

Comprehensive Annual Financial Report

For the Year Ending June 30, 2020

City of Provo, Utah





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For the Fiscal year Ended June 30, 2020

PROVO CITY CORPORATION
Comprehensive Annual Financial Report
Year Ended June 30, 2020

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LETTER OF TRANSMITTAL

November 30, 2020

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, 2020.

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, 2020, 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 a reasonable basis for rendering an unmodified opinion that the City of Provo's financial statements for the fiscal year ended June 30, 2020, 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, wastewater, 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 2020 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 was impacted by the COVID-19 Pandemic that occurred during the year, but not at the level the national economy was affected. The largest impact to the City was user fees at its Parks and Recreation programs due to closures and operations being limited by pandemic restrictions issued by the state. The local (Provo-Orem) unemployment rate was 3.3% and the national average was 6% during the year. The City's total tax revenue of \$50.8M increased by \$6.6M or by 14.9 percent. Property taxes of \$17.5M increased by \$5.4M or by 44.4 percent above the prior year due to the approval of a GO Bond by the voters of Provo to construct a new City Hall and Fire Station. Franchise taxes of \$9.8M increased by \$50K or by .5 percent over the prior year. Sales tax revenue of \$20.7M increased by \$1.1M or 5.6 percent versus the prior fiscal year. As the uncertainty of outcome of the pandemic continues, the City is cautious, but optimistic, that sales tax revenues will continue to show increases during the next fiscal year, the City sales tax revenues received during the first two months of fiscal year 2021 are consistent with this assumption.

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, 2020 are \$97.4M. Tax revenue made up 52.2 percent of the total governmental funds revenue. Tax revenue consists of property, vehicle, sales, RAP, franchise and other taxes. Grant revenue accounts for 27.6 percent of the total. The remaining 20.2 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

In an effort to improve the City's financial position for the current and future years, the following adjustment has been made. 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

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. The Fire Station was demolished and reconstructed. The new station replaces the previous one, built in 1958 as a home and

remodeled into a fire station. Demolition and construction began in August 2019, and the station was dedicated on September 11, 2020. Construction for the Public Safety/City Center is under construction and planned to be completed in the spring of 2022.

The City is in the process of constructing a new Airport Terminal. The groundbreaking ceremony took place on November 6, 2019. The City received \$9M in funding from the State and commitments of \$4.3M in funding from the County, \$23.4M from the FAA and 15M in local funding to fully fund the new terminal building and the associated parking lots, access roads, apron and deice pads. The newer and larger terminal will include four gates with the ability to expand to ten gates.

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 implementation of Phase II (Customer Service and Work Order Management) started on October 1, 2018 and went live in July 2020. The City selected a vendor for its Human Capital Management System and is in the middle of the implementation of the system and plans to go live in July 2021.

SIGNIFICANT EVENTS

AIRPORT

Twenty-nine acres of property was purchased immediately north of, and adjacent to, the existing airport to be used for future expansion of the airport as well as a means of providing the required local match on FAA federal grants.

Construction was completed on 4 corporate hangars, each in excess of 15,000 square feet.

The Duncan Aviation Office Building was opened for business.

DEVELOPMENT SERVICES

An account has been established with a local engineering company to provide building plan review and approval for those citizens who want to fast-track their building permit.

The Development Services Department started holding virtual meetings beginning in March 2020 for Coordinators Review Committee meetings, Planning Commission Hearings, Planning Commission Administrative Hearings, Landmarks Commission Hearings, Design Review Committee Hearings, and various other meetings. This has been successful in preventing the spread of COVID-19, while still allowing the public to view and participate in public hearings.

The Development Services Department became a “One Stop Shop” beginning in October 2019. When the public comes in with development questions, they have representatives from Planning, Building, Engineering, Public Works, Zoning, Business Licensing, Housing, Parking, Redevelopment, and Economic Development all in one building to help them. The public no longer has to travel between the City Center building, Community Development building, and Public Works building.

The Development Services Department took inspiration from Mayor Kaufusi’s “Year of Communication” resolution by creating social media accounts starting in January 2020. Public hearing information can be found on the Development Services Department’s Facebook,

Twitter, and Instagram accounts. The Development Services Department also posts public hearing information on Neighborhood Facebook groups so the public can be alerted to items that pertain to their specific neighborhood. Along with posting public hearing information, Provo-centric social media accounts are monitored in order for us to address public questions and concerns. Additionally, all zone change requests are posted on Open City Hall.

ENGINEERING

The 2020 Road Rehabilitation 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 1,135,220 square feet of asphalt pavement, 1,825,283 square feet of Micro Surfacing. The project also included concrete improvements; 6,266 linear feet of curb and 3,072 linear feet of sidewalk.

The overlays and Micro Surfacing treatments are on the following streets:

- 820 North - 850 West to Independence Ave
- 800 North - University Ave to 700 East
- 920 South - 200 West to Frontage Road
- 1150 South – Frontage Road to 1100 West
- Other local streets

Completed the Lakeview Parkway Phase 4 – Center Street to 620 North, this project provides a direct access to the west side of Provo City including the Provo City Airport, the new Provo High School, and westside development. This phase of the Lakeview Parkway constructs the full width roadway portion of Lakeview Parkway from Center Street to 620 North across the existing Provo River and the future realigned segment of the Provo River as part of the Delta Restoration Project. The project is currently underway with the placement roadway fill and surcharge, installation of ground stabilization measures, stone column, and wick drains for the construction of two new bridge structures. The placement of 224,000 cubic yards roadway fill / surcharge and ground improvement measures have been completed and are currently waiting for required settlement to be completed in the early summer of 2021. Upon the necessary settlement being complete, the construction to finish the roadway and bridges will move forward and is anticipated to be completed by end of 2022.

After two years of extensive work, the Provo City Council, Planning Commission, and the Public, a new and completely revised Provo City Transportation Master Plan was completed and adopted. The new plan includes extensive changes to the standard typical street section, capital project facilities plan, and substantial planning and guidance for active transportation throughout the city.

ENERGY

After meeting with stake holders in the community, the Energy Board and the Power Department employees, the Energy Department Strategic Plan was completed.

Completed the Freedom Boulevard Overhead to Underground conversion from 200 N. to 600 N.

The Forestry Division pruned over 8,500 trees and planted 515 trees and received our 36th Tree City USA award and our 24th Tree Lined USA award.

The Department gave away nearly 500 trees to residents for Conservation Efforts. In addition, the SwitchItProvo Program was discontinued in favor of the GreenXchange program where battery powered tools are given away to replace small engines to clean the air.

FIRE

As a key component in the reconstruction of Fire Station 2, it was necessary to assemble a temporary facility to provide fire services to North-East Provo. The city purchased a membrane structure to house apparatus while renting a portable building for living quarters. This temporary facility was constructed in August 2019 and decommissioned at the completion of new Station 2 construction in September 2020. The membrane structure was relocated to the Fleet facility after the completion of Fire Station 2.

Major remodel and retrofit projects were completed at Station 3, 4 and 5. New diesel emissions equipment was installed in all three stations, and negative pressure turnout storage was added to Station 3 and 4. In addition, Station 3 and 4 were painted and the station 4 kitchen and living areas were remodeled.

Took delivery of a new fire engine for station 2, and new Ladder Truck for Station 3. Designed and are awaiting arrival of a new Heavy Rescue Unit. The new apparatus replaced trucks that were more than 20 years old. In addition, the majority of equipment on this apparatus was updated.

The City Council approved funding for a Fire and EMS Services Masterplan. This study will identify station locations and staffing levels as Provo continues to develop. We are expecting preliminary information in November.

LIBRARY

Library board approved the elimination of fines on children's materials.

Hosted community programs with 11,000 in attendance

Completed new Strategic Plan 2020-2025

Managed COVID-19 response by:

- Creating a curbside pickup service
- Creating livestream children's programs – Stories in the Studio
- Creating a safe library environment:
- Adding Plexiglas to all service desks
- Adding sanitizing stations
- Adding additional staff to clean and sanitize throughout the day

MUNICIPAL COUNCIL

Transitioned to holding Council and other meetings online in response to COVID-19, which increased transparency and accessibility, and helped other cities do the same.

Approved the Critical Hillside Overlay Zone to protect and preserve ecologically sensitive lands.

Created the Audit Committee and a Fraud Audit Hotline to better ensure that public funds are being used correctly.

Created the Downtown Parking Committee to address parking needs downtown and adopted a Downtown Parking Vision and Downtown Parking Policy statements.

Instituted a new city policy requiring, where economically feasible, that alternative fuel vehicles be purchased during replacement of vehicles in the City's fleet.

Adopted a new city policy regarding the City's renewable energy goal.

Created opportunities for economic development with the expansion of permitted uses in SC3, DT1, and DT2 zones.

PARKS AND RECREATION

Completed the department NRPA Accreditation

Presented before the Utah State Legislature and was appropriated \$150,000 for Peaks Ice Arena design and improvement in preparation for possible Olympic Games return to Utah

Over 1,000,000 citizens have used recreation facilities, parks and trails since May 2020 with not one confirmed COVID-19 contact due to the highest level of operational precautions implemented by Provo Parks and Recreation

Initiated the site design process for the Regional Sports Park, secured 350,000 yards of subsoil to raise the site out of the floodplain at no cost to the project

Completed the design of the future Delta Gateway Park on Lakeshore Drive

Completed the south phase of the Provo River Trail

Completed the playground and sidewalk at Lakewood Park

Ice Arena

Hosted the National Figure Skating Solo Dance Competition that made the rink \$40,000 and brought in many out of state patrons

Finished the new Front Entrance project

Expanded programming hours to accommodate additional requests for activities, that are being conducted in a safe manner, by the arena. This flexibility has created additional use and revenue dynamics.

Recreation Center

Lead the industry in COVID operation guidelines

Completion of the Field of Dreams complex and plaza

Community Programs

Transitioned to a drive-up senior lunch service and distributions for Meals on Wheels. The senior lunch program has doubled at our facility during the COVID-19 Pandemic

Offered virtual options for seniors during the COVID-19 facility shut-down, including virtual computer questions, book club, and bingo

Summer Camp and Tumbling Tot programs were modified and still held during COVID-19 restrictions following State and local guidelines for safety
Covey Center for the Arts

Remodeled and upgraded the Black Box Theater

Developed an electronic ticketing system to comply with COVID-19 protocols

Cemetery

Completed the construction, and began the sale of the spaces in the largest, publicly owned mausoleum in the State of Utah

Timpanogos Golf Club

Golf course installed lighting on its par 3 course and driving range to increase revenue and usage hours by adding night golf

Renovated and established turf on driving range

POLICE

Leadership training - The department looked for creative solutions to minimize expenses while enhancing our officers' training with specific attention to race-related issues and unbiased training.

Hybrid Vehicles – The PD purchased 7 hybrid vehicles for their fleet in FY 2020. We have purchased an additional 13 hybrids this year. Ford estimates each vehicle is projected to save taxpayers between \$3,500 and \$5,700 per vehicle in fuel costs annually.

Due to civil unrest throughout the country, as well as Provo, Provo PD had to purchase needed riot gear for the safety of its officers and citizens.

MRAP (Armored Police Rescue Vehicle) – This new, \$700,000 military surplus vehicle, was purchased for \$18,000 by Provo PD but the cost will be split with Orem PD and BYU PD. This vehicle will serve the community as an armored rescue vehicle for SWAT or other special teams.

SANITATION

Purchased new green waste grinder to adequately accommodate the volume of green waste being processed

Expanded green waste facility footprint to better accommodate compost and mulching operations in order to comply with State of Utah permit requirements.

STORM WATER

Completed repaving of large water main installation on 1400 East.

Completed the Oak Cliff Storm Drain project.

WATER RESOURCES

Design of Reclamation Plant proceeding towards 60%, making design changes to meet budget requirements.

Reclamation Plant package 1A contract awarded to Alder Construction to begin site preparation.

Westside sewer and water improvements designs completed and ready for bid this coming year

4800 North well and pumphouse completed and on-line with backup generator.

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, 2019. 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Provo
Utah**

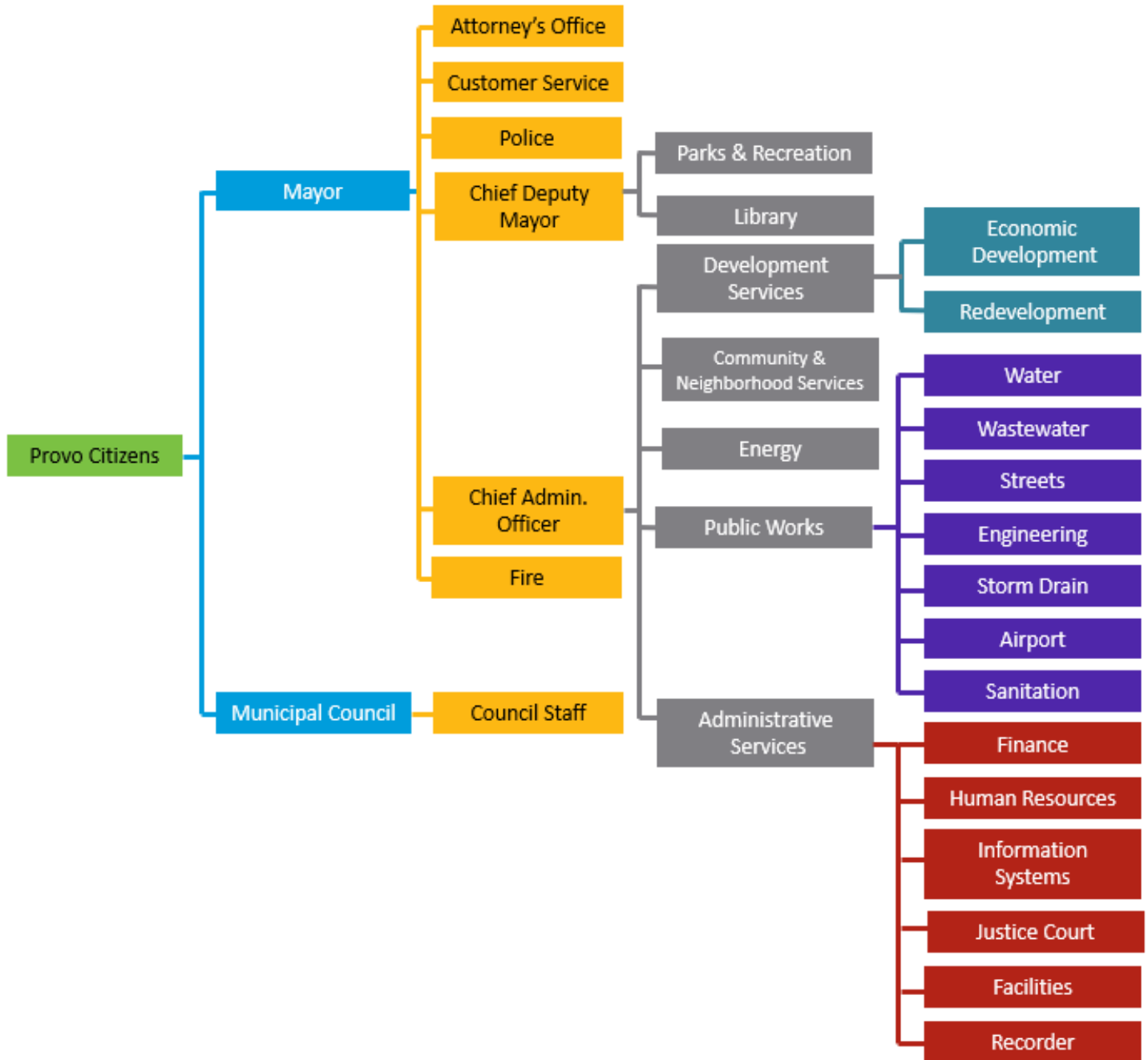
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Provo City Organizational Chart



Elected and Staff Positions



(Left to right) Shannon Ellsworth, Travis Hoban, Bill Fillmore, Mayor Michelle Kaufusi, Dave Sewell, George Handley (Chair), Dave Harding (Vice-Chair), David Shipley

City Administration

Mayor: Michelle Kaufusi (Present Term: 2018-2021)

Chief Administrative Officer: Wayne Parker

Chief Deputy Mayor: Isaac Paxman

Assistant City Administrative Officer: Dixon Holmes

Administrative Services: John Borget

City Attorney: Vacant

Community & Neighborhood Services: Gary McGinn

Customer Service: Karen Larsen

Development Services: Bill Pepperone

Energy: Travis Ball

Fire: James Miguel

Library Services: Gene Nelson

Parks and Recreation: Scott Henderson

Police: Rich Ferguson

Public Works: David Decker

Council Members

District 1: Bill Fillmore
Present Term: 2020-2023

District 2: George Handley (Chair)
Present Term: 2018-2021

District 3: Shannon Ellsworth
Present Term: 2020-2023

District 4: Travis Hoban
Present Term: 2020-2023

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

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

Citywide District II: David Shipley
Present Term: 2020-2023

Cliff Strachan (Executive Director)



COMMITTED. EXPERIENCED. TRUSTED

INDEPENDENT AUDITOR'S 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
SHAWN F. MARTIN, 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, 2020, 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Provo City Corporation, as of June 30, 2020, 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 21-28 and pension schedules on pages 91-94 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 are the responsibility of management and were 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 combining and individual nonmajor fund financial statements and budgetary comparison 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 30, 2020 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.

