591	373,248,962	34,880,449
Deferred outflows of resources							
Deferred outflows related to pensions	568,518	298,418	1,381,081	84,904	372,970	2,705,891	524,645
Total deferred outflows of resources	568,518	298,418	1,381,081	84,904	372,970	2,705,891	524,645

The accompanying notes are an integral part of these financial statements.

(Continued)

PROVO CITY CORPORATION
Statement of Position – Proprietary Funds (Continued)
June 30, 2019

	Water	Waste- Water	Energy	Airport	Total Nonmajor Proprietary Funds	Total	Governmental Activities Internal Service Funds
Liabilities & Net Position							
Liabilities:							
Accounts payable	426,330	2,534,800	254,948	295,514	1,059,364	4,570,956	688,105
Accrued liabilities	137,231	92,467	6,271,673	17,438	172,532	6,691,341	4,040,965
Customer deposits	278,990	33,499	861,736	1,260	(4,068)	1,171,417	-
Accrued interest payable	151,068	125,909	239,974	73,271	14,665	604,887	26,102
Accrued compensated absences	137,053	73,642	312,387	30,200	82,996	636,278	93,563
Bonds, leases and loans payable	420,000	350,000	770,000	130,000	630,000	2,300,000	530,322
Total Current Liabilities	1,550,672	3,210,317	8,710,718	547,683	1,955,489	15,974,879	5,379,057
Long-term Liabilities							
Due to other funds	-	-	-	1,582,508	-	1,582,508	-
Accrued compensated absences	319,789	171,831	728,901	70,466	193,657	1,484,644	218,314
Net OPEB payable	352,913	134,937	529,370	31,139	373,674	1,422,033	269,875
Net pension liability	1,178,553	618,628	2,863,014	176,003	773,145	5,609,343	1,087,600
Interfund loan payable	-	-	-	-	2,029,396	2,029,396	-
Lease payable	-	-	-	-	-	-	3,522,088
Bonds payable	9,869,054	8,229,669	16,398,744	5,343,093	2,713,019	42,553,579	-
Total Long-term Liabilities	11,720,309	9,155,065	20,520,029	7,203,209	6,082,891	54,681,503	5,097,877
Total Liabilities	13,270,981	12,365,382	29,230,747	7,750,892	8,038,380	70,656,382	10,476,934
Deferred inflows of resources							
Deferred inflows related to pensions	84,044	44,162	204,462	12,572	55,226	400,466	77,608
Deferred inflows related to OPEB	7,964	3,045	11,946	703	8,198	31,856	6,090
Total deferred inflows of resources	92,008	47,207	216,408	13,275	63,424	432,322	83,698
Net Position							
Net investment in capital assets	60,059,551	36,420,079	55,320,618	37,945,630	55,532,602	245,278,480	9,018,083
Restricted for:							
Capital projects	-	-	-	827,385	-	827,385	-
Debt service	330,361	275,325	568,025	-	465	1,174,176	-
Unrestricted	7,213,796	5,809,492	31,375,511	(1,997,381)	15,184,690	57,586,108	15,826,379
Total Net Position	\$ 67,603,708	\$ 42,504,896	\$ 87,264,154	\$ 36,775,634	\$ 70,717,757	\$ 304,866,149	\$ 24,844,462

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2019

	Water	Waste-Water	Energy	Airport	Total Nonmajor Proprietary Funds	Total	Governmental Activities Internal Service Funds
Operating Revenues:							
Charges for services	\$ 14,395,471	\$ 14,854,869	\$ 72,423,540	\$ -	\$ 14,598,536	\$ 116,272,416	\$ 16,639,276
Fees & rentals	82,110	-	811,692	485,549	724,945	2,104,296	-
Lease income	-	9,050	12,241	858,823	-	880,114	-
Miscellaneous	91,211	134,785	3,069,729	187,356	1,009,015	4,492,096	921,648
Taxes	-	-	-	-	-	-	207,146
Total operating revenues	14,568,792	14,998,704	76,317,202	1,531,728	16,332,496	123,748,922	17,768,070
Operating expenses:							
Salaries and wages	2,061,358	1,456,197	4,733,206	287,051	2,520,121	11,057,933	2,163,319
Employee benefits	1,184,548	890,942	2,743,930	147,392	1,132,285	6,099,097	1,183,723
Operating expenses	5,579,370	3,778,359	55,268,199	749,394	7,643,692	73,019,014	8,097,717
Depreciation	2,212,356	1,279,890	4,252,595	1,983,019	973,099	10,700,959	4,016,990
Total operating expenses	11,037,632	7,405,388	66,997,930	3,166,856	12,269,197	100,877,003	15,461,749
Operating income (loss)	3,531,160	7,593,316	9,319,272	(1,635,128)	4,063,299	22,871,919	2,306,321
Nonoperating revenues (expenses)							
Intergovernmental revenue	-	-	-	-	50,000	50,000	-
Interest income	202,167	364,224	1,019,255	49,954	146,309	1,781,909	291,352
Interest expense	(314,895)	(262,727)	(556,923)	(162,527)	(185,338)	(1,482,410)	(53,814)
Gain (loss) on disp. of assets	-	-	(51,143)	-	-	(51,143)	(1,579,640)
Joint Venture gain (loss)	-	-	-	-	645,283	645,283	-
Total nonoperating revenues (expenses)	(112,728)	101,497	411,189	(112,573)	656,254	943,639	(1,342,102)
Income before contributions and transfers	3,418,432	7,694,813	9,730,461	(1,747,701)	4,719,553	23,815,558	964,219
Capital contributions	338,248	858,198	507,451	5,352,165	218,134	7,274,196	-
Transfers in	583,820	-	-	91,230	256,958	932,008	848,358
Transfers out	(1,657,204)	(1,905,556)	(11,117,409)	-	(1,250,366)	(15,930,535)	-
Change in Net Position	2,683,296	6,647,455	(879,497)	3,695,694	3,944,279	16,091,227	1,812,577
Net Position at beginning of year	64,920,412	35,857,441	88,143,651	33,079,940	66,773,478	288,774,922	23,031,885
Net Position at end of year	\$ 67,603,708	\$ 42,504,896	\$ 87,264,154	\$ 36,775,634	\$ 70,717,757	\$ 304,866,149	\$ 24,844,462

Change in net position (proprietary funds) \$ 16,091,227

Amounts reported for business activities in the statement of activities are different because:

Internal service funds are used by management to charge the cost of certain activities, such as insurance, maintenance, vehicles and employee benefits to individual funds. The net revenue (expense) associated with the internal service fund was allocated based on use of service to the individual funds in the statement of activities.

837,617

Change in net position (statement of activities)

\$ 16,928,844

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2019

	Water	Waste- water	Energy	Airport	Total Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
Cash flows from operating activities:							
Receipts from customers and users	\$ 15,005,769	\$ 14,628,621	\$ 77,686,026	\$ 1,531,728	\$ 16,057,737	\$ 124,909,881	\$ 17,768,556
Payments to suppliers	(5,288,077)	(2,385,565)	(55,402,811)	(4,450,000)	(7,108,953)	(74,635,406)	(6,632,213)
Payments to employees	(3,272,155)	(2,341,986)	(8,039,673)	(428,369)	(3,617,026)	(17,699,209)	(3,324,855)
Payments for claims	-	-	-	-	-	-	(1,729,513)
Net cash provided (used) by operating activities	<u>6,445,537</u>	<u>9,901,070</u>	<u>14,243,542</u>	<u>(3,346,641)</u>	<u>5,331,758</u>	<u>32,575,266</u>	<u>6,081,975</u>
Cash flows from noncapital financing activities:							
Impact fees	338,248	858,198	507,451	-	218,134	1,922,031	-
Federal and other grants	-	-	-	7,011,000	50,200	7,061,200	-
Transfers from other funds	583,820	-	-	91,230	256,958	932,008	848,358
Transfers to other funds	(1,657,204)	(1,905,556)	(11,117,409)	-	(1,250,366)	(15,930,535)	-
Net cash provided (used) by noncapital financing activities	<u>(735,136)</u>	<u>(1,047,358)</u>	<u>(10,609,958)</u>	<u>8,684,738</u>	<u>(725,074)</u>	<u>(4,432,788)</u>	<u>848,358</u>
Cash flows from capital and related financing activities:							
Payments for capital acquisitions	(2,394,212)	(14,643,226)	(4,734,460)	(7,068,294)	(2,466,446)	(31,306,638)	(4,754,505)
Principal paid on bonds payable	(400,000)	(335,000)	(750,000)	-	(610,000)	(2,095,000)	-
Proceeds from interfund loan payable	-	-	-	-	2,029,396	2,029,396	-
Interest paid on bonds payable	(390,125)	(325,750)	(611,024)	(196,575)	(191,076)	(1,714,550)	-
Principal paid on lease payable	-	-	-	-	-	-	(241,362)
Interest paid on notes & lease payable	-	-	-	-	-	-	(39,205)
Net cash provided (used) by capital and related financing activities	<u>(3,184,337)</u>	<u>(15,303,976)</u>	<u>(6,095,484)</u>	<u>(7,264,869)</u>	<u>(1,238,126)</u>	<u>(33,086,792)</u>	<u>(2,545,072)</u>
Cash flows from investing activities:							
Receipts of interest	202,167	364,224	1,019,255	49,954	146,309	1,781,909	291,352
Net cash provided by investing activities	<u>202,167</u>	<u>364,224</u>	<u>1,019,255</u>	<u>49,954</u>	<u>146,309</u>	<u>1,781,909</u>	<u>291,352</u>
Net increase (decrease) in cash	2,728,231	(6,086,040)	(1,442,645)	(1,876,818)	3,514,867	(3,162,405)	4,676,613
Cash at beginning of year	4,482,548	14,040,623	35,126,616	2,704,203	4,543,347	60,897,337	16,887,263
Cash at end of year	<u>\$ 7,210,779</u>	<u>\$ 7,954,583</u>	<u>\$ 33,683,971</u>	<u>\$ 827,385</u>	<u>\$ 8,058,214</u>	<u>\$ 57,734,932</u>	<u>\$ 21,563,876</u>
Cash at end of year consists of:							
Cash	\$ 6,880,418	\$ 7,679,258	\$ 33,115,946	\$ -	\$8,057,749	\$ 55,733,371	\$ 19,066,322
Restricted cash	330,361	275,325	568,025	827,385	465	2,001,561	2,497,554
Total Cash	<u>\$ 7,210,779</u>	<u>\$ 7,954,583</u>	<u>\$ 33,683,971</u>	<u>\$ 827,385</u>	<u>\$ 8,058,214</u>	<u>\$ 57,734,932</u>	<u>\$ 21,563,876</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

PROVO CITY CORPORATION
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended June 30, 2019

	Water	Waste- water	Energy	Airport	Utility Transportation	Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 3,531,160	\$ 7,593,316	\$ 9,319,272	\$ (1,635,128)	\$ 4,063,299	\$ 22,871,919	\$ 2,306,321
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	2,212,356	1,279,890	4,252,595	1,983,019	973,098	10,700,958	4,016,992
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	436,977	(370,083)	1,368,824	-	(269,759)	1,165,959	486
Decrease (increase) in inventory	437,449	-	8,350	-	-	445,799	(104,456)
Increase (decrease) in accounts payable	(272,701)	1,431,674	(54,403)	(3,700,606)	533,216	(2,062,820)	(511,098)
Increase (decrease) in accrued liabilities	(14,434)	3,604	(577,418)	2,802	2,758	(582,688)	361,868
Increase (decrease) in customer deposits	126,545	(38,880)	(88,559)	-	(5,441)	(6,335)	-
Increase (decrease) in accrued compensated absences	(11,815)	1,549	14,881	3,272	39,587	47,474	11,862
Net cash provided by (used in) operating activities	<u>\$ 6,445,537</u>	<u>\$ 9,901,070</u>	<u>\$ 14,243,542</u>	<u>\$ (3,346,641)</u>	<u>\$ 5,331,758</u>	<u>\$ 32,575,266</u>	<u>\$ 6,081,975</u>

The accompanying notes are an integral part of these financial statements.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

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PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Provo City Corporation (City) was incorporated on February 6th of 1851, and is a political subdivision of the State of Utah. The City is governed by an elected mayor and seven elected council members. The City provides services to residents and businesses in a multitude of areas including police and fire protection, parks and recreation, economic development, planning and zoning, water, sewer treatment, airport, golf course, energy and general administrative services.

As required by generally accepted accounting principles, this report presents the financial information of both Provo City Corporation (the primary government) and its component units. The City has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The criteria to be considered in determining financial accountability has been set forth in the Governmental Accounting Standards Board's (GASB) Statement No. 61. These criteria include (1) substantively the same governing body, (2) the primary government and the component unit have a financial benefit or burden relationship, or (3) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

Blended Component Units

Blended component units are entities which are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. They have the same governing board and provide services almost entirely to the City. They are reported as funds of the City. These are organizations for which the City is financially accountable, and the relationship with the City is significant enough that exclusions would possibly lead to misleading or incomplete Financial Statements. To obtain separate individual component unit financial statements, please send the request to Provo City, c/o Finance Department, 351 W. Center St., Provo, UT 84601.

Included in this report are the following blended component units.

The **Provo City Redevelopment Agency** was established to administer and disburse funds which are received through the federal office of Housing and Urban Development. The board of directors consists of the serving members of the City's municipal council. The bond issuance authorizations are approved by the City's municipal council, and the legal liability for those bonds remains with the City. The Agency is reported as a special revenue fund.

The **Provo City Stormwater Service District** serves all the citizens of the government and is governed by a board of directors consisting of the City's municipal council. The rates for user charges and bond issuance authorizations are approved by the City's municipal council, and legal liability remains with the City. The District is reported as an enterprise fund.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related Organizations

A related organization is an organization for which the City is not financially accountable (because it does not have a financial benefit relationship) even though the City appoints a voting majority of the organization's governing board.

Related organizations include the following:

The Provo City Housing Authority Board of Directors is appointed by the Mayor, with the advice and consent of the City's Municipal Council. The Board of Directors controls personnel, management, finances and budget.

The **Provo Foundation** was created April 17, 1984 to provide for the receipt of contributions to the Foundation and was incorporated October 10, 1987. It has received tax exempt status under section 501 (a) as an organization described in section 501(c)(3) of the Internal Revenue Code. The Board of Trustees includes the Mayor, Council Chair and prominent individuals in the community that are selected by the Board of Trustees. The mission of the Foundation is to fund projects that benefit the Citizens of Provo.

The Metropolitan Water District of Provo Board of Directors is selected by the City's Municipal Council from a list of qualified applicants. The Board of Directors controls the personnel, management, finances and budget. The Metropolitan Water District of Provo was created under UCA section 17A-2-800. Because the majority of the board is appointed, it is treated as a related organization, not as a component unit.

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

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements, i.e., the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed, in whole or in part, by fees charged to external parties for goods or services.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are amounts that are reasonably equivalent in value to the interfund services provided and other charges between the government's enterprise fund functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The government-wide statement of net position presents information on all of the City's assets and liabilities, and the difference between the two is reported as net position. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that 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.

Indirect costs in the governmental activities that are not associated directly with a function or program in the City are included in the general government activities in the entity-wide statements.

Fund Financial Statements

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The City's funds are organized into two major categories: governmental and proprietary. Separate financial statements are provided for each of these categories. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Non-major funds are aggregated and presented in a single column. A fund is considered major if it is the primary operating (general) fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenue or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

As per the above criteria, the City's general fund is a major fund, as well as the debt service fund and the general CIP fund. The City may also report other individual governmental funds as major funds if they are determined to be of particular importance to financial statement users. All other governmental funds are non-major.

The following is a classification of the City's individual funds.

Governmental Fund Types

The General Fund is the primary fund of the City. This fund is used to account for all financial resources not accounted for in other funds.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Special revenue funds are used by the City to account for revenues derived from specific taxes, licenses and intergovernmental grants which are designated to finance particular functions or activities of the City.

Debt service funds are used to account for the accumulation of resources for the payment of general obligation bonds and for the accumulation of special assessments for the payment of special improvement bonds.

Capital project funds are used to account for resources designated to construct governmental capital assets which may require more than one fiscal year for completion.

Proprietary Fund Types

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City is that (1) the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or, (2) the City has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The existing enterprise funds account for construction; operation; maintenance; related debt; and property, plant and equipment within each fund. The City-owned airport, energy utility, water utility, and wastewater utility are classified as major funds.

Internal service funds are used to account for the financing of services provided by one department to other departments within the City. The City maintains internal service funds for employee benefits, insurance/claims, fleet management, telecom, customer service, computer replacement and facility maintenance.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements and the fund financial statements for proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used. Major revenues susceptible to accrual are property tax, sales tax, franchise, interest, grant receivables and utility receivables.

Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund financial statements, other than proprietary funds, 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. Measurable means knowing or being able to reasonably estimate the amount. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues, such as property tax, sales tax, franchise fees, interest and receivables, to be available if they are collected within 60 days of the end of the current fiscal period.

As under accrual accounting, expenditures, including capital outlay, generally are recorded when a liability is incurred. Expenditures related to principal and interest on general long-term debt that has not matured, compensated absences, and claims and judgments are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

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 the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as 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.

C. Reconciliation of Government-wide and Fund Financial Statements

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the assets, liabilities, revenues and expense/expenditures reported on the fund financial statements and the government-wide financial statements. For example, many long-term assets and liabilities are excluded from the fund balance sheet but are included in the entity-wide financial statements. As a result there must be reconciliation between the two statements to explain the differences. Reconciliation is included as part of the fund financial statements (see pages 30,32).

D. Cash and Investments

Cash includes amounts in demand deposits, sweep accounts, escrows with trustees, and the State Treasurer's investment pool, as well as short-term investments with maturities of three months or less (cash equivalents) such as money market accounts and certificates of deposit.

Investments are stated at fair value. Deposits and investments appear as cash, restricted cash and restricted assets on the balance sheets.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered and for short-term interfund loans or transfers. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Loans are reported as receivables and payables and are classified as "due from other funds" or "due to other funds" on the balance sheet of the governmental fund financial statements. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

When an internal service fund provides goods or services to another fund, redundancy is inherent because expenditures/expenses are reported in both the fund providing and the fund receiving the goods or services. Since internal service funds primarily benefit governmental funds, they are included in the governmental activities in the entity-wide statements. The basic assumption for internal service funds is that they operate on a breakeven basis. Accordingly, any net profit or loss has been allocated to the functions that benefited from the goods or services provided based on proportionate benefit. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All other inter-fund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation between the governmental fund statements and the government-wide columnar presentation.

F. Inventories

Inventories of supplies for the proprietary fund types are stated at cost and are accounted for on a current cost basis. Inventory items within the proprietary funds are considered expenses when used (consumption method). Inventory items in the governmental funds are considered expenditures when purchased (purchase method).

G. Prepaid Items

Any payments made to vendors on or before June 30, 2019, for services performed or received after that date are recorded as prepaid items.

H. Restricted Assets

Net position is reported as restricted on the entity-wide statements when constraints placed on net position use are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or, (b) imposed by law through constitutional provisions or enabling legislation. As an example, certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On the fund financial statements, cash is often restricted to a particular use due to statutory or budgetary requirements and is classified as “restricted cash” on the balance sheet.

I. Capital Assets

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. In the government-wide financial statements and in the fund financial statements for proprietary funds, capital asset expenditures are treated as capital assets. Capital assets include property, plant, equipment and infrastructure assets, e.g., roads, bridges, sidewalks, and similar items.

Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Prior to July 1, 2001, governmental funds’ infrastructure assets were not capitalized. The GASB statement No. 34 requires a capitalization of infrastructure, but permitted an optional four-year delay for implementation of the infrastructure capitalization. The implementation of this portion of GASB No. 34 was not delayed for the majority of the City’s assets. Most of the City’s assets (with acquisition dates as far back as June 30, 1980) were valued at actual historical cost (when available) or estimated historical cost and capitalized in the 2002 fiscal year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets in business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset	Years
Building improvements	20
Building (New)	40
Bridges	60
Electronic Equipment	5
Energy Infrastructure	30
Land Improvements	20
Machinery & Equipment	7
Roads	20
Sidewalk	50
Trails	10
Traffic Singals	30
Vehicles	5
Storm Water Infrastructure	75
Water Infrastructure	75
Waste Water Infrastructure	75

J. Compensated Absences

City policy provides for employees to be paid 100 percent of the unused portion of vacation leave and 25 percent of the unused portion of sick leave (except employees with 20 years or more of full-time service receive 50 percent), when they retire or terminate employment. In the entity-wide statements and the proprietary funds, a provision has been made to account for all of the earned, unused vacation leave and sick pay that would be paid to an employee if he or she were to leave the City on June 30, 2019. The number of years of service determines whether the employee will receive 25 percent or 50 percent of unused sick pay balance. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is therefore deferred until that time. The City recognizes deferred inflows of resources related to pensions.

Governmental funds report revenue that is unavailable as deferred inflows of resources, which primarily includes unavailable revenue from property taxes and loans receivable. These amounts are deferred and recognized as revenue in the period that the amounts become available.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The City also recognizes deferred outflows of resources related to pensions.

L. Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All long-term debts to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of accrued compensated absences, bonds payable and capital leases.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and the payment of principal and interest are reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

M. Fund Equity

In the fund financial statements, governmental funds report fund balance as restricted for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assigned fund balances represent tentative management plans that are subject to change. Unassigned fund balances are available for appropriation by the City's governing council. The GASB issued statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, to address issues related to how governmental fund balance was being reported. Statement 54 requires governments to disclose additional detail regarding the purposes of restrictions, commitments, and assignments, if the required level of detail is not met through display on the face of the balance sheet. For more information, refer to Note 14.

N. Bond Discounts/Issuance Costs

In the government-wide statements, bond discounts/premiums are deferred and amortized over the life of the bonds. Bond issuance costs are reported as an expense of the current period. Refundings of debt result in deferred gains or losses and are reported as deferred inflows and outflows of resources.

For governmental fund types in the fund financial statements, the bond discounts/premiums, along with all debt issuance costs, are reported as other financing sources/uses.

O. Estimates

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

P. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of re-

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

sources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) 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 benefit terms. Investments are reported at fair value.

NOTE 2 - DEPOSITS AND INVESTMENTS

The City maintains detailed accounting records for individual funds, and it also maintains a cash and investment pool that is available for use by all funds, thereby maximizing the interest earnings for all funds. Each fund type's portion of this pool is included in the statement of net position as "Cash" and "Restricted Cash." Also included are deposits and investments held by the Trustees on various bond issues. The basis of investments is cost. Deposits and investments are not required to be collateralized by state statute.

There are no restrictions or material differences in the types of investments that can be made for different funds, fund types or component units, provided such investments meet the requirements of the Utah Money Management Act. According to the general indenture instructions for all outstanding bond issues, bond proceeds may be invested and reinvested in investment securities that mature no later than the date on which the monies on deposit therein will be needed for the purposes of such funds. Investments of monies in Debt Service Reserve Accounts must mature no later than five years from the date of such investments.

A. Custodial Credit Risk

The City follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the local government's deposits may not be recovered. The City policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirement of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2019, \$12,044,442 of the City's bank balance of \$12,294,442 was uninsured and uncollateralized.

B. Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City follows the requirements of the Utah Money Management Act (Section 51, chapter 7 of the Utah code) in handling its depository and investing transactions. City funds are deposited in qualified depositories as defined by the Act.

The City is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an Investment Company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the par-

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

participants' average daily balances. The city's fair value of its position in the pool is the same as the value of the pool shares.

For the year ended June 30, 2019, the City had investments of \$183,398,543 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

C. 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 manages its exposure to declines in fair value by following Provo City Investment Policy and adhering to the Utah Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the portion of availability of the funds to be invested.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 3 - RECEIVABLES

Accounts receivable are recorded in the general, special revenue, capital projects and enterprise funds. Customer Service provides the billing service for all utility funds operated by Provo City. This includes Energy, Water, Waste Water, Sanitation and Storm Drain. Each fund reports its own receivables and its pro-rata share of uncollectible accounts receivable. Adjustments to allowance for doubtful accounts increase or decrease the related revenue accounts.

Property taxes are levied on January 1, giving the City legal claim on that date. The taxes are due on November 1 and are delinquent after November 30 of each year. Property taxes are collected by the Utah County Treasurer and remitted to the City shortly after collection. The property taxes that have been remitted to the City within 60 days of the end of the current fiscal period have been recognized as revenue. The uncollected, measurable amounts have been accrued as unearned revenue.

Property taxes that were levied on January 1 of 2019 and are due in November of 2019 are budgeted for the 2020 fiscal year. Even though they are intended to fund the 2019 fiscal year, they must be recognized as an asset because the City has an enforceable claim to the revenue.

Franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered as susceptible to accrual as revenue of the current period.

All other revenue items are considered to be measurable and available only when cash is received by the City. The revenue recognized on these receivables is deferred until the cash is collected in the governmental fund statements.

The City has several lending programs intended to revitalize neighborhoods and business districts. These programs are funded through state and federal grants. The loans to citizens and businesses represent the majority of the notes receivable balance on the financial statements.

Accounts receivable and the associated allowances for uncollectible accounts, at June 30, 2019, consist of the following:

Governmental Funds	General	Debt Service	Nonmajor Funds	Total
Receivables	\$ 12,510,383	\$ 8,098,738	\$ 4,449,653	\$ 25,058,774
Less: allowance for Uncollectibles	(637,387)			(637,387)
Net total receivables	<u>\$ 11,872,996</u>	<u>\$ 8,098,738</u>	<u>\$ 4,449,653</u>	<u>\$ 24,421,387</u>
 Increase (decrease) Revenue related to uncollectibles	 \$ (187,058)	 \$ -	 \$ (187,058)	

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 3 - RECEIVABLES (continued)

Proprietary Funds

	Water	Wastewater	Energy	Airport	Nonmajor Funds	Total
Receivables	\$ 2,283,634	\$ 1,710,524	\$ 8,405,657	\$ 208,789	\$ 1,570,100	\$ 14,178,704
Less: allowance for Uncollectibles	(35,516)	(45,788)	(180,249)	-	\$ (38,447)	(300,000)
Net total receivables	<u>\$ 2,248,118</u>	<u>\$ 1,664,736</u>	<u>\$ 8,225,408</u>	<u>\$ 208,789</u>	<u>\$ 1,531,653</u>	<u>\$ 13,878,704</u>
Increase (decrease) Revenue related to Uncollectibles	\$ 3,032	\$ (21,143)	\$ (18,674)	\$ -	\$ (13,215)	\$ (50,000)

Loans receivable and the associated allowances for uncollectible accounts, at June 30, 2018, consist of the following:

	<u>Governmental Activities</u>	<u>Business- type</u>	<u>Total</u>
Business & citizen assistance loans	\$ 20,843,622	\$ -	\$ 20,843,622
Less: allowance for Uncollectibles	(845,516)	-	(845,516)
Net total notes receivable	<u>\$ 19,998,106</u>	<u>\$ -</u>	<u>\$ 19,998,106</u>

Governmental funds report revenue in connection with receivable for revenues that are not considered to be available to liquidate liabilities of the current period (unavailable) as deferred inflows of resources. At the end of June 30, 2019, the various components of deferred inflows of resources in the governmental funds were as follows:

	<u>Deferred Inflows of Resources</u>
Property tax receivable (general fund)	\$ 4,848,615
Property tax receivable (library fund)	3,520,488
Property taxes (debt service fund)	7,898,080
Ambulance Billing	238,627
Central Billing	354,505
Special Improvement Assessment Billing	13,054
Notes Receivable	1,648,025
	<u>\$ 18,521,394</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 4 - CAPITAL ASSETS

The following table shows the capital asset activity for the year ended June 30, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 172,491,435	\$ 5,999,239	\$ (4,160,207)	\$ 174,330,467
Construction in progress	8,319,558	2,858,800	(4,120,394)	7,057,964
	<u>180,810,993</u>	<u>8,858,039</u>	<u>(8,280,601)</u>	<u>181,388,431</u>
Capital assets being depreciated:				
Machinery and equipment	53,005,053	5,288,195	(4,576,058)	53,717,190
Library collection	6,011,893	302,510	-	6,314,403
Buildings	99,371,038	103,702	-	99,474,740
Land improvements	18,571,065	502,240		19,073,305
Infrastructure:				
Traffic signals	8,097,667	61,171		8,158,838
Fiber optic	985,123	-		985,123
Noise wall	892,483			892,483
Bridges	14,094,704	69,695		14,164,399
Roads	136,115,914	7,292,057		143,407,971
Sidewalks and trails	29,293,821	309,487		29,603,308
Total	<u>366,438,761</u>	<u>13,929,057</u>	<u>(4,576,058)</u>	<u>375,791,760</u>
Less accumulated depreciation for:				
Machinery and equipment	(37,408,626)	(4,869,318)	2,983,579	(39,294,365)
Library collection	(5,765,698)	(42,100)	-	(5,807,798)
Buildings	(39,173,544)	(2,214,937)	-	(41,388,481)
Land improvements	(6,765,478)	(927,968)		(7,693,446)
Infrastructure:				
Traffic signals	(3,828,206)	(257,724)		(4,085,930)
Fiber Optic	(975,131)	(2,087)		(977,218)
Noise Wall	(201,209)	-		(201,209)
Bridges	(4,916,240)	(234,917)		(5,151,157)
Roads	(86,032,355)	(6,955,014)		(92,987,369)
Sidewalks and trails	(14,517,764)	(634,042)		(15,151,806)
Total	<u>(199,584,251)</u>	<u>(16,138,107)</u>	<u>2,983,579</u>	<u>(212,738,779)</u>
Total capital assets, being depreciated, net	<u>166,854,510</u>	<u>(2,209,050)</u>	<u>(1,592,479)</u>	<u>163,052,981</u>
Governmental activities capital assets, net	<u>\$ 347,665,503</u>	<u>\$ 6,648,989</u>	<u>\$ (9,873,080)</u>	<u>\$ 344,441,412</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 4 - CAPITAL ASSETS (continued)

Capital asset activity for the year ended June 30, 2019, continued:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 13,449,858	\$ 13,686,764	\$ (6,972,010)	\$ 20,164,612
Water Stock	2,420,927	-	-	2,420,927
Land	47,077,735	988,775	-	48,066,510
Total	<u>62,948,520</u>	<u>14,675,539</u>	<u>(6,972,010)</u>	<u>70,652,049</u>
Capital assets being depreciated:				
Machinery and equipment	22,069,784	855,317	-	22,925,101
Buildings & Building Improvements	111,710,612	-	(211,627)	111,498,985
Land improvements	50,703,439	7,945,753	-	58,649,192
Infrastructure:				
Storm Drain	36,270,554	1,003,338	-	37,273,892
Water Lines	71,582,622	272,029	-	71,854,651
Sewer Lines	29,425,934	9,208,172	-	38,634,106
Energy	76,087,145	4,318,500	-	80,405,645
Total	<u>397,850,090</u>	<u>23,603,109</u>	<u>(211,627)</u>	<u>421,241,572</u>
Less accumulated depreciation for:				
Machinery and equipment	(15,383,867)	(2,026,670)	-	(17,410,537)
Buildings & Building Improvements	(62,739,721)	(1,779,002)	160,485	(64,358,238)
Land improvements	(31,069,840)	(1,810,790)	-	(32,880,630)
Infrastructure:				
Storm drain	(16,890,195)	(342,825)	-	(17,233,020)
Water lines	(20,852,229)	(1,301,164)	-	(22,153,393)
Sewer lines	(11,919,554)	(392,337)	-	(12,311,891)
Energy	(32,696,509)	(3,048,170)	-	(35,744,679)
Total	<u>(191,551,915)</u>	<u>(10,700,958)</u>	<u>160,485</u>	<u>(202,092,388)</u>
Total capital assets, being depreciated, net	<u>206,298,175</u>	<u>12,902,151</u>	<u>(51,142)</u>	<u>219,149,184</u>
Business-type activities capital assets, net	<u>\$ 269,246,695</u>	<u>\$ 27,577,690</u>	<u>\$ (7,023,152)</u>	<u>\$ 289,801,233</u>

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

Governmental activities:	
General government	\$ 1,208,847
Public safety	1,445,514
Public services	2,876,937
Community revitalization	8,148,656
Culture and recreation	2,458,153
Total depreciation expense - governmental activities	<u>\$ 16,138,107</u>
Business-type activities	
Golf Course	\$ 193,604
Water	2,212,356
Sewer	1,279,890
Energy	4,252,595
Airport	1,983,019
Sanitation	8,227
Storm drain	375,446
Ice Sheet	395,821
Total depreciation expense - business-type activities	<u>\$ 10,700,958</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 5 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft, damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Accordingly, the City insures against these risks of loss as part of a comprehensive risk management program. To protect the City from general liability exposure, the City either self-insures or purchases commercial excess liability insurance and property/equipment insurance, including earthquake coverage. The City is fully insured for workers compensation. The City accounts for risk management activities through an internal service fund.

The City settled a claim in excess of insurance coverage during the current year. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The result of the process to estimate the claims liability is not an exact science as it depends on many factors including professional judgment, changes in legal doctrines, and damage awards. The estimate of the claims liability includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense. Estimated recoveries, such as salvage or subrogation, are included in the estimate for the claims liability.

The following schedule is a reconciliation of the changes in the aggregate claims liability for the City from the prior fiscal year to the current fiscal year:

<u>Aggregate Claims Liability</u>	<u>Beginning Balance</u>	<u>Claims Accrued</u>	<u>Claims Paid</u>	<u>Ending Balance</u>
2019	\$385,000	\$462,695	\$347,695	\$500,000
2018	\$385,000	\$856,653	\$856,653	\$385,000

NOTE 6 - OPERATING LEASES

The City entered into an operating lease agreement for the premises where the Provo City Justice Court is located. Consistent with the terms of the Justice Court operating lease agreement, the City paid \$139,953 of lease payments during fiscal year 2019.

The City entered into an operating lease agreement for the premises where the Community Oriented Police (COP) Substation is located. Consistent with the terms of the COP Substation operating lease agreement, the City paid \$24,000 of lease payments during fiscal year 2019.

Future minimum operating lease payments are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2020	\$ 111,559
2021	168,872
2022	147,769
2023	150,724
2024	153,739
Total minimum lease payments	<u>\$ 732,663</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 7- CAPITAL LEASES

The City has entered into lease agreements, as lessee, for financing the acquisition of software and related equipment and for financing the acquisition of fire apparatus. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. During fiscal year 2019, the City entered into a new lease in the amount of \$2,490,000 to finance the acquisition of fire apparatus.

The assets acquired through capital leases are as follows:

<u>Asset</u>	<u>Original Principal</u>	<u>Interest Rate</u>
Harris ERP Software and Equipment	\$5,500,000	1.68%
Fire Apparatus	\$2,040,000	2.173%
Fire Apparatus	\$2,490,000	2.63%

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Governmental Activities

Lease payment

	<u>Totals</u>
2020	\$ 1,465,878
2021	1,465,878
2022	1,465,878
2023	1,465,877
2024	629,766
2025-2027	<u>1,328,168</u>
Total minimum lease payments	7,821,445
Less amount representing interest	<u>(547,550)</u>
Present Value of minimum lease payments	7,273,895
Amount due within one year	<u>1,315,597</u>
Amount due after one year	<u>\$ 5,958,298</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 8 - LONG-TERM DEBT

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In January of 2019, the City issued \$65,930,000 of new general obligation bonds for the construction of new city facilities including a new Public Safety/City Center Building and the replacement of Fire Station Two. These general obligation bonds have been issued for governmental activities.

In 2011, the City issued \$39,000,000 of Series 2011 general obligation bonds to construct the Provo Recreation Center. During fiscal year 2018, the City issued \$24,550,000 of advanced refunding bonds that defeased the Series 2011 general obligation bonds. As of June 30, 2019, \$24,550,000 of the defeased debt remained outstanding. These general obligation bonds have been issued for governmental activities.

As of June 30, 2019, \$94,190,000 of general obligation bonds remained outstanding. All general obligation bonds have been issued for governmental activities.

Revenue Bonds

The government also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Outstanding revenue bonds were originally issued in the amount of \$52,565,000 for business-type activities and \$41,834,000 for governmental activities. As of June 30, 2019, the outstanding revenue bond balance was \$41,735,000 for business-type activities and \$20,226,000 for governmental-type activities.

Notes Payable

In June of 2019, the City issued a note payable in the amount of \$1,450,000 to fund the purchase of land for a Regional Sports Park facility. The note payable has been issued for governmental-type activities. The outstanding balance as of June 30, 2019 is \$1,149,504.

Conduit Debt

In April of 2007, \$10,750,000 of Education bonds were issued in the name of the City to construct a new education facility located in Provo. The borrower is the Provo Freedom Academy. The outstanding balance on June 30, 2019 is \$8,565,000.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 8 - LONG TERM DEBT (continued)

The bonds are special limited obligations of the City payable solely from the trust estate established under indenture. The bonds do not and shall not represent, constitute or give rise to a general obligation or liability of the City or a charge against the general credit or taxing power of the City, the State of Utah, or any political subdivision thereof.

Outstanding Principal and Interest Obligations

Governmental activities

	G.O. Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 4,025,000	\$ 3,873,080	\$ 2,316,000	\$ 1,066,784
2021	4,170,000	3,725,706	2,440,000	942,745
2022	4,155,000	3,536,106	2,573,000	812,047
2023	4,295,000	3,393,856	2,712,000	674,186
2024	4,415,000	3,271,456	2,857,000	528,855
2025-2029	25,640,000	12,814,531	6,571,000	708,544
2030-2034	26,215,000	6,339,850	757,000	90,094
2035-2039	21,275,000	2,423,188	-	-
	<u>\$ 94,190,000</u>	<u>\$ 39,377,773</u>	<u>\$ 20,226,000</u>	<u>\$ 4,823,255</u>

	Notes Payable		Total	
	Principal	Interest	Principal	Interest
2020	\$ -	\$ -	\$ 6,341,000	\$ 4,939,864
2021	279,690	20,806	\$ 6,889,690	\$ 4,689,257
2022	284,753	15,744	\$ 7,012,753	\$ 4,363,897
2023	289,907	10,590	\$ 7,296,907	\$ 4,078,632
2024	295,154	5,342	\$ 7,567,154	\$ 3,805,653
2025-2029	-	-	\$ 32,211,000	\$ 13,523,075
2030-2034	-	-	\$ 26,972,000	\$ 6,429,944
2035-2039	-	-	\$ 21,275,000	\$ 2,423,188
	<u>\$ 1,149,504</u>	<u>\$ 52,482</u>	<u>\$ 115,565,504</u>	<u>\$ 44,253,510</u>

Current Portion	
Bonds	\$ 6,341,000
Leases	1,315,597
Total Current portion	<u>7,656,597</u>
Long-term Portion	
Bonds	108,075,000
Leases	5,958,298
Notes	1,149,504
Total Long-term portion	<u>115,182,802</u>
Grand Total	122,839,399
Unamortized amounts-premium (discount)	9,841,263
Less: Leases	<u>7,273,895</u>
Grand Total	<u>\$ 125,406,767</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 8 - LONG-TERM DEBT (continued)

Principal and interest requirements to retire the City's long-term obligations continued:

Business-type activities	Revenue Bond	
	Principal	Interest
2020	\$ 2,300,000	\$ 1,614,661
2021	2,525,000	1,518,210
2022	2,620,000	1,409,473
2023	2,725,000	1,294,872
2024	2,820,000	1,158,623
2025-2029	11,875,000	4,311,287
2030-2034	14,170,000	2,027,158
2035-2039	2,700,000	98,137
	<u>\$ 41,735,000</u>	<u>\$ 13,432,421</u>

Current Portion	
Bonds	\$ 2,300,000
Long-term Portion	
Bonds	<u>39,435,000</u>
Grand Total	<u>41,735,000</u>
Unamortized amounts-premium (discount)	<u>3,118,579</u>
Grand Total	<u>\$ 44,853,579</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 8 - LONG-TERM DEBT (continued)

Long-term debt activity for the year ended June 30, 2019, was as follows:

	Balance			Balance	Amount Due
	June 30, 2018	Increases	(Decreases)	June 30, 2019	2020
Governmental activities					
Bonds Payable:					
General obligation bonds					
G.O. 2011 Rec Center Bond	\$ 5,460,000	-	(1,750,000)	3,710,000	1,820,000
G.O. 2011 Rec Center unamortized	166,322	-	(66,275)	100,047	-
G.O. Refunding Bond Series 2017	24,550,000	-	-	24,550,000	-
G.O. Refunding Bond Series 2017 unamortized	5,235,150	-	(387,356)	4,847,794	-
G.O. City Facilities Bond Series 2019	-	65,930,000	-	65,930,000	2,205,000
G.O. City Facilities Bond Series 2019 unamortized	-	4,920,258	(97,057)	4,823,201	-
Telecom 2004 Sales Tax Bonds (2.54-5.42%)	20,435,000	-	(2,110,000)	18,325,000	2,220,000
Telecom 2004 Sales Tax Bonds unamortized	(80,252)	-	10,034	(70,221)	-
2006 Increment bond	1,220,000	-	(1,220,000)	-	-
2014 Cemetery Bond	1,993,000	-	(92,000)	1,901,000	96,000
Total Governmental Fund Bonds	<u>58,979,220</u>	<u>70,850,258</u>	<u>(5,712,657)</u>	<u>124,116,821</u>	<u>6,341,000</u>
Notes Payable:					
Note Payable - Sports Park	-	1,450,000	(300,496)	1,149,504	-
Total Notes Payable	<u>0</u>	<u>1,450,000</u>	<u>(300,496)</u>	<u>1,149,504</u>	<u>-</u>
Capital Leases	5,797,502	2,490,000	(1,013,607)	7,273,895	1,315,597
Accrued Compensated Absences	6,775,961	1,942,960	(1,942,941)	6,775,980	2,032,793
Total Governmental activity					
Long-term liabilities	<u>\$ 71,552,683</u>	<u>\$ 76,743,249</u>	<u>\$ (8,979,732)</u>	<u>\$ 139,316,200</u>	<u>\$ 9,689,390</u>
Business-type activities					
Revenue Bonds:					
Stormwater 2010A Refunding Bonds (2.0-3.0%)					
2010 unamortized	100,000	-	(100,000)	-	-
2010 unamortized	4,886	-	(4,886)	-	-
Stormwater 2010B Taxable BAB (4.38-5.0%)					
2010 unamortized	3,850,000	-	(510,000)	3,340,000	630,000
2010 unamortized	3,633	-	(614)	3,019	-
Water Revenue Bonds 2015A (2.0-4.0%)					
2015A unamortized	9,645,000	-	(400,000)	9,245,000	420,000
2015A unamortized	1,111,052	-	(66,998)	1,044,054	-
Wastewater Revenue Bonds 2015A (2.0-4.0%)					
2015A unamortized	8,040,000	-	(335,000)	7,705,000	350,000
2015A unamortized	930,798	-	(56,129)	874,669	-
Energy System Revenue Bonds 2015A (2.0-3.25%)					
2015A unamortized	17,220,000	-	(750,000)	16,470,000	770,000
2015A unamortized	743,583	-	(44,839)	698,744	-
Airport Sales Tax Revenue Bonds 2017 (2.0-4.25%)					
2017 unamortized	4,975,000	-	-	4,975,000	130,000
2017 unamortized	532,141	-	(34,048)	498,093	-
Total Business-type Bonds	<u>47,156,093</u>	<u>-</u>	<u>(2,302,514)</u>	<u>44,853,579</u>	<u>2,300,000</u>
Accrued Compensated Absences	2,073,448	759,512	(712,038)	2,120,922	636,278
Total Business-type					
Long-term liabilities	<u>\$ 49,229,543</u>	<u>\$ 759,512</u>	<u>\$ (3,014,552)</u>	<u>\$ 46,974,501</u>	<u>\$ 2,936,278</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end, \$311,877 of internal service funds compensated absences were included in the above amounts. Also, governmental activities, claims and judgments and compensated absences have generally been liquidated by the general fund in prior years.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 9 - DUE TO AND DUE FROM AND INTERFUND TRANSFERS

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Payable Fund</u>	<u>Receivable Fund</u>	
<u>GOVERNMENTAL FUNDS</u>					
General Fund	Airport	\$ 1,582,509			
General Fund	Golf Course	2,029,396			
Total Due General Fund		3,611,905	Total Payable by General Fund		-
Total Due Governmental Funds		\$ 3,611,905	Total Payable by Governmental Funds		\$ -
<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Payable Fund</u>	<u>Receivable Fund</u>	
<u>ENTERPRISE FUNDS</u>					
			Airport	General Fund	\$ 1,582,509
			Golf Course	General Fund	2,029,396
Includes Current and Noncurrent			***Includes Current and NonCurrent***		
Total Due Enterprise Funds		\$ -	Total Payable by Enterprise Funds		\$ 3,611,905
Total Receivable from other Funds		\$ 3,611,905	Total Payable to other Funds		\$ 3,611,905

An interfund loan was made during the year between the General Fund and the Golf Course Fund. The loan is for golf course improvements and will be paid back from tax increment on a housing project to be developed adjacent to the Golf Course. The interfund loan is for 7 years at an interest rate of 3%.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 9 - DUE TO AND DUE FROM AND INTERFUND TRANSFERS (continued)

Transfers to/From other Funds:

<u>Transfer to Governmental Funds</u>	<u>Transfer from</u>		
General Fund	Engineering CIP	\$	50,000
General Fund	Water		1,506,577
General Fund	Wastewater		1,227,236
General Fund	Energy		7,565,482
General Fund	Sanitation		602,757
General Fund	Storm Drain		535,609
General Fund	Debt service		398,456
Total transferred to General Fund		\$	11,886,117

<u>Transfer from Governmental Funds</u>	<u>Transfer to</u>		
General Fund	Parks CIP	\$	1,002,335
General Fund	Golf Course		256,958
General Fund	Airport		91,230
General Fund	Customer Service		328,358
General Fund	Debt Service		435,830
General Fund	General CIP		40,000
General Fund	Facilities		395,000
Total transferred from General Fund		\$	2,549,711

<u>Transfer to Other Governmental Funds</u>	<u>Transfer from</u>		
Debt Service	Water		150,627
Debt Service	Wastewater		94,500
Debt Service	Energy		3,551,927
Debt Service	Sanitation		66,500
Debt Service	General CIP		660,465
Debt Service	Storm Drain		45,500
General CIP	General Fund		40,000
Debt Service	General Fund		435,830
Debt Service	Parks CIP		169,902
Parks CIP	General Fund		1,002,335
Total transferred to Other Gov. Funds			6,217,586

<u>Transfer from Other Governmental Funds</u>	<u>Transfer To</u>		
Debt Service	General Fund	\$	398,456
Debt Service	General CIP		660,465
Debt Service	Vehicle Management		125,000
Engineering CIP	General Fund		50,000
Parks CIP	Debt Service		169,902
Total transferred from Other Gov. Funds			1,403,823

Total transferred to Governmental Funds **\$ 18,103,703**

Total transferred from Governmental Funds **\$ 3,953,534**

<u>Transfer To Internal Service Funds</u>	<u>Transfer From</u>		
Customer Service	General Fund	\$	328,358
Vehicle Management	Debt Service		125,000
Facilities	General Fund		395,000
Total transferred to Internal Service Funds		\$	848,358

<u>Transfer from Internal Service Funds</u>	<u>Transfer To</u>		
Total transferred from Internal Service Funds		\$	-

<u>Transfers to Enterprise Funds</u>	<u>Transfers from</u>		
Golf Course	General Fund	\$	256,958
Water	Wastewater		583,820
Airport	General Fund		91,230

<u>Transfers from Enterprise Funds</u>	<u>Transfers to</u>		
Water	General Fund	\$	1,506,577
Water	Debt Service		150,627
Wastewater	General Fund		1,227,236
Wastewater	Debt Service		94,500
Wastewater	Water		583,820
Energy	General Fund		7,565,482
Energy	Debt Service		3,551,927
Sanitation	General Fund		602,757
Sanitation	Debt Service		66,500
Storm Drain	General Fund		535,609
Storm Drain	Debt Service		45,500

Total transferred to Enterprise Funds **\$ 932,008**

Total transferred from Enterprise Funds **\$ 15,930,535**

Total transfers to all Funds	\$	19,884,069
Total transfers from all Funds		19,884,069 *
	\$	-

*Note: The transfer amounts can be found in the other financing sources (uses) section of the statement of revenues, expenditures and changes in fund balance for all funds. Transfers between the business-type activities and the governmental activities totaled \$14,998,527 per the statement of activities.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 10 - CONTINGENT LIABILITIES

The City is involved in litigation arising from the normal course of business activity. It is not possible to determine the ultimate liability, if any, in these matters. The opinion of management is that such litigation will have no material effect on the financial statements of the City.