HBMC, LLC

November 30, 2020

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, 2020. 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 \$59,492,646. The governmental net position increased by \$28,370,423 and the business-type net position increased by \$31,122,223.

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 \$706,710,647. Of this amount; \$129,087,906 (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 \$145,674,165, an increase of \$4,289,713 in comparison with the prior year. The increase is primarily the result of higher fund balances in the General Fund related to increases in cash and accounts receivable balances.

The General Fund (the primary operating fund), also reflected on a current financial resource basis, reported an increase of \$6,722,970 in fund balance. This increase is primarily the result of higher property tax revenue and lower general government expenses.

At the end of the current fiscal year, assigned and unassigned fund balance for the general fund was \$17,304,455 (or approx. 22.94 percent) of 2020 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, wastewater, 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 41-90 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 95-114 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 (80.0 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.

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.

Table 1 - Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 185,251,285	\$ 176,586,310	\$ 72,037,401	\$ 64,179,233	\$ 257,288,686	\$ 240,765,543
Capital assets	360,139,400	344,441,412	317,934,167	289,801,233	678,073,567	634,242,645
Other assets	26,298,091	21,609,833	10,705,461	9,981,568	37,003,552	31,591,401
Total assets	571,688,776	542,637,555	400,677,029	363,962,034	972,365,805	906,599,589
Deferred outflows of resources	8,516,023	15,520,768	1,377,952	2,705,891	9,893,975	18,226,659
Current liabilities	34,986,041	28,168,432	18,695,807	15,974,879	53,681,848	44,143,311
Long-term liabilities	144,136,503	163,569,740	51,360,401	51,069,599	195,496,904	214,639,339
Total liabilities	179,122,544	191,738,172	70,056,208	67,044,478	249,178,752	258,782,650
Deferred inflows of resources	24,684,956	18,393,275	1,685,425	432,322	26,370,381	18,825,597
Net position:						
Net investment in capital assets:	297,030,512	281,008,409	268,883,944	245,278,480	565,914,456	526,286,889
Restricted	10,080,095	10,949,005	1,628,190	2,001,561	11,708,285	12,950,566
Unrestricted	69,286,692	56,069,462	59,801,214	51,911,084	129,087,906	107,980,546
Total Net Position	<u>\$ 376,397,299</u>	<u>\$ 348,026,876</u>	<u>\$ 330,313,348</u>	<u>\$ 299,191,125</u>	<u>\$ 706,710,647</u>	<u>\$ 647,218,001</u>

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 \$28,370,423.

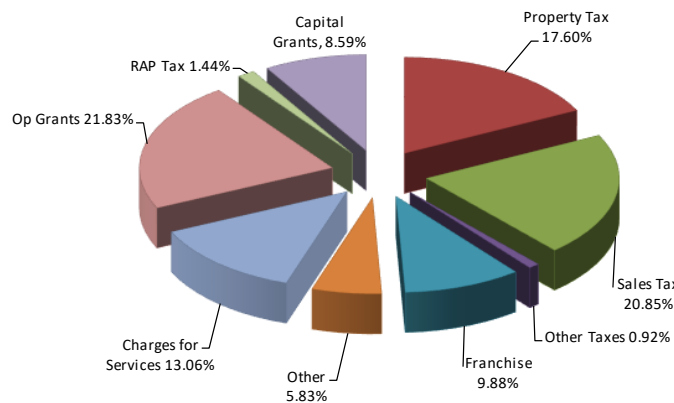
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over the estimated useful lives and reported as depreciation expense. The amount that the capital outlays exceeded depreciation in fiscal year 2020 is \$15,831,670.

Table 2 - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
Revenues	2020	2019	2020	2019	2020	2019
Program revenues:						
Charges for services	\$ 12,961,516	\$ 13,244,777	\$ 119,606,245	\$ 119,256,826	\$ 132,567,761	\$ 132,501,603
Operating grants and contributions	21,664,085	8,485,241	50,000	50,000	21,714,085	8,535,241
Capital grants and contributions	8,520,320	7,859,934	17,348,919	7,274,196	25,869,239	15,134,130
General revenues:						
Property taxes	17,463,263	12,090,421	-	-	17,463,263	12,090,421
Other taxes	33,566,693	32,306,868	-	-	33,566,693	32,306,868
Other	5,048,829	3,355,605	10,366,570	6,919,288	15,415,399	10,274,893
Total revenues	99,224,706	77,342,846	147,371,734	133,500,310	246,596,440	210,843,156
Expenses:						
General government	11,529,737	18,401,939			11,529,737	18,401,939
Public safety	37,990,332	36,263,547			37,990,332	36,263,547
Public services	5,165,268	4,817,070			5,165,268	4,817,070
Community revitalization	6,612,903	8,273,032			6,612,903	8,273,032
Culture and recreation	18,472,769	18,438,144			18,472,769	18,438,144
Interest on long-term debt	4,598,372	4,153,417			4,598,372	4,153,417
Golf course			1,524,659	1,575,803	1,524,659	1,575,803
Water			12,175,512	11,266,122	12,175,512	11,266,122
Wastewater			6,511,771	7,559,952	6,511,771	7,559,952
Energy			64,944,421	67,460,174	64,944,421	67,460,174
Airport			4,705,001	3,284,400	4,705,001	3,284,400
Utility Transportation			3,894,913	1,994,134	3,894,913	1,994,134
Sanitation			4,498,386	4,355,800	4,498,386	4,355,800
Storm drain			2,335,090	2,431,569	2,335,090	2,431,569
Ice Sheet			2,144,660	1,644,985	2,144,660	1,644,985
Total expenses	84,369,381	90,347,149	102,734,413	101,572,939	187,103,794	191,920,088
Increase in net position before transfers	14,855,325	(13,004,303)	44,637,321	31,927,371	59,492,646	18,923,068
Transfers	13,515,098	14,998,527	(13,515,098)	(14,998,527)	-	-
Change in net position	28,370,423	1,994,224	31,122,223	16,928,844	59,492,646	18,923,068
Net Position:						
Net position beginning	348,026,876	346,032,652	299,191,125	282,262,281	647,218,001	628,294,933
Net position ending	\$ 376,397,299	\$ 348,026,876	\$ 330,313,348	\$ 299,191,125	\$ 706,710,647	\$ 647,218,001

Sales and use taxes, which increased from the prior year, are generally the single greatest source of revenue for the City. In the current fiscal year, 20.85 percent of the City's revenues from governmental activities were derived from sales and use tax.

Revenues by Source - Governmental Activities



Another 17.60 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 \$6,632,667 or 14.94 percent. The increase is the result of higher property tax revenue, higher sales and use tax revenue, higher vehicle tax revenue, higher franchise tax revenue and higher Recreation Arts and Park (RAP) tax revenue.

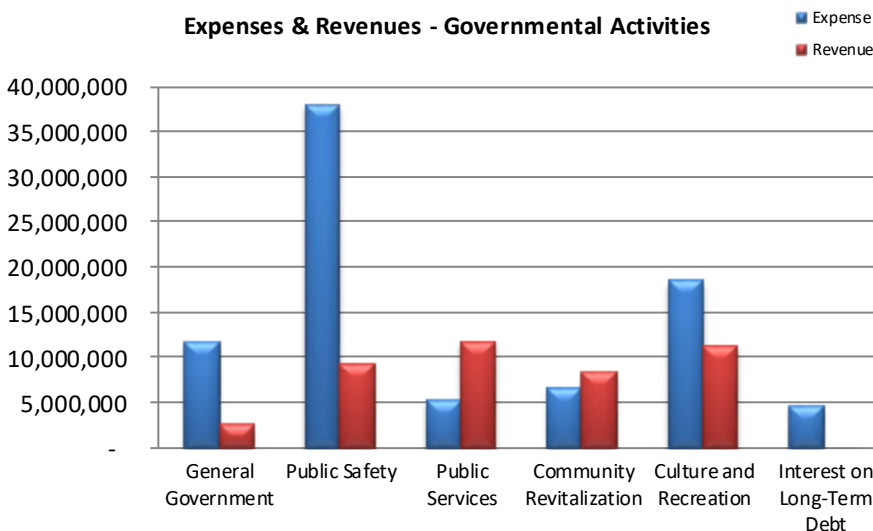
The General Government category includes expenses for the following departments; Municipal Council, Mayor's Office, Com-

munity 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 \$41,223,460. Public Safety, which includes fire and police, reports program expenses of \$37,990,332; while program revenues were \$9,218,552. The result is a net cost of services for Public Safety totaling \$28,771,780.

Expenses & Revenues - Governmental Activities



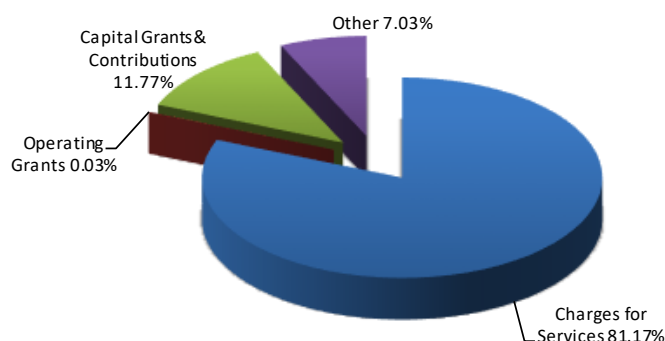
The net amount of revenue and expenses from Public Safety is 69.8 percent of the total net cost of services provided by the City for governmental activities.

Transfers between the governmental activities from the business-type activities totaled \$13,515,098.

Business-type Activities

Business-type activities increased the City's net position by \$31,122,223. The primary elements of this change are as follows.

Revenues by Sources - Business-type Activities



For the business-type activities, program and general revenues were \$44,637,321 greater than expenses (before transfers) and transfers of \$13,515,098 resulted in the net increase of \$31,122,223.

For business-type activities, 81.17 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 \$145,674,165; an increase of \$4,289,713 from the prior year. The General Fund's portion of the total fund balance is \$29,550,239; an increase of \$6,722,970, of which \$15,289,176 is unassigned. The General CIP Fund's portion of the total balance is \$63,476,826: a decrease of \$7,081,023 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 \$49,257,300 and \$3,389,800 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 31 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 36 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 52.4 percent of the Program Revenues (before operating transfers) for business-type activities.

Capital Assets

The City's investment in capital assets (Table 3) for its governmental and business-type activities as of June 30, 2020 and 2019 amounts to \$678,073,567 and \$634,242,645, 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	
	2020	2019	2020	2019	2020	2019
Land	\$ 175,014,166	\$ 174,330,467	\$ 53,036,880	\$ 48,066,510	\$ 228,051,046	\$ 222,396,977
Water stock			2,420,927	2,420,927	2,420,927	2,420,927
Machinery and equipment	14,333,069	14,422,825	4,427,133	5,514,564	18,760,202	19,937,389
Library collection	535,514	506,605	-	-	535,514	506,605
Buildings	56,822,721	58,086,259	48,342,181	47,140,747	105,164,902	105,227,006
Land improvements	10,615,054	11,379,859	29,081,445	25,768,562	39,696,499	37,148,421
Infrastructure	78,154,153	78,657,433	152,450,633	140,725,311	230,604,786	219,382,744
Construction in progress	24,664,723	7,057,964	28,174,968	20,164,612	52,839,691	27,222,576
Total	\$ 360,139,400	\$ 344,441,412	\$ 317,934,167	\$ 289,801,233	\$ 678,073,567	\$ 634,242,645

The total increase in the City's investment in capital assets for the current fiscal year was \$43,830,922 (net of accumulated depreciation). The capital assets in governmental activities increased \$15,697,988 (net of accumulated depreciation). The capital assets in business-type activities increased \$28,132,934 (net of accumulated depreciation). The increase in total assets in governmental activities is primarily the result of construction-in-progress related to the city facilities projects. The increase in business-type activities capital assets is primarily the result of Wastewater and Energy 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 2020 fiscal year, the City had long-term debt (Table 4) totaling \$190,458,495. The bonded debt outstanding was \$159,437,159. Of this amount, \$99,236,398 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 \$60,200,761, represents bonds secured solely by specified revenue sources, i.e., revenue bonds.

Long-term debt also includes capital leases in the amount of \$5,958,298; accrued compensated absences of \$9,474,182; and net OPEB payable of \$7,219,042.

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 \$418,561,000, which is significantly in excess of the City's outstanding general obligation debt of \$99,236,398, leaving a legal debt margin of \$319,324,602. (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

	Totals	
	2020	2019
Governmental:		
General Obligation Bonds	\$ 99,236,398	\$ 103,961,042
Revenue Bonds	17,849,810	20,155,779
Notes Payable	3,369,814	1,149,504
Capital Leases	5,958,298	7,273,895
Accrued Compensated Absences	7,175,864	6,775,980
Net OPEB Payable	5,409,197	6,082,567
Total governmental	138,999,381	145,398,767
Business-type		
Revenue Bonds	42,350,951	44,853,579
Note payable	5,000,000	0
Accrued Compensated Absences	2,298,318	2,120,922
Net OPEB Payable	1,809,845	1,422,033
Total Business-type	51,459,114	48,396,534
Total	\$ 190,458,495	\$ 193,795,301

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

Airport Land Acquisition	\$4,900,526
West Side Wastewater Improvements	4,000,000
Mountain Vista Business Center Infrastructure	3,638,456
Human Capital Management System	2,184,800
Budget Corrections	289,399
Personnel Budget Transfer to Development Services	200,000
Economic Development Division Director Position	98,431
Fire Services Master Plan	33,500
Economic Development Pkwy Village Reimbursement	26,820
Urban Deer Program	15,000
Bike Rack Expansion Project	15,000
Total	<u>\$15,401,932</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET RATES

When preparing the City's budget for the 2021 fiscal year, there were several economic factors and trends taken into consideration. Elements of the budget process include projecting inflation, the impact the national economy has on local economic growth and the impact of the COVID-19 global pandemic. The state and local economy reflected the impact of COVID-19 during the fiscal year ending June 30, 2020. The state and local unemployment rates have increased, although at a rate lower than the national rate. For fiscal 2020, sales tax revenues increased at the rate of 5.6% when compared to the prior fiscal year. These and other factors were considered in the City's budget for the 2020-2021 fiscal year. As of the date of this report, fiscal 2021 revenues have been down slightly reflecting the overall economic impact of COVID-19.

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, 2020

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets:			
Cash	\$ 60,812,378	\$ 54,150,338	\$ 114,962,716
Restricted cash	87,267,694	1,628,190	88,895,884
Accounts receivable	30,153,489	20,785,117	50,938,606
Inventory	399,562	2,091,918	2,491,480
Internal balances	6,618,162	(6,618,162)	-
Total Current Assets	<u>185,251,285</u>	<u>72,037,401</u>	<u>257,288,686</u>
Noncurrent Assets:			
Capital Assets:			
Non Depreciable	199,678,889	83,632,775	283,311,664
Depreciable assets (net of depreciation)	160,460,511	234,301,392	394,761,903
Total Capital Assets	<u>360,139,400</u>	<u>317,934,167</u>	<u>678,073,567</u>
Other Assets:			
Notes and loans receivable	21,586,224	-	21,586,224
Investment in joint ventures	-	10,705,461	10,705,461
Net pension asset	3,100,140	-	3,100,140
Other	1,611,727	-	1,611,727
Total Other Assets	<u>26,298,091</u>	<u>10,705,461</u>	<u>37,003,552</u>
Total Noncurrent Assets	<u>386,437,491</u>	<u>328,639,628</u>	<u>715,077,119</u>
Total Assets	<u>571,688,776</u>	<u>400,677,029</u>	<u>972,365,805</u>
Deferred Outflows of Resources	<u>8,516,023</u>	<u>1,377,952</u>	<u>9,893,975</u>
Liabilities and Net Assets			
Liabilities:			
Current Liabilities:			
Accounts payable	5,370,229	8,954,764	14,324,993
Accrued liabilities	7,396,713	5,530,409	12,927,122
Accrued interest payable	2,020,351	573,082	2,593,433
Customer deposits	9,860,322	423,056	10,283,378
Accrued compensated absences	2,152,759	689,496	2,842,255
Bonds, loans and leases payable	8,185,667	2,525,000	10,710,667
Total Current Liabilities	<u>34,986,041</u>	<u>18,695,807</u>	<u>53,681,848</u>
Long-term Liabilities:			
Accrued compensated absences	5,023,105	1,608,822	6,631,927
Net OPEB payable	5,409,197	1,809,845	7,219,042
Net pension liability	15,475,547	3,115,781	18,591,328
Bonds, loans and leases payable	118,228,654	44,825,953	163,054,607
Total Long-term Liabilities	<u>144,136,503</u>	<u>51,360,401</u>	<u>195,496,904</u>
Total Liabilities	<u>179,122,544</u>	<u>70,056,208</u>	<u>249,178,752</u>
Deferred Inflows of Resources	<u>24,684,956</u>	<u>1,685,425</u>	<u>26,370,381</u>
Net Position			
Net investment in capital assets	297,030,512	268,883,944	565,914,456
Restricted for:			
Debt service	1,745,097	1,175,423	2,920,520
Capital projects	8,334,998	452,767	8,787,765
Unrestricted	69,286,692	59,801,214	129,087,906
Total Net Position	<u>\$ 376,397,299</u>	<u>\$ 330,313,348</u>	<u>\$ 706,710,647</u>

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

PROVO CITY CORPORATION
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 11,529,737	\$ 787,616	\$ 1,864,602	\$ -	\$ (8,877,519)	\$ -	\$ (8,877,519)
Public safety	37,990,332	2,050,818	6,944,070	223,664	(28,771,780)	-	(28,771,780)
Public services	5,165,268	2,473,032	8,614,472	633,387	6,555,623	-	6,555,623
Culture and recreation	18,472,769	5,534,951	41,880	5,695,099	(7,200,839)	-	(7,200,839)
Community revitalization	6,612,903	2,115,099	4,199,061	1,968,170	1,669,427	-	1,669,427
Interest on long-term debt	4,598,372	-	-	-	(4,598,372)	-	(4,598,372)
Total governmental activities	84,369,381	12,961,516	21,664,085	8,520,320	(41,223,460)	-	(41,223,460)
Business-type activities:							
Golf course	1,524,659	439,035	-	-	-	(1,085,624)	(1,085,624)
Water	12,175,512	15,230,443	-	682,549	-	3,737,480	3,737,480
Waste water	6,511,771	16,721,652	-	885,298	-	11,095,179	11,095,179
Energy	64,944,421	71,015,193	-	889,269	-	6,960,041	6,960,041
Airport	4,705,001	811,699	-	14,386,941	-	10,493,639	10,493,639
Utility transportation	3,894,913	2,095,746	-	-	-	(1,799,167)	(1,799,167)
Sanitation	4,498,386	6,169,994	-	-	-	1,671,608	1,671,608
Storm drain	2,335,090	5,758,440	-	504,862	-	3,928,212	3,928,212
Ice Sheet	2,144,660	1,364,043	50,000	-	-	(730,617)	(730,617)
Total business-type activities	102,734,413	119,606,245	50,000	17,348,919	-	34,270,751	34,270,751
Total primary government	\$ 187,103,794	\$ 132,567,761	\$ 21,714,085	\$ 25,869,239	(41,223,460)	34,270,751	(6,952,709)
General revenues:							
Taxes:							
Property					17,463,263	-	17,463,263
Vehicle					914,073	-	914,073
Sales					20,675,621	-	20,675,621
Franchise					9,804,436	-	9,804,436
RAP					1,433,495	-	1,433,495
Other					739,068	-	739,068
Investment earnings					3,260,602	2,073,895	5,334,497
Miscellaneous					1,788,227	8,292,675	10,080,902
Transfers					13,515,098	(13,515,098)	-
Total general revenues and transfers					69,593,883	(3,148,528)	66,445,355
Change in net position					28,370,423	31,122,223	59,492,646
Net position-beginning					348,026,876	299,191,125	647,218,001
Net position-ending					\$ 376,397,299	\$ 330,313,348	\$ 706,710,647

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

PROVO CITY CORPORATION
Balance Sheet – Governmental Funds
June 30, 2020

	Governmental Fund Types				
	General	Debt Service	General CIP	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash	\$ 23,476,326	\$ 3,737,425	\$ -	\$ 12,762,845	\$ 39,976,596
Restricted cash	6,114,066	1,745,097	65,176,082	13,369,044	86,404,289
Accounts receivable	17,420,474	8,001,258	267,718	4,464,039	30,153,489
Inventory	83,666	-	-	-	83,666
Notes and loans receivable	1,561,841	-	-	20,954,119	22,515,960
Interfund loan receivable	2,029,396	-	-	-	2,029,396
Other	11,836	-	-	1,599,891	1,611,727
Due from other funds	1,432,293	-	-	-	1,432,293
Total assets	\$ 52,129,898	\$ 13,483,780	\$ 65,443,800	\$ 53,149,938	\$ 184,207,416
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities					
Accounts payable	\$ 2,818,955	\$ -	\$ 1,966,974	\$ 168,267	\$ 4,954,196
Accrued liabilities	2,737,571	5	-	152,095	2,889,671
Customer deposits	9,860,322	-	-	-	9,860,322
Due to other funds	-	2,198,269	-	-	2,198,269
Total liabilities	15,416,848	2,198,274	1,966,974	320,362	19,902,458
Deferred Inflows of Resources					
Deferred property tax revenue	4,916,099	7,895,706	-	3,572,276	16,384,081
Deferred unavailable revenue	682,870	-	-	-	682,870
Deferred revenue-loans receivable	1,563,842	-	-	-	1,563,842
Total Deferred Inflows of Resources	7,162,811	7,895,706	-	3,572,276	18,630,793
Fund balances					
Nonspendable	2,124,898	-	-	1,599,891	3,724,789
Restricted	10,120,886	3,389,800	63,476,826	44,166,903	121,154,415
Assigned	2,015,279	-	-	3,490,506	5,505,785
Unassigned	15,289,176	-	-	-	15,289,176
Total fund balances	29,550,239	3,389,800	63,476,826	49,257,300	145,674,165
Total liabilities, deferred inflows of resources and fund balances	\$ 52,129,898	\$ 13,483,780	\$ 65,443,800	\$ 53,149,938	\$ 184,207,416

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, 2020

Total fund balance	\$145,674,165
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.	346,689,087
Deferred loss on refunding not available for current period expenditures and is therefore deferred in the funds balance sheet.	1,915,814
An allowance for doubtful accounts is recorded on the entity-wide statements and not reported on the fund statements.	(929,735)
Net pension assets and liabilities are not available to pay for current period expenditures and, therefore, are either deferred or not applicable to funds.	(13,657,551)
Accrued interest is recorded in the entity-wide statements but not reported in the fund statements.	(1,997,660)
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.	25,666,726
The proprietary funds cumulative allocation of the internal service funds net income based on use of service are included in the entitywide statements.	5,354,742
Deferred revenue was reported in the funds to offset certain loan receivables. In the governmental activites, no expense or revenue is recorded when a loan is made or paid off leaving no deferred revenue liability associated with the loan receivable.	2,244,311
Accrued compensated absences are not due and payable in the current period and are not reported in the funds.	(6,852,327)
Net OPEB is reported in the governmental activities and not in the fund statements.	(4,818,041)
Long-term liabilities, including bonds payable are not due and payable in the current period and are not reported in the funds.	(122,892,232)
Net position of governmental activities	<u><u>\$376,397,299</u></u>

PROVO CITY CORPORATION
Statement of Revenues, Expenditures, and
Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2020

	Governmental Fund Types				Total Governmental Funds
	General	Debt Service	General CIP	Other Governmental Funds	
Revenues:					
Taxes	\$ 37,950,479	\$ 8,511,549	\$ -	\$ 4,366,339	\$ 50,828,367
Licenses and permits	1,466,524	-	-	-	1,466,524
Intergovernmental	11,273,258	-	267,718	15,353,324	26,894,300
Charges for services	9,821,190	-	-	1,543,028	11,364,218
Fines and forfeitures	1,654,516	-	-	-	1,654,516
Impact fees	-	-	-	1,623,389	1,623,389
Interest income	663,390	240,260	1,434,278	564,295	2,902,223
Loan interest repayments	7,661	-	-	-	7,661
Lease income	17,400	-	-	-	17,400
Miscellaneous	444,828	-	-	191,645	636,473
Total revenues	63,299,246	8,751,809	1,701,996	23,642,020	97,395,071
Expenditures:					
Current:					
General government	13,038,230	9,218	-	-	13,047,448
Public safety	32,097,242	-	-	-	32,097,242
Public services	4,351,034	-	-	-	4,351,034
Culture and recreation	11,246,784	-	-	4,455,770	15,702,554
Community revitalization	3,380,650	-	267,718	1,983,961	5,632,329
Total current expenditures	64,113,940	9,218	267,718	6,439,731	70,830,607
Debt service:					
Interest	2,139	4,939,271	-	20,806	4,962,216
Rent/Lease	-	836,111	-	-	836,111
Principal on debt	-	6,341,000	-	279,690	6,620,690
Interest - interfund	-	13,469	-	-	13,469
Service fees on debt and issuance costs	-	10,360	-	-	10,360
Total debt service	2,139	12,140,211	-	300,496	12,442,846
Capital outlay:					
Capital outlay	4,254,928	-	11,142,857	11,592,791	26,990,576
Total expenditures	68,371,007	12,149,429	11,410,575	18,333,018	110,264,029
Excess (deficiency) of revenues over (under) expenditures	(5,071,761)	(3,397,620)	(9,708,579)	5,309,002	(12,868,958)
Other financing sources (uses):					
Transfers from other funds	12,589,028	4,477,096	2,627,556	1,433,495	21,127,175
Transfers to other funds	(2,883,683)	(3,131,707)	-	(2,550,000)	(8,565,390)
Debt issuance	-	-	-	2,500,000	2,500,000
Proceeds from sale of assets	2,089,386	-	-	7,500	2,096,886
Total other financing sources (uses)	11,794,731	1,345,389	2,627,556	1,390,995	17,158,671
Net change in fund balances	6,722,970	(2,052,231)	(7,081,023)	6,699,997	4,289,713
Fund balance at beginning of year	22,827,269	5,442,031	70,557,849	42,557,303	141,384,452
Fund balance at end of year	\$ 29,550,239	\$ 3,389,800	\$ 63,476,826	\$ 49,257,300	\$ 145,674,165

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, 2020

Net change in fund balances--total governmental funds	\$ 4,289,713
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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.	15,831,670
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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.	(850,000)
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Revenues in the statement of activities that do not provide current financial resources are not reported in the fund statements.	1,179,806
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Pension and OPEB are recorded in governmental activities and not in the fund statements.	2,048,577
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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.	5,439,960
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The proprietary funds allocation of the internal service funds net loss is based on use of service included in the entity-wide statements.	(391,567)
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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.	822,264
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Change in net position of governmental activities	<u><u>\$ 28,370,423</u></u>
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PROVO CITY CORPORATION
Budgetary Comparison Statement – General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 37,719,490	\$ 37,719,490	\$ 37,950,479	\$ 230,989
Licenses and permits	1,593,000	1,593,000	1,466,524	(126,476)
Intergovernmental	4,344,000	4,344,000	11,273,258	6,929,258
Charges for services	9,785,400	9,785,400	9,821,190	35,790
Fines and forfeitures	1,705,791	1,705,791	1,654,516	(51,275)
Interest income	609,000	609,000	663,390	54,390
Loan interest repayments	-	-	7,661	7,661
Lease income	-	-	17,400	17,400
Miscellaneous	1,399,057	1,399,057	444,828	(954,229)
Total revenues	<u>57,155,738</u>	<u>57,155,738</u>	<u>63,299,246</u>	<u>6,143,508</u>
Expenditures:				
Current:				
Mayor's Office	1,588,018	1,854,749	1,830,974	23,775
Municipal Council	1,110,777	1,124,505	1,051,728	72,777
Finance	1,299,027	1,308,843	1,260,961	47,882
Human Resources	887,235	954,634	933,396	21,238
Recorder	218,061	258,505	231,510	26,995
Justice Court	1,447,481	1,447,481	1,335,619	111,862
Legal	1,616,332	1,616,332	1,586,672	29,660
Community & Neighborhood Services	1,718,787	1,657,315	1,379,814	277,501
Development Services	1,908,119	2,392,216	2,000,836	391,380
Information Systems	3,732,387	4,253,840	3,904,776	349,064
Nondepartmental	842,255	1,087,501	902,594	184,907
Police	20,511,856	21,985,268	21,121,069	864,199
Fire	10,703,452	11,214,217	10,976,173	238,044
Streets	2,088,174	2,138,859	2,088,972	49,887
Engineering	2,322,234	2,360,038	2,262,062	97,976
Parks & Recreation	12,365,279	12,761,002	11,246,784	1,514,218
Total current expenditures	<u>64,359,474</u>	<u>68,415,305</u>	<u>64,113,940</u>	<u>4,301,365</u>
Debt service:				
Interest	-	2,139	2,139	-
Total debt service	<u>-</u>	<u>2,139</u>	<u>2,139</u>	<u>-</u>
Capital outlay:				
Capital outlay	<u>3,130,935</u>	<u>3,091,254</u>	<u>4,254,928</u>	<u>(1,163,674)</u>
Total expenditures	<u>67,490,409</u>	<u>71,508,698</u>	<u>68,371,007</u>	<u>3,137,691</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,334,671)</u>	<u>(14,352,960)</u>	<u>(5,071,761)</u>	<u>9,281,199</u>
Other financing sources (uses):				
Transfers from other funds	13,003,871	13,003,871	12,589,028	(414,843)
Transfers to other funds	(2,775,188)	(2,883,684)	(2,883,683)	1
Proceeds from land sales	-	-	2,089,386	2,089,386
Total other financing sources (uses)	<u>10,228,683</u>	<u>10,120,187</u>	<u>11,794,731</u>	<u>1,674,544</u>
Net change in fund balance	<u>\$ (105,988)</u>	<u>\$ (4,232,773)</u>	<u>6,722,970</u>	<u>\$ 10,955,743</u>
Fund balance at beginning of year			<u>22,827,269</u>	
Fund balance at end of year			<u>\$ 29,550,239</u>	

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

PROVO CITY CORPORATION
Statement of Net Position – Proprietary Funds
June 30, 2020

	Water	Waste- Water	Energy	Airport	Total Nonmajor Proprietary Funds	Total	Governmental Activities Internal Service Funds
Assets							
Current Assets:							
Cash	\$ 8,224,451	\$ 4,132,799	\$ 23,229,368	\$ 11,903,950	\$ 6,659,770	\$ 54,150,338	\$ 20,838,182
Restricted cash	329,983	276,398	568,899	452,767	143	1,628,190	863,405
Accounts receivable	2,634,399	1,531,196	8,370,483	4,504,822	3,744,217	20,785,117	-
Inventory	886,237	-	1,205,681	-	-	2,091,918	315,896
Total Current Assets	12,075,070	5,940,393	33,374,431	16,861,539	10,404,130	78,655,563	22,017,483
Noncurrent Assets:							
Capital Assets:							
Non Depreciable	14,278,586	8,316,808	4,243,611	21,849,326	34,944,444	83,632,775	159,546
Depreciable assets	57,522,055	49,140,234	68,502,075	30,534,724	28,602,304	234,301,392	13,290,767
Net Capital Assets	71,800,641	57,457,042	72,745,686	52,384,050	63,546,748	317,934,167	13,450,313
Interfund loans receivable	-	-	7,111,878	-	-	7,111,878	-
Equity in Joint Venture	-	-	-	-	10,705,461	10,705,461	-
Total Noncurrent Assets	71,800,641	57,457,042	79,857,564	52,384,050	74,252,209	335,751,506	13,450,313
Total Assets	83,875,711	63,397,435	113,231,995	69,245,589	84,656,339	414,407,069	35,467,796
Deferred outflows of resources							
Deferred outflows related to pensions	263,626	138,377	640,415	39,366	172,956	1,254,740	243,273
Deferred outflows related to OPEB	24,227	17,305	56,068	2,769	22,843	123,212	23,535
Total deferred outflows of resources	287,853	155,682	696,483	42,135	195,799	1,377,952	266,808

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

(Continued)

PROVO CITY CORPORATION
Statement of Net Position – Proprietary Funds (Continued)
June 30, 2020

	Water	Waste- Water	Energy	Airport	Total Nonmajor Proprietary Funds	Total	Governmental Activities Internal Service Funds
Liabilities & Net Position							
Liabilities:							
Accounts payable	2,103,171	1,913,882	395,347	3,349,749	1,192,615	8,954,764	416,033
Accrued liabilities	162,093	109,028	5,045,960	23,693	189,635	5,530,409	4,507,042
Due to other funds	-	-	-	-	1,432,293	1,432,293	-
Customer deposits	387,760	13,497	20,539	1,260	-	423,056	-
Accrued interest payable	142,425	118,706	230,466	70,847	10,638	573,082	22,691
Accrued compensated absences	141,110	82,039	351,149	35,192	80,006	689,496	97,061
Bonds, leases, and loans payable	440,000	370,000	795,000	275,000	645,000	2,525,000	543,144
Total Current Liabilities	3,376,559	2,607,152	6,838,461	3,755,741	3,550,187	20,128,100	5,585,971
Long-term Liabilities							
Accrued compensated absences	329,257	191,424	819,348	82,114	186,679	1,608,822	226,476
Net OPEB payable	355,868	254,192	823,581	40,671	335,533	1,809,845	345,701
Net pension liability	654,649	343,627	1,590,311	97,764	429,430	3,115,781	604,112
Interfund loan payable	-	-	-	4,913,609	2,029,396	6,943,005	-
Bonds, leases, and loans payable	9,362,056	7,803,541	15,558,905	10,034,046	2,067,405	44,825,953	2,978,945
Total Long-term Liabilities	10,701,830	8,592,784	18,792,145	15,168,204	5,048,443	58,303,406	4,155,234
Total Liabilities	14,078,389	11,199,936	25,630,606	18,923,945	8,598,630	78,431,506	9,741,205
Deferred inflows of resources							
Deferred inflows related to pensions	346,661	181,962	842,126	51,765	228,031	1,650,545	319,896
Deferred inflows related to OPEB	6,976	4,983	16,145	797	5,979	34,880	6,777
Total deferred inflows of resources	353,637	186,945	858,271	52,562	234,010	1,685,425	326,673
Net Position							
Net investment in capital assets	62,328,568	49,283,501	56,391,781	42,075,004	58,805,090	268,883,944	9,928,224
Restricted for:							
Capital projects	-	-	-	452,767	-	452,767	-
Debt service	329,983	276,398	568,899	-	143	1,175,423	-
Unrestricted	7,072,987	2,606,337	30,478,921	7,783,446	17,214,265	65,155,956	15,738,502
Total Net Position	\$ 69,731,538	\$ 52,166,236	\$ 87,439,601	\$ 50,311,217	\$ 76,019,498	\$ 335,668,090	\$ 25,666,726