The City has an insurance policy for public liability and property damage with various deductibles. A separate fund has been established for the purpose of pooling the financial resources of the City and paying the deductible for claims.

The City purchased 65 percent of the energy sold by Utah Municipal Power Agency (UMPA) to its member cities. The City is obligated to pay a proportionate share of all operating, maintenance, debt service and any other costs incurred by UMPA based on the City's energy purchases.

The City participates in Federal Grant programs that are audited in accordance with the audit requirements for federal awards (uniform guidance).

A-133. These grants are subject to financial and compliance audits by the federal government, which may result in disallowed expenditures. In the opinion of management, future disallowances of current grant program expenditures, if any, will be immaterial.

As of June 30, 2019, the City was involved in litigation dealing with five liability cases. It is the opinion of the City's legal department that the estimated City liability is \$500,000 if damages are awarded on the remaining cases.

NOTE 11 - JOINT VENTURES

The Utah Municipal Power Agency (UMPA) was created jointly as a separate legal entity and political subdivision of the State of Utah by an agreement dated September 17, 1980, pursuant to the provisions of the Utah Interlocal Cooperation Act. UMPA's membership consists of six municipalities. UMPA's purposes include planning, financing, development, acquisition, construction, improvement, betterment, operation or maintenance of projects for the generation, transmission and distribution of electric energy for the benefit of the member municipalities. The City purchased 63.70 percent of the energy sales of the Agency to member cities in the current fiscal year and 61.16 percent of all energy sales of the Agency. UMPA billed Provo City \$47,116,733 for energy.

Under the terms of the S-1 Power Sales Agreement, the members are obligated to pay their proportionate share, based on energy purchases, of all operation and maintenance expenses and debt service on the revenue bonds incurred by UMPA. Furthermore, they are obligated to purchase all of their energy needs from the Agency.

UMPA is governed by a six member board composed of the Mayor of each city. Despite the imbalance in proportionate share of energy consumption, a majority vote is needed to approve any significant activity. Below is a summary of the financial position of UMPA:

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 11 - JOINT VENTURES (continued)

UMPA

At June 30, 2019

Total assets and deferred outflow of resources	\$ 187,523,851
Total liabilities and deferred inflow of resources	<u>(187,520,501)</u>
Total net position	<u><u>\$ 3,350</u></u>

For the Year Ended June 30, 2019

Operating revenues	\$ 83,056,369
Operating expenses	<u>(74,759,783)</u>
Income from operations	8,296,586
Net non-operating revenues (expenses)	<u>(2,600,445)</u>
Change in net position before transfers & adjustments	5,696,141
Transfer in of generation assets	
Deferred inflow of resources adjustment	<u>(5,696,141)</u>
Change in net position	<u><u>\$ -</u></u>

Complete financial statements for the agency may be obtained at Utah Municipal Power Agency, 696 West 100 South, Spanish Fork, UT 84660.

The South Utah Valley Solid Waste District (the District) was created May 11, 1989, for the purpose of building and operating a landfill and transfer station. The District's membership consists of seven municipalities. The City made an initial investment of \$4,651,000, or 54 percent of the costs, to construct the facilities.

Participants and their percentage shares

Springville City	15.00%
Provo City	69.75%
Spanish Fork City	11.75%
Mapleton City	2.00%
Salem City	1.50%
Woodland Hills	0.00%
Goshen Town	<u>0.00%</u>
	<u><u>100.00%</u></u>

A seven-member board composed of the Mayor of each city governs the District. A voting majority of Provo City and at least one other board member or a voting majority of all board members excluding Provo City is needed to approve any significant activity. The City paid the District \$1,266,782 for user fees for the fiscal year ended June 30, 2019.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 11 - JOINT VENTURES (continued)

Below is a summary of the financial position of the District as of June 30, 2019:

South Utah Valley Solid Waste District

At June 30, 2019

Total assets	\$	15,080,758
Deferred outflows		331,642
Total liabilities		(992,069)
Deferred inflows		(109,839)
Total net position	\$	<u>14,310,492</u>

For the Year Ended June 30, 2019

Total operating revenue	\$	7,542,716
Total operating expenses		(6,870,463)
Nonoperating revenue and expense		<u>252,884</u>
Change in net position	\$	<u>925,137</u>

In fiscal 2019, the city made an entry of \$645,283 to account for the city's net gain/(loss). The City is currently showing an investment in this joint venture in the amount of \$9,981,568.

Complete financial statements for the District may be obtained at South Utah Valley Solid Waste District, 2450 West 400 South, Springville, UT 84663.

The South Utah Valley Animal Services Special Services District (the District) is a political subdivision of the State of Utah organized June 2003 for the purpose of animal control and animal shelter services to the residents of Southern Utah County, Utah. The District's membership consists of nine municipalities and Utah County. The City made an initial investment of \$20,888 or 42 percent of the startup costs, to operate the facility.

An eleven-member board governs the District. Each city included within the boundaries of the District may appoint a member to the board. Each member of the board has one vote. A majority vote of the members present is necessary to approve any agenda item before the board. The City paid the District \$77,856 for operating costs in fiscal 2019.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 11 - JOINT VENTURES (continued)

Below is a summary of the financial position of the District:

SUVASSSD

At June 30, 2019

Total assets	\$	233,365
Deferred outflows		41,319
Total liabilities		(92,897)
Deferred inflows		(2,392)
Total Net Position	\$	179,395

For the Year Ended June 30, 2019

Total operating revenue	\$	624,414
Total operating expenses		(565,839)
Nonoperating revenue		1,456
Change in net position	\$	60,031

The Provo City/Utah County Ice Sheet Authority was created March 19, 1996, as a joint venture between Provo City and Utah County for the purpose of financing, constructing, maintaining and operating an Olympic ice sheet to be constructed at the Seven Peaks property in Provo, Utah.

In June of 2018, the Ice Sheet Authority was dissolved, leaving Provo City the sole operator of the facility, with Utah County maintaining their ownership of a portion of the real property and being responsible for an annual contribution of \$50,000 until 2027.

As of June 30, 2019, the portion of the real property Utah County owns is contractually valued at \$4,950,000. However, if the City sells the facility, Utah County's ownership interest may be satisfied by paying to the County the lesser of (a) \$4,950,000 and (b) half of the sale proceeds. Additionally, the value of the County's ownership interest may be reduced by 50% of the value of capital improvements financed by Provo City down to a minimum value of \$2,475,000. This value is only payable to the County at the end of 50 years or should the City decide to liquidate the property, which, for the foreseeable future, there are no plans to do.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description. In addition to the pension benefits described in Note 13, the City provides post-retirement health care and life insurance benefits in accordance with City policy, to all employees who retire from the City upon completing the requirements for the retirement plan participated in as detailed in Note 13. As of June 30, 2017, the latest actuarial valuation date, there were 87 retirees who meet those requirements. The City pays the retirees' health care and life insurance premiums on a pay-as-you-go basis. The spouse is required to pay the entire premium. Terminated employees under the COBRA Act are allowed to purchase the same insurance policy at their own expense for a period of 18 months. The City paid \$1,308,741 in premiums for retirees during the fiscal year ended June 30, 2019.

Funding Policy. Full-time regular employees who commenced full time employment with the City before July 1, 1987, may continue to participate in the City medical insurance program after retirement, according to the terms of the current medical insurance program and State Retirement regulations, for themselves and their dependents, by paying the same amount as if they were not retired. Full-time regular employees who commenced full time employment with the City after July 1, 1987, may continue to participate in the City medical insurance program after retirement for themselves and their dependents by paying the full premium cost according to the terms of that current program and the State Retirement regulations. Retired employees who maintain continuous coverage may do so until they reach the age 65 or are eligible for Medicare, whichever comes first. Retired employees who drop medical coverage participation may not be reinstated.

Spouses of retirees hired as full-time employees before July 1, 1987, who are under the age 65, may continue health insurance coverage once their retired spouse has reached age 65 by paying the full premium cost according to the terms of the current City medical insurance program. The spouse must apply for such coverage at the time the retired employee reaches age 65. The spouse may retain such coverage until he/she is age 65 or is eligible for Medicare.

If a Provo City employee hired as a full-time employee before July 1, 1987, dies while still in active service with the City, or after retirement, the spouse under age 65 and eligible dependents may continue medical insurance coverage under the terms of the current program until age 65 so long as he/she does not qualify for coverage with another employer. Provo City will pay a contribution of fifty percent (50%) of the premium for single or family coverage according to the terms of the program currently offered until the spouse reaches age 65, is covered by another employer, or is eligible for Medicare.

If an active employee hired as a full-time employee before July 1, 1987, terminates from Provo City employment with a certified medical disability retirement resulting from a job related injury or illness, the employee may continue coverage under the City medical insurance program currently offered for himself/herself and all eligible dependents. In such cases, the retiree on disability will pay the same amount as if they were an active full-time employee according to the terms of that current program to age 65, so long as the retiree on disability does not qualify for coverage with another employer or is eligible for Medicare.

Full-time regular employees who commenced full time employment with the City after July 1, 1987, and are terminating with a certified medical disability retirement resulting from a job related injury may continue to participate in the City medical insurance program after their disability retirement. In such cases, the retiree on disability will pay the full premium cost according to the terms of that current program to age 65. Employees

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

on disability retirement who drop insurance coverage participation may not be reinstated.

Spouses of retirees on disability hired before July 1, 1987, who are under age 65, may continue health insurance coverage once their spouse on disability has reached age 65 by paying the full premium cost according to the terms of the current City medical insurance program. The spouse must apply for such coverage at the time the retired employee on disability reaches age 65. The spouse may retain such coverage until he/she is age 65 or is eligible for Medicare. If the disabled retiree, who was hired as a full-time employee before July 1, 1987, dies before age 65, the spouse under age 65 and eligible dependents may continue coverage under the City medical insurance program according to the terms of that current program until the spouse reaches age 65, qualifies for coverage with another employer, or becomes eligible for Medicare. Provo City will pay a contribution of fifty percent (50%) of the premium for single or family coverage according to the terms of the program currently offered until the spouse reaches age 65 or is covered by another employer or is eligible for Medicare.

As of June 30, 2017, the latest actuarial valuation date, approximately 636 active employees (21 Pre-07/01/87 and 615 Post-07/01/87) and 87 inactive (retired) employees are receiving health insurance benefits from the City.

Actuarial methods and assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amount and assumptions about the probability of events far in the future. Examples include assumptions about future employment, mortality and healthcare cost trend. Actuarially determined amounts are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. In the June 30, 2019 actuarial valuation report, the following assumptions were made:

Actuarial Assumptions	
Liability Measurement Method	Valuation date June 30, 2017
Actuarial cost method	Present Value of Benefits
Amortization method	Straight-line
Discount Rate	3.62%
Inflation rate	2.50%
Asset valuation method	N/A *
Interest rate	3.62%
Projected health insurance cost increases	6.9% for FY18-19
	6.3% for FY19-20
	5.8% for FY20-21
	5.2% for FY21-22
	5.3% for FY23-49
	Transition to ultimate rate for FY50-75
	4.4% for FY76+
Projected dental cost increases	4.0% for all future years

* The city has no actuarial value of assets due to the City's pay-as-you-go accounting.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Change in Total OPEB Liability

Net OPEB Liability

Total OPEB Liability at June 30, 2018	\$ 8,821,139
Activity during the year	
Service Cost	74,516
Interest	287,070
Changes of Assumptions	(14,338)
Benefit payments	(1,663,787)
Net Change	(1,316,539)
Total OPEB Liability at June 30, 2019	<u>\$ 7,504,600</u>

Sensitivity of the NET OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the OPEB Liability if it were calculated using a discount rate one-percentage-point higher (4.62%) and one-percentage-point lower (2.62%) than the current discount rate:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
1% decrease in Discount Rate (2.62%)	\$ 7,746,618	\$ -	\$ 7,746,618
Current Discount Rate (3.62%)	7,504,600	-	7,504,600
1% increase in Discount Rate (4.62%)	7,269,485	-	7,269,485

The following presents the OPEB Liability if it were calculated using a trend rate one-percentage-point higher and one-percentage-point lower than the current trend rate:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
1% decrease in Trend Rates	\$ 7,194,049	\$ -	\$ 7,194,049
Current Trend Rates	7,504,600	-	7,504,600
1% increase in Trend Rates	7,835,586	-	7,835,586

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

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

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Summary of Deferred Outflows/Inflows	Outflows	Inflows
A. Difference between expected and actual liability	\$ -	\$ -
B. Change of assumptions	-	162,602
C. Net difference between projected and actual investment earnings	-	-
D. Contributions between measurement date and reporting date	TBD	N/A
E. Total	\$ -	\$ 162,602

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

Year ended	Future recognition
2020	(21,088)
2021	(21,088)
2022	(21,088)
2023	(21,088)
2024	(21,088)
Thereafter	(57,162)
	\$ (162,602)

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS

General Information about the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. 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 that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

Summary of Benefits by System

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year 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% per year to June 1975; 2.00% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 Years	20 years, any age 10 years, age 60 4 years, age 65	2.5 % per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending upon employer
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year 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	1.50% per year all years	Up to 2.5%

* Actuarial reductions are applied

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

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2019 are as follows:

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

	Employee	Employer	Employer 401(k)
Contributory System			
11 Local Governmental Div - Tier 1	6.00	14.46	N/A
111 Local Governmental Div - Tier 2	N/A	15.54	1.15
Noncontributory System			
15 Local Governmental Division Tier 1	N/A	18.47	N/A
Public Safety Retirement System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	N/A	30.95	0.74
Noncontributory			
46 Provo with 2.5% COLA	N/A	42.23	N/A
Firefighter Retirement System			
32 Other Division B	16.71	7.24	N/A
132 Tier 2 DB Hybrid Firefighters	N/A	11.34	0.74
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	19.69	12.00
232 Firefighters	N/A	0.08	12.00

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

For fiscal year ended June 30, 2019, the employer and employee contributions to the system were as follows:

System	Employer Contributions		Employee Contributions	
Noncontributory System	\$	3,045,195		N/A
Contributory System		43,711		18,137
Public Safety System		1,949,621		-
Firefighters System		298,167		688,170
Tier 2 Public Employees System		1,321,048		-
Tier 2 Public Safety and Firefighter		569,463		-
Tier 2 DC Only System		79,100		N/A
Tier 2 DC Public Safety and Firefighter System		41,724		N/A
Total Contributions	\$	7,348,029	\$	706,307

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

Combined Pension Assets, Liabilities, Expenses, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2019, we reported a net pension asset of \$0 and a net pension liability of \$33,469,706.

	(Measurement Date): December 31, 2018				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2017	Change (Decrease)
Noncontributory System	\$ -	\$ 15,347,196	2.0841620%	2.1267511%	(0.0425891)%
Contributory System	\$ -	\$ 643,684	1.5861985%	2.0850282%	(0.4988297)%
Public Safety System	\$ -	\$ 15,111,748	100.0000000%	100.0000000%	-%
Firefighters System	\$ -	\$ 2,039,181	5.0455792%	4.9111599%	0.1344193%
Judges Retirement System	\$ -	-	-%	-%	-%
Governors & Legislators Plan	\$ -	-	-%	-%	-%
Tier 2 Public Employees System	\$ -	\$ 289,047	0.6749052%	0.6631815%	0.0117237%
Tier 2 Public Safety and Firefighter	\$ -	\$ 38,850	1.5505388%	1.6585203%	(0.1079815)%
	\$ -	\$ 33,469,706			

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2019, we recognized pension expense of \$8,469,564.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the follow- ing sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 670,801	\$ 1,814,559
Changes in assumptions	\$ 5,012,976	\$ 221,320
Net difference between projected and actual earnings on pension plan investments	\$ 6,681,788	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 103,420	\$ 359,933
Contributions subsequent to the measurement date	\$ 3,675,488	\$ -
	<u>\$ 16,144,473</u>	<u>\$ 2,395,812</u>

\$3,675,488 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2019	\$	4,209,600
2020	\$	1,399,504
2021	\$	1,105,655
2022	\$	3,246,730
2023	\$	9,685
Thereafter	\$	101,999

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$4,061,716.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 197,386	\$ 286,241
Changes in assumptions	\$ 2,055,932	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 3,193,578	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ 355,731
Contributions subsequent to the measurement date	\$ 1,499,601	\$ -
	<u>\$ 6,946,497</u>	<u>\$ 641,972</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

\$1,499,601 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 2,120,327
2020	\$ 805,482
2021	\$ 365,991
2022	\$ 1,513,124
2023	\$ -
Thereafter	\$ -

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$33,112.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 211,544	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ 21,598	\$ -
	<u>\$ 233,142</u>	<u>\$ -</u>

\$21,598 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2019	\$ 83,792
2020	\$ 4,967
2021	\$ 21,219
2022	\$ 101,566
2023	\$ -
Thereafter	\$ -

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$2,959,535.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 453,535	\$ 685,781
Changes in assumptions	\$ 1,504,912	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 1,590,902	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ 979,110	\$ -
	<u>\$ 4,528,459</u>	<u>\$ 685,781</u>

\$979,110 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2019	\$	1,408,450
2020	\$	446,224
2021	\$	255,845
2022	\$	753,049
2023		
Thereafter		

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$442,027.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 782,746
Changes in assumptions	\$ 1,342,722	\$ 214,702
Net difference between projected and actual earnings on pension plan investments	\$ 1,564,256	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ 4,202
Contributions subsequent to the measurement date	\$ 147,837	\$ -
	<u>\$ 3,054,815</u>	<u>\$ 1,001,650</u>

\$147,837 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>	
2019	\$	553,341
2020	\$	110,156
2021	\$	427,036
2022	\$	817,971
2023	\$	(3,175)
Thereafter	\$	-

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$746,974.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,029	\$ 59,740
Changes in assumptions	\$ 72,448	\$ 5,193
Net difference between projected and actual earnings on pension plan investments	\$ 94,127	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 87,271	\$ -
Contributions subsequent to the measurement date	\$ 716,284	\$ -
	<u>\$ 972,159</u>	<u>\$ 64,933</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

\$716,284 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources	
2019	\$	32,627
2020	\$	23,740
2021	\$	26,011
2022	\$	45,946
2023	\$	8,549
Thereafter	\$	54,068

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2019, we recognized pension expense of \$226,201.

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 17,851	\$ 51
Changes in assumptions	\$ 36,962	\$ 1,425
Net difference between projected and actual earnings on pension plan investments	\$ 27,381	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 16,149	\$ -
Contributions subsequent to the measurement date	\$ 311,059	\$ -
	<u>\$ 409,401</u>	<u>\$ 1,476</u>

\$311,059 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources	
2019	\$	11,063
2020	\$	8,935
2021	\$	9,554
2022	\$	15,075
2023	\$	4,311
Thereafter	\$	47,931

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary Increases	3.25 – 9.75 percent, average, including inflation
Investment Rate of Return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	40.00%	6.15%	2.46%
Debt securities	20.00%	0.40%	0.08%
Real assets	15.00%	5.75%	0.86%
Private equity	9.00%	9.95%	0.89%
Absolute return	16.00%	2.85%	0.46%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100.00%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

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

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

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 13 - RETIREMENT PLANS (continued)

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 31,453,461	\$ 15,347,196	\$ 1,934,926
Contributory System	\$ 1,366,436	\$ 643,684	\$ 35,277
Public Safety System	\$ 24,169,945	\$ 15,111,748	\$ 7,692,917
Firefighters System	\$ 9,176,527	\$ 2,039,181	\$ (3,831,120)
Tier 2 Public Employees System	\$ 1,157,980	\$ 289,047	\$ (381,551)
Tier 2 Public Safety and Firefighter	\$ 293,028	\$ 38,850	\$ (155,660)
Total	\$ 67,617,377	\$ 33,469,706	\$ 5,294,789

*** Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the

Defined Contributions Savings Plans

The Defined Contributions Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in separately issued URS financial report.

Provo City Corp participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2019	2018	2017
401(k) Plan			
Employer Contributions	\$ 996,560	\$ 977,010	\$ 894,345
Employee Contributions	\$ 1,278,724	\$ 1,190,867	\$ 916,160
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 280,743	\$ 278,148	\$ 263,581
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 182,396	\$ 148,913	\$ 132,110
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 2,530	\$ 670	\$ 1,300

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 14 - RESTRICTIONS ON FUND BALANCES AND NET POSITION

General Fund and Debt Service Funds

State statutes allow the use of accumulated fund balance of the General Fund for the following: (1) to finance operations from the beginning of a fiscal year until revenue is collected, (2) to meet emergency expenditures resulting from natural disasters, and (3) to cover unanticipated deficits in future years. Also, the Class “C” Road Grant monies are designated for certain road uses by Utah State law. Any fund balance in the Debt Service funds after retirement of all general long-term debt must be transferred to the General Fund.

Restricted Net Position

In the government-wide financial statements, GASB No. 34 requires the City to separately report certain restricted assets, revenues, and balances. Net position should be reported as restricted when constraints placed on net position use are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (2) imposed by law through constitutional provisions or enabling legislations.

The restricted net position for the City is as follows:

Restricted Net Position

	Governmental Activities	Business type Activities
Restricted for capital projects		
Capital projects	\$ 9,164,423	\$ 827,385
Restricted for debt service		
Debt service	1,784,582	1,174,176
	\$ 10,949,005	\$ 2,001,561

GASB statement 54 requires governments to consistently report fund balances. Fund balance will be displayed in the following classifications:

Nonspendable—amounts that are not in a spendable form (such as inventory) or required to be maintained intact

Restricted—amounts constrained to specific purposes by external parties (such as grantors, bondholders, etc.) by enabling legislation. The City recognizes expenses for restricted amounts when the expenses occur, as instructed by GAAP.

Committed— amounts that have been set aside by the City Council by budget resolution for a specific purpose prior to the end of the fiscal year. The City recognizes expenses for committed amounts when the expenses occur.

Assigned—amounts that have been set aside by the City Council by budget resolution for a specific purpose, but subsequent to the end of the fiscal year. The City recognizes expenses for assigned amounts when the expenses occur.

Unassigned—amounts that are available for any purpose; the general fund reports all positive unassigned fund balance. Unassigned also can include deficit fund balances in other governmental funds. The City recognizes expenses for unassigned amounts when the expenses occur.

City financial policies state that when restricted and unrestricted resources are available for use for the same purpose, restricted resources are used before unrestricted resources. Unrestricted resources consist of assigned and unassigned. When assigned and unassigned resources are available for use for the same purpose, assigned will be used before unassigned.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 14 - RESTRICTIONS ON FUND BALANCES AND NET POSITION (continued)

The City's governmental fund balances are reported below using the classifications given in the GASB statement.

	General	Other Governmental Funds	Total Governmental Funds
Nonspendable:			
Inventory	\$ 63,972		\$ 63,972
Deposits	11,836		11,836
Interfund loan	2,029,396		2,029,396
Restricted for:			
Road Projects	3,850,873		3,850,873
Debt Service		5,442,031	5,442,031
Parks Improvements		6,661,388	6,661,388
General CIP		70,557,849	70,557,849
Engineering CIP		5,575,138	5,575,138
Redevelopment		27,041,879	27,041,879
Library		3,278,898	3,278,898
Assigned:			
Council	38,418		38,418
Mayor's Office	152,450		152,450
Finance	39,590		39,590
Recorder	97,077		97,077
Information Systems	521,871		521,871
Human Resources	67,400		67,400
Streets	171,600		171,600
Community Development	214,423		214,423
Economic Development	298,846		298,846
General Services	643,315		643,315
Parks	1,318,520		1,318,520
Police	421,375		421,375
Fire	429,582		429,582
Engineering	85,262		85,262
Trust and Agency	435		435
Covey Center	96,646		96,646
Unassigned:			
General	12,274,382		12,274,382
	<u>\$ 22,827,269</u>	<u>\$ 118,557,183</u>	<u>\$ 141,384,452</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 15 – MAJOR UTILITY CUSTOMER

The City, through its Energy Fund and Water Fund, delivers power and water to a major customer. The gross sales to this customer approximate 12 percent of the gross energy dollar sales and 3.5 percent of gross water dollar sales.

NOTE 16 - REDEVELOPMENT AGENCY

During fiscal year 2019, the Redevelopment Agency of Provo City collected tax increment funds of \$1,067,930 for the Central Business District Project, Project Area Number 4, and the South University Avenue Project. The Redevelopment Agency did not pay tax increment funds to any taxing agencies for projects during fiscal year 2018.

The following is a list of contractual commitments associated with projects:

Contract Balances	
Dillards Department Stores	723,478
Provo Towne Center Mall	<u>12,992,911</u>
Total Contract Balances	<u>\$ 13,716,389</u>

The Redevelopment Agency's obligation on the Provo Towne Center Mall includes accrual of eight percent annual interest on the remaining balance, calculated from May 15, 1997. The balance shown is after the fiscal year 2019 payment and includes accrued interest. Tax increment proceeds will be applied to interest owed first.

The Redevelopment Agency had \$162,051 in administrative expenditures for tax increment projects during the fiscal year.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 17 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The general, special revenue, debt service and capital improvement funds' budgets are adopted on a basis consistent with Generally Accepted Accounting Principles. Actual expenditures and operating transfers out may not legally exceed budget appropriations at the department level for the General fund and the fund level for all other funds.

Annual budgets for all funds for the fiscal year commencing July 1 are legally adopted by resolution of the Provo City Council on or before June 22 and after public hearings. The operating budget includes proposed expenditures and revenue sources. Amendments to the annual budget are made throughout the fiscal year by resolution of the Provo Municipal Council after a public hearing.

Budgetary control is maintained at the department level for the General Fund and at the fund level for all other funds. The Department Head may transfer from one category to another upon review and approval of the Budget Officer. Budgets cannot be transferred between funds without Municipal Council approval.

Encumbrance accounting is used by the City to assure effective budgetary control and accountability. Unencumbered appropriations lapse at year-end. Encumbered amounts carry over to the subsequent year. The budget in all funds is reduced at year-end by the amount of the reserve for encumbrances and is added to the ensuing year with administrative approval.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities. While appropriations lapse at the end of the fiscal year, the succeeding year's budget ordinance specifically provides for the re-appropriation of year-end encumbrances.

Capital project funds are budgeted on a project basis. However, unused appropriations are transferred forward into the new fiscal year as approved by the Municipal Council in the original budget resolution.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 18 - RECONCILIATION OF GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

When comparing the capital assets reported on the statement of net position for governmental funds with the amount reported on the reconciliation between the fund statements and the statement of net position, there is a difference. The reason the numbers are not the same is because the statement of net position includes the capital assets of the internal service funds because they primarily benefit governmental funds. The same is true with long-term liabilities. In the reconciliation, the net positions of the internal service funds are reported on one line to explain the difference. The following is a schedule that shows the balances in governmental funds and internal service funds for capital assets and liabilities.

	<u>Governmental Funds</u>	<u>Reported in Fund statements</u>	<u>Internal service Funds</u>	<u>Government-Wide Total</u>
Statement of Net Position:				
Capital assets	\$ 513,134,702	\$ -	\$ 44,045,489	\$ 557,180,191
Accumulated depreciation	<u>(181,763,783)</u>	<u>-</u>	<u>(30,974,996)</u>	<u>(212,738,779)</u>
Net	\$ 331,370,919 *	\$ -	\$ 13,070,493	\$ 344,441,412
Accrued compensated absences (includes current portion)	\$ 6,464,103 *		\$ 311,877	\$ 6,775,980
Amortization of loss on refunding				
Net pension assets and liabilities (includes deferred inflows and outflows related to pensions)	\$ 15,901,223 *	-	640,563	16,541,786
Net OPEB payable	\$ 5,812,692 *	-	275,965	6,088,657
Bonds & Leases payable	128,487,810 *	-	4,052,410	132,540,220
Statement of Activities:				
Capital outlay	\$ 16,529,912			
Depreciation	<u>(16,138,107)</u>			
Net	\$ 391,805 ***			

*Reported on reconciliation of the balance sheet for governmental funds to Statement of Net Position.

**Reported on the Statement of Net Position in the governmental funds column.

***Reported on reconciliation of the statement of revenues, expenditures and changes in fund balance to the Statement of Activities.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2019

NOTE 19 - INTEREST EXPENSE

The following is a schedule that shows the amount of interest that was paid during the year, accrued at the end of the year:

	Beginning Accrued	Cash Paid	Expensed	Amortization Bond Premium	Ending Accrued
Governmental funds	\$ 1,175,085	\$ (2,660,187)	\$ (3,063,149)	\$ 540,657	\$ 2,118,703
Enterprise funds	629,512	(2,021,835)	(1,789,697)	207,513	604,887
Total	\$ 1,804,597	\$ (4,682,022)	\$ (4,852,846)	\$ 748,170	\$ 2,723,590

NOTE 20 – DEFERRED OUTFLOWS AND INFLOWS

As of June 30, 2019, Deferred Outflows and Deferred Inflows as reported on the Statement of Net Position on page 27 of this report consist of multiple sources. The breakdown of the different sources of these activities are as follows:

	Governmental	Business-Type	Total
Deferred Outflows			
Pensions	\$ 13,438,582	\$ 2,705,891	\$ 16,144,473
Debt	2,082,186	-	2,082,186
Total Deferred Outflows	\$ 15,520,768	\$ 2,705,891	\$ 18,226,659
Deferred Inflows			
OPEB	\$ 130,746	\$ 31,856	\$ 162,602
Property Tax	16,267,183	-	16,267,183
Pensions	1,995,346	400,466	2,395,812
Total Deferred Inflows	\$ 18,393,275	\$ 432,322	\$ 18,825,597

PROVO CITY CORPORATION
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	Noncontributory Retirement System	Contributory Retirement System	Public Safety Retirement System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement System
12/31/2018						
Proportion of the net pension liability (asset)	2.0841620%	1.5861985%	100.0000000%	5.0455792%	0.6749052%	1.5505388%
Proportionate share of the net pension liability (asset)	\$15,347,193	\$643,684	\$15,111,748	\$2,039,181	\$289,047	\$38,850
Covered employee payroll	\$16,801,786	\$296,889	\$4,650,065	\$4,128,006	\$7,879,480	\$2,074,809
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	91.34%	216.81%	324.98%	49.40%	3.67%	1.87%
Plan fiduciary net position as a percentage of the total pension liability	87.0%	91.2%	77.1%	96.1%	90.8%	95.6%
12/31/2017						
Proportion of the net pension liability (asset)	2.1267511%	2.0850282%	100.0000000%	4.9111599%	0.6631815%	1.6585203%
Proportionate share of the net pension liability (asset)	\$9,317,934	\$169,667	\$11,389,861	(\$1,101,747)	\$58,471	(\$19,190)
Covered employee payroll	\$17,316,192	\$423,086	\$4,108,469	\$4,108,469	\$6,484,779	\$1,750,341
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	53.81%	40.10%	236.70%	-26.82%	90.00%	-1.10%
Plan fiduciary net position as a percentage of the total pension liability	91.9%	98.2%	82.0%	102.3%	97.4%	103.0%
12/31/2016						
Proportion of the net pension liability (asset)	2.1822782%	1.8155608%	100.0000000%	5.0994441%	0.6689307%	1.5262833%
Proportionate share of the net pension liability (asset)	\$14,012,897	\$595,706	\$13,875,843	\$754,297	\$74,619	(\$13,249)
Covered employee payroll	\$18,185,440	\$435,624	\$5,267,716	\$4,407,334	\$5,485,753	\$1,261,049
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	77.06%	136.75%	263.41%	17.11%	1.36%	-1.05%
Plan fiduciary net position as a percentage of the total pension liability	87.3%	92.9%	77.0%	98.4%	95.1%	103.6%

Schedule continues on next page

PROVO CITY CORPORATION
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years (CONTINUED)

	Noncontributory Retirement System	Contributory Retirement System	Public Safety Retirement System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement System
	12/31/2015					
Proportion of the net pension liability (asset)	2.1822455%	1.0617200%	100.0000000%	5.0713442%	0.6570717%	1.4249791%
Proportionate share of the net pension liability (asset)	\$12,348,206	\$746,235	\$12,665,826	\$862,931	(\$1,434)	(\$20,819)
Covered employee payroll	\$17,950,299	\$452,385	\$5,202,897	\$4,276,730	\$4,245,056	\$848,128
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	68.79%	164.96%	243.44%	20.18%	-0.03%	-2.45%
Plan fiduciary net position as a percentage of the total pension liability	87.8%	85.7%	85.7%	98.1%	100.2%	110.7%
	12/31/2014					
Proportion of the net pension liability (asset)	2.2072622%	1.3182415%	100.0000000%	5.1142778%	0.6701126%	1.3192614%
Proportionate share of the net pension liability (asset)	\$9,584,452	\$380,238	\$10,123,567	(\$562,814)	(\$20,307)	(\$19,516)
Covered employee payroll	\$18,384,516	\$706,458	\$5,316,646	\$4,275,471	\$3,288,937	\$545,260
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.1%	53.8%	190.4%	-13.2%	-6.0%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	80.9%	101.3%	103.5%	120.5%

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

PROVO CITY CORPORATION
Required Supplementary Information
Schedule of Pension Contributions

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2014	\$ 3,193,225	\$ 3,193,225	\$ -	\$ 18,696,149	17.08%
	2015	3,309,380	3,309,380	-	18,122,293	18.26%
	2016	3,242,929	3,242,929	-	17,778,328	18.24%
	2017	3,175,636	3,175,636	-	17,385,523	18.27%
	2018	3,237,084	3,237,084	-	17,759,198	18.23%
	2019	3,045,195	3,045,195	-	16,780,978	18.15%
Contributory System	2014	\$ 108,833	\$ 108,833	\$ -	\$ 819,529	13.28%
	2015	80,593	80,593	-	557,348	14.46%
	2016	62,853	62,853	-	434,665	14.46%
	2017	61,405	61,405	-	424,654	14.46%
	2018	54,542	54,542	-	377,195	14.46%
	2019	43,711	43,711	-	302,289	14.46%
Public Safety System	2014	\$ 2,131,951	\$ 2,131,951	\$ -	\$ 5,367,950	39.72%
	2015	2,202,167	2,202,167	-	5,255,061	41.91%
	2016	2,150,772	2,150,772	-	5,134,109	41.89%
	2017	2,084,121	2,084,121	-	4,982,372	41.83%
	2018	2,042,321	2,042,321	-	4,887,118	41.79%
	2019	1,949,621	1,949,621	-	4,686,538	41.60%
Firefighters System	2014	\$ 189,494	\$ 189,494	\$ -	\$ 4,248,769	4.46%
	2015	281,608	281,608	-	4,275,577	6.59%
	2016	291,375	291,375	-	4,312,798	6.76%
	2017	275,436	275,436	-	4,135,687	6.66%
	2018	286,169	286,169	-	4,271,188	6.70%
	2019	298,167	298,167	-	4,118,308	7.24%
Tier 2 Public Employees System*	2014	\$ 385,449	\$ 385,449	\$ -	\$ 2,755,178	13.99%
	2015	570,472	570,472	-	3,819,378	14.94%
	2016	699,870	699,870	-	4,694,723	14.91%
	2017	870,702	870,702	-	5,838,290	14.91%
	2018	1,121,795	1,121,795	-	7,424,190	15.11%
	2019	1,321,048	1,321,048	-	8,500,950	15.54%
Tier 2 Public Safety and Firefighter System*	2014	\$ 113,375	\$ 113,375	\$ -	\$ 457,932	24.76%
	2015	171,292	171,292	-	658,135	26.03%
	2016	259,448	259,448	-	1,040,416	24.94%
	2017	349,466	349,466	-	1,490,730	23.44%
	2018	471,579	471,579	-	1,965,833	23.99%
	2019	569,463	569,463	-	2,240,383	25.42%
Tier 2 Public Employees DC Only System*	2014	\$ 7,618	\$ 7,618	\$ -	\$ 136,525	5.58%
	2015	28,582	28,582	-	425,323	6.72%
	2016	36,563	36,563	-	547,730	6.68%
	2017	47,990	47,990	-	717,345	6.69%
	2018	67,722	67,722	-	1,012,755	6.69%
	2019	79,100	79,100	-	1,182,360	6.69%
Tier 2 Public Safety and Firefighter DC Only System*	2014	\$ 1,655	\$ 1,655	\$ -	\$ 101,387	1.63%
	2015	7,393	7,393	-	132,006	5.60%
	2016	14,322	14,322	-	195,345	7.33%
	2017	24,935	24,935	-	268,734	9.28%
	2018	38,204	38,204	-	477,268	8.00%
	2019	41,724	41,724	-	603,825	6.91%

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

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

PROVO CITY CORPORATION
Notes to the Required Supplementary Information

Changes in Assumptions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

PROVO CITY CORPORATION
Combining Balance Sheet – Other Governmental Funds
June 30, 2019

	Special Revenue							Capital Projects		Total Other Governmental Funds	
	Library	Rental Rehab	C.D.B.G.	Tax Increment	Housing Consortium	Special Purpose Grants	New Development	Homeless Prevention	Parks CIP		Engineering CIP
Assets											
Cash	\$ 3,215,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 270	\$ 4,196,286	\$ 3,153,032	\$ 10,564,904
Restricted cash	-	729,333	447,196	2,042,850	1,977,316	229,019	995,537	-	2,680,021	2,155,198	11,256,470
Accounts receivable	3,724,356	-	500	321	430	-	-	-	1,080	722,966	4,449,653
Loans receivable	-	205,916	1,857,696	2,210,283	14,129,803	716,898	-	-	-	-	19,120,596
Investment in property	-	-	-	1,599,891	-	-	-	-	-	-	1,599,891
Total Assets	<u>\$ 6,939,572</u>	<u>\$ 935,249</u>	<u>\$ 2,305,392</u>	<u>\$ 5,853,345</u>	<u>\$ 16,107,549</u>	<u>\$ 945,917</u>	<u>\$ 995,637</u>	<u>\$ 270</u>	<u>\$ 6,877,387</u>	<u>\$ 6,031,196</u>	<u>\$ 46,991,514</u>
Liabilities, Deferred Inflows & Fund Balance											
Liabilities:											
Accounts payable	\$ 27,152	\$ -	\$ 75,946	\$ 185	\$ 438	\$ -	\$ -	\$ -	\$ 215,999	\$ 456,058	\$ 775,778
Accrued liabilities	113,034	-	18,487	6,424	-	-	-	-	-	-	137,945
Total Liabilities	<u>140,186</u>	<u>-</u>	<u>94,433</u>	<u>6,609</u>	<u>438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,999</u>	<u>456,058</u>	<u>913,723</u>
Deferred Inflows of Resources											
Deferred property tax revenue	3,520,488	-	-	-	-	-	-	-	-	-	3,520,488
Total Deferred Inflows of Resources	<u>3,520,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,520,488</u>
Fund Balance											
Nonspendable	-	-	-	1,599,891	-	-	-	-	-	-	1,599,891
Assigned	3,278,898	-	-	-	-	153,070	39,536	-	-	-	3,471,504
Restricted	-	935,249	2,210,959	4,246,845	16,107,111	792,847	956,101	270	6,661,388	5,575,138	37,485,908
Total Fund Balance	<u>3,278,898</u>	<u>935,249</u>	<u>2,210,959</u>	<u>5,846,736</u>	<u>16,107,111</u>	<u>945,917</u>	<u>995,637</u>	<u>270</u>	<u>6,661,388</u>	<u>5,575,138</u>	<u>42,557,303</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 6,939,572</u>	<u>\$ 935,249</u>	<u>\$ 2,305,392</u>	<u>\$ 5,853,345</u>	<u>\$ 16,107,549</u>	<u>\$ 945,917</u>	<u>\$ 995,637</u>	<u>\$ 270</u>	<u>\$ 6,877,387</u>	<u>\$ 6,031,196</u>	<u>\$ 46,991,514</u>

PROVO CITY CORPORATION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Other Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue							Capital Projects		Total Other Governmental Funds	
	Library	Rental Rehab	C.D.B.G.	Tax Increment	Housing Consortium	Special Purpose Grants	New Development	Homeless Prevention	Parks CIP		Engineering CIP
Revenues:											
Taxes	\$ 3,766,247	\$ -	\$ -	\$ 210,900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,977,147
Intergovernmental	33,972	-	1,284,713	863,626	627,109	-	-	-	104,066	5,446,027	8,359,513
Charges for services	325,610	-	-	-	-	-	101,778	-	266,430	308,214	1,002,032
Interest income	95,115	18,535	8,641	57,822	50,205	4,923	22,365	-	154,024	118,016	529,646
Loan interest repayments	-	30	1,100	86,171	20,357	116	-	-	-	-	107,774
Impact fees	-	-	-	-	-	-	-	-	1,471,362	392,519	1,863,881
Miscellaneous	16,774	-	-	-	-	-	-	-	-	-	16,774
Total revenues	4,237,718	18,565	1,294,454	1,218,519	697,671	5,039	124,143	-	1,995,882	6,264,776	15,856,767
Expenditures:											
Current:											
Culture and recreation	4,503,636	-	-	-	-	80	-	-	13,400	-	4,517,116
Community revitalization	-	1,053	1,872,026	1,255,550	464,738	-	52,581	-	-	-	3,645,948
Total current expenditures	4,503,636	1,053	1,872,026	1,255,550	464,738	80	52,581	-	13,400	-	8,163,064
Debt service:											
Interest	-	-	-	10,130	-	-	-	-	-	-	10,130
Principal on debt	-	-	-	1,220,000	-	-	-	-	300,496	-	1,520,496
Total debt service	-	-	-	1,230,130	-	-	-	-	300,496	-	1,530,626
Capital outlay:											
Capital outlay	-	-	-	-	-	-	-	-	4,242,924	5,272,139	9,515,063
Total expenditures	4,503,636	1,053	1,872,026	2,485,680	464,738	80	52,581	-	4,556,820	5,272,139	19,208,753
Excess (deficiency) of revenues over (under) expenditures	(265,918)	17,512	(577,572)	(1,267,161)	232,933	4,959	71,562	-	(2,560,938)	992,637	(3,351,986)
Other financing sources (uses):											
Transfers from other funds	-	-	-	-	-	-	-	-	1,002,335	-	1,002,335
Transfers to other funds	-	-	-	-	-	-	-	-	(169,902)	(50,000)	(219,902)
Proceeds from land sales	-	-	-	-	-	-	-	-	2,125,549	-	2,125,549
Total other financing sources (uses)	-	-	-	-	-	-	-	-	2,957,982	(50,000)	2,907,982
Net change in fund balance	(265,918)	17,512	(577,572)	(1,267,161)	232,933	4,959	71,562	-	397,044	942,637	(444,004)
Fund balance at beginning of year	3,544,816	917,737	2,788,531	7,113,897	15,874,178	940,958	924,075	270	6,264,344	4,632,501	43,001,307
Fund balance at end of year	\$ 3,278,898	\$ 935,249	\$ 2,210,959	\$ 5,846,736	\$ 16,107,111	\$ 945,917	\$ 995,637	\$ 270	\$ 6,661,388	\$ 5,575,138	42,557,303