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, 2020

	Water	Waste- Water	Energy	Airport	Total Nonmajor Proprietary Funds	Total	Governmental Activities Internal Service Funds
Operating Revenues:							
Charges for services	\$ 15,110,440	\$ 16,712,840	\$ 70,287,157	\$ -	\$ 15,164,941	\$ 117,275,378	\$ 16,127,545
Fees & rentals	120,003	-	715,673	569,298	662,317	2,067,291	-
Lease income	-	8,812	12,363	242,401	-	263,576	-
Miscellaneous	24,632	308,536	3,738,160	195,791	4,025,556	8,292,675	748,474
Taxes	-	-	-	-	-	-	201,589
Total operating revenues	15,255,075	17,030,188	74,753,353	1,007,490	19,852,814	127,898,920	17,077,608
Operating expenses:							
Salaries and wages	2,236,699	1,533,971	4,167,060	338,847	2,643,452	10,920,029	2,508,214
Employee benefits	1,396,146	1,056,073	3,277,141	183,567	1,258,075	7,171,002	1,514,104
Operating expenses	6,449,823	2,203,744	52,239,563	1,644,986	9,485,810	72,023,926	9,503,085
Depreciation	1,829,454	1,412,301	4,864,993	2,231,280	985,853	11,323,881	4,006,586
Total operating expenses	11,912,122	6,206,089	64,548,757	4,398,680	14,373,190	101,438,838	17,531,989
Operating income (loss)	3,342,953	10,824,099	10,204,596	(3,391,190)	5,479,624	26,460,082	(454,381)
Nonoperating revenues (expenses)							
Intergovernmental revenue	-	-	-	-	50,000	50,000	-
Interest income	197,796	125,501	643,787	253,611	129,307	1,350,002	333,318
Interest expense	(294,483)	(253,822)	(536,326)	(303,087)	(221,979)	(1,609,697)	(95,486)
Gain (loss) on disp. of assets	-	-	-	-	(6,160)	(6,160)	85,500
Joint Venture gain (loss)	-	-	-	-	723,893	723,893	-
Total nonoperating revenues (expenses)	(96,687)	(128,321)	107,461	(49,476)	675,061	508,038	323,332
Income before contributions and transfers	3,246,266	10,695,778	10,312,057	(3,440,666)	6,154,685	26,968,120	(131,049)
Capital contributions	682,549	885,298	889,269	14,386,941	504,862	17,348,919	-
Transfers in	-	-	-	2,589,308	56,737	2,646,045	953,313
Transfers out	(1,800,985)	(1,919,736)	(11,025,879)	-	(1,414,543)	(16,161,143)	-
Change in Net Position	2,127,830	9,661,340	175,447	13,535,583	5,301,741	30,801,941	822,264
Net Position at beginning of year	67,603,708	42,504,896	87,264,154	36,775,634	70,717,757	304,866,149	24,844,462
Net Position at end of year	\$ 69,731,538	\$ 52,166,236	\$ 87,439,601	\$ 50,311,217	\$ 76,019,498	\$ 335,668,090	\$ 25,666,726

Change in net position (proprietary funds) \$ 30,801,941

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.

320,282

Change in net position (statement of activities)

\$ 31,122,223

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, 2020

	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	\$ 14,868,794	\$ 17,163,728	\$ 74,608,278	\$ 1,007,490	\$ 17,640,150	\$ 125,288,440	\$ 17,077,608
Payments to suppliers	(4,629,411)	(2,844,664)	(53,214,555)	1,409,249	(9,018,085)	(68,297,466)	(7,751,647)
Payments to employees	(3,573,113)	(2,418,765)	(8,192,736)	(486,170)	(3,923,037)	(18,593,821)	(3,885,125)
Payments for claims	-	-	-	-	-	-	(1,659,630)
Net cash provided by operating activities	<u>6,666,270</u>	<u>11,900,299</u>	<u>13,200,987</u>	<u>1,930,569</u>	<u>4,699,028</u>	<u>38,397,153</u>	<u>3,781,206</u>
Cash flows from noncapital financing activities:							
Loans due from other funds	-	-	(7,111,878)	-	-	(7,111,878)	-
Loans due to other funds	-	-	-	(1,582,508)	1,432,293	(150,215)	-
Impact fees	682,549	885,298	889,269	-	504,862	2,961,978	-
Federal and other grants	-	-	-	10,090,908	50,100	10,141,008	-
Transfers from other funds	-	-	-	2,589,308	56,737	2,646,045	953,313
Transfers to other funds	<u>(1,800,985)</u>	<u>(1,919,736)</u>	<u>(11,025,879)</u>	<u>-</u>	<u>(1,414,543)</u>	<u>(16,161,143)</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>(1,118,436)</u>	<u>(1,034,438)</u>	<u>(17,248,488)</u>	<u>11,097,708</u>	<u>629,449</u>	<u>(7,674,205)</u>	<u>953,313</u>
Cash flows from capital and related financing activities:							
Payments for capital acquisitions	(3,611,851)	(13,869,595)	(5,121,317)	(11,196,607)	(5,999,465)	(39,798,835)	(4,386,407)
Principal paid on bonds payable	(420,000)	(350,000)	(770,000)	(216,391)	(630,000)	(2,386,391)	-
Proceeds from interfund loan payable	-	-	-	10,000,000	-	10,000,000	-
Interest paid on bonds payable	(370,124)	(317,153)	(590,673)	(339,558)	(165,738)	(1,783,246)	-
Principal paid on lease payable	-	-	-	-	-	-	(530,321)
Interest paid on notes & lease payable	-	-	-	-	(60,882)	(60,882)	(98,898)
Net cash provided (used) by capital and related financing activities	<u>(4,401,975)</u>	<u>(14,536,748)</u>	<u>(6,481,990)</u>	<u>(1,752,556)</u>	<u>(6,856,085)</u>	<u>(34,029,354)</u>	<u>(4,930,126)</u>
Cash flows from investing activities:							
Receipts of interest	<u>197,796</u>	<u>125,501</u>	<u>643,787</u>	<u>253,611</u>	<u>129,307</u>	<u>1,350,002</u>	<u>333,318</u>
Net cash provided by investing activities	<u>197,796</u>	<u>125,501</u>	<u>643,787</u>	<u>253,611</u>	<u>129,307</u>	<u>1,350,002</u>	<u>333,318</u>
Net increase (decrease) in cash	1,343,655	(3,545,386)	(9,885,704)	11,529,332	(1,398,301)	(1,956,404)	137,711
Cash at beginning 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	<u>\$ 8,554,434</u>	<u>\$ 4,409,197</u>	<u>\$ 23,798,267</u>	<u>\$ 12,356,717</u>	<u>\$ 6,659,913</u>	<u>\$ 55,778,528</u>	<u>\$ 21,701,587</u>
Cash at end of year consists of:							
Cash	\$ 8,224,451	\$ 4,132,799	\$ 23,229,368	\$ 11,903,950	\$ 6,659,770	\$ 54,150,338	\$ 20,838,182
Restricted cash	<u>329,983</u>	<u>276,398</u>	<u>568,899</u>	<u>452,767</u>	<u>143</u>	<u>1,628,190</u>	<u>863,405</u>
Total Cash	<u>\$ 8,554,434</u>	<u>\$ 4,409,197</u>	<u>\$ 23,798,267</u>	<u>\$ 12,356,717</u>	<u>\$ 6,659,913</u>	<u>\$ 55,778,528</u>	<u>\$ 21,701,587</u>

PROVO CITY CORPORATION
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended June 30, 2020

	Water	Waste- water	Energy	Airport	Total Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 3,342,953	\$ 10,824,099	\$ 10,204,596	\$ (3,391,190)	\$ 5,479,624	\$ 26,460,082	\$ (454,381)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	1,829,454	1,412,301	4,864,993	2,231,280	985,853	11,323,881	4,006,587
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	(386,281)	133,540	(145,075)	-	(2,212,664)	(2,610,480)	-
Decrease (increase) in inventory	34,801	-	(274,194)	-	-	(239,393)	(69,816)
Increase (decrease) in accounts payable	1,676,841	(620,918)	140,399	3,054,235	469,111	4,719,668	(272,072)
Increase (decrease) in accrued liabilities	46,207	143,289	(877,744)	19,604	(16,996)	(685,640)	559,228
Increase (decrease) in customer deposits	108,770	(20,002)	(841,197)	-	4,068	(748,361)	-
Increase (decrease) in accrued compensated absences	13,525	27,990	129,209	16,640	(9,968)	177,396	11,660
Net cash provided by operating activities	<u>\$ 6,666,270</u>	<u>\$ 11,900,299</u>	<u>\$ 13,200,987</u>	<u>\$ 1,930,569</u>	<u>\$ 4,699,028</u>	<u>\$ 38,397,153</u>	<u>\$ 3,781,206</u>

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

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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, 2020

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, 2020

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, 2020

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, 2020

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 32, 34).

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, 2020

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, 2020, 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.

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.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 or donated works of art and similar items are recorded at acquisition value as of the date of donation. Capital assets received in a service concession arrangement are also recorded at acquisition value.

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:

<u>Assets</u>	<u>Years</u>
Building Improvements	20
Buildings (New)	40
Bridges	60
Electronic Equipment	5
Energy Infrastructure	30
Land Improvements	20
Machinery & Equipment	7
Roads	20
Sidewalks	50
Trails	10
Traffic Signals	30
Vehicles	5
Storm Water Infrastructure	75
Water Infrastructure	75
Wastewater Infrastructure	75

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2020. 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.

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.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 resources 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.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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, 2020, \$13,349,866 of the City's bank balance of \$13,599,866 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 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, 2020, the City had investments of \$189,227,606 with the PTIF. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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, 2020

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, Wastewater, 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 2020 and are due in November of 2020 are budgeted for the 2021 fiscal year. Even though they are intended to fund the 2020 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, 2020, consist of the following:

Governmental Funds

	General	Debt Service	General CIP	Nonmajor Funds	Total
Receivables	\$ 17,605,071	\$ 8,001,258	\$ 267,718	\$ 4,464,039	\$ 34,787,739
Less: allowance for Uncollectibles	(184,597)	-	-	-	(184,597)
Net total receivables	<u>\$ 17,420,474</u>	<u>\$ 8,001,258</u>	<u>\$ 267,718</u>	<u>\$ 4,464,039</u>	<u>\$ 30,153,489</u>
Increase (decrease) Revenue related to uncollectibles	\$ (452,790)	\$ -	\$ -	\$ -	\$ (452,790)

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 3 - RECEIVABLES (continued)

Proprietary Funds

	Water	Wastewater	Energy	Airport	Nonmajor Funds	Total
Receivables	\$ 2,692,128	\$ 1,593,622	\$ 8,541,642	\$ 4,504,822	\$ 3,792,165	\$ 21,124,379
Less: allowance for Uncollectibles	(57,729)	(62,426)	(171,159)	-	(47,948)	(339,262)
Net total receivables	<u>\$ 2,634,399</u>	<u>\$ 1,531,196</u>	<u>\$ 8,370,483</u>	<u>\$ 4,504,822</u>	<u>\$ 3,744,217</u>	<u>\$ 20,785,117</u>
Increase (decrease) Revenue related to Uncollectibles	\$ 22,213	\$ 16,638	\$ (9,090)	\$ -	\$ 9,501	\$ 39,262

Loans receivable and the associated allowances for uncollectible accounts, at June 30, 2020, consist of the following:

	Governmental Activities	Business- type	Total
Business & citizen assistance loans	\$ 22,431,740	\$ -	\$ 22,431,740
Less: allowance for Uncollectibles	(845,516)	-	(845,516)
Net total notes receivable	<u>\$ 21,586,224</u>	<u>\$ -</u>	<u>\$ 21,586,224</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, 2020, the various components of deferred inflows of resources in the governmental funds were as follows:

	Deferred Inflows of <u>Resources</u>
Property tax receivable (general fund)	\$ 4,916,099
Property tax receivable (library fund)	3,572,276
Property taxes (debt service fund)	7,895,706
Ambulance Billing	266,679
Central Billing	404,167
Special Improvement Assessment Billing	12,024
Notes Receivable	1,563,842
	<u>\$ 18,630,793</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 4 - CAPITAL ASSETS

The following table shows capital asset activity for the year ended June 30, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 174,330,467	\$ 1,533,699	\$ (850,000)	\$ 175,014,166
Construction in progress	7,057,964	18,729,707	(1,122,948)	24,664,723
	<u>181,388,431</u>	<u>20,263,406</u>	<u>(1,972,948)</u>	<u>199,678,889</u>
Capital assets being depreciated:				
Machinery and equipment	53,717,190	4,728,233	(418,681)	58,026,742
Library collection	6,314,403	121,428	-	6,435,831
Buildings	99,474,740	948,080	-	100,422,820
Land improvements	19,073,305	188,275	-	19,261,580
Infrastructure:				
Traffic signals	8,158,838	25,447	-	8,184,285
Fiber optic	985,123	-	-	985,123
Noise wall	892,483	-	-	892,483
Bridges	14,164,399	-	-	14,164,399
Roads	143,407,971	6,778,049	-	150,186,020
Sidewalks and trails	29,603,308	1,260,621	-	30,863,929
Total	<u>375,791,760</u>	<u>14,050,133</u>	<u>(418,681)</u>	<u>389,423,212</u>
Less accumulated depreciation for:				
Machinery and equipment	(39,294,365)	(4,817,989)	418,681	(43,693,673)
Library collection	(5,807,798)	(92,519)	-	(5,900,317)
Buildings	(41,388,481)	(2,211,618)	-	(43,600,099)
Land improvements	(7,693,446)	(953,080)	-	(8,646,526)
Infrastructure:				
Traffic signals	(4,085,930)	(255,496)	-	(4,341,426)
Fiber Optic	(977,218)	(3,726)	-	(980,944)
Noise Wall	(201,209)	(43,757)	-	(244,966)
Bridges	(5,151,157)	(235,344)	-	(5,386,501)
Roads	(92,987,369)	(7,446,965)	-	(100,434,334)
Sidewalks and trails	(15,151,806)	(582,109)	-	(15,733,915)
Total	<u>(212,738,779)</u>	<u>(16,642,603)</u>	<u>418,681</u>	<u>(228,962,701)</u>
Total capital assets, being depreciated, net	<u>163,052,981</u>	<u>(2,592,470)</u>	<u>-</u>	<u>160,460,511</u>
Governmental activities capital assets, net	<u>\$ 344,441,412</u>	<u>\$ 17,670,936</u>	<u>\$ (1,972,948)</u>	<u>\$ 360,139,400</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 4 - CAPITAL ASSETS (continued)

Capital asset activity for the year ended June 30, 2020, continued:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 20,164,612	\$ 18,835,499	\$ (10,825,143)	\$ 28,174,968
Water Stock	2,420,927	-	-	2,420,927
Land	48,066,510	4,970,370	-	53,036,880
Total	<u>70,652,049</u>	<u>23,805,869</u>	<u>(10,825,143)</u>	<u>83,632,775</u>
Capital assets being depreciated:				
Machinery and equipment	22,925,101	771,690	(15,400)	23,681,391
Buildings & Building Improvements	111,498,985	2,977,310	-	114,476,295
Land improvements	58,649,192	5,514,706	-	64,163,898
Infrastructure:				
Storm Drain	37,273,892	952,122	-	38,226,014
Water Lines	71,854,651	1,169,639	-	73,024,290
Sewer Lines	38,634,106	10,554,405	-	49,188,511
Energy	80,405,645	4,542,379	-	84,948,024
Total	<u>421,241,572</u>	<u>26,482,251</u>	<u>(15,400)</u>	<u>447,708,423</u>
Less accumulated depreciation for:				
Machinery and equipment	(17,410,537)	(1,852,961)	9,240	(19,254,258)
Buildings	(64,358,238)	(1,775,876)	-	(66,134,114)
Land improvements	(32,880,630)	(2,201,823)	-	(35,082,453)
Infrastructure:				
Storm drain	(17,233,020)	(356,095)	-	(17,589,115)
Water lines	(22,153,393)	(962,726)	-	(23,116,119)
Sewer lines	(12,311,891)	(515,109)	-	(12,827,000)
Energy	(35,744,679)	(3,659,293)	-	(39,403,972)
Total	<u>(202,092,388)</u>	<u>(11,323,883)</u>	<u>9,240</u>	<u>(213,407,031)</u>
Total capital assets, being depreciated, net	<u>219,149,184</u>	<u>15,158,368</u>	<u>(6,160)</u>	<u>234,301,392</u>
Business-type activities capital assets, net	<u>\$ 289,801,233</u>	<u>\$ 38,964,237</u>	<u>\$ (10,831,303)</u>	<u>\$ 317,934,167</u>

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

Governmental activities:	
General government	\$ 1,058,252
Public safety	1,361,277
Public services	3,416,484
Community revitalization	8,482,196
Culture and recreation	2,324,394
Total depreciation expense - governmental activities	<u>\$ 16,642,603</u>
Business-type activities	
Golf Course	\$ 193,604
Water	1,829,454
Sewer	1,412,299
Energy	4,864,997
Airport	2,231,280
Sanitation	8,227
Storm drain	392,078
Ice Sheet	391,944
Total depreciation expense - business-type activities	<u>\$ 11,323,883</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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:

	Aggregate Claims Liability	Beginning Balance	Claims Accrued	Claims Paid	Ending Balance
2020		\$500,000	\$646,854	\$646,854	\$500,000
2019		\$385,000	\$462,695	\$347,695	\$500,000

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 \$87,559 of lease payments during fiscal year 2020.

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 2020.

Future minimum operating lease payments are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2021	\$ 168,872
2022	171,769
2023	150,724
2024	153,739
Total minimum lease payments	<u>\$ 645,104</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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. The ERP software and fire apparatus have been pledged as collateral on their respective leases.

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, 2020 were as follows:

Governmental Activities

Lease payment

	<u>Totals</u>
2021	\$ 1,465,878
2022	1,465,878
2023	1,465,877
2024	629,766
2025	629,766
2026-2027	<u>698,402</u>
Total minimum lease payments	6,355,567
Less amount representing interest	<u>(397,269)</u>
Present Value of minimum lease payments	5,958,298
Amount due within one year	<u>1,341,666</u>
Amount due after one year	<u><u>\$4,616,632</u></u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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 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, 2020, \$24,550,000 of the defeased debt remained outstanding. These general obligation bonds have been issued for governmental activities.

As of June 30, 2020, \$90,165,000 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, 2020, the outstanding revenue bond principal balance was \$39,435,000 for business-type activities and \$17,910,000 for governmental-type activities.

Notes Payable

In January of 2020, the City issued a note payable in the amount of \$5,000,000 to fund improvements at the Provo Municipal Airport. The note payable has been issued for business-type activities. The outstanding principal balance as of June 30, 2020 is \$5,000,000.

In March of 2020, the City issued a HUD Section 108 note payable in the amount of \$2,500,000 to fund improvements at the Provo Municipal Airport. The note payable has been issued for governmental-type activities. The outstanding principal balance as of June 30, 2020 is \$2,500,000.

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, 2020 is \$8,275,000.

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.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 8 - LONG TERM DEBT (continued)

Outstanding Principal and Interest Obligations:

Governmental activities

	G.O. Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
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	4,640,000	3,050,706	3,011,000	375,741
2026-2030	26,925,000	11,532,531	3,700,000	362,099
2031-2035	24,270,000	5,329,631	617,000	60,798
2036-2039	17,295,000	1,664,700	-	-
	<u>\$ 90,165,000</u>	<u>\$ 35,504,692</u>	<u>\$ 17,910,000</u>	<u>\$ 3,756,471</u>

	Notes Payable		Total	
	Principal	Interest	Principal	Interest
2021	\$ 234,000	\$ 12,500	\$ 6,844,000	\$ 4,680,951
2022	522,753	27,074	\$ 7,250,753	\$ 4,375,227
2023	530,907	20,730	\$ 7,537,907	\$ 4,088,772
2024	539,154	14,277	\$ 7,811,154	\$ 3,814,588
2025	248,000	7,715	\$ 7,899,000	\$ 3,434,162
2026-2030	1,295,000	19,610	\$ 31,920,000	\$ 11,914,240
2031-2035	-	-	\$ 24,887,000	\$ 5,390,429
2036-2039	-	-	\$ 17,295,000	\$ 1,664,700
	<u>\$ 3,369,814</u>	<u>\$ 101,906</u>	<u>\$ 111,444,814</u>	<u>\$ 39,363,069</u>

Current Portion	
Bonds	\$ 6,610,000
Leases	1,341,666
Notes	234,000
Total Current portion	<u>8,185,666</u>
Long-term Portion	
Bonds	101,465,000
Leases	4,616,632
Notes	3,135,814
Total Long-term portion	<u>109,217,446</u>
Total Current and Long-Term	117,403,112
Unamortized amounts-premium (discount)	9,011,209
Less: Leases	5,958,298
Grand Total	<u>\$ 120,456,023</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 8 - LONG-TERM DEBT (continued)

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

Business-type activities

	Revenue Bond		Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 2,525,000	\$ 1,518,210	\$ -	\$ -	\$ 2,525,000	\$ 1,518,210
2022	2,620,000	1,409,473	965,543	88,749	3,585,543	1,498,222
2023	2,725,000	1,294,872	977,096	77,196	3,702,096	1,372,068
2024	2,820,000	1,158,623	997,814	56,479	3,817,814	1,215,102
2025	2,195,000	1,040,997	1,018,971	35,322	3,213,971	1,076,319
2026-2030	12,325,000	3,866,513	1,040,576	13,716	13,365,576	3,880,229
2031-2035	14,225,000	1,529,072	-	-	14,225,000	1,529,072
	<u>\$ 39,435,000</u>	<u>\$ 11,817,760</u>	<u>\$ 5,000,000</u>	<u>\$ 271,462</u>	<u>\$ 44,435,000</u>	<u>\$ 12,089,222</u>

Current Portion	
Bonds	\$ 2,525,000
Notes	-
Total Current Portion	<u>2,525,000</u>
Long-term Portion	
Bonds	36,910,000
Notes	<u>5,000,000</u>
Total Long-Term Portion	<u>41,910,000</u>
Total Current and Long-Term	<u>44,435,000</u>
Unamortized amounts-premium (discount)	<u>2,915,953</u>
Grand Total	<u>\$ 47,350,953</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 8 - LONG-TERM DEBT (continued)

Long-term debt activity for the year ended June 30, 2020, was as follows:

	Balance June 30, 2019	Increases	(Decreases)	Balance June 30, 2020	Amount Due 2021
Governmental activities					
Bonds Payable:					
General obligation bonds					
G.O. 2011 Rec Center Bond	\$ 3,710,000	\$ -	\$ (1,820,000)	\$ 1,890,000	\$ 1,890,000
G.O. 2011 Rec Center unamortized	100,047	-	(66,275)	33,772	-
G.O. Refunding Bond Series 2017	24,550,000	-	-	24,550,000	-
G.O. Refunding Bond Series 2017 unamortized	4,847,794	-	(387,356)	4,460,438	-
G.O. City Facilities Bond Series 2019	65,930,000	-	(2,205,000)	63,725,000	2,280,000
G.O. City Facilities Bond Series 2019 unamortized	4,823,201	-	(246,013)	4,577,188	-
Telecom 2004 Sales Tax Bonds (2.54-5.42%)	18,325,000	-	(2,220,000)	16,105,000	2,340,000
Telecom 2004 Sales Tax Bonds unamortized	(70,221)	-	10,031	(60,190)	-
2014 Cemetery Bond	1,901,000	-	(96,000)	1,805,000	100,000
Total Governmental Fund Bonds	124,116,821	-	(7,030,613)	117,086,208	6,610,000
Notes Payable:					
Note Payable - Sports Park	1,149,504	-	(279,690)	869,814	-
Note Payable - Section 108	-	2,500,000	-	2,500,000	234,000
Total Notes Payable	1,149,504	2,500,000	(279,690)	3,369,814	234,000
Capital Leases	7,273,895	-	(1,315,597)	5,958,298	1,341,666
Accrued Compensated Absences	6,775,980	2,432,677	(2,032,793)	7,175,864	2,152,759
Total Governmental activity					
Long-term liabilities	<u>\$139,316,200</u>	<u>\$ 4,932,677</u>	<u>\$(10,658,693)</u>	<u>\$133,590,184</u>	<u>\$ 10,338,425</u>
Business-type activities					
Revenue Bonds:					
Stormwater 2010B Taxable BAB (4.38-5.0%)	\$ 3,340,000	\$ -	\$ (630,000)	\$ 2,710,000	\$ 645,000
2010 unamortized	3,019	-	(614)	2,405	-
Water Revenue Bonds 2015A (2.0-4.0%)	9,245,000	-	(420,000)	8,825,000	440,000
2015A unamortized	1,044,054	-	(66,998)	977,056	-
Wastewater Revenue Bonds 2015A (2.0-4.0%)	7,705,000	-	(350,000)	7,355,000	370,000
2015A unamortized	874,669	-	(56,129)	818,540	-
Energy System Revenue Bonds 2015A (2.0-3.25%)	16,470,000	-	(770,000)	15,700,000	795,000
2015A unamortized	698,744	-	(44,839)	653,905	-
Airport Sales Tax Revenue Bonds 2017 (2.0-4.25%)	4,975,000	-	(130,000)	4,845,000	275,000
2017 unamortized	498,093	-	(34,048)	464,045	-
Total Business-type Bonds	44,853,579	-	(2,502,628)	42,350,951	2,525,000
Note Payable - Airport	-	5,000,000	-	5,000,000	-
Accrued Compensated Absences	2,120,922	813,674	(636,278)	2,298,318	689,496
Total Business-type					
Long-term liabilities	<u>\$ 46,974,501</u>	<u>\$ 5,813,674</u>	<u>\$ (3,138,906)</u>	<u>\$ 49,649,269</u>	<u>\$ 3,214,496</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, \$323,537 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, 2020

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>			<u>GOVERNMENTAL FUNDS</u>		
General Fund	Golf Course	\$ 3,461,689	Debt Service Fund	Energy Fund	\$ 2,198,269
Total Due General Fund		3,461,689	Total Payable by Debt Service Fund		2,198,269
Total Due Governmental Funds		\$ 3,461,689	Total Payable by Governmental Funds		\$ 2,198,269

<u>Receivable Fund</u>	<u>Payable Fund</u>		<u>Payable Fund</u>	<u>Receivable Fund</u>	
<u>ENTERPRISE FUNDS</u>			<u>ENTERPRISE FUNDS</u>		
Energy Fund	Airport Fund	\$ 4,913,609	Golf Course	General Fund	\$ 3,461,689
Energy Fund	Debt Service Fund	2,198,269	Airport Fund	Energy Fund	4,913,609
Includes Current and Noncurrent			***Includes Current and Noncurrent***		
Total Due Enterprise Funds		\$ 7,111,878	Total Payable by Enterprise Funds		\$ 8,375,298
Total Receivable from other Funds		\$ 10,573,567	Total Payable to other Funds		\$ 10,573,567

An interfund loan was made during the year between the Energy Fund and the Wastewater Fund. The loan was for wastewater infrastructure necessary for the construction of the new Provo City Airport Terminal. Repayment of the interfund loan was due within 12 months at an interest rate of 2.85%. The Wastewater Fund repaid the interfund loan before the end of fiscal year 2020.

An interfund loan was made during the year between the Energy Fund and the Airport Fund. The loan was for the acquisition of land near the airport. The interfund loan is for 10 years at a variable interest rate equal to the monthly Utah Public Treasurer's Investment Fund rate.

An interfund loan was made during the year between the Energy Fund and the Debt Service Fund. The loan was for the purchase and implementation of human capital management software. The interfund loan is for 5 years at an interest rate of 2.5%. Repayment of the interfund loan is being facilitated by annual transfers from various funds to the Debt Service Fund. The funds making annual transfers include the General Fund, Water Fund, Wastewater Fund, Sanitation Fund, Storm Drain Fund, and Energy Fund.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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

Transfers to/from other Funds:

Transfer to Governmental Funds	Transfer from	
General Fund	Engineering CIP	\$ 50,000
General Fund	Water	1,650,358
General Fund	Wastewater	1,825,236
General Fund	Energy	7,341,740
General Fund	Sanitation	674,779
General Fund	Storm Drain	627,764
General Fund	Debt Service	419,151
Total transferred to General Fund		\$ 12,589,028

Transfer from Governmental Funds	Transfer to	
General Fund	Parks CIP	\$ 1,433,495
General Fund	Golf Course	56,737
General Fund	Airport	89,308
General Fund	Customer Service	591,313
General Fund	Debt Service	435,830
General Fund	General CIP	40,000
General Fund	Facilities	237,000
Total transferred from General Fund		\$ 2,883,683

Transfer to Other Governmental Funds	Transfer from	
Debt Service	Water	150,627
Debt Service	Wastewater	94,500
Debt Service	Energy	3,684,139
Debt Service	Sanitation	66,500
General CIP	Debt Service	2,587,556
Debt Service	Storm Drain	45,500
General CIP	General Fund	40,000
Debt Service	General Fund	435,830
Parks CIP	General Fund	1,433,495
Total transferred to Other Gov. Funds		8,538,147

Transfer from Other Governmental Funds	Transfer To	
Debt Service	General Fund	\$ 419,151
Debt Service	General CIP	2,587,556
Debt Service	Vehicle Management	125,000
Engineering CIP	General Fund	50,000
CDBG	Airport	2,500,000
Total transferred from Other Gov. Funds		5,681,707

Total transferred to Governmental Funds **\$ 21,127,175**

Total transferred from Governmental Funds **\$ 8,565,390**

Transfer To Internal Service Funds	Transfer From	
Customer Service	General Fund	\$ 591,313
Vehicle Management	Debt Service	125,000
Facilities	General Fund	237,000
Total transferred to Internal Service Funds		\$ 953,313

Transfer from Internal Service Funds	Transfer To	
Total transferred from Internal Service Funds		\$ -

Transfers to Enterprise Funds	Transfers from	
Golf Course	General Fund	\$ 56,737
Airport	General Fund	89,308
Airport	CDBG	2,500,000

Transfers from Enterprise Funds	Transfers to	
Water	General Fund	\$ 1,650,358
Water	Debt Service	150,627
Wastewater	General Fund	1,825,236
Wastewater	Debt Service	94,500
Energy	General Fund	7,341,740
Energy	Debt Service	3,684,139
Sanitation	General Fund	674,779
Sanitation	Debt Service	66,500
Storm Drain	General Fund	627,764
Storm Drain	Debt Service	45,500

Total transferred to Enterprise Funds **\$ 2,646,045**

Total transferred from Enterprise Funds **\$ 16,161,143**

Total transfers to all Funds	\$ 24,726,533
Total transfers from all Funds	24,726,533 *
	\$ -

****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 \$13,515,098 per the statement of activities.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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, 2020, the City was involved in litigation dealing with four 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 62.97 percent of the energy sales of the Agency to member cities in the current fiscal year and 57.07 percent of all energy sales of the Agency. UMPA billed Provo City \$44,636,438 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, 2020

NOTE 11 - JOINT VENTURES (continued)

UMPA

At June 30, 2020

Total assets and deferred outflow of resources	\$ 196,539,389
Total liabilities and deferred inflow of resources	<u>(196,536,039)</u>
Total net position	<u><u>\$ 3,350</u></u>

For the Year Ended June 30, 2020

Operating revenues	\$ 82,206,445
Operating expenses	<u>(64,218,277)</u>
Income from operations	17,988,168
Net non-operating revenues (expenses)	<u>(2,744,573)</u>
Change in net position before transfers & adjustments	15,243,595
Transfer in of generation assets	
Deferred inflow of resources adjustment	<u>(15,243,595)</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	0.00%
	<u>100.00%</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 \$1,353,518 for user fees for the fiscal year ended June 30, 2020.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 11 - JOINT VENTURES (continued)

Below is a summary of the financial position of the District as of June 30, 2020:

South Valley Solid Waste

At June 30, 2020

Total assets	\$ 16,455,285
Deferred outflows	186,637
Total liabilities	(1,065,768)
Deferred inflows	(227,823)
Total net position	<u>\$ 15,348,331</u>

For the Year Ended June 30, 2020

Total operating revenue	\$ 8,452,429
Total operating expenses	(7,630,978)
Nonoperating revenue and expense	<u>216,388</u>
Change in net position	<u>\$ 1,037,839</u>

In fiscal 2020, the city made an entry of \$723,893 to account for the city's net gain/(loss). The City is currently showing an investment in this joint venture in the amount of \$10,705,461.

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 \$85,905 for operating costs in fiscal 2020.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 11 - JOINT VENTURES (continued)

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

SUVASSSD

At June 30, 2020

Total assets	\$ 337,660
Deferred outflows	22,431
Total liabilities	(61,178)
Deferred inflows	(19,980)
Total Net Position	<u>\$ 278,933</u>

For the Year Ended June 30, 2020

Total operating revenue	\$ 788,916
Total operating expenses	(690,879)
Nonoperating revenue	1,501
Change in Net Position	<u>\$ 99,538</u>

Complete financial statements for the District may be obtained at South Utah Valley Animal Services Special Service District, 582 West 3000 North, Spanish Fork, UT 84660.

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, 2020, 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, 2020

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, 2019, the latest actuarial valuation date, there were 68 retirees who meet those requirements. The post-retirement benefits plan is a single-employer defined benefit plan. 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 \$1,108,861 in premiums for retirees during the fiscal year ended June 30, 2020.