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Library Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,917,872	\$ 3,917,872	\$ 3,766,247	\$ (151,625)
Intergovernmental	-	-	33,972	33,972
Charges for services	364,000	344,000	325,610	(18,390)
Interest income	50,000	50,000	95,115	45,115
Miscellaneous	-	-	16,774	16,774
Total revenues	4,331,872	4,311,872	4,237,718	(74,154)
Expenditures:				
Current:				
Culture and recreation	4,516,744	4,924,838	4,503,636	421,202
Total current expenditures	4,516,744	4,924,838	4,503,636	421,202
Capital outlay:				
Capital outlay	117,116	-	-	-
Total expenditures	4,633,860	4,924,838	4,503,636	421,202
Net change in fund balance	\$ (301,988)	\$ (612,966)	(265,918)	\$ 347,048
Fund balance at beginning of year			3,544,816	
Fund balance at end of year			\$ 3,278,898	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Rental Rehab Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Loan interest repayments	\$ 300	\$ 300	\$ 30	\$ (270)
Interest income	6,800	6,800	18,535	11,735
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>18,565</u>	<u>11,465</u>
Expenditures:				
Current:				
Community revitalization	1,300	1,300	1,053	247
Total current expenditures	<u>1,300</u>	<u>1,300</u>	<u>1,053</u>	<u>247</u>
Total expenditures	<u>1,300</u>	<u>1,300</u>	<u>1,053</u>	<u>247</u>
Net change in fund balance	<u>\$ 5,800</u>	<u>\$ 5,800</u>	17,512	<u>\$ 11,712</u>
Fund balance at beginning of year			<u>917,737</u>	
Fund balance at end of year			<u>\$ 935,249</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – CDBG Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,085,000	\$ 1,085,000	\$ 1,284,713	\$ 199,713
Interest income	1,000	1,000	8,641	7,641
Loan principal repayments	80,000	80,000	-	(80,000)
Loan interest repayments	2,000	2,000	1,100	(900)
Total revenues	<u>1,168,000</u>	<u>1,168,000</u>	<u>1,294,454</u>	<u>126,454</u>
Expenditures:				
Current:				
Community revitalization	1,652,062	2,849,795	1,872,026	977,769
Total current expenditures	<u>1,652,062</u>	<u>2,849,795</u>	<u>1,872,026</u>	<u>977,769</u>
Total expenditures	<u>1,652,062</u>	<u>2,849,795</u>	<u>1,872,026</u>	<u>977,769</u>
Net change in fund balance	<u>\$ (484,062)</u>	<u>\$ (1,681,795)</u>	(577,572)	<u>\$ 1,104,223</u>
Fund balance at beginning of year			<u>2,788,531</u>	
Fund balance at end of year			<u>\$ 2,210,959</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Tax Increment Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,100,000	\$ 1,100,000	\$ 210,900	\$ (889,100)
Intergovernmental	-	-	863,626	863,626
Interest income	53,000	53,000	57,822	4,822
Loan principal repayments	86,000	86,000	-	(86,000)
Loan interest repayments	15,000	15,000	86,171	71,171
Total revenues	<u>1,254,000</u>	<u>1,254,000</u>	<u>1,218,519</u>	<u>(35,481)</u>
Expenditures:				
Current:				
Community revitalization	1,099,404	1,962,790	1,255,550	707,240
Total current expenditures	<u>1,099,404</u>	<u>1,962,790</u>	<u>1,255,550</u>	<u>707,240</u>
Debt service:				
Interest expense	10,129	57,829	10,130	47,699
Principal on debt	1,220,000	1,280,000	1,220,000	60,000
Service fees on debt	10,000	12,623	-	12,623
Total debt service	<u>1,240,129</u>	<u>1,350,452</u>	<u>1,230,130</u>	<u>120,322</u>
Total expenditures	<u>2,339,533</u>	<u>3,313,242</u>	<u>2,485,680</u>	<u>827,562</u>
Net change in fund balance	<u>\$ (1,085,533)</u>	<u>\$ (2,059,242)</u>	(1,267,161)	<u>\$ 792,081</u>
Fund balance at beginning of year			<u>7,113,897</u>	
Fund balance at end of year			<u>\$ 5,846,736</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Housing Consortium Special Revenue Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,068,999	\$ 1,068,999	\$ 627,109	\$ (441,890)
Interest income	12,000	12,000	50,205	38,205
Loan principal repayments	684,000	684,000	-	(684,000)
Loan interest repayments	36,000	36,000	20,357	(15,643)
Total revenues	<u>1,800,999</u>	<u>1,800,999</u>	<u>697,671</u>	<u>(1,103,328)</u>
Expenditures:				
Current:				
Community revitalization	2,077,128	3,804,761	464,738	3,340,023
Total current expenditures	<u>2,077,128</u>	<u>3,804,761</u>	<u>464,738</u>	<u>3,340,023</u>
Net change in fund balance	<u>\$ (276,129)</u>	<u>\$ (2,003,762)</u>	232,933	<u>\$ 2,236,695</u>
Fund balance at beginning of year			<u>15,874,178</u>	
Fund balance at end of year			<u>\$ 16,107,111</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Special Purpose Grants Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest income	\$ 1,000	\$ 1,000	\$ 4,923	\$ 3,923
Loan principal repayments	50,000	50,000	-	(50,000)
Loan interest repayments	1,000	1,000	116	(884)
Total revenues	<u>52,000</u>	<u>52,000</u>	<u>5,039</u>	<u>(46,961)</u>
Expenditures:				
Current:				
Culture and recreation	140,000	163,840	80	163,760
Total current expenditures	140,000	163,840	80	163,760
Total expenditures	<u>140,000</u>	<u>163,840</u>	<u>80</u>	<u>163,760</u>
Net change in fund balance	<u>\$ (88,000)</u>	<u>\$ (111,840)</u>	4,959	<u>\$ 116,799</u>
Fund balance at beginning of year			<u>940,958</u>	
Fund balance at end of year			<u>\$ 945,917</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – New Development Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 92,000	\$ 92,000	\$ 101,778	\$ 9,778
Interest income	5,000	5,000	22,365	17,365
Total revenues	<u>97,000</u>	<u>97,000</u>	<u>124,143</u>	<u>27,143</u>
Expenditures:				
Current:				
Community revitalization	70,944	92,170	52,581	39,589
Total current expenditures	<u>70,944</u>	<u>92,170</u>	<u>52,581</u>	<u>39,589</u>
Total expenditures	<u>70,944</u>	<u>92,170</u>	<u>52,581</u>	<u>39,589</u>
Net change in fund balance	<u>\$ 26,056</u>	<u>\$ 4,830</u>	71,562	<u>\$ 66,732</u>
Fund balance at beginning of year			<u>924,075</u>	
Fund balance at end of year			<u>\$ 995,637</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Homeless Prevention Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Community revitalization	-	-	-	-
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance at beginning of year			<u>270</u>	
Fund balance at end of year			<u>\$ 270</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Debt Service Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 3,646,639	\$ 3,646,639	\$ 3,697,349	\$ 50,710
Interest income	19,250	19,250	135,375	116,125
Total revenues	<u>3,665,889</u>	<u>3,665,889</u>	<u>3,832,724</u>	<u>166,835</u>
Expenditures:				
Current:				
Community revitalization	-	-	3,225	(3,225)
Total current expenditures	-	-	3,225	(3,225)
Debt service:				
Interest	2,632,100	2,632,100	2,594,681	37,419
Rent/Lease	883,045	883,045	836,111	46,934
Principal on debt	3,952,000	3,952,000	3,952,000	-
Interest - interfund	5,768	5,768	-	5,768
Service fees on debt and issuance costs	7,854	720,240	725,077	(4,837)
Total debt service	<u>7,480,767</u>	<u>8,193,153</u>	<u>8,107,869</u>	<u>85,284</u>
Total expenditures	<u>7,480,767</u>	<u>8,193,153</u>	<u>8,111,094</u>	<u>82,059</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,814,878)</u>	<u>(4,527,264)</u>	<u>(4,278,370)</u>	<u>248,894</u>
Other financing sources (uses):				
Transfers from other funds	4,514,786	4,514,786	4,829,786	315,000
Transfers to other funds	(1,183,921)	(1,183,921)	(1,498,921)	(315,000)
Debt issuance	-	-	712,386	712,386
Total other financing sources (uses):	<u>3,330,865</u>	<u>3,330,865</u>	<u>4,043,251</u>	<u>712,386</u>
Net change in fund balance	<u>\$ (484,013)</u>	<u>\$ (1,196,399)</u>	(235,119)	<u>\$ 961,280</u>
Fund balance at beginning of year			<u>5,677,150</u>	
Fund balance at end of year			<u>\$ 5,442,031</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Engineering CIP Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 308,214	\$ 308,214
Intergovernmental	-	-	5,446,027	5,446,027
Interest income	50,000	50,000	118,016	68,016
Impact fees	250,000	250,000	392,519	142,519
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>6,264,776</u>	<u>5,964,776</u>
Expenditures:				
Capital outlay:				
Capital outlay	395,000	10,668,860	5,272,139	5,396,721
Total expenditures	<u>395,000</u>	<u>10,668,860</u>	<u>5,272,139</u>	<u>5,396,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(95,000)</u>	<u>(10,368,860)</u>	<u>992,637</u>	<u>11,361,497</u>
Other financing sources (uses):				
Transfers to other funds	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses):	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (145,000)</u>	<u>\$ (10,418,860)</u>	942,637	<u>\$ 11,361,497</u>
Fund balance at beginning of year			<u>4,632,501</u>	
Fund balance at end of year			<u>\$ 5,575,138</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Parks & Recreation CIP Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 260,000	\$ 260,000	\$ 104,066	\$ (155,934)
Charges for services	-	-	266,430	266,430
Interest income	33,500	33,500	154,024	120,524
Impact fees	1,500,000	1,500,000	1,471,362	(28,638)
Total revenues	<u>1,793,500</u>	<u>1,793,500</u>	<u>1,995,882</u>	<u>202,382</u>
Expenditures:				
Current:				
Culture and recreation	15,000	15,000	13,400	1,600
Total current expenditures	<u>15,000</u>	<u>15,000</u>	<u>13,400</u>	<u>1,600</u>
Debt service:				
Principal on debt	-	-	300,496	(300,496)
Total debt service	<u>-</u>	<u>-</u>	<u>300,496</u>	<u>(300,496)</u>
Capital outlay:				
Capital outlay	3,476,975	9,785,473	4,242,924	5,542,549
Total expenditures	<u>3,491,975</u>	<u>9,800,473</u>	<u>4,556,820</u>	<u>5,544,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,698,475)</u>	<u>(8,006,973)</u>	<u>(2,560,938)</u>	<u>5,746,531</u>
Other financing sources (uses):				
Transfers from other funds	1,275,000	1,275,000	1,002,335	(272,665)
Transfers to other funds	(169,902)	(169,902)	(169,902)	-
Proceeds from land sales	-	-	2,125,549	2,125,549
Total other financing sources (uses):	<u>1,105,098</u>	<u>1,105,098</u>	<u>2,957,982</u>	<u>1,852,884</u>
Net change in fund balance	<u>\$ (593,377)</u>	<u>\$ (6,901,875)</u>	397,044	<u>\$ 7,599,415</u>
Fund balance at beginning of year			<u>6,264,344</u>	
Fund balance at end of year			<u>\$ 6,661,388</u>	

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General CIP Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest income	\$ -	\$ -	\$ 815,022	\$ 815,022
Total revenues	<u>-</u>	<u>-</u>	<u>815,022</u>	<u>815,022</u>
Expenditures:				
Capital outlay:				
Capital outlay	40,000	76,556,025	3,160,470	73,395,555
Total expenditures	<u>40,000</u>	<u>76,556,025</u>	<u>3,160,470</u>	<u>73,395,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(76,556,025)</u>	<u>(2,345,448)</u>	<u>74,210,577</u>
Other financing sources (uses):				
Transfers from other funds	700,465	700,465	700,465	-
Bond premium	4,920,258	4,920,258	4,920,258	-
Bond proceeds	65,217,614	65,217,614	65,217,614	-
Total other financing sources (uses):	<u>70,838,337</u>	<u>70,838,337</u>	<u>70,838,337</u>	<u>-</u>
Net change in fund balance	<u>\$ 70,798,337</u>	<u>\$ (5,717,688)</u>	68,492,889	<u>\$ 74,210,577</u>
Fund balance at beginning of year			<u>2,064,960</u>	
Fund balance at end of year			<u>\$ 70,557,849</u>	

PROVO CITY CORPORATION
Combining Statement of Net Position – Nonmajor Enterprise Funds
June 30, 2019

	Business-type Activities-Enterprise Funds					
	Golf Course	Utility Transportation	Sanitation	Storm Drain	Ice Sheet	Total
Assets						
Current Assets:						
Cash	\$ 1,965,215	\$ 2,510,167	\$ 138,312	\$ 2,439,087	\$ 1,004,968	\$ 8,057,749
Restricted cash	-	-	-	465	-	465
Accounts receivable	225,117	143,397	624,438	538,601	100	1,531,653
Total Current Assets	2,190,332	2,653,564	762,750	2,978,153	1,005,068	9,589,867
Noncurrent Assets:						
Capital Assets:						
Non Depreciable	25,065,446	-	539,627	1,201,149	4,715,960	31,522,182
Depreciable assets	1,327,394	-	232,020	19,650,496	6,143,064	27,352,974
Net Capital Assets	26,392,840	-	771,647	20,851,645	10,859,024	58,875,156
Equity in Joint Venture	-	-	9,981,568	-	-	9,981,568
Total Noncurrent Assets	26,392,840	-	10,753,215	20,851,645	10,859,024	68,856,724
Total Assets	28,583,172	2,653,564	11,515,965	23,829,798	11,864,092	78,446,591
Deferred outflows of resources						
Deferred outflows related to pensions	74,582	-	149,153	149,179	56	372,970
Total deferred outflows of resources	74,582	-	149,153	149,179	56	372,970
Liabilities & Net Position						
Liabilities:						
Accounts payable	20,480	367,325	194,702	234,410	242,447	1,059,364
Accrued liabilities	41,512	-	64,646	42,361	24,013	172,532
Customer deposits	(4,068)	-	-	-	-	(4,068)
Accrued interest payable	-	-	-	14,665	-	14,665
Accrued compensated absences	10,172	-	41,151	27,216	4,457	82,996
Bonds, leases and loans payable	-	-	-	630,000	-	630,000
Total Current Liabilities	68,096	367,325	300,499	948,652	270,917	1,955,489
Long-term Liabilities						
Accrued compensated absences	23,734	-	96,019	63,504	10,400	193,657
Net OPEB payable	-	-	124,558	238,736	10,380	373,674
Net pension liability	154,605	-	309,211	309,265	64	773,145
Interfund loan payable	2,029,396	-	-	-	-	2,029,396
Bonds payable	-	-	-	2,713,019	-	2,713,019
Total Long-term Liabilities	2,207,735	-	529,788	3,324,524	20,844	6,082,891
Total Liabilities	2,275,831	367,325	830,287	4,273,176	291,761	8,038,380
Deferred inflows of resources						
Deferred inflows related to pensions	11,067	-	22,020	21,921	218	55,226
Deferred inflows related to OPEB	-	-	2,811	5,387	-	8,198
Total deferred inflows of resources	11,067	-	24,831	27,308	218	63,424
Net Position						
Net investment in capital assets	26,392,840	-	771,647	17,509,091	10,859,024	55,532,602
Restricted for:						
Debt service	-	-	-	465	-	465
Unrestricted	(21,984)	2,286,239	10,038,353	2,168,937	713,145	15,184,690
Total Net Position	\$ 26,370,856	\$ 2,286,239	\$ 10,810,000	\$ 19,678,493	\$ 11,572,169	\$ 70,717,757

PROVO CITY CORPORATION
Combining Statement of Revenue, Expenses, and Changes in Net Position –
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

Business-type Activities-Enterprise Funds

	Golf Course	Utility Transportation	Sanitation	Storm Drain	Ice Sheet	Total
Operating Revenues:						
Charges for services	\$ 750,366	\$ 2,150,893	\$ 5,563,966	\$ 5,303,809	\$ 829,502	\$ 14,598,536
Fees & rentals	185,992	-	-	14,675	524,278	724,945
Miscellaneous	294,008	-	231,738	476,869	6,400	1,009,015
Total operating revenues	<u>1,230,366</u>	<u>2,150,893</u>	<u>5,795,704</u>	<u>5,795,353</u>	<u>1,360,180</u>	<u>16,332,496</u>
Operating expenses:						
Salaries and wages	416,345	-	1,002,176	657,475	444,125	2,520,121
Employee benefits	129,083	-	571,494	292,046	139,662	1,132,285
Operating expenses	841,320	1,994,134	3,166,291	976,571	665,376	7,643,692
Depreciation	193,604	-	8,226	375,447	395,822	973,099
Total operating expenses	<u>1,580,352</u>	<u>1,994,134</u>	<u>4,748,187</u>	<u>2,301,539</u>	<u>1,644,985</u>	<u>12,269,197</u>
Operating income (loss)	<u>(349,986)</u>	<u>156,759</u>	<u>1,047,517</u>	<u>3,493,814</u>	<u>(284,805)</u>	<u>4,063,299</u>
Nonoperating revenues (expenses)						
Intergovernmental revenue	-	-	-	-	50,000	50,000
Interest income	788	45,657	15,814	58,250	25,800	146,309
Interest expense	-	-	-	(185,338)	-	(185,338)
Joint Venture gain (loss)	-	-	645,283	-	-	645,283
Total nonoperating revenues (expenses)	<u>788</u>	<u>45,657</u>	<u>661,097</u>	<u>(127,088)</u>	<u>75,800</u>	<u>656,254</u>
Income (loss) before contributions, and transfers	<u>(349,198)</u>	<u>202,416</u>	<u>1,708,614</u>	<u>3,366,726</u>	<u>(209,005)</u>	<u>4,719,553</u>
Capital contributions	-	-	-	218,134	-	218,134
Transfers in	256,958	-	-	-	-	256,958
Transfers out	-	-	(669,257)	(581,109)	-	(1,250,366)
Change in Net Position	<u>(92,240)</u>	<u>202,416</u>	<u>1,039,357</u>	<u>3,003,751</u>	<u>(209,005)</u>	<u>3,944,279</u>
Net Position at beginning of year	<u>26,463,096</u>	<u>2,083,823</u>	<u>9,770,643</u>	<u>16,674,742</u>	<u>11,781,174</u>	<u>66,773,478</u>
Net Position at end of year	<u>\$ 26,370,856</u>	<u>\$ 2,286,239</u>	<u>\$ 10,810,000</u>	<u>\$ 19,678,493</u>	<u>\$ 11,572,169</u>	<u>\$ 70,717,757</u>

PROVO CITY CORPORATION
Combining Statement of Cash Flows – Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

	Golf Course	Utility Transportation	Sanitation	Storm Drain	Ice Sheet	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ 1,005,249	\$ 2,152,042	\$ 5,737,784	\$ 5,807,482	\$ 1,355,180	\$ 16,057,737
Payments to suppliers	(873,238)	(1,742,652)	(3,213,035)	(786,565)	(493,463)	(7,108,953)
Payments to employees	(528,644)	-	(1,578,792)	(941,753)	(567,837)	(3,617,026)
Net cash provided (used) by operating activities	<u>(396,633)</u>	<u>409,390</u>	<u>945,957</u>	<u>4,079,164</u>	<u>293,880</u>	<u>5,331,758</u>
Cash flows from noncapital financing activities:						
Impact fees	-	-	-	218,134	-	218,134
Federal and state grants	-	-	-	-	50,200	50,200
Transfers from other funds	256,958	-	-	-	-	256,958
Transfers to other funds	-	-	(669,257)	(581,109)	-	(1,250,366)
Net cash provided (used) by noncapital financing activities	<u>256,958</u>	<u>-</u>	<u>(669,257)</u>	<u>(362,975)</u>	<u>50,200</u>	<u>(725,074)</u>
Cash flows from capital and related financing activities:						
Payments for capital acquisitions	-	-	(383,982)	(1,694,884)	(387,580)	(2,466,446)
Principal paid on bonds payable	-	-	-	(610,000)	-	(610,000)
Proceeds from interfund loan payable	2,029,396	-	-	-	-	2,029,396
Interest paid on bonds payable	-	-	-	(191,076)	-	(191,076)
Net cash provided (used) by capital and related financing activities	<u>2,029,396</u>	<u>-</u>	<u>(383,982)</u>	<u>(2,495,960)</u>	<u>(387,580)</u>	<u>(1,238,126)</u>
Cash flows from investing activities:						
Receipts of interest	788	45,657	15,814	58,250	25,800	146,309
Net cash provided by investing activities	<u>788</u>	<u>45,657</u>	<u>15,814</u>	<u>58,250</u>	<u>25,800</u>	<u>146,309</u>
Net increase (decrease) in cash	1,890,509	455,047	(91,468)	1,278,479	(17,700)	3,514,867
Cash at beginning of year	74,706	2,055,120	229,780	1,161,073	1,022,668	4,543,347
Cash at end of year	<u>\$ 1,965,215</u>	<u>\$ 2,510,167</u>	<u>\$ 138,312</u>	<u>\$ 2,439,552</u>	<u>\$ 1,004,968</u>	<u>\$ 8,058,214</u>
Cash at end of year consists of:						
Cash	\$ 1,965,215	\$ 2,510,167	\$ 138,312	\$ 2,439,087	\$ 1,004,968	\$8,057,749
Restricted cash	-	-	-	465	-	465
Total Cash	<u>\$ 1,965,215</u>	<u>\$ 2,510,167</u>	<u>\$ 138,312</u>	<u>\$ 2,439,552</u>	<u>\$ 1,004,968</u>	<u>\$ 8,058,214</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (349,986)	\$ 156,759	\$ 1,047,517	\$ 3,493,814	\$ (284,805)	\$ 4,063,299
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	193,604	-	8,226	375,447	395,821	973,098
Changes in assets and liabilities:						
Decrease (increase) in accounts receivable	(225,117)	1,149	(57,920)	12,129	-	(269,759)
Increase (decrease) in accounts payable	-	251,482	(46,744)	190,006	171,914	\$566,658
Increase (decrease) in accrued liabilities	(28,274)	-	658	(17,213)	7,180	(37,649)
Increase (decrease) in unearned revenue	6,965	-	-	-	(5,000)	1,965
Increase (decrease) in customer deposits	(5,441)	-	-	-	-	(5,441)
Increase (decrease) in accrued compensated absences	11,616	-	(5,780)	24,981	8,770	39,587
Net cash provided (used) by operating activities	<u>\$ (396,633)</u>	<u>\$ 409,390</u>	<u>\$ 945,957</u>	<u>\$ 4,079,164</u>	<u>\$ 293,880</u>	<u>\$ 5,331,758</u>

PROVO CITY CORPORATION
Combining Statement of Net Position – Internal Service Funds
June 30, 2019

	Customer Service	Employee Benefits	Insurance / Claims	Vehicle Management	Computer Lease	Facility Services	Telecom	Total Internal Service Funds
Assets								
Current Assets:								
Cash	\$ 711,816	\$ 6,274,669	\$ 1,422,876	\$ 5,356,050	\$ 509,917	\$ 1,526,829	\$ 3,264,165	\$ 19,066,322
Restricted cash	-	-	-	2,497,554	-	-	-	2,497,554
Inventory	17,104	-	-	228,976	-	-	-	246,080
Total Current Assets	728,920	6,274,669	1,422,876	8,082,580	509,917	1,526,829	3,264,165	21,809,956
Capital Assets								
Non Depreciable assets	-	-	-	-	-	-	31,166	31,166
Depreciable assets	139,618	-	-	12,784,365	71,915	40,297	3,132	13,039,327
Net Capital Assets	139,618	-	-	12,784,365	71,915	40,297	34,298	13,070,493
Total Assets	868,538	6,274,669	1,422,876	20,866,945	581,832	1,567,126	3,298,463	34,880,449
Deferred outflows of resources								
Deferred outflows related to pensions	298,321	-	-	77,218	-	149,106	-	524,645
Total deferred outflows of resources	298,321	-	-	77,218	-	149,106	-	524,645
Liabilities:								
Current Liabilities								
Accounts payable	120,666	34,722	83	404,204	78,261	50,169	-	688,105
Accrued liabilities	79,804	3,411,836	502,034	22,953	-	24,338	-	4,040,965
Accrued interest payable	-	-	-	26,102	-	-	-	26,102
Due within one year:								
Accrued Compensated Absences	59,268	-	-	16,432	-	17,863	-	93,563
Leases and notes payable	-	-	-	530,322	-	-	-	530,322
Total Current Liabilities	259,738	3,446,558	502,117	1,000,013	78,261	92,370	-	5,379,057
Noncurrent Liabilities								
Accrued compensated absences	138,291	-	-	38,342	-	41,681	-	218,314
Net OPEB payable	103,798	-	-	125,104	-	40,973	-	269,875
Net pension liability	618,420	-	-	160,073	-	309,107	-	1,087,600
Lease payable	-	-	-	3,522,088	-	-	-	3,522,088
Total Noncurrent Liabilities	860,509	-	-	3,845,607	-	391,761	-	5,097,877
Total Liabilities	1,120,247	3,446,558	502,117	4,845,620	78,261	484,131	-	10,476,934
Deferred inflows of resources								
Deferred inflows related to pensions	44,176	-	-	11,410	-	22,022	-	77,608
Deferred inflows related to OPEB	2,342	-	-	2,577	-	1,171	-	6,090
Total deferred inflows of resources	46,518	-	-	13,987	-	23,193	-	83,698
Net Position								
Net investment in capital assets	139,618	-	-	8,731,955	71,915	40,297	34,298	9,018,083
Unrestricted	(139,524)	2,828,111	920,759	7,352,601	431,656	1,168,611	3,264,165	15,826,379
Total Net Position	\$94	\$2,828,111	\$920,759	\$16,084,556	\$503,571	\$1,208,908	\$3,298,463	\$24,844,462

PROVO CITY CORPORATION
Combining Statement of Revenue, Expenses, and Changes in Net Position –
Internal Service Funds
For the Year Ended June 30, 2019

	Customer Service	Employee Benefits	Insurance / Claims	Vehicle Management	Computer Lease	Facility Services	Telecom	Total Internal Service Funds
Operating Revenues:								
Charges for services	\$ 3,381,356	\$ 2,357,054	\$ 1,372,058	\$ 7,357,170	\$ 272,661	\$ 1,598,270	\$ 300,707	\$ 16,639,276
Miscellaneous	21,796	129,808	-	765,976	-	4,068	-	921,648
Taxes	-	-	-	-	-	-	207,146	207,146
Total operating revenues	3,403,152	2,486,862	1,372,058	8,123,146	272,661	1,602,338	507,853	17,768,070
Operating expenses:								
Salaries and wages	1,242,384	130,337	69,736	370,959	-	349,903	-	2,163,319
Employee benefits	666,169	35,909	32,219	224,453	-	224,973	-	1,183,723
Operating expenses	1,813,645	2,039,133	1,396,971	1,785,697	217,334	801,192	43,745	8,097,717
Depreciation	19,522	1,547	-	3,927,223	34,845	19,581	14,272	4,016,990
Total operating expenses	3,741,720	2,206,926	1,498,926	6,308,332	252,179	1,395,649	58,017	15,461,749
Operating income (loss)	(338,568)	279,936	(126,868)	1,814,814	20,482	206,689	449,836	2,306,321
Nonoperating revenues (expenses)								
Interest income	10,210	144,246	22,346	27,555	5,385	14,995	66,615	291,352
Interest on debt	-	-	-	(53,814)	-	-	-	(53,814)
Gain (loss) on disposition of assets	-	-	-	(1,579,640)	-	-	-	(1,579,640)
Total nonoperating revenues (expenses)	10,210	144,246	22,346	(1,605,899)	5,385	14,995	66,615	(1,342,102)
Income (loss) before transfers	(328,358)	424,182	(104,522)	208,915	25,867	221,684	516,451	964,219
Transfers								
Transfers from other funds	328,358	-	-	125,000	-	395,000	-	848,358
Total transfers	328,358	-	-	125,000	-	395,000	-	848,358
Change in net position	-	424,182	(104,522)	333,915	25,867	616,684	516,451	1,812,577
Net Position - beginning of year	94	2,403,929	1,025,281	15,750,641	477,704	592,224	2,782,012	23,031,885
Net Position - end of year	\$ 94	\$ 2,828,111	\$ 920,759	\$ 16,084,556	\$ 503,571	\$ 1,208,908	\$ 3,298,463	\$ 24,844,462

PROVO CITY CORPORATION
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended June 30, 2019

	Customer Service	Employee Benefits	Insurance / Claims	Vehicle Management	Computer Lease	Capital Resource	Facility Services	Telecom	Total Internal Service Funds
Cash flows from operating activities:									
Receipts from customers and users	\$ 3,403,152	\$ 2,486,862	\$ 1,372,058	\$ 8,123,146	\$ 272,661	\$ -	\$ 1,602,824	\$ 507,853	\$ 17,768,556
Payments to suppliers	(1,803,925)	(1,824,412)	-	(2,044,902)	(138,395)	-	(756,394)	(64,185)	(6,632,213)
Payments to employees	(1,872,772)	(166,246)	(101,955)	(599,212)	-	-	(584,670)	-	(3,324,855)
Payments for claims	-	-	(1,729,513)	-	-	-	-	-	(1,729,513)
Net cash provided (used) by operating activities	<u>(273,545)</u>	<u>496,204</u>	<u>(459,410)</u>	<u>5,479,032</u>	<u>134,266</u>	<u>-</u>	<u>261,760</u>	<u>443,668</u>	<u>6,081,975</u>
Cash flows from noncapital financing activities:									
Transfers from other funds	328,358	-	-	125,000	-	-	395,000	-	848,358
Net cash provided (used) by noncapital financing activities	<u>328,358</u>	<u>-</u>	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>-</u>	<u>395,000</u>	<u>-</u>	<u>848,358</u>
Cash flows from capital and related financing activities:									
Payments for capital acquisitions	-	-	-	(4,754,505)	-	-	-	-	(4,754,505)
Principal paid on notes and lease payable	-	-	-	(241,362)	-	-	-	-	(241,362)
Interest paid on notes & lease payable	-	-	-	(39,205)	-	-	-	-	(39,205)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,545,072)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,545,072)</u>
Cash flows from investing activities:									
Receipts of interest	10,210	144,246	22,346	27,555	5,385	-	14,995	66,615	291,352
Net cash provided by investing activities	<u>10,210</u>	<u>144,246</u>	<u>22,346</u>	<u>27,555</u>	<u>5,385</u>	<u>-</u>	<u>14,995</u>	<u>66,615</u>	<u>291,352</u>
Net increase (decrease) in cash	65,023	640,450	(437,064)	3,086,515	139,651	-	671,755	510,283	4,676,613
Cash at beginning of year	646,793	5,634,219	1,859,940	4,767,089	370,266	-	855,074	2,753,882	16,887,263
Cash at end of year	<u>\$ 711,816</u>	<u>\$ 6,274,669</u>	<u>\$ 1,422,876</u>	<u>\$ 7,853,604</u>	<u>\$ 509,917</u>	<u>\$ -</u>	<u>\$ 1,526,829</u>	<u>\$ 3,264,165</u>	<u>\$ 21,563,876</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:									
Operating income (loss)	\$ (338,568)	\$ 279,936	\$ (126,868)	\$ 1,814,814	\$ 20,482	\$ -	\$ 206,689	\$ 449,836	\$ 2,306,321
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:									
Depreciation	19,522	1,547	-	3,927,223	34,846	-	19,581	14,273	4,016,992
Changes in assets and liabilities:									
Decrease (increase) in accounts receivable	-	-	-	-	-	-	486	-	486
Decrease (increase) in inventory	2,652	-	-	(107,108)	-	-	-	-	(104,456)
Increase (decrease) in accounts payable	7,068	(25,849)	(446,177)	(147,356)	78,938	-	42,719	(20,441)	(511,098)
Increase (decrease) in accrued liabilities	17,729	240,570	113,635	(3,735)	-	-	(6,331)	-	361,868
Increase (decrease) in accrued compensated absences	18,052	-	-	(4,806)	-	-	(1,384)	-	11,862
Net cash provided (used) by operating activities	<u>\$ (273,545)</u>	<u>\$ 496,204</u>	<u>\$ (459,410)</u>	<u>\$ 5,479,032</u>	<u>\$ 134,266</u>	<u>\$ -</u>	<u>\$ 261,760</u>	<u>\$ 443,668</u>	<u>\$ 6,081,975</u>

PROVO CITY CORPORATION
Statistical Section (unaudited)

This part of Provo City's Comprehensive Annual Financial Report presents detailed information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section is divided into five main categories as follows:

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

PROVO CITY CORPORATION
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Net investment in capital assets	\$ 240,328	\$ 200,011	\$ 257,442	\$ 256,354	\$ 295,912	\$ 302,153	\$ 297,887	\$ 281,052	\$ 282,889	\$ 281,008
Restricted	5,785	7,023	5,669	8,575	10,213	9,152	9,012	8,636	8,044	10,949
Unrestricted	<u>85,202</u>	<u>123,775</u>	<u>82,645</u>	<u>62,192</u>	<u>34,584</u>	<u>21,064</u>	<u>32,769</u>	<u>59,078</u>	<u>55,099</u>	<u>56,070</u>
Total governmental activities net position	<u>\$ 331,315</u>	<u>\$ 330,809</u>	<u>\$ 345,756</u>	<u>\$ 327,121</u>	<u>\$ 340,709</u>	<u>\$ 332,369</u>	<u>\$ 339,668</u>	<u>\$ 348,766</u>	<u>\$ 346,032</u>	<u>\$ 348,027</u>
Business type activities										
Net investment in capital assets	\$ 155,515	\$ 161,660	\$ 162,495	\$ 174,365	\$ 184,123	\$ 195,163	\$ 206,938	\$ 215,012	\$ 225,102	\$ 245,279
Restricted	9,433	10,535	11,550	2,114	1,452	1,554	1,790	1,177	1,173	2,001
Unrestricted	<u>17,251</u>	<u>18,132</u>	<u>23,769</u>	<u>36,517</u>	<u>41,333</u>	<u>40,028</u>	<u>45,326</u>	<u>47,872</u>	<u>55,987</u>	<u>51,911</u>
Total business-type activities net position	<u>\$ 182,199</u>	<u>\$ 190,327</u>	<u>\$ 197,813</u>	<u>\$ 212,996</u>	<u>\$ 226,908</u>	<u>\$ 236,745</u>	<u>\$ 254,054</u>	<u>\$ 264,061</u>	<u>\$ 282,262</u>	<u>\$ 299,191</u>
Primary government										
Net investment in capital assets	\$ 395,843	\$ 361,671	\$ 419,936	\$ 430,719	\$ 480,035	\$ 497,316	\$ 504,825	\$ 496,064	\$ 507,991	\$ 526,287
Restricted	15,219	17,557	17,219	10,689	11,665	10,706	10,802	9,813	9,217	12,950
Unrestricted	<u>102,453</u>	<u>141,907</u>	<u>106,414</u>	<u>98,709</u>	<u>75,917</u>	<u>61,092</u>	<u>78,096</u>	<u>106,950</u>	<u>111,086</u>	<u>107,981</u>
Total primary government net position	<u>\$ 513,515</u>	<u>\$ 521,136</u>	<u>\$ 543,569</u>	<u>\$ 540,117</u>	<u>\$ 567,617</u>	<u>\$ 569,114</u>	<u>\$ 593,722</u>	<u>\$ 612,827</u>	<u>\$ 628,294</u>	<u>\$ 647,218</u>

PROVO CITY CORPORATION
Changes in Net Position
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Expenses										
Governmental activities:										
General government	\$ 14,551,210	\$ 17,545,606	\$ 13,825,444	\$ 13,954,338	\$ 16,413,265	\$ 10,446,120	\$ 15,094,178	\$ 9,947,222	\$ 15,223,591	\$ 18,401,939
Public safety	21,951,681	22,667,366	22,673,016	24,565,965	26,060,376	29,587,970	29,556,038	33,145,039	35,567,703	36,263,547
Public services	6,811,313	6,878,502	7,019,330	7,290,403	3,530,835	5,433,480	4,333,204	6,638,270	4,630,125	4,817,070
Community revitalization	2,184,407	4,129,887	2,840,223	4,048,016	15,226,330	3,806,559	10,815,047	15,258,704	11,015,227	8,273,032
Culture and Recreation	11,840,073	11,533,298	11,463,920	12,256,143	6,601,685	20,294,364	16,249,311	17,622,058	18,415,600	18,438,144
Interest on long-term debt	2,748,353	2,574,376	2,757,148	3,707,262	3,867,154	3,405,382	3,253,889	3,038,788	2,551,409	4,153,417
Total governmental activities expenses	<u>60,087,037</u>	<u>65,329,035</u>	<u>60,579,081</u>	<u>65,822,127</u>	<u>71,699,645</u>	<u>72,973,875</u>	<u>79,301,667</u>	<u>85,650,081</u>	<u>87,403,655</u>	<u>90,347,149</u>
Business-type activities:										
Golf course	982,886	983,079	1,053,754	1,052,088	992,369	1,019,338	1,141,607	1,141,024	1,176,952	1,575,803
Water	5,435,207	5,402,807	5,196,862	5,533,038	7,204,403	7,904,688	7,973,382	8,262,139	9,857,885	11,266,122
Waste water	3,984,906	3,907,991	3,379,405	3,446,357	4,230,141	5,287,897	5,310,180	7,243,811	6,699,620	7,559,952
Energy	44,635,098	48,952,619	51,274,077	51,751,914	53,976,637	58,138,440	57,763,462	62,306,764	70,813,011	67,460,174
Airport	1,745,972	1,360,835	1,498,158	2,061,008	1,719,947	1,839,029	1,906,741	3,299,881	3,478,456	3,284,400
Utility transportation	-	-	-	-	-	-	1,946,733	2,393,632	2,871,069	1,994,134
Sanitation	3,048,964	3,221,859	3,560,083	3,191,451	3,939,018	4,498,128	2,341,642	4,040,055	4,195,985	4,355,800
Storm drain	1,847,081	1,797,059	2,024,820	1,978,902	2,101,482	2,651,205	2,523,765	3,051,105	2,639,894	2,431,569
Ice Sheet	-	-	-	-	-	-	-	-	1,640,921	1,644,985
Total business-type activities expenses	<u>61,680,114</u>	<u>65,626,249</u>	<u>67,987,159</u>	<u>69,014,758</u>	<u>74,163,997</u>	<u>81,338,725</u>	<u>80,907,512</u>	<u>91,738,411</u>	<u>103,373,793</u>	<u>101,572,939</u>
Total primary government expenses	<u>\$ 121,767,151</u>	<u>\$ 130,955,284</u>	<u>\$ 128,566,240</u>	<u>\$ 134,836,885</u>	<u>\$ 145,863,642</u>	<u>\$ 154,312,600</u>	<u>\$ 160,209,179</u>	<u>\$ 177,388,492</u>	<u>\$ 190,777,448</u>	<u>\$ 191,920,088</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	4,516,754	5,326,761	4,835,523	4,530,922	690,216	2,492,797	2,174,918	782,851	485,976	754,295
Public safety	1,609,902	2,148,201	1,186,789	1,829,277	1,885,472	1,803,240	1,948,547	1,741,913	1,815,950	2,002,735
Public services	34,999	99,315	179,750	266,274	614,765	1,167,202	817,255	2,288,295	3,347,881	1,558,837
Community revitalization	1,190,883	(162,154)	484,483	395,934	1,883,310	1,891,662	3,822,107	2,875,746	1,618,026	2,180,378
Culture and Recreation	1,711,533	1,741,247	1,699,689	2,524,329	4,676,859	5,214,075	5,694,551	7,012,592	7,198,747	6,748,532
Operating grants and contributions	6,827,978	8,355,345	11,801,818	9,739,605	14,389,400	13,385,474	12,882,537	17,459,101	17,674,626	8,485,241
Capital grants and contributions	115,823	146,504	492,655	996,567	234,646	70,635	29,838	1,513,967	3,378,973	7,859,934
Total governmental activities program revenues	<u>\$ 16,007,872</u>	<u>\$ 17,655,219</u>	<u>\$ 20,680,707</u>	<u>\$ 20,282,908</u>	<u>\$ 24,374,308</u>	<u>\$ 26,025,085</u>	<u>\$ 27,369,753</u>	<u>\$ 33,674,465</u>	<u>\$ 35,520,179</u>	<u>\$ 29,589,952</u>
Business-type activities:										
Charges for services:										
Golf Course	532,722	514,414	548,169	556,005	620,765	775,243	809,593	808,011	814,257	936,358
Water	6,323,416	7,254,338	7,924,920	8,537,155	8,885,615	9,181,433	11,261,939	13,039,982	14,192,661	14,477,581
Waste water	4,953,298	5,590,397	5,393,304	5,549,311	5,110,036	6,028,493	8,094,637	9,504,838	11,299,581	14,863,919
Energy	45,791,657	52,170,100	59,227,359	62,988,867	66,169,618	68,259,149	71,028,670	73,105,744	73,301,830	73,247,473
Airport	211,546	235,591	221,062	223,228	-	-	-	375,614	631,791	1,344,372
Utility transportation	-	-	-	-	-	2,384,790	2,406,091	2,678,925	2,133,216	2,150,893
Sanitation	3,160,804	3,318,996	3,943,935	4,027,015	4,089,239	4,421,366	4,633,958	4,974,791	5,563,966	
Storm drain	2,105,667	2,146,459	2,371,254	2,386,427	2,343,445	2,813,610	3,699,439	4,536,772	4,875,702	5,318,484
Ice Sheet	-	-	-	-	-	-	-	-	1,236,381	1,353,780
Operating grants and contributions	331,499	1,542,051	1,271,091	912,985	4,236,846	3,131,992	2,083,072	1,515,534	1,365,347	50,000
Capital grants and contributions	289,940	481,452	-	945,298	444,333	8,724,479	5,428,944	2,630,733	11,816,977	7,274,196
Total business-type activities program revenue	<u>63,700,549</u>	<u>73,253,798</u>	<u>80,901,094</u>	<u>86,126,291</u>	<u>91,899,897</u>	<u>105,720,555</u>	<u>109,338,358</u>	<u>112,830,111</u>	<u>126,642,534</u>	<u>126,581,022</u>
Total primary government program revenues	<u>\$ 79,708,421</u>	<u>\$ 90,909,017</u>	<u>\$ 101,581,801</u>	<u>\$ 106,409,199</u>	<u>\$ 116,274,205</u>	<u>\$ 131,745,640</u>	<u>\$ 136,708,111</u>	<u>\$ 146,504,576</u>	<u>\$ 162,162,713</u>	<u>\$ 156,170,974</u>
Net (expense)/revenue										
Governmental activities	\$ (44,079,165)	\$ (47,673,816)	\$ (39,898,374)	\$ (45,539,219)	\$ (47,325,337)	\$ (46,948,789)	\$ (51,931,914)	\$ (51,975,616)	\$ (51,883,477)	\$ (60,757,197)
Business-type activities	2,020,435	7,627,549	12,913,935	17,111,533	17,735,900	24,381,830	28,430,846	21,091,700	22,153,394	25,008,083
Total primary government net expense	<u>\$ (42,058,730)</u>	<u>\$ (40,046,267)</u>	<u>\$ (26,984,439)</u>	<u>\$ (28,427,686)</u>	<u>\$ (29,589,437)</u>	<u>\$ (22,566,959)</u>	<u>\$ (23,501,068)</u>	<u>\$ (30,883,916)</u>	<u>\$ (29,730,083)</u>	<u>\$ (35,749,114)</u>

PROVO CITY CORPORATION
Changes in Net Position (continued)
(accrual basis of accounting)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>General Revenues and Other Changes In Net Position</u>										
Governmental revenues:										
Property taxes	\$ 11,627,866	\$ 12,164,999	\$ 13,537,074	\$ 14,089,302	\$ 14,523,823	\$ 15,073,906	\$ 13,392,417	\$ 13,176,332	\$ 12,438,085	\$ 12,090,421
Vehicle	905,686	858,068	879,969	901,678	925,744	957,751	841,044	800,751	732,313	773,424
Sales taxes	13,961,851	14,287,871	15,199,015	15,811,183	16,431,948	17,005,890	17,427,786	17,918,297	18,973,348	19,582,083
Franchise taxes	7,401,878	7,716,189	8,435,172	9,139,437	9,210,230	8,968,660	9,048,377	9,600,873	9,952,771	9,754,177
Joint venture gain(loss)	-	316,065	-	-	-	-	-	-	-	-
RAP	-	-	-	-	-	-	-	1,215,568	1,277,460	1,349,125
Other taxes	-	-	-	-	-	-	-	-	662,512	848,059
Investment earnings	2,268,077	2,217,494	242,580	369,740	694,827	433,330	620,547	535,793	1,250,036	2,947,191
Gain on sale of capital assets	-	-	-	-	208,663	37,960	1,687,243	194,406	1,381,050	-
Miscellaneous	762,696	4,105,425	3,579,035	2,856,860	6,694,262	1,899,668	1,900,632	2,474,606	2,031,061	408,414
Interfund loan write-off	-	5,357,316	-	-	-	-	-	-	-	-
Provision for receivable write-down	-	(12,773,517)	-	-	-	-	-	-	-	-
Transfers	<u>6,816,084</u>	<u>6,729,473</u>	<u>7,317,330</u>	<u>12,003,399</u>	<u>12,223,406</u>	<u>13,176,393</u>	<u>15,116,342</u>	<u>15,157,353</u>	<u>8,738,733</u>	<u>14,998,527</u>
Total governmental activities	43,744,138	40,979,383	49,190,175	55,171,599	60,912,903	57,553,558	60,034,388	61,073,979	57,437,369	62,751,421
Business Activities										
Joint venture gain(loss)	-	(550,846)	126,178	-	-	-	-	-	-	-
Investment earnings	253,983	54,500	1,886,348	174,346	205,319	320,033	671,981	867,623	2,051,911	2,427,192
Gain on sale of capital assets	-	-	-	-	(247,413)	-	-	-	-	-
Miscellaneous	4,380,829	4,062,154	6,848,997	6,525,809	8,442,363	2,126,041	3,322,887	3,205,018	4,658,267	4,492,096
Interfund loan write-off	-	(5,357,316)	-	-	-	-	-	-	-	-
Loss on sale of assets	-	-	-	(22,486,508)	-	-	-	-	-	-
Transfers	<u>(6,816,084)</u>	<u>(6,729,473)</u>	<u>(7,317,330)</u>	<u>(12,003,399)</u>	<u>(12,223,406)</u>	<u>(13,176,393)</u>	<u>(15,116,342)</u>	<u>(15,157,353)</u>	<u>(8,738,733)</u>	<u>(14,998,527)</u>
Total business-type activities	(2,181,272)	(8,520,981)	1,544,193	(27,789,752)	(3,823,137)	(10,730,319)	(11,121,474)	(11,084,712)	(2,028,555)	(8,079,239)
Total primary government	41,562,866	32,458,402	50,734,368	27,381,847	57,089,766	46,823,239	48,912,914	49,989,267	55,408,814	54,672,182
Change in Net Position										
Governmental activities	(335,027)	(6,694,433)	9,291,801	9,632,380	13,587,566	10,604,769	8,102,474	9,098,363	5,553,892	1,994,224
Business-type activities	<u>(160,838)</u>	<u>(893,432)</u>	<u>14,458,128</u>	<u>(13,083,748)</u>	<u>13,912,763</u>	<u>13,651,511</u>	<u>17,309,372</u>	<u>10,006,988</u>	<u>20,124,839</u>	<u>16,928,844</u>
Total primary government	\$ (495,865)	\$ (7,587,865)	\$ 23,749,929	\$ (3,451,368)	\$ 27,500,329	\$ 24,256,280	\$ 25,411,846	\$ 19,105,351	\$ 25,678,731	\$ 18,923,068

PROVO CITY CORPORATION
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Nine Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund									
Nonspendable	\$ 47	\$ 49	\$ 36	\$ 61	\$ 47	\$ 86	\$ 86	\$ 86	\$ 2,105
Restricted	4,225	3,649	4,046	7,487	2,287	2,897	3,269	2,920	3,851
Assigned	640	1,433	2,135	2,211	1,968	2,002	3,716	3,074	4,597
Unassigned	8,547	7,639	8,977	5,019	8,634	11,171	9,882	13,128	12,274
Total general fund	<u>\$ 13,459</u>	<u>\$ 12,770</u>	<u>\$ 15,194</u>	<u>\$ 14,778</u>	<u>\$ 12,936</u>	<u>\$ 16,156</u>	<u>\$ 16,954</u>	<u>\$ 19,208</u>	<u>\$ 22,827</u>
All other governmental funds									
Nonspendable	\$ 11,811	\$ 15	-	-	\$ 16,722	\$ 14,640	\$ 15,455	-	1,600
Restricted	40,389	23,943	2,843	17,009	16,293	19,145	28,348	47,198	113,486
Assigned	17,797	17,322	18,190	6,297	9,126	9,757	3,669	3,545	3,472
Unassigned	(1,709)	-	-	(741)	-	-	-	-	-
Total all other governmental funds	<u>\$ 68,288</u>	<u>\$ 41,280</u>	<u>\$ 21,033</u>	<u>\$ 22,565</u>	<u>\$ 42,141</u>	<u>\$ 43,542</u>	<u>\$ 47,472</u>	<u>\$ 50,743</u>	<u>\$ 118,558</u>

Note: This schedule usually covers the ten most recent fiscal years; however, since this is the information available as of the implementation year of GASB 54, governments are not required to report prior years.