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

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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

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, 2019, the latest actuarial valuation date, approximately 548 active employees (13 Pre-07/01/87 and 535 Post-07/01/87) and 64 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, 2020 actuarial valuation report, the following assumptions were made:

Actuarial Assumptions	
Liability Measurement Method	Valuation date June 30, 2019
Actuarial cost method	Present Value of Benefits
Amortization method	Straight-line
Discount rate	3.13%
Inflation rate	2.50%
Asset valuation method	N/A *
Interest rate	3.13%
Projected health insurance cost increase:	6.4% for FY19-20
	6.2% for FY20-21
	5.9% for FY21-22
	5.5% for FY22-23
	5.2% for FY24-51
	Transition to ultimate rate for FY52-75
	4.0% for FY76+
Projected dental cost increases	3.75% 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, 2020

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

Change in Total OPEB Liability

Net OPEB Liability

Total OPEB Liability at June 30, 2019	\$ 7,504,600
Activity during the year	
Service cost	77,349
Interest	253,360
Differences between expected and actual experience	374,981
Changes of assumptions	174,847
Benefit payments	(1,166,096)
Net Change	(285,559)
Total OPEB Liability at June 30, 2020	\$ 7,219,042

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 (4.13%) and one-percentage-point lower (2.13%) than the current discount rate:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
1% decrease in Discount Rate (2.13%)	\$ 7,619,932	\$ -	\$ 7,619,932
Current Discount Rate (3.13%)	7,219,042	-	7,219,042
1% increase in Discount Rate (4.13%)	6,867,522	-	6,867,522

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
1% decrease in Trend Rates	\$ 6,866,986	\$ -	\$ 6,866,986
Current Trend Rates	7,219,042	-	7,219,042
1% increase in Trend Rates	7,622,569	-	7,622,569

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Summary of Deferred Outflows/Inflows	<u>Outflows</u>	<u>Inflows</u>
A. Difference between expected and actual liability	\$ 335,174	\$ -
B. Change of assumptions	156,286	141,514
C. Net difference between projected and actual investment earnings	-	-
D. Contributions between measurement date and reporting date	TBD	N/A
E. Total	<u>\$ 491,460</u>	<u>\$ 141,514</u>

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

<u>Year ended</u>	<u>Future recognition</u>
2021	\$ 37,280
2022	37,280
2023	37,280
2024	37,280
2025	37,280
Thereafter	163,546
	<u>\$ 349,946</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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/general/publications.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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% or 4% depending upon employer
Firefighters 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 4%
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% 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 to June 2020; 2.00% per year July 2020 to present	Up to 2.5%

* Actuarial reductions are applied

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

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, 2020 are as follows:

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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	15.66	1.03
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	30.99	0.70
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	11.38	0.70
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, 2020, the employer and employee contributions to the system were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 3,147,981	N/A
Contributory System	42,019	17,435
Public Safety System	1,904,193	-
Firefighters System	288,765	666,468
Tier 2 Public Employees System	1,487,051	-
Tier 2 Public Safety and Firefighter	769,376	-
Tier 2 DC Only System	89,444	N/A
Tier 2 DC Public Safety and Firefighter System	45,632	N/A
Total Contributions	\$ 7,774,460	\$ 683,903

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, 2020, we reported a net pension asset of \$3,100,140 and a net pension liability of \$18,591,328.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

	(Measurement Date): December 31, 2019			Proportionate Share	Change
	Net Pension	Net Pension	Proportionate	Proportionate Share	(Decrease)
	Asset	Liability	Share	December 31, 2018	
Noncontributory System	\$ -	\$ 7,914,230	2.0998955%	2.0841620%	0.0157335%
Contributory System	-	111,713	1.7045925%	1.5861985%	0.1183940%
Public Safety System	-	10,274,637	100.0000000%	100.0000000%	- %
Firefighters System	3,100,140	-	4.9577383%	5.0455792%	(0.0878409)%
Judges Retirement System	-	-	- %	- %	- %
Governors & Legislators Plan	-	-	- %	- %	- %
Tier 2 Public Employees System	-	146,696	0.6522524%	0.6749052%	(0.0226528)%
Tier 2 Public Safety and Firefighter	-	144,052	1.5314144%	1.5505388%	(0.0191244)%
	<u>\$ 3,100,140</u>	<u>\$ 18,591,328</u>			

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019, 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, 2020, we recognized pension expense of \$5,898,998.

At June 30, 2020, 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	\$ 1,009,265	\$ 1,213,922
Changes in assumptions	2,419,045	96,614
Net difference between projected and actual earnings on pension plan investments	-	8,345,794
Changes in proportion and differences between contributions and proportionate share of contributions	171,441	188,456
Contributions subsequent to the measurement date	3,886,949	-
	<u>\$ 7,486,701</u>	<u>\$ 9,844,786</u>

\$3,886,949 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, 2019.

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:

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2020	\$ (1,581,476)
2021	\$ (1,883,758)
2022	\$ 203,317
2023	\$ (3,151,449)
2024	\$ 20,775
Thereafter	\$ 147,557

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

For the year ended June 30, 2020, we recognized pension expense of \$3,851,621.

At June 30, 2020, 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	\$ 719,893	\$ 113,682
Changes in assumptions	838,209	-
Net difference between projected and actual earnings on pension plan investments	-	4,002,297
Changes in proportion and differences between contributions and proportionate share of contributions	45,061	183,468
Contributions subsequent to the measurement date	1,547,384	-
	<u>\$ 3,150,547</u>	<u>\$ 4,299,447</u>

\$1,547,384 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, 2019.

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
2020	\$ (429,272)
2021	\$ (872,820)
2022	\$ 127,411
2023	\$ (1,521,603)
2024	\$ -
Thereafter	\$ -

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

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

For the year ended June 30, 2020, we recognized pension expense of \$2,609.

At June 30, 2020, 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	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	278,867
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	19,549	-
	<u>\$ 19,549</u>	<u>\$ 278,867</u>

\$19,549 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, 2019.

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
2020	\$ (98,701)
2021	\$ (81,236)
2022	\$ 5,109
2023	\$ (104,039)
2024	\$ -
Thereafter	\$ -

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

For the year ended June 30, 2020, we recognized pension expense of \$2,091,596.

At June 30, 2020, 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	\$ 205,267	\$ 544,827
Changes in assumptions	561,227	-
Net difference between projected and actual earnings on pension plan investments	-	1,952,210
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	951,561	-
	<u>\$ 1,718,055</u>	<u>\$ 2,497,037</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

\$951,561 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, 2019.

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
2020	\$ (399,351)
2021	\$ (589,730)
2022	\$ 1,909
2023	\$ (743,371)
2024	\$ -
Thereafter	\$ -

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

For the year ended June 30, 2020, we recognized pension expense of (\$1,296,172).

At June 30, 2020, 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	\$ -	\$ 505,020
Changes in assumptions	922,757	91,098
Net difference between projected and actual earnings on pension plan investments	-	1,964,247
Changes in proportion and differences between contributions and proportionate share of contributions	-	4,988
Contributions subsequent to the measurement date	141,377	-
	<u>\$ 1,064,134</u>	<u>\$ 2,565,353</u>

\$141,377 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, 2019.

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
2020	\$ (635,112)
2021	\$ (323,738)
2022	\$ 60,402
2023	\$ (744,149)
2024	\$ -
Thereafter	\$ -

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

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

For the year ended June 30, 2020, we recognized pension expense of \$824,287.

At June 30, 2020, 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	\$ 41,038	\$ 50,346
Changes in assumptions	62,639	4,216
Net difference between projected and actual earnings on pension plan investments	-	112,765
Changes in proportion and differences between contributions and proportionate share of contributions	103,125	-
Contributions subsequent to the measurement date	792,946	-
	<u>\$ 999,749</u>	<u>\$ 167,327</u>

\$792,946 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, 2019.

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
2020	\$ (16,090)
2021	\$ (13,895)
2022	\$ 5,371
2023	\$ (30,771)
2024	\$ 14,345
Thereafter	\$ 80,517

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

For the year ended June 30, 2020, we recognized pension expense of \$425,057.

At June 30, 2020, 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	\$ 43,067	\$ 47
Changes in assumptions	34,213	1,300
Net difference between projected and actual earnings on pension plan investments	-	35,408
Changes in proportion and differences between contributions and proportionate share of contributions	23,255	-
Contributions subsequent to the measurement date	434,131	-
	<u>\$ 534,666</u>	<u>\$ 36,755</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

\$434,131 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, 2019.

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
2020	\$ (2,950)
2021	\$ (2,339)
2022	\$ 3,115
2023	\$ (7,516)
2024	\$ 6,430
Thereafter	\$ 67,040

Actuarial Assumptions

The total pension liability in the December 31, 2019, 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, 2019, 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:

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

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%	0.90%
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.

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	\$ 24,718,898	\$ 7,914,230	\$ (6,100,687)
Contributory System	872,116	111,713	(529,500)
Public Safety System	19,473,135	10,274,637	2,750,627
Firefighters System	4,110,285	(3,100,140)	(9,032,713)
Tier 2 Public Employees System	1,265,028	146,696	(717,568)
Tier 2 Public Safety and Firefighter	508,879	144,052	(126,773)
Total	\$ 50,948,341	\$ 15,491,188	\$ (13,756,614)

*** Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 13 - RETIREMENT PLANS (continued)

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:

	2020		2019		2018
401(k) Plan					
Employer Contributions	\$	1,049,844	\$	996,560	\$ 977,010
Employee Contributions	\$	1,282,814	\$	1,278,724	\$ 1,190,867
457 Plan					
Employer Contributions	\$	-	\$	-	\$ -
Employee Contributions	\$	316,496	\$	280,743	\$ 278,148
Roth IRA Plan					
Employer Contributions		N/A		N/A	N/A
Employee Contributions	\$	234,684	\$	182,396	\$ 148,913
Traditional IRA					
Employer Contributions		N/A		N/A	N/A
Employee Contributions	\$	7,580	\$	2,530	\$ 670

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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	\$ 8,334,998	\$ 452,767
Restricted for debt service		
Debt service	1,745,097	1,175,423
	<u>\$ 10,080,095</u>	<u>\$ 1,628,190</u>

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,

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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

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.

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	\$ 83,666	\$ -	\$ 83,666
Deposits	11,836	-	11,836
Interfund loan	2,029,396	-	2,029,396
Tax Increment		1,599,891	1,599,891
Restricted for:			
Road Projects	3,959,659	-	3,959,659
Debt Service	-	3,389,800	3,389,800
Parks Improvements	-	8,001,122	8,001,122
General CIP	-	63,476,826	63,476,826
Engineering CIP	-	7,234,364	7,234,364
Redevelopment	-	28,931,417	28,931,417
Grant funds	5,859,227	-	5,859,227
Reserve fund - Duncan Aviation Infrastructure Project	302,000	-	302,000
Assigned:			
Council	17,189	-	17,189
Mayor's Office	21,000	-	21,000
Finance	27,573	-	27,573
Recorder	56,633	-	56,633
Information Systems	418	-	418
Streets	127,155	-	127,155
Community Development	102,894	-	102,894
Economic Development	7,000	-	7,000
General Services	739,827	-	739,827
Parks	619,249	-	619,249
Police	84,575	-	84,575
Fire	100,361	-	100,361
Engineering	47,458	-	47,458
Trust and Agency	498	-	498
Covey Center	63,449	-	63,449
Library	-	3,256,461	3,256,461
Special Purpose Grants	-	176,209	176,209
New Development	-	57,836	57,836
Unassigned:			
General	15,289,176	-	15,289,176
	<u>\$ 29,550,239</u>	<u>\$ 116,123,926</u>	<u>\$ 145,674,165</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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 12.9 percent of the gross energy dollar sales and 2.4 percent of gross water dollar sales.

NOTE 16 - REDEVELOPMENT AGENCY

During fiscal year 2020, the Redevelopment Agency of Provo City collected tax increment funds of \$1,143,316 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 2020.

The following is a list of outstanding principal amounts of bonds or other contractual commitments associated with projects:

Contract Balances	
Provo Towne Center Mall	<u>\$13,485,321</u>
Total Contract Balances	<u><u>\$13,485,321</u></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 2020 payment and includes accrued interest. Tax increment proceeds will be applied to interest owed first.

The Redevelopment Agency had \$167,723 in administrative expenditures for tax increment projects during the fiscal year.

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

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 30 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, 2020

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.

	Governmental Funds	Reported in Fund statements	Internal service Funds	Government-Wide Total
Statement of Net Position:				
Capital assets	\$ 541,081,775	\$ -	\$ 48,020,326	\$ 589,102,101
Accumulated depreciation	<u>(194,392,688)</u>	<u>-</u>	<u>(34,570,013)</u>	<u>(228,962,701)</u>
Net	\$ 346,689,087 *	\$ -	\$ 13,450,313	\$ 360,139,400 **
Accrued compensated absences (includes current portion)	\$ 6,852,327 *	\$ -	\$ 323,537	\$ 7,175,864 **
Amortization of loss on refunding				
Net pension assets and liabilities (includes deferred inflows and outflows related to pensions)	\$ 13,657,551 *	\$ -	\$ 680,735	\$ 14,338,286 **
Net OPEB payable (includes deferred inflows and outflows related to OPEB)	\$ 4,818,041 *	\$ -	\$ 328,943	\$ 5,146,984 **
Bonds & Leases payable	\$ 122,892,232 *	\$ -	\$ 3,522,089	\$ 126,414,321 **
Statement of Activities:				
Capital outlay	\$ 32,422,549			
Depreciation	<u>(16,642,603)</u>			
Net	\$ 15,831,670 ***			

*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, 2020

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	\$ 2,118,703	\$ (5,054,245)	\$ (4,266,281)	\$ 689,612	\$ 2,020,351
Enterprise funds	604,887	(762,049)	(527,617)	202,627	573,082
Total	<u>\$ 2,723,590</u>	<u>\$ (5,816,294)</u>	<u>\$ (4,793,898)</u>	<u>\$ 892,239</u>	<u>\$ 2,593,433</u>

NOTE 20 – DEFERRED OUTFLOWS AND INFLOWS

As of June 30, 2020, Deferred Outflows and Deferred Inflows as reported on the Statement of Net Position on page 29 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			
OPEB	\$ 368,249	\$ -	\$ 368,249
Pensions	6,231,960	1,377,952	7,609,912
Debt	1,915,814	-	1,915,814
Total Deferred Outflows	<u>\$ 8,516,023</u>	<u>\$ 1,377,952</u>	<u>\$ 9,893,975</u>
Deferred Inflows			
OPEB	\$ 106,036	\$ 31,856	\$ 137,892
Property Tax	16,384,081	-	16,384,081
Pensions	8,194,839	1,653,569	9,848,408
Total Deferred Inflows	<u>\$ 24,684,956</u>	<u>\$ 1,685,425</u>	<u>\$ 26,370,381</u>

PROVO CITY CORPORATION
Notes to the Financial Statements
June 30, 2020

NOTE 21—SUBSEQUENT EVENTS

Following the close of the fiscal year on June 30, 2020, the City issued the following debt:

In August of 2020, the City closed on a \$521,093 lease/purchase agreement for the financing of City golf course maintenance equipment. The interest rate on the lease is 1.78 percent and the lease will be repaid over four years.

In October of 2020, the City closed on a \$5,000,000 State Infrastructure Bank Loan for the new Provo Municipal Airport Terminal that is under construction. The Provo Municipal Airport is a regional facility supporting the intermountain region. The \$5,000,000 loan will be consolidated with the existing \$5,000,000 State Infrastructure Bank Loan and the interest rate for the total consolidated \$10,000,000 loan will be 0.79 percent, reflecting a 131 basis point reduction from the 2.10 percent interest rate for the original loan. The consolidated loan will be repaid in five annual installments beginning in January of 2022.

In October of 2020, the City issued a \$75,800,000 taxable Wastewater revenue bond for financing significant improvements of the City wastewater treatment facilities. The interest rate on the bonds is 0.50 percent and the bonds will be repaid over twenty years beginning in September of 2024.

NOTE 22– IMPACTS FROM THE COVID-19 PANDEMIC

The local economy was impacted by the COVID-19 Pandemic that occurred during the year, but not at the level the national economy was affected. The largest impact to the City was user fees for Parks and Recreation programs due to closures and operations being limited by pandemic restrictions issued by the state. As the uncertainty of outcome of the pandemic continues, we anticipate Parks and Recreation user fees will continue to be impacted; however, the City is cautious, but optimistic, that sales tax revenues will continue to show increases during the next fiscal year similar to recent trends. The City anticipates other tax revenues to be stable for the upcoming fiscal year.

On August 25, 2020, the City received \$8,455,460 from the CARES Act Coronavirus Relief Fund via Utah County to reduce the impact of the pandemic.

Total CARES Act CRF Awarded*	Accounts Receivable & Revenue	
	Recognized in FY20	Revenue Recognized in FY21
\$ 8,455,460	\$ 5,994,046	\$ 2,461,414

* The CRF grant was awarded and received during FY21. A receivable and revenue were recognized in FY20 to match COVID-19 related expenses in FY20 for which the CRF was used.

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
12/31/2019						
Proportion of the net pension liability (asset)	2.0998955%	1.7045925%	100.0000000%	4.9577383%	0.6522524%	1.5314144%
Proportionate share of the net pension liability (asset)	\$7,914,230	\$111,713	\$10,274,637	(\$3,100,140)	\$146,696	\$144,052
Covered payroll	\$17,078,411	\$305,451	\$4,646,367	\$4,077,669	\$9,064,975	\$2,523,967
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	46.34%	36.57%	221.13%	-76.03%	1.62%	5.71%
Plan fiduciary net position as a percentage of the total pension liability	93.7%	98.6%	84.8%	105.8%	96.5%	89.6%
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 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 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%

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)

	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 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%
	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 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 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%
	2020	3,147,981	3,147,981	-	17,345,163	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%
	2020	42,019	42,019	-	291,285	14.43%
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%
	2020	1,904,193	1,904,193	-	4,585,560	41.53%
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%
	2020	288,765	288,765	-	3,991,095	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%
	2020	1,487,051	1,487,051	-	9,495,853	15.66%
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%
	2020	769,376	769,376	-	2,949,209	26.09%
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%
	2020	89,444	89,444	-	1,336,981	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%
	2020	45,632	45,632	-	643,818	7.09%

* 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

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

PROVO CITY CORPORATION
Combining Balance Sheet – Other Governmental Funds
June 30, 2020

	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	\$ 3,311,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 270	\$ 5,156,865	\$ 4,294,291
Restricted cash	-	748,290	911,555	3,147,861	2,095,884	303,774	1,073,367	-	2,933,115	2,155,198
Accounts receivable	3,647,445	-	33	321	430	-	-	-	1,080	814,730
Loans receivable	-	199,153	1,356,775	2,148,938	16,602,622	646,631	-	-	-	-
Investment in property	-	-	-	1,599,891	-	-	-	-	-	-
Total Assets	\$ 6,958,864	\$ 947,443	\$ 2,268,363	\$ 6,897,011	\$ 18,698,936	\$ 950,405	\$ 1,073,367	\$ 270	\$ 8,091,060	\$ 7,264,219
Liabilities, Deferred Inflows & Fund Balance										
Liabilities:										
Accounts payable	\$ 3,661	\$ -	\$ 44,726	\$ 35	\$ 127	\$ -	\$ -	\$ -	\$ 89,863	\$ 29,855
Accrued liabilities	126,466	-	18,042	7,512	-	-	-	-	75	-
Total Liabilities	130,127	-	62,768	7,547	127	-	-	-	89,938	29,855
Deferred Inflows of Resources										
Deferred property tax revenue	3,572,276	-	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	3,572,276	-	-	-	-	-	-	-	-	-
Fund Balance										
Nonspendable	-	-	-	1,599,891	-	-	-	-	-	-
Assigned	3,256,461	-	-	-	-	176,209	57,836	-	-	-
Restricted	-	947,443	2,205,595	5,289,573	18,698,809	774,196	1,015,531	270	8,001,122	7,234,364
Total Fund Balance	3,256,461	947,443	2,205,595	6,889,464	18,698,809	950,405	1,073,367	270	8,001,122	7,234,364
Total Liabilities, Deferred Inflows of Resources & Fund Balance	\$ 6,958,864	\$ 947,443	\$ 2,268,363	\$ 6,897,011	\$ 18,698,936	\$ 950,405	\$ 1,073,367	\$ 270	\$ 8,091,060	\$ 7,264,219

PROVO CITY CORPORATION
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Other Governmental Funds
For the Year Ended June 30, 2020

	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	\$ 4,079,332	\$ -	\$ -	\$ 287,007	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	38,865	-	1,355,655	856,309	2,843,406	-	-	-	90,098	10,168,991
Charges for services	227,863	-	-	-	-	-	101,692	-	244,637	968,836
Interest income	82,548	13,290	19,391	140,358	67,048	4,673	18,791	-	129,738	88,458
Impact fees	-	-	-	-	-	-	-	-	998,358	625,031
Miscellaneous	17,615	-	-	-	-	-	-	-	-	174,030
Total revenues	4,446,223	13,290	1,375,046	1,283,674	2,910,454	4,673	120,483	-	1,462,831	12,025,346
Expenditures:										
Current:										
Culture and recreation	4,455,585	-	-	-	-	185	-	-	-	-
Community revitalization	-	1,096	1,380,410	240,946	318,756	-	42,753	-	-	-
Total current expenditures	4,455,585	1,096	1,380,410	240,946	318,756	185	42,753	-	-	-
Debt service:										
Interest	-	-	-	-	-	-	-	-	20,806	-
Principal on debt	-	-	-	-	-	-	-	-	279,690	-
Total debt service	-	-	-	-	-	-	-	-	300,496	-
Capital outlay:										
Capital outlay	13,075	-	-	-	-	-	-	-	1,263,596	10,316,120
Total expenditures	4,468,660	1,096	1,380,410	240,946	318,756	185	42,753	-	1,564,092	10,316,120
Excess (deficiency) of revenues over (under) expenditures	(22,437)	12,194	(5,364)	1,042,728	2,591,698	4,488	77,730	-	(101,261)	1,709,226
Other financing sources (uses):										
Transfers from other funds	-	-	-	-	-	-	-	-	1,433,495	-
Transfers to other funds	-	-	(2,500,000)	-	-	-	-	-	-	(50,000)
Debt issuance	-	-	2,500,000	-	-	-	-	-	-	-
Proceeds from land sales	-	-	-	-	-	-	-	-	7,500	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	1,440,995	(50,000)
Net change in fund balance	(22,437)	12,194	(5,364)	1,042,728	2,591,698	4,488	77,730	-	1,339,734	1,659,226
Fund balance at beginning 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
Fund balance at end of year	\$ 3,256,461	\$ 947,443	\$ 2,205,595	\$ 6,889,464	\$ 18,698,809	\$ 950,405	\$ 1,073,367	\$ 270	\$ 8,001,122	\$ 7,234,364

PROVO CITY CORPORATION
Comparative Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – Library Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 4,028,373	\$ 4,028,373	\$ 4,079,332	\$ 50,959
Intergovernmental	-	-	38,865	38,865
Charges for services	362,000	362,000	227,863	(134,137)
Interest income	50,000	50,000	82,548	32,548
Miscellaneous	2,000	2,000	17,615	15,615
Total revenues	<u>4,442,373</u>	<u>4,442,373</u>	<u>4,446,223</u>	<u>3,850</u>
Expenditures:				
Current:				
Culture and recreation	<u>4,596,048</u>	<u>4,495,227</u>	<u>4,455,585</u>	<u>39,642</u>
Total current expenditures	<u>4,596,048</u>	<u>4,495,227</u>	<u>4,455,585</u>	<u>39,642</u>
Capital outlay:				
Capital outlay	<u>90,000</u>	<u>90,000</u>	<u>13,075</u>	<u>76,925</u>
Total expenditures	<u>4,686,048</u>	<u>4,585,227</u>	<u>4,468,660</u>	<u>116,567</u>
Net change in fund balance	<u>\$ (243,675)</u>	<u>\$ (142,854)</u>	<u>(22,437)</u>	<u>\$ 120,417</u>
Fund balance at beginning of year			<u>3,278,898</u>	
Fund balance at end of year			<u>\$ 3,256,461</u>	

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Loan interest repayments	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Interest income	6,800	6,800	13,290	6,490
Total revenues	<u>7,800</u>	<u>7,800</u>	<u>13,290</u>	<u>5,490</u>
Expenditures:				
Current:				
Community revitalization	1,500	1,500	1,096	404
Total current expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,096</u>	<u>404</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,096</u>	<u>404</u>
Net change in fund balance	<u>\$ 6,300</u>	<u>\$ 6,300</u>	12,194	<u>\$ 5,894</u>
Fund balance at beginning of year			<u>935,249</u>	
Fund balance at end of year			<u>\$ 947,443</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,255,621	\$ 1,255,621	\$ 1,355,655	\$ 100,034
Interest income	7,000	7,000	19,391	12,391
Total revenues	<u>1,262,621</u>	<u>1,262,621</u>	<u>1,375,046</u>	<u>112,425</u>
Expenditures:				
Current:				
Community revitalization	1,773,605	1,752,074	1,380,410	371,664
Total current expenditures	<u>1,773,605</u>	<u>1,752,074</u>	<u>1,380,410</u>	<u>371,664</u>
Total expenditures	<u>1,773,605</u>	<u>1,752,074</u>	<u>1,380,410</u>	<u>371,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(510,984)</u>	<u>(489,453)</u>	<u>(5,364)</u>	<u>484,089</u>
Other financing sources (uses):				
Note proceeds	-	-	2,500,000	2,500,000
Transfers to other funds	-	(2,500,000)	(2,500,000)	-
Total other financing sources (uses):	<u>-</u>	<u>(2,500,000)</u>	<u>-</u>	<u>2,500,000</u>
Net change in fund balance	<u>\$ (510,984)</u>	<u>\$ (2,989,453)</u>	<u>(5,364)</u>	<u>\$ 2,984,089</u>
Fund balance at beginning of year			<u>2,210,959</u>	
Fund balance at end of year			<u>\$ 2,205,595</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,127,570	\$ 1,127,570	\$ 287,007	\$ (840,563)
Intergovernmental	51,600	51,600	856,309	804,709
Interest income	110,185	110,185	140,358	30,173
Total revenues	<u>1,289,355</u>	<u>1,289,355</u>	<u>1,283,674</u>	<u>(5,681)</u>
Expenditures:				
Current:				
Community revitalization	1,161,398	243,398	240,946	2,452
Total current expenditures	<u>1,161,398</u>	<u>243,398</u>	<u>240,946</u>	<u>2,452</u>
Debt service:				
Interest expense	10,129	-	-	-
Principal on debt	1,220,000	-	-	-
Total debt service	<u>1,230,129</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,391,527</u>	<u>243,398</u>	<u>240,946</u>	<u>2,452</u>
Net change in fund balance	<u>\$ (1,102,172)</u>	<u>\$ 1,045,957</u>	1,042,728	<u>\$ (3,229)</u>
Fund balance at beginning of year			<u>5,846,736</u>	
Fund balance at end of year			<u>\$ 6,889,464</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,296,068	\$ 1,296,068	\$ 2,843,406	\$ 1,547,338
Interest income	30,000	30,000	67,048	37,048
Total revenues	<u>1,326,068</u>	<u>1,326,068</u>	<u>2,910,454</u>	<u>1,584,386</u>
Expenditures:				
Current:				
Community revitalization	1,862,397	3,383,515	318,756	3,064,759
Total current expenditures	<u>1,862,397</u>	<u>3,383,515</u>	<u>318,756</u>	<u>3,064,759</u>
Net change in fund balance	<u>\$ (536,329)</u>	<u>\$ (2,057,447)</u>	2,591,698	<u>\$ 4,649,145</u>
Fund balance at beginning of year			<u>16,107,111</u>	
Fund balance at end of year			<u>\$ 18,698,809</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Interest income	\$ 2,250	\$ 2,250	\$ 4,673	\$ 2,423
Total revenues	<u>2,250</u>	<u>2,250</u>	<u>4,673</u>	<u>2,423</u>
Expenditures:				
Current:				
Culture and recreation	40,000	16,861	185	16,676
Total current expenditures	<u>40,000</u>	<u>16,861</u>	<u>185</u>	<u>16,676</u>
Total expenditures	<u>40,000</u>	<u>16,861</u>	<u>185</u>	<u>16,676</u>
Net change in fund balance	<u>\$ (37,750)</u>	<u>\$ (14,611)</u>	4,488	<u>\$ 19,099</u>
Fund balance at beginning of year			<u>945,917</u>	
Fund balance at end of year			<u>\$ 950,405</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ -	\$ 101,692	\$ 101,692
Interest income	10,000	10,000	18,791	8,791
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>120,483</u>	<u>110,483</u>
Expenditures:				
Current:				
Community revitalization	<u>61,054</u>	<u>42,754</u>	<u>42,753</u>	<u>1</u>
Total current expenditures	61,054	42,754	42,753	1
Total expenditures	<u>61,054</u>	<u>42,754</u>	<u>42,753</u>	<u>1</u>
Net change in fund balance	<u>\$ (51,054)</u>	<u>\$ (32,754)</u>	77,730	<u>\$ 110,484</u>
Fund balance at beginning of year			<u>995,637</u>	
Fund balance at end of year			<u>\$ 1,073,367</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, 2020

	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>	<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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 8,314,080	\$ 8,314,080	\$ 8,511,549	\$ 197,469
Interest income	65,000	65,000	240,260	175,260
Total revenues	<u>8,379,080</u>	<u>8,379,080</u>	<u>8,751,809</u>	<u>372,729</u>
Expenditures:				
Current:				
General government	-	-	9,218	(9,218)
Total current expenditures	<u>-</u>	<u>-</u>	<u>9,218</u>	<u>(9,218)</u>
Debt service:				
Interest	5,054,226	5,049,284	4,939,271	110,013
Rent/Lease	883,045	884,987	836,111	48,876
Principal on debt	6,231,000	6,232,200	6,341,000	(108,800)
Interest - interfund	-	-	13,469	(13,469)
Service fees on debt and issuance costs	10,500	12,300	10,360	1,940
Total debt service	<u>12,178,771</u>	<u>12,178,771</u>	<u>12,140,211</u>	<u>38,560</u>
Total expenditures	<u>12,178,771</u>	<u>12,178,771</u>	<u>12,149,429</u>	<u>29,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,799,691)</u>	<u>(3,799,691)</u>	<u>(3,397,620)</u>	<u>402,071</u>
Other financing sources (uses):				
Transfers from other funds	4,829,453	4,829,453	4,792,096	(37,357)
Transfers to other funds	(1,519,616)	(3,704,416)	(3,446,707)	257,709
Total other financing sources (uses):	<u>3,309,837</u>	<u>1,125,037</u>	<u>1,345,389</u>	<u>220,352</u>
Net change in fund balance	<u>\$ (489,854)</u>	<u>\$ (2,674,654)</u>	<u>(2,052,231)</u>	<u>\$ 622,423</u>
Fund balance at beginning of year			<u>5,442,031</u>	
Fund balance at end of year			<u>\$ 3,389,800</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ -	\$ 1,914,640	\$ 968,836	\$ (945,804)
Intergovernmental	8,929,690	8,929,690	10,168,991	1,239,301
Interest income	100,000	100,000	88,458	(11,542)
Impact fees	250,000	392,519	625,031	232,512
Total revenues	<u>9,279,690</u>	<u>11,336,849</u>	<u>12,025,346</u>	<u>688,497</u>
Expenditures:				
Capital outlay:				
Capital outlay	<u>9,316,000</u>	<u>10,316,120</u>	<u>10,316,120</u>	<u>-</u>
Total expenditures	<u>9,316,000</u>	<u>10,316,120</u>	<u>10,316,120</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,310)</u>	<u>1,020,729</u>	<u>1,709,226</u>	<u>688,497</u>
Other financing sources (uses):				
Transfers to other funds	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
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>\$ (86,310)</u>	<u>\$ 970,729</u>	<u>1,659,226</u>	<u>\$ 688,497</u>
Fund balance at beginning of year			<u>5,575,138</u>	
Fund balance at end of year			<u>\$ 7,234,364</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 90,098	\$ 90,098
Charges for services	-	-	244,637	244,637
Interest income	-	-	129,738	129,738
Impact fees	1,500,000	1,500,000	998,358	(501,642)
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,462,831</u>	<u>(37,169)</u>
Debt service:				
Interest	-	-	20,806	(20,806)
Principal on debt	-	300,497	279,690	20,807
Total debt service	<u>-</u>	<u>300,497</u>	<u>300,496</u>	<u>1</u>
Capital outlay:				
Capital outlay	<u>3,657,023</u>	<u>1,263,596</u>	<u>1,263,596</u>	<u>-</u>
Total expenditures	<u>3,657,023</u>	<u>1,564,093</u>	<u>1,564,092</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,157,023)</u>	<u>(64,093)</u>	<u>(101,261)</u>	<u>(37,169)</u>
Other financing sources (uses):				
Transfers from other funds	1,325,000	1,325,000	1,433,495	108,495
Proceeds from land sales	-	-	7,500	7,500
Total other financing sources (uses):	<u>1,325,000</u>	<u>1,325,000</u>	<u>1,440,995</u>	<u>115,995</u>
Net change in fund balance	<u>\$ (832,023)</u>	<u>\$ 1,260,907</u>	<u>1,339,734</u>	<u>\$ 78,826</u>
Fund balance at beginning of year			<u>6,661,388</u>	
Fund balance at end of year			<u>\$ 8,001,122</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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 267,718	\$ 267,718
Interest income	-	3,477,504	1,434,278	(2,043,226)
Total revenues	<u>-</u>	<u>3,477,504</u>	<u>1,701,996</u>	<u>(1,775,508)</u>
Expenditures:				
Current:				
Community revitalization	-	267,718	267,718	-
Total current expenditures	<u>-</u>	<u>267,718</u>	<u>267,718</u>	<u>-</u>
Capital outlay:				
Capital outlay	<u>40,000</u>	<u>11,142,857</u>	<u>11,142,857</u>	<u>-</u>
Total expenditures	<u>40,000</u>	<u>11,410,575</u>	<u>11,410,575</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(7,933,071)</u>	<u>(9,708,579)</u>	<u>(1,775,508)</u>
Other financing sources (uses):				
Transfers from other funds	<u>700,465</u>	<u>700,465</u>	<u>2,627,556</u>	<u>1,927,091</u>
Total other financing sources (uses):	<u>700,465</u>	<u>700,465</u>	<u>2,627,556</u>	<u>1,927,091</u>
Net change in fund balance	<u>\$ 660,465</u>	<u>\$ (7,232,606)</u>	<u>(7,081,023)</u>	<u>\$ 151,583</u>
Fund balance at beginning of year			<u>70,557,849</u>	
Fund balance at end of year			<u>\$ 63,476,826</u>	