PROVO CITY CORPORATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:										
Taxes	\$ 33,897	\$ 35,027	\$ 38,051	\$ 39,942	\$ 41,092	\$ 42,006	\$ 40,710	\$ 43,118	\$ 43,833	\$ 44,190
Licenses and permits	860	1,231	1,046	1,301	1,699	1,777	2,933	1,738	1,111	1,578
Intergovernmental	6,828	8,413	11,786	9,755	10,476	11,547	5,882	18,776	17,590	14,492
Charges for services	4,713	3,632	4,695	5,425	7,958	8,946	10,038	12,999	13,343	11,715
Fine and forfeitures	2,372	2,138	1,767	1,547	1,577	1,739	1,682	1,606	1,566	1,872
Overhead charges	-	-	-	-	-	-	-	1,265	-	-
Impact fees	374	1,236	685	695	1,034	1,635	887	1,514	1,170	1,864
Interest income	245	245	253	239	212	211	285	397	857	2,273
Loan principal repayments	1,184	1,740	1,023	712	704	-	-	-	-	-
Loan interest repayments	2,059	2,048	48	32	21	101	22	68	165	333
Lease income	790	743	33	36	18	20	88	43	44	49
Miscellaneous	4,196	5,392	4,394	3,869	6,694	3,275	4,114	401	2,097	59
Total revenues	<u>57,518</u>	<u>61,845</u>	<u>63,781</u>	<u>63,553</u>	<u>71,485</u>	<u>71,257</u>	<u>66,641</u>	<u>81,925</u>	<u>81,776</u>	<u>78,425</u>
Expenditures:										
Current:										
General government	\$ 10,169	\$ 10,690	\$ 11,275	\$ 12,169	\$ 12,714	\$ 11,246	\$ 12,254	\$ 13,363	\$ 12,369	\$ 12,103
Public safety	21,253	21,438	23,179	24,541	25,322	26,576	27,007	28,838	30,471	30,751
Public services	2,758	2,862	3,182	3,497	9,059	6,798	5,094	5,776	3,952	4,140
Culture and recreation	11,101	10,946	11,174	11,995	15,359	18,600	15,039	15,333	15,868	15,710
Community revitalization	7,456	9,138	8,011	7,231	13,441	10,102	14,920	13,276	9,505	7,056
Total current expenditures	<u>52,737</u>	<u>55,074</u>	<u>56,821</u>	<u>59,433</u>	<u>75,895</u>	<u>73,322</u>	<u>74,314</u>	<u>76,586</u>	<u>72,165</u>	<u>69,760</u>
Debt service:										
Interest	\$ 2,807	\$ 2,402	\$ 2,364	\$ 3,525	\$ 3,381	\$ 3,265	\$ 4,095	\$ 3,008	\$ 2,560	\$ 2,606
Rent/Lease Principal	211	149	123	52	152	289	274	836	836	836
Principal on debt	5,151	11,761	2,901	4,389	4,536	4,749	2,691	3,686	3,824	5,473
Service fees on debt	13	33	8	10	91	15	11	9	178	725
Interest - interfund	291	356	120	113	37	87	22	6	-	-
Debt cost of issuance	-	469	-	-	-	-	-	-	-	-
Total debt service	<u>8,473</u>	<u>15,170</u>	<u>5,516</u>	<u>8,089</u>	<u>8,197</u>	<u>8,405</u>	<u>7,093</u>	<u>7,545</u>	<u>7,398</u>	<u>9,640</u>
Capital outlay:										
Capital outlay	\$ 4,156	\$ 2,283	\$ 24,940	\$ 27,271	\$ 750	\$ 474	\$ 887	\$ 7,943	\$ 13,285	\$ 15,395
Total expenditures	<u>65,366</u>	<u>72,527</u>	<u>87,277</u>	<u>94,793</u>	<u>84,842</u>	<u>82,201</u>	<u>82,294</u>	<u>92,074</u>	<u>92,848</u>	<u>94,795</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,848)</u>	<u>(10,682)</u>	<u>(23,496)</u>	<u>(31,240)</u>	<u>(13,357)</u>	<u>(10,944)</u>	<u>(15,653)</u>	<u>(10,149)</u>	<u>(11,073)</u>	<u>(16,369)</u>
Other financing sources (uses):										
Transfers from other funds	\$ 13,828	\$ 55,229	\$ 15,467	\$ 16,056	\$ 16,624	\$ 20,912	\$ 17,605	\$ 17,613	\$ 17,430	\$ 18,104
Transfers to other funds	(7,730)	(49,038)	(8,568)	(5,550)	(5,029)	(9,203)	(2,801)	(2,798)	(2,956)	(3,953)
Debt issuance	-	-	-	-	-	-	-	12	31,157	-
Note proceeds	-	-	-	-	544	-	5,500	-	-	-
Proceeds of bonds	-	45,280	-	-	2,334	-	-	-	-	70,850
Deposit to escrow agent	-	-	-	-	-	-	-	-	(29,884)	-
Sale of assets	51	487	650	291	-	975	775	61	853	2,801
Total other financing sources (uses)	<u>6,149</u>	<u>51,958</u>	<u>7,549</u>	<u>10,797</u>	<u>14,473</u>	<u>12,684</u>	<u>21,079</u>	<u>14,888</u>	<u>16,600</u>	<u>87,802</u>
Special item:										
Interfund loan write-off	-	5,357	-	-	-	-	-	-	-	-
Net change in fund balances										
Fund balance	(1,699)	46,633	(15,947)	(20,443)	1,116	1,740	5,426	4,739	5,527	71,432
Fund balance beginning of year restated	26,814	25,114	69,998	56,670	36,226	53,337	54,273	59,698	64,425	69,952
Prior period adjustment	-	-	-	-	-	(804)	-	-	-	-
Fund balance at end of year	<u>\$ 25,115</u>	<u>\$ 71,747</u>	<u>\$ 54,050</u>	<u>\$ 36,226</u>	<u>\$ 37,342</u>	<u>\$ 54,273</u>	<u>\$ 59,699</u>	<u>\$ 64,437</u>	<u>\$ 69,952</u>	<u>\$ 141,384</u>
Debt service to noncapital expenses ratio	16.07%	27.54%	9.71%	13.61%	10.80%	11.46%	9.54%	9.85%	10.25%	13.82%

* FY14 Ratio uses Capital Outlay amount from Net Asset Reconciliation

PROVO CITY CORPORATION
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE (1)
Last Ten Fiscal Years
(amounts expressed in thousands)
(Unaudited)

Fiscal Year	General Property Tax	Vehicle Fees (in lieu of taxes)	Sales Tax (2)	Rap Tax	County Option Transportation Tax	Lodging Tax	Municipal Energy Tax	Franchise Fee Tax	Total Tax Revenue
2010	11,627	906	13,671			291	120	7,282	32,871
2011	12,165	858	13,996			291	113	7,603	34,056
2012	13,537	880	14,910			289	108	8,327	37,064
2013	14,089	902	15,462			350	88	8,873	38,775
2014	14,524	926	16,076			325	137	7,415	38,340
2015	13,633	958	16,625			380	110	8,749	40,455
2016	13,490	841	17,010			410	90	8,869	40,710
2017	13,076	800	17,918	1,216		434	175	9,600	43,219
2018	12,438	732	18,973	1,277		465	198	9,953	44,036
2019	12,090	773	19,582	1,349	23	510	316	9,547	44,190

(1) Includes the General, Debt Service, and Special Revenue Funds.

(2) The municipal portion of Sales Tax is 1.0% with half determined by point of sale and half by population

City is entitled to receive 1% of the sales tax revenue collected by the State of Utah

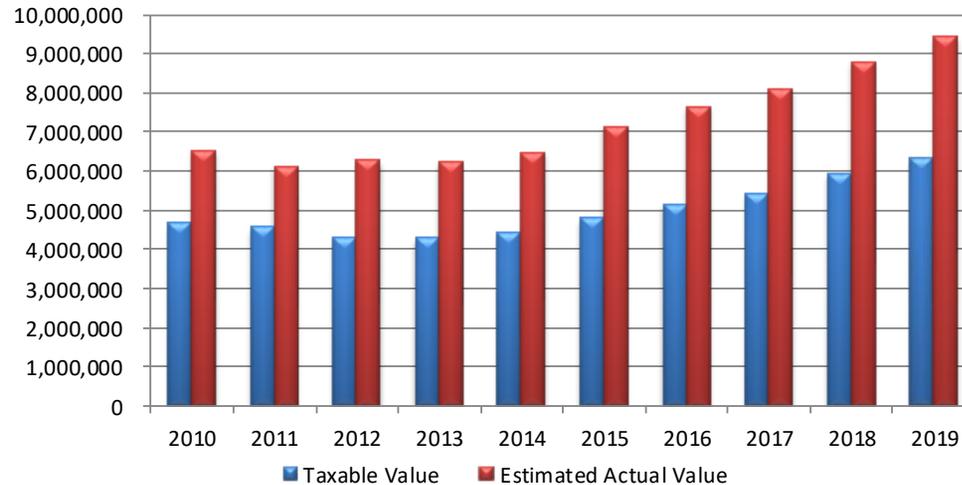
PROVO CITY CORPORATION
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(amounts expressed in thousands)
(Unaudited)

TAXABLE VALUE (1)							
Fiscal Year	Real Property	Personal Property	Centrally Assessed**	Taxable Value	Total Direct Tax Rate	Estimated Actual Value	Ratio of Total Taxable Value To Total Estimated Actual Value
2010	4,262,569	389,053		4,651,622	0.002394	6,536,411	71.16%
2011	4,176,084	389,053		4,565,137	0.002843	6,101,974	74.81%
2012	3,935,559	263,576	87,893	4,287,028	0.003032	6,274,700	68.32%
2013	3,919,992	278,833	87,003	4,285,828	0.002956	6,251,590	68.56%
2014	4,050,731	290,965	89,865	4,431,561	0.002775	6,483,454	68.35%
2015	4,383,608	326,867	82,966	4,793,441	0.002377	7,116,336	67.36%
2016	4,683,921	347,853	101,059	5,132,833	0.002239	7,627,414	67.29%
2017	4,975,666	340,697	108,328	5,424,691	0.002089	8,104,397	66.94%
2018	5,434,300	357,035	122,362	5,913,697	0.001880	8,791,727	67.26%
2019	5,848,687	313,432	148,687	6,310,806	0.002560	9,442,223	66.84%

(1) Source: Utah State Tax Commission

** 2012 added Centrally Assessed Column

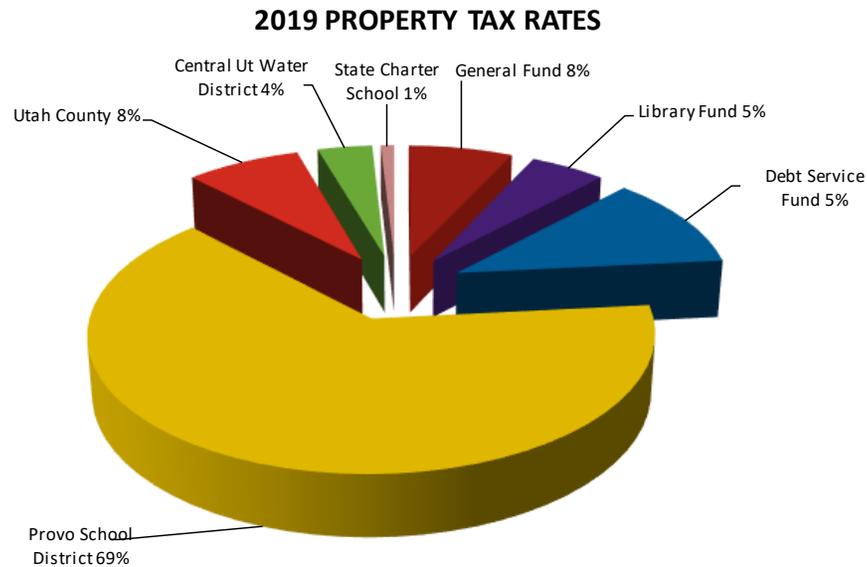
2019 Assessed Value & Estimated Value of Taxable Property



**PROVO CITY CORPORATION
STATE OF UTAH
PROPERTY TAX RATES—DIRECT AND OVERLAPPING GOVERNMENTS
BASED ON \$1,000 ASSESSED VALUATION
Last Ten Fiscal Years
(Unaudited)**

Calendar Year	City of Provo				Other Taxing Entities (1)					Total Tax Rate
	General Fund	Library Fund	Debt Service Fund	Total	Provo School District	Utah County	Central UT Water District	State Charter School	Total	
2010	0.000951	0.000703	0.000740	0.002394	0.006706	0.001108	0.000421	N/A	0.008235	0.010629
2011	0.001032	0.000763	0.001048	0.002843	0.007153	0.001342	0.000436	N/A	0.008931	0.011774
2012	0.001053	0.000779	0.001200	0.003032	0.007319	0.001324	0.000455	N/A	0.009098	0.012130
2013	0.001035	0.000766	0.001155	0.002956	0.007094	0.001259	0.000446	N/A	0.008799	0.011755
2014	0.000976	0.000723	0.001076	0.002775	0.006636	0.001149	0.000422	N/A	0.008207	0.010982
2015	0.000964	0.000699	0.000714	0.002377	0.007568	0.001098	0.000405	N/A	0.009071	0.011448
2016	0.000914	0.000663	0.000662	0.002239	0.007883	0.001049	0.000400	N/A	0.009332	0.011571
2017	0.000857	0.000622	0.00061	0.002089	0.007244	0.000969	0.000400	0.000083	0.008696	0.010785
2018	0.000812	0.000589	0.000487	0.001888	0.007487	0.000911	0.000400	0.000089	0.008887	0.010775
2019	0.000763	0.000554	0.001243	0.002560	0.007032	0.000842	0.000400	0.000097	0.008371	0.010931

(1) SOURCE: Utah County Auditor



PROVO CITY CORPORATION
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
June 30, 2019
(amounts expressed thousands)

<u>Taxpayer</u>	<u>2019</u>		<u>2010</u>		
	<u>Taxable</u>	<u>Percentage of</u>			<u>Percentage of</u>
	<u>Assessed</u>	<u>Total Taxable</u>	<u>Assessed</u>	<u>Rank</u>	<u>Total Taxable</u>
	<u>Value</u>	<u>Value</u>	<u>Value</u>		<u>Value</u>
SIR PROPERTIES TRUST	111,004	2.56%			
NU SKIN INTERNATIONAL INC	101,014	2.33%			
B+F TIMPANOGOS TECH CENTER LLC	79,570	1.84%			
IHC HOSPITALS INC	53,128	1.23%	11,639	19	0.27%
BRIXTON PROVO MALL LLC	52,306	1.21%	51,786	2	1.22%
CENTRAL UTAH INVESTMENT COMPANY LLC (ET AL)	47,175	1.09%	38,639	3	0.91%
UNION PACIFIC RAILROAD COMPANY	35,506	0.82%	11,133	21	0.26%
QUESTAR GAS	34,225	0.79%	17,335	10	0.41%
TIMP CAMPUS LLC	31,551	0.73%			
TIGRISWOODS LLC	28,058	0.65%	14,237	15	0.33%
ESNET RIVERWOODS PROPERTIES LLC	26,088	0.60%	31,931	4	0.75%
PEAK JOAQUIN HOLDINGS LLC	24,669	0.57%			
CENTURYLINK INC	21,710	0.50%			
MILLER FAMILY REAL ESTATE LLC	21,630	0.50%			
VERIZON COMMUNICATIONS INC	21,410	0.49%			
PMH INVESTORS LLC	21,276	0.49%			
BLOCK 29 DEVELOPERS LLC (ET AL)	20,949	0.48%	19,015	8	0.45%
TERRACOM RIVERWOODS COMMERCIAL LLC	20,623	0.48%			
HRA BRANBURY PARK LLC	20,518	0.47%	13,684	17	0.32%
PLUM TREE PROPERTY LLC	20,186	0.47%			
TKG RIVERSIDE PLAZA L L C	20,053	0.46%			
BH PROVO LLC	17,796	0.41%	12,733	18	0.30%
UTAH VALLEY MEDICAL OFFICES LC	17,767	0.41%			
RIVERWOODS MEDICAL ART CENTER LC	15,925	0.37%	15,941	12	0.37%
VISTA HEIGHTS INVESTMENTS LOT 1 LLC	15,473	0.36%			
JAMESTOWN SQUARE ASSOCIATES LLC	15,413	0.36%			
GLE 1565 LLC	14,987	0.35%	8,805	29	0.21%
RELIANT-UTAH LLC	14,744	0.34%			
KC GARDNER RIVERWOODS 2 LC	14,604	0.34%			
ASPEN BROOK LLC (ET AL)	13,060	0.30%			
FREEDOM PLAZA HOTEL LLC	12,865	0.30%			
LIBERTY SQUARE INVESTORS LLC	12,816	0.30%			
NORCO VISTA LLC	12,418	0.29%			
IHC HEALTH SERVICES INC	12,294	0.28%			
SAMS REAL ESTATE BUSINESS TRUST	11,910	0.27%	8,832	28	0.21%
RAI 1849 LLC	11,724	0.27%			
HD DEVELOPMENT OF MARYLAND INC	11,338	0.26%			
VINTAGE PROPERTIES LP	11,334	0.26%			
MPT OF PROVO LLC	11,312	0.26%			
CORP OF PRES BISHOP CHURCH OF JESUS CHRIST OF LDS	11,100	0.26%			
MEDICAL CENTER COMPANY LC	11,059	0.26%	10,669	22	0.25%
EAST BAY SHOPPING CENTER LLC	10,727	0.25%	11,248	20	0.26%
SAN PIETRO PROPERTIES LLC (ET AL)	10,494	0.24%			
PROVO HOSPITALITY GROUP	10,375	0.24%			
TEMPLEVIEW PARTNERS LLC	10,299	0.24%			
IRON VISTA 2 LLC	10,130	0.23%			
APPLE SEVEN SPE PROVO - SAN DIEGO INC	9,310	0.21%	10,557	23	0.25%
DILLARD USA INC	9,185	0.21%	15,132	14	0.36%
UNIVERSAL CAMPUS CREDIT UNION	9,179	0.21%			
JONES LEASING LLC	9,115	0.21%			

Total assessed value for Provo \$ 4,335,827

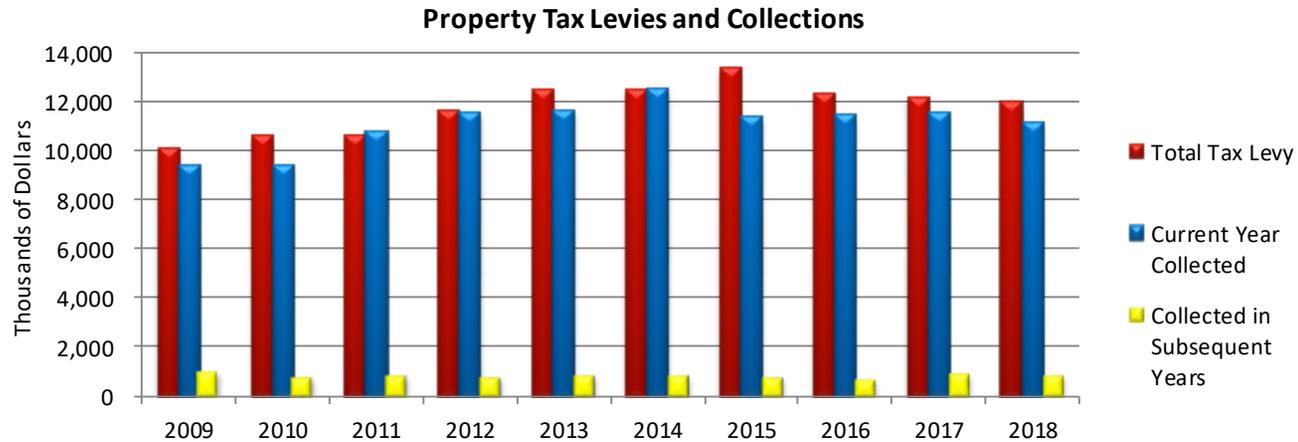
4,254,955

includes real property only

Does not include any government, utilities, or phone company property

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years
(amounts expressed in thousands)
(unaudited)

Calendar Year Ended <u>December 31</u>	Total Tax Levy for <u>Calendar Year</u>	Total Adjusted <u>Tax Levy</u>	Collected within the <u>Calendar Year of the Levy</u>		Collections in <u>Subsequent Years</u>	Total Collections to Date	
			<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Assessment</u>
2009	10,110	10,617	9,383	92.81%	973	10,356	97.54%
2010	10,617	10,596	9,397	88.51%	757	10,154	95.83%
2011	10,596	11,662	10,791	101.84%	871	11,662	100.00%
2012	11,655	12,443	11,513	98.78%	776	12,289	98.76%
2013	12,443	12,498	11,631	93.47%	884	12,515	100.14%
2014	12,497	13,361	12,583	100.69%	815	13,398	100.28%
2015	13,361	13,361	11,384	85.20%	785	12,169	91.08%
2016	12,339	12,339	11,465	92.92%	707	12,172	98.65%
2017	12,193	12,407	11,555	94.77%	901	12,456	100.39%
2018	11,977	12,651	11,203	93.54%	816	12,019	95.00%



In accordance with Utah State law, the tax levy includes an allowance for both the 3 year average Board of Equalization grants of petition and the 5 year average tax collection rate. These allowances cause actual collections to more closely mirror the actual levy; however, these allowances may also enable actual collections to periodically exceed actual levies. Collections in subsequent years represent amounts collected within that fiscal year for prior fiscal years. Information is not available for what fiscal year collections may pertain.

Source: Utah Co. Auditor

PROVO CITY CORPORATION
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	(Provo-Orem) Percentage of Personal Income	(Provo) Per Capita
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases			
2010	11,680	36,234	3,239	1,899	24,419			77,471	0.03%	689
2011	48,595	34,123	1,788	1,613	20,137			106,255	0.02%	927
2012	45,996	1,749	458	1,746	46,464			96,414	0.03%	832
2013	43,796	31,110	327	1,371	11,307			87,911	0.02%	756
2014	41,039	31,699	188	919	6,257			80,102	0.02%	676
2015	38,213	29,765	43	463	48,301			116,784	0.03%	1,017
2016	36,555	27,738		5,500	46,012			115,804	0.03%	1,005
2017	34,867	25,702		6,793	43,858			111,219	0.03%	952
2018	35,411	23,568		5,798	47,156			111,933	N/A	954
2019	103,961	20,156	1,149	7,274	44,854			177,394	N/A	1,512

Provo City Corporation
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of	Per Capita
				Estimated Actual Taxable Value of Property	
2010	11,680	99	11,581	0.18%	103
2011	48,595	129	48,466	0.79%	423
2012	45,996	350	45,646	1.10%	394
2013	43,796	710	43,086	1.01%	371
2014	41,039	3344	37,695	0.82%	318
2015	38,213	1230	36,983	0.77%	322
2016	36,555	1004	35,551	0.69%	308
2017	34,867	1085	33,782	0.62%	289
2018	35,411	1080	34,331	0.58%	293
2019	103,961	1084	102,877	N/A	N/A

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

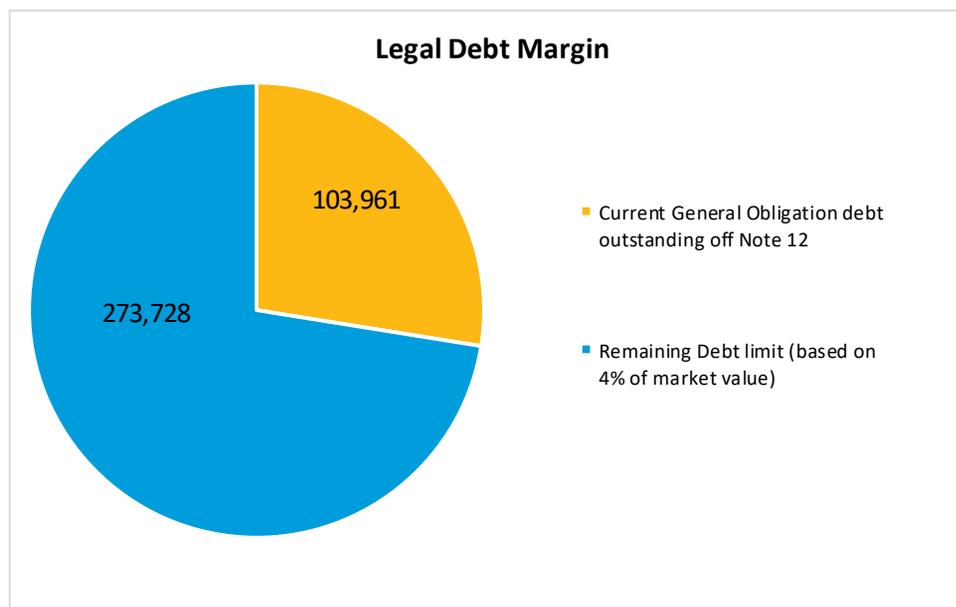
PROVO CITY CORPATION
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
(amounts expressed in thousands)

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Provo City School District*	\$ 108,400	100%	\$ 108,400
Utah County	-		-
Subtotal overlapping debt	<u>108,400</u>		<u>108,400</u>
Direct Debt from Governmental activities:			
General Obligation Bonds			103,961
Revenue bonds			20,156
Capital Leases			7,274
Total Provo City Direct Debt from Governmental activities			<u>131,391</u>
Total direct and overlapping debt			<u>\$ 239,791</u>

*The School District and City boundaries are the same.

PROVO CITY CORPORATION
Legal Debt Margin Information
Last Ten Years
(amounts expressed in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 280,546	\$ 269,683	\$ 250,988	\$ 250,064	\$ 259,338	\$ 282,160	\$ 302,604	\$ 322,001	351,669	273,728
Total net debt applicable to limit	11,680	48,595	45,996	43,796	41,039	38,213	36,555	34,867	35,411	103,961
Legal debt margin	268,866	221,088	204,992	206,268	218,299	243,947	266,049	287,134	\$ 316,258	\$ 273,728
Total net debt applicable to the limit as a percentage of debt limit	4.16%	18.02%	18.33%	17.51%	15.82%	13.54%	12.08%	10.83%	10.07%	37.98%



**Provo City Corporation
Pledged-Revenue Coverage
Last Ten Fiscal Years**

Sales Tax Revenue Bonds					Wastewater Revenue Bonds						
Fiscal Year	Sales Tax Revenue	Debt Service		Coverage	Fiscal Year	Charges and Other	Less:	Net	Debt Service Principal	Interest	Coverage
		Principal	Interest				Operating Expenses	Available Revenue			
2010	13,670,813	1,405,000	1,809,966	4.25	2010	-	-	-	-	-	-
2011	13,996,455	1,460,000	1,756,436	4.35	2011	-	-	-	-	-	-
2012	14,910,351	1,520,000	1,696,138	4.64	2012	-	-	-	-	-	-
2013	15,461,642	1,585,000	1,629,258	4.81	2013	-	-	-	-	-	-
2014	16,076,033	1,660,000	1,557,140	5.00	2014	-	-	-	-	-	-
2015	16,625,467	1,735,000	1,479,286	5.17	2015	6,898,529	4,483,344	2,415,185	-	-	-
2016	17,010,075	1,820,000	1,395,659	5.29	2016	8,118,457	5,014,814	3,103,643	310,000	348,025	4.72
2017	17,918,298	1,910,000	1,306,115	5.57	2017	9,539,983	7,057,377	2,482,606	310,000	344,750	3.79
2018	18,973,348	2,005,000	1,263,172	5.81	2018	11,329,082	6,429,272	4,899,810	320,000	277,153	8.21
2019	19,582,083	2,110,000	1,304,052	5.74	2019	14,998,704	7,405,388	7,593,316	335,000	322,650	11.55

Energy Revenue Bonds							Water Revenue Bonds						
Fiscal Year	Charges and Other	Less:	Net	Debt Service		Coverage	Fiscal Year	Charges and Other	Less:	Net	Debt Service Principal	Interest	Coverage
		Operating Expenses	Available Revenue	Principal	Interest				Operating Expenses	Available Revenue			
2010	50,523,138	40,132,500	10,390,638	3,065,000	1,070,244	2.51	2010	6,897,638	5,103,149	1,794,489	177,000	35,034	8.46
2011	58,364,515	50,242,202	8,122,313	3,695,000	865,134	1.78	2011	8,168,567	5,050,237	3,118,330	184,000	28,262	14.69
2012	67,449,653	48,070,765	19,378,888	3,855,000	654,070	4.30	2012	8,410,196	5,125,837	3,284,359	192,000	20,880	15.43
2013	69,526,364	49,162,309	20,364,055	4,015,000	433,745	4.58	2013	9,329,393	5,776,510	3,552,883	200,000	12,940	16.68
2014	71,385,680	51,172,363	20,213,317	4,185,000	204,678	4.60	2014	9,417,201	6,211,095	3,206,106	208,000	4,420	15.09
2015	71,453,976	55,303,831	16,150,145	-	-	-	2015	10,617,881	6,632,506	3,985,375	-	-	-
2016	75,467,639	57,140,821	18,326,818	875,000	480,035	13.52	2016	11,602,845	7,574,864	4,027,981	370,000	417,566	5.11
2017	77,096,441	61,940,171	15,156,270	720,000	634,622	11.19	2017	13,341,166	7,995,529	5,345,637	375,000	413,675	6.78
2018	77,310,312	66,913,669	10,396,643	735,000	576,933	7.92	2018	14,458,782	9,561,473	4,897,309	385,000	332,188	6.83
2019	76,317,202	66,997,930	9,319,272	750,000	605,522	6.88	2019	14,568,792	11,037,632	3,531,160	400,000	387,025	4.49

Tax Increment Revenue Bonds							Storm Drain Revenue Bonds						
Fiscal Year	Charges and Other	Less:	Net	Debt Service		Coverage	Fiscal Year	Charges and Other	Less:	Net	Debt Service Principal	Interest	Coverage
		Operating Expenses	Available Revenue	Principal	Interest				Operating Expenses	Available Revenue			
2010	155,310	-	155,310	65,000	98,490	0.95	2010	3,957,170	1,117,112	2,840,058	450,000	272,273	3.93
2011	196,504	-	196,504	65,000	95,305	1.23	2011	2,516,830	1,085,869	1,430,961	495,000	302,196	1.79
2012	210,409	-	210,409	95,000	92,120	1.12	2012	3,088,692	1,289,705	1,798,987	505,000	293,139	2.25
2013	219,987	-	219,987	100,000	87,465	1.17	2013	2,400,786	1,198,658	1,202,128	525,000	272,939	1.51
2014	296,685	-	296,685	105,000	82,565	1.58	2014	2,434,443	1,461,025	973,418	535,000	262,439	1.22
2015	317,823	-	317,823	125,000	77,420	1.57	2015	2,838,459	1,822,821	1,015,638	545,000	251,738	1.27
2016	298,762	-	298,762	135,000	71,295	1.45	2016	3,795,310	2,288,068	1,507,242	560,000	239,476	1.89
2017	569,756	-	569,756	50,000	64,680	4.97	2017	4,593,555	2,871,503	1,722,052	575,000	222,676	2.16
2018	1,067,930	-	1,067,930	50,000	62,230	9.52	2018	4,929,742	2,408,114	2,521,628	595,000	201,564	3.17
2019	1,255,550	-	1,255,550	1,220,000	10,130	1.02	2019	5,795,353	2,301,539	3,493,814	610,000	184,576	4.40

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

**PROVO CITY CORPORATION
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST 10 FISCAL YEARS**

Provo-Orem (MSA)								
FISCAL	PROVO	Provo-Orem	PER			UTAH		NUMBER
<u>YEAR</u>	<u>POPULATION</u>	PERSONAL	CAPITA	MEDIAN	SCHOOL	UNEMPLOYMENT	REGISTERED	PUBLIC
		INCOME	PERSONAL	AGE	ENROLLMENT	RATE	VOTERS	SCHOOLS
		(millions)	INCOME					
2010	112,488	14,513	22,256	23.3	14,679	7.2	59,513	22
2011	114,625	15,996	28,978	23.3	14,750	7.6	61,977	22
2012	115,925	16,879	30,807	23.5	15,322	5.4	40,211	22
2013	116,288	17,948	31,223	23.4	15,505	4.7	49,558	22
2014	118,447	19,138	32,230	23.7	14,824	3.5	42,475	22
2015	114,807	21,535	34,227	23.5	16,600	3.6	40,558	18
2016	115,264	21,811	36,154	23.6	15,914	3.4	41,737	22
2017	116,868	23,518	38,075	23.7	16,302	3.5	41,805	22
2018	117,335	**	**	**	17,165	3.3	34,536	22
2019	**	**	**	**	15,486	2.8	41,452	22

Data Sources

census.gov

BEA.gov

Provo.edu

Jobs.Utah.Gov

Provo City recorder

**Information not available at this time

PROVO CITY CORPORATION
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago
June 30, 2019
(Unaudited)

EMPLOYER	<u>2019</u>	<u>2010</u>
	<u>Employees</u>	<u>Employees</u>
BRIGHAM YOUNG UNIVERSITY	5000-6999	1000-4999
UTAH VALLEY REGIONAL MED CENTER	3000-3999	1000-4999
VIVINT, INC.	3000-3999	
ARM SECURITY INC	1000-1999	
CENTRAL UTAH MEDICAL CLINIC	1000-1999	250-499
CHRYSALIS UTAH, INC.	1000-1999	
QUALTRICS, LLC	1000-1999	
RBD ACQUISITION SUB, INC.	1000-1999	
FRONTIER COMMUNICATIONS	500-999	
NU SKIN INTERNATIONAL INC	500-999	1000-4999
UHS OF PROVO CANYON, INC.	500-999	
UTAH STATE HOSPITAL	500-999	500-999
DESERET INDUSTRIES	250-499	
HEALTH DEPT	250-499	
HERITAGE SCHOOLS, INC.	250-499	250-499
IMAGINE LEARNING INC	250-499	
MICRO FOCUS SOFTWARE INC.	250-499	
NSE PRODUCTS, INC.	250-499	
NU SKIN UNITED STATES	250-499	1000-4999
PROVO CITY	250-499	500-999
PROVO CITY ADMINSTRATIVE	250-499	
REPDRIVE	250-499	
SII MEGADIAMOND, INC.	250-499	
SOLUTIONS STAFFING GROUP INC	250-499	

PROVO CITY CORPORATION
Full-Time Government Employees by Function
Last Ten Fiscal Years

<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	112	106	121	135	139	143	142	146	144	145
Public Safety										
Fire	77	78	85	83	81	80	80	80	80	83
Police	171	157	175	166	165	165	168	172	172	153
Emergency Response	8	9	8	9	9	7	5	4	4	27
Public Services										
Street Maintenance	17	16	18	16	16	16	16	16	16	16
Engineering	13	12	16	14	15	16	16	17	17	18
Culture and Recreation	185	173	136	182	198	229	221	224	219	241
Other										
Water	34	32	33	32	32	36	37	37	35	36
Wastewater	28	27	28	28	28	28	28	29	30	30
Energy	100	83	97	65	63	64	66	67	69	69
Airport	2	2	2	4	4	4	4	4	4	4
Sanitation	16	16	16	14	14	14	17	17	19	35
Golf Course	8	8	0	8	8	8	14	14	14	13
Telecom	0	0	0	1	1	0	0	0	0	0
Vehicle Maintenance	11	7	10	8	8	8	8	8	8	8
Facilities	9	7	13	8	8	8	8	8	8	8
	791	733	758	773	789	826	830	843	839	886

PROVO CITY CORPORATION
Operating Indicators By Function
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police (Calendar Year)										
Adult Arrest	2,286	1,912	N/A **	2,179	2,327	2,215	2,275	2,072	2,443	1,928
DUI violations	342	214	N/A **	302	267	245	222	227	209	188
Juvenile Arrests	645	489	N/A **	484	440	470	328	343	354	487
Parking violations	19,742	14,471	12,099	10,933	N/A	14,027	14,632	17,611	20,624	22,899
Traffic violations	16,534	7,505	8,769	9,479	N/A	9,618	8,097	7,865	7,197	10,915
Fire (Calendar Year)										
Number of ambulance calls	4,058	5843	4223	4,534	N/A	4831	4992	5,153	5,078	5,001
Number of FIRE/EMS combined	9,368	10129	9981	10,472	N/A	10931	11495	11,023	11,522	11,505
Inspections	560	571	456	431	N/A	455	420	424	329	476
Highways and streets										
General Road Repair (tons of asphalt used)	13,051	4,023	2,588	2,250	52,886	17,318	21,696	13,312	24,189	16,513
Potholes repaired (tons of asphalt used)	40	40	70	61	244	230	191	224	45	91
Sidewalks replaced (linear feet)	11,755	12,800	350	6,019	7,755	8,320	10,547	6,285	8,080	7,021
Sanitation										
Refuse collected (tons/yr)	21,598	21,212	20,288	20,979	20,295	21,108	N/A	21,148	21,208	21,483
Recyclables collected (tons/yr)	1,142	1,305	2,021	2,222	2,133	2,163	N/A	2,586	2,657	2,574
Culture and recreation										
Recreation Center Attendance	N/A	N/A	N/A	N/A	1,466,000	1,610,996	1,882,865	1,976,552	2,050,209	2,034,949
Youth sports program participants	46,672	44,232	47,783	48,525	49,119	53,359	55,635	68,525	63,706	58,892
Adult sports program participants	72,440	67,980	60,351	59,668	54,056	49,595	51,612	52,462	52,111	40,142
Aquatics program participants	120,047	110,033	115,405 ***	82,585	104,000	114,520	N/A	N/A	N/A	N/A
Senior citizen program participants	47,852	54,816	44,111 ***	13,189	22,154	25,028	N/A	N/A	N/A	N/A
Community special events participants	31,675	32,887	35,730	30,993	24,565	31,795	31,226	28,750	35,380	32,790
Covey Center for the Arts Participants	97,139	123,931	146,774	140,760	131,497	124,276	118,427	109,225	106,380	102,200
Peaks Ice Arena participants	250,654	321,548	319,404	330,286	335,374	345,435	352,444	375,000	382,000	387,000
The Center	46,780	52,360	41,352 ***	18,116	N/A	N/A	N/A	N/A	N/A	N/A
Community program Participants	11,793	19,386	10,375 ***	6,377	8,942	23,064	N/A	N/A	N/A	N/A
Energy										
Energy Requirements (kwh)	762,762,706	763,936,458	768,460,113	790,206,295	781,095,767	810,420,898	N/A	813,661,048	794,234,831	794,234,831
Water										
Number of Consumers (connections)	18,629	18,653	18,787	18,882	19,004	18,999	19,067	19,239	19,422	19,561
Water mains breaks	39	45	33	32	25	34	33	35	41	21
Average Daily Consumption (gallons)	24,457,600	23,445,989	24,867,000	24,848,280	24,327,742	24,209,238	24,219,560	24,687,164	24,781,688	20,855,276
Wastewater										
Average daily sewage treatment (gallons)	12,900,000	15,000,000	13,700,000	12,775,000	12,366,666	11,600,000	11,025,000	12,441,660	11,300,000	11,580,000

Sources: Various government departments

** Police computer system changed 2012; no available information

***Starting in 2014 these Park numbers are combined due to the opening of the New Provo Recreation Center

PROVO CITY CORPORATION
Capital Asset Statistics By Function
Last Ten Fiscal Years

<u>Function</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub Stations	1	1	1	1	1	1	1	1	1	0
Police Officers	72	72	78	100	105	105	105	105	105	105
Fires Stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Collection trucks	13	10	11	13	13	13	13	14	14	16
Highways and streets										
Street lane miles	882	882	882	882	882	882	882	646	639	640
Traffic signals	90	90	90	88	94	94	105	49	49	50
Water										
Water mains (miles)	383	384	389	389	389	393	399	393	398	400
Fire hydrants	3,046	3,064	3,070	3,107	3,130	3,156	3,204	3,271	3,303	3,325
Sewer										
Sanitary sewers (miles)	300	300	302	309	310	313	310	293	315	317
Storm sewers (miles)	117	123	123.5	130.0	138.0	126.5	128.0		135.0	131.5
Electric										
Number of distribution stations	18	18	18	18	18	19	19	18	18	18
Miles of service lines	400	404	404	404	400	400	400	400	400	412
Number of consumer connections	35,237	35,281	35,248	35,119	36,286	36,139	36,536	36,800	37,377	37,352
Culture and recreation										
Cemeteries	1	1	1	1	1	1	1	1	1	1
Cultural Arts Centers	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Gun Range	1	1	1	1	1	1	1	1	1	1
Ice Arena	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Museums	2	2	2	2	2	2	2	2	2	2
Parks										
Developed	49	49	49	49	53	53	54	54	54	54
Developed park acreage	382	382	802	802	802	802	800	800	800	794
Undeveloped					11	11	10	10	10	8
Undeveloped Parks (Partial)			14	14	14	14	14	14	14	16
Undeveloped park acreage			1,370	1,370	1,370	1,370	1,369	1,369	1,369	1,223
Recreation Centers	2	2	2	1	1	1	1	1	1	1
Senior Center	1	1	1	0	0	0	0	0	0	0
Swimming pools	2	2	2	1	1	1	1	1	1	5
Parks										
Pocket Parks			4	4	4	4	4	4	4	4
Pocket Parks (Acres)			1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Neighborhood Parks			18	18	18	18	17	17	17	17
Neighborhood Parks (Acres)			90.9	90.9	90.9	90.9	88.2	88.2	88.2	82.2
Community Parks			14	14	14	14	15	15	15	14
Community Parks (Acres)			283.1	283.1	283.1	283.1	283.1	283.1	283.1	252.0
Regional Parks			4	4	4	4	4	4	4	7
Regional Parks (Acres)			167.4	167.4	167.4	167.4	167.4	167.4	167.4	204.0
Conservation Parks			5	5	5	5	5	5	5	5
Conservation Parks (Acres)			609.6	609.6	609.6	609.6	609.6	609.6	609.6	609.6
Greenways/Road Frontage Landscapes			8	8	8	8	8	8	8	8
Greenways/Road Frontage Landscapes (Acres)			68.4	68.4	68.4	68.4	68.4	68.4	68.4	68.4
Trailhead Parks			7	7	7	7	7	7	7	7
Trailhead Parks (Acres)			21.2	21.2	21.2	21.2	21.2	21.2	21.2	21.2
Pathways/Trails			15	15	15	15	14	14	14	14
Pathways/Trails(Miles)			37.2	37.2	37.2	37.2	35.4	35.4	35.4	35.4
Open Space (Acres)			553.8	553.8	553.8	553.8	553.8	553.8	553.8	553.8
Turf Acres in Developed Areas (Acres)			463.9	463.9	463.9	463.9	461.9	461.9	461.9	452.0
Special Use Facilities			10	10	10	10	10	10	10	10
Big Springs Camp (Acres)			5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Center Street Linear Park (Acres)			7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Municipal Center (Acres)			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Shooting Sports Park (Acres)			50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
Academy Square Library (Acres)			4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Cemetery (Acres)			49.1	49.1	49.1	49.1	57.1	57.1	57.1	57.1
Covey Center for the Arts (Acres)			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
East Bay Golf Course (Acres)			226.0	226.0	226.0	226.0	226.0	226.0	226.0	26.0
Provo Recreation Center (Acres)			18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Peaks Ice Arena (Acres)			13.6	13.6	13.6	13.6	13.6	13.6	13.6	13.6

Sources: Various city departments