PROVO CITY CORPORATION
Combining Statement of Net Position – Nonmajor Enterprise Funds
June 30, 2020

	Business-type Activities-Enterprise Funds					
	Golf Course	Utility Transportation	Sanitation	Storm Drain	Ice Sheet	Total
Assets						
Current Assets:						
Cash	\$ -	\$ 598,576	\$ 971,353	\$ 4,099,686	\$ 990,155	\$ 6,659,770
Restricted cash	-	-	-	143	-	143
Accounts receivable	2,431,542	100,920	663,639	548,116	-	3,744,217
Total Current Assets	2,431,542	699,496	1,634,992	4,647,945	990,155	10,404,130
Noncurrent Assets:						
Capital Assets:						
Non Depreciable	29,807,115	-	138,196	619,033	4,380,100	34,944,444
Depreciable assets	1,155,051	-	739,857	20,956,277	5,751,119	28,602,304
Net Capital Assets	30,962,166	-	878,053	21,575,310	10,131,219	63,546,748
Equity in Joint Venture	-	-	10,705,461	-	-	10,705,461
Total Noncurrent Assets	30,962,166	-	11,583,514	21,575,310	10,131,219	74,252,209
Total Assets	33,393,708	699,496	13,218,506	26,223,255	11,121,374	84,656,339
Deferred outflows of resources						
Deferred outflows related to pensions	34,582	-	69,169	69,174	31	172,956
Deferred outflows related to OPEB	2,769	-	11,767	6,230	2,077	22,843
Total deferred outflows of resources	37,351	-	80,936	75,404	2,108	195,799
Liabilities & Net Position						
Liabilities:						
Accounts payable	821,011	163,583	144,066	28,739	35,216	1,192,615
Accrued liabilities	36,058	-	71,890	50,157	31,530	189,635
Due to other funds	1,432,293	-	-	-	-	1,432,293
Accrued interest payable	-	-	-	10,638	-	10,638
Accrued compensated absences	12,597	-	37,252	26,284	3,873	80,006
Bonds, leases and loans payable	-	-	-	645,000	-	645,000
Total Current Liabilities	2,301,959	163,583	253,208	760,818	70,619	3,550,187
Long-term Liabilities						
Accrued compensated absences	29,392	-	86,921	61,330	9,036	186,679
Net OPEB payable	40,671	-	172,850	91,509	30,503	335,533
Net pension liability	85,878	-	171,758	171,788	6	429,430
Interfund loan payable	2,029,396	-	-	-	-	2,029,396
Bonds payable	-	-	-	2,067,405	-	2,067,405
Total Long-term Liabilities	2,185,337	-	431,529	2,392,032	39,545	5,048,443
Total Liabilities	4,487,296	163,583	684,737	3,152,850	110,164	8,598,630
Deferred inflows of resources						
Deferred inflows related to pensions	45,475	-	90,955	90,962	639	228,031
Deferred inflows related to OPEB	797	-	3,388	1,794	-	5,979
Total deferred inflows of resources	46,272	-	94,343	92,756	639	234,010
Net Position						
Net investment in capital assets	28,932,770	-	878,053	18,863,048	10,131,219	58,805,090
Restricted for:						
Debt service	-	-	-	143	-	143
Unrestricted	(35,279)	535,913	11,642,309	4,189,862	881,460	17,214,265
Total Net Position	\$ 28,897,491	\$ 535,913	\$ 12,520,362	\$ 23,053,053	\$ 11,012,679	\$ 76,019,498

PROVO CITY CORPORATION
Combining Statement of Revenue, Expenses, and Changes in Net Position –
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Business-type Activities-Enterprise Funds					
	Golf Course	Utility Transportation	Sanitation	Storm Drain	Ice Sheet	Total
Operating Revenues:						
Charges for services	\$ 360,336	\$ 2,095,746	\$ 6,169,994	\$ 5,734,940	\$ 803,925	\$ 15,164,941
Fees & rentals	78,699	-	-	23,500	560,118	662,317
Miscellaneous	3,551,726	27,758	221,770	71,394	152,908	4,025,556
Total operating revenues	3,990,761	2,123,504	6,391,764	5,829,834	1,516,951	19,852,814
Operating expenses:						
Salaries and wages	373,617	-	1,101,794	679,785	488,256	2,643,452
Employee benefits	185,273	-	663,927	218,210	190,665	1,258,075
Operating expenses	707,487	3,894,913	2,908,622	900,994	1,073,794	9,485,810
Depreciation	193,604	-	8,226	392,078	391,945	985,853
Total operating expenses	1,459,981	3,894,913	4,682,569	2,191,067	2,144,660	14,373,190
Operating income (loss)	2,530,780	(1,771,409)	1,709,195	3,638,767	(627,709)	5,479,624
Nonoperating revenues (expenses)						
Intergovernmental revenue	-	-	-	-	50,000	50,000
Interest income	-	21,083	18,553	71,452	18,219	129,307
Interest expense	(60,882)	-	-	(161,097)	-	(221,979)
Gain (loss) on disp. of assets	-	-	-	(6,160)	-	(6,160)
Joint Venture gain (loss)	-	-	723,893	-	-	723,893
Total nonoperating revenues (expenses)	(60,882)	21,083	742,446	(95,805)	68,219	675,061
Income (loss) before contributions, and transfers	2,469,898	(1,750,326)	2,451,641	3,542,962	(559,490)	6,154,685
Capital contributions	-	-	-	504,862	-	504,862
Transfers in	56,737	-	-	-	-	56,737
Transfers out	-	-	(741,279)	(673,264)	-	(1,414,543)
Change in Net Position	2,526,635	(1,750,326)	1,710,362	3,374,560	(559,490)	5,301,741
Net Position at beginning of year	26,370,856	2,286,239	10,810,000	19,678,493	11,572,169	70,717,757
Net Position at end of year	\$ 28,897,491	\$ 535,913	\$ 12,520,362	\$ 23,053,053	\$ 11,012,679	\$ 76,019,498

PROVO CITY CORPORATION
Combining Statement of Cash Flows – Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Golf Course	Utility Transportation	Sanitation	Storm Drain	Ice Sheet	Total
Cash flows from operating activities:						
Receipts from customers and users	\$ 1,784,336	\$ 2,165,981	\$ 6,352,563	\$ 5,820,319	\$ 1,516,951	\$ 17,640,150
Payments to suppliers	91,658	(4,098,655)	(2,959,258)	(1,106,665)	(945,165)	(9,018,085)
Payments to employees	(506,427)	-	(1,722,906)	(1,038,786)	(654,918)	(3,923,037)
Net cash provided (used) by operating activities	<u>1,369,567</u>	<u>(1,932,674)</u>	<u>1,670,399</u>	<u>3,674,868</u>	<u>(83,132)</u>	<u>4,699,028</u>
Cash flows from noncapital financing activities:						
Impact fees	-	-	-	504,862	-	504,862
Federal and state grants	-	-	-	-	50,100	50,100
Transfers from other funds	56,737	-	-	-	-	56,737
Transfers to other funds	-	-	(741,279)	(673,264)	-	(1,414,543)
Net cash provided (used) by noncapital financing activities	<u>1,489,030</u>	<u>-</u>	<u>(741,279)</u>	<u>(168,402)</u>	<u>50,100</u>	<u>629,449</u>
Cash flows from capital and related financing activities:						
Payments for capital acquisitions	(4,762,930)	-	(114,632)	(1,121,903)	-	(5,999,465)
Principal paid on bonds payable	-	-	-	(630,000)	-	(630,000)
Interest paid on bonds payable	-	-	-	(165,738)	-	(165,738)
Interest paid on notes & lease payable	(60,882)	-	-	-	-	(60,882)
Net cash provided (used) by capital and related financing activities	<u>(4,823,812)</u>	<u>-</u>	<u>(114,632)</u>	<u>(1,917,641)</u>	<u>-</u>	<u>(6,856,085)</u>
Cash flows from investing activities:						
Receipts of interest	-	21,083	18,553	71,452	18,219	129,307
Net cash provided by investing activities	<u>-</u>	<u>21,083</u>	<u>18,553</u>	<u>71,452</u>	<u>18,219</u>	<u>129,307</u>
Net increase (decrease) in cash	(1,965,215)	(1,911,591)	833,041	1,660,277	(14,813)	(1,398,301)
Cash at beginning 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	<u>\$ -</u>	<u>\$ 598,576</u>	<u>\$ 971,353</u>	<u>\$ 4,099,829</u>	<u>\$ 990,155</u>	<u>\$ 6,659,913</u>
Cash at end of year consists of:						
Cash	\$ -	\$ 598,576	\$ 971,353	\$ 4,099,686	\$ 990,155	\$6,659,770
Restricted cash	-	-	-	143	-	143
Total Cash	<u>\$ -</u>	<u>\$ 598,576</u>	<u>\$ 971,353</u>	<u>\$ 4,099,829</u>	<u>\$ 990,155</u>	<u>\$ 6,659,913</u>
	Golf Course	Utility Transportation	Sanitation	Storm Drain	Ice Sheet	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 2,530,780	\$ (1,771,409)	\$ 1,709,195	\$ 3,638,767	\$ (627,709)	\$ 5,479,624
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	193,604	-	8,226	392,078	391,945	985,853
Changes in assets and liabilities:						
Decrease (increase) in accounts receivable	(2,206,425)	42,477	(39,201)	(9,515)	-	(2,212,664)
Increase (decrease) in accounts payable	-	(203,742)	(50,636)	(205,671)	128,629	(\$331,420)
Increase (decrease) in accrued liabilities	844,911	-	55,812	(137,685)	25,951	788,989
Increase (decrease) in unearned revenue	(5,454)	-	-	-	-	(5,454)
Increase (decrease) in customer deposits	4,068	-	-	-	-	4,068
Increase (decrease) in accrued compensated absences	8,083	-	(12,997)	(3,106)	(1,948)	(9,968)
Net cash provided (used) by operating activities	<u>\$ 1,369,567</u>	<u>\$ (1,932,674)</u>	<u>\$ 1,670,399</u>	<u>\$ 3,674,868</u>	<u>\$ (83,132)</u>	<u>\$ 4,699,028</u>

PROVO CITY CORPORATION
Combining Statement of Net Position – Internal Service Funds
June 30, 2020

	Customer Service	Employee Benefits	Insurance / Claims	Vehicle Management	Computer Lease	Facility Services	Telecom	Total Internal Service Funds
Assets								
Current Assets:								
Cash	\$ 1,048,497	\$ 6,955,685	\$ 1,616,092	\$ 4,970,014	\$ 671,475	\$ 1,801,284	\$ 3,775,135	\$ 20,838,182
Restricted cash	-	-	-	863,405	-	-	-	863,405
Inventory	153	-	-	295,743	-	20,000	-	315,896
Total Current Assets	1,048,650	6,955,685	1,616,092	6,129,162	671,475	1,821,284	3,775,135	22,017,483
Capital Assets								
Non Depreciable assets	-	-	-	128,380	-	-	31,166	159,546
Depreciable assets	120,922	-	-	13,104,052	44,031	20,717	1,045	13,290,767
Net Capital Assets	120,922	-	-	13,232,432	44,031	20,717	32,211	13,450,313
Total Assets	1,169,572	6,955,685	1,616,092	19,361,594	715,506	1,842,001	3,807,346	35,467,796
Deferred outflows of resources								
Deferred outflows related to pensions	138,331	-	-	35,799	-	69,143	-	243,273
Deferred outflows related to OPEB	13,152	-	-	5,538	-	4,845	-	23,535
Total deferred outflows of resources	151,483	-	-	41,337	-	73,988	-	266,808
Liabilities:								
Current Liabilities								
Accounts payable	156,342	24,458	1,514	206,968	5,787	20,964	-	416,033
Accrued liabilities	95,101	3,847,399	502,711	33,752	-	28,079	-	4,507,042
Accrued interest payable	-	-	-	22,691	-	-	-	22,691
Due within one year:								
Accrued Compensated Absences	67,891	-	-	8,125	-	21,045	-	97,061
Leases and notes payable	-	-	-	543,144	-	-	-	543,144
Total Current Liabilities	319,334	3,871,857	504,225	814,680	5,787	70,088	-	5,585,971
Noncurrent Liabilities								
Accrued compensated absences	158,413	-	-	18,958	-	49,105	-	226,476
Net OPEB payable	193,186	-	-	81,341	-	71,174	-	345,701
Net pension liability	343,512	-	-	88,900	-	171,700	-	604,112
Lease payable	-	-	-	2,978,945	-	-	-	2,978,945
Total Noncurrent Liabilities	695,111	-	-	3,168,144	-	291,979	-	4,155,234
Total Liabilities	1,014,445	3,871,857	504,225	3,982,824	5,787	362,067	-	9,741,205
Deferred inflows of resources								
Deferred inflows related to pensions	181,901	-	-	47,075	-	90,920	-	319,896
Deferred inflows related to OPEB	3,787	-	-	1,595	-	1,395	-	6,777
Total deferred inflows of resources	185,688	-	-	48,670	-	92,315	-	326,673
Net Position								
Net investment in capital assets	120,922	-	-	9,710,343	44,031	20,717	32,211	9,928,224
Unrestricted	-	3,083,828	1,111,867	5,661,094	665,688	1,440,890	3,775,135	15,738,502
Total Net Position	\$120,922	\$3,083,828	\$1,111,867	\$15,371,437	\$709,719	\$1,461,607	\$3,807,346	\$25,666,726

PROVO CITY CORPORATION
Combining Statement of Revenue, Expenses, and Changes in Net Position –
Internal Service Funds
For the Year Ended June 30, 2020

	Customer Service	Employee Benefits	Insurance / Claims	Vehicle Management	Computer Lease	Facility Services	Telecom	Total Internal Service Funds
Operating Revenues:								
Charges for services	\$ 3,842,621	\$ 1,965,083	\$ 1,918,579	\$ 6,348,387	\$ 429,889	\$ 1,319,673	\$ 303,313	\$ 16,127,545
Miscellaneous	108,784	101,884	-	523,608	-	14,198	-	748,474
Taxes	-	-	-	-	-	-	201,589	201,589
Total operating revenues	3,951,405	2,066,967	1,918,579	6,871,995	429,889	1,333,871	504,902	17,077,608
Operating expenses:								
Salaries and wages	1,431,826	207,713	65,180	417,913	-	385,582	-	2,508,214
Employee benefits	915,173	38,608	30,028	241,244	-	289,051	-	1,514,104
Operating expenses	2,069,595	1,668,205	1,661,738	3,188,199	204,750	653,573	57,025	9,503,085
Depreciation	18,696	-	-	3,938,340	27,885	19,580	2,085	4,006,586
Total operating expenses	4,435,290	1,914,526	1,756,946	7,785,696	232,635	1,347,786	59,110	17,531,989
Operating income (loss)	(483,885)	152,441	161,633	(913,701)	197,254	(13,915)	445,792	(454,381)
Nonoperating revenues (expenses)								
Interest income	13,400	103,276	29,475	85,568	8,894	29,614	63,091	333,318
Interest on debt	-	-	-	(95,486)	-	-	-	(95,486)
Gain (loss) on disposition of assets	-	-	-	85,500	-	-	-	85,500
Total nonoperating revenues (expenses)	13,400	103,276	29,475	75,582	8,894	29,614	63,091	323,332
Income (loss) before transfers	(470,485)	255,717	191,108	(838,119)	206,148	15,699	508,883	(131,049)
Transfers								
Transfers from other funds	591,313	-	-	125,000	-	237,000	-	953,313
Total transfers	591,313	-	-	125,000	-	237,000	-	953,313
Change in net position	120,828	255,717	191,108	(713,119)	206,148	252,699	508,883	822,264
Net Position - beginning of year	94	2,828,111	920,759	16,084,556	503,571	1,208,908	3,298,463	24,844,462
Net Position - end of year	\$ 120,922	\$ 3,083,828	\$ 1,111,867	\$ 15,371,437	\$ 709,719	\$ 1,461,607	\$ 3,807,346	\$ 25,666,726

PROVO CITY CORPORATION
Combining Statement of Cash Flows – Internal Service Funds
For the Year Ended June 30, 2020

	Customer Service	Employee Benefits	Insurance / Claims	Vehicle Management	Computer Lease	Facility Services	Telecom	Total Internal Service Funds
Cash flows from operating activities:								
Receipts from customers and users	\$ 3,951,405	\$ 2,066,967	\$ 1,918,579	\$ 6,871,995	\$ 429,889	\$ 1,333,871	\$ 504,902	\$ 17,077,608
Payments to suppliers	(2,016,968)	(1,242,906)	-	(3,469,094)	(277,225)	(688,431)	(57,023)	(7,751,647)
Payments to employees	(2,202,469)	(246,321)	(95,208)	(703,528)	-	(637,599)	-	(3,885,125)
Payments for claims	-	-	(1,659,630)	-	-	-	-	(1,659,630)
Net cash provided (used) by operating activities	(268,032)	577,740	163,741	2,699,373	152,664	7,841	447,879	3,781,206
Cash flows from noncapital financing activities:								
Transfers from other funds	591,313	-	-	125,000	-	237,000	-	953,313
Net cash provided (used) by noncapital financing activities	591,313	-	-	125,000	-	237,000	-	953,313
Cash flows from capital and related financing activities:								
Payments for capital acquisitions	-	-	-	(4,386,407)	-	-	-	(4,386,407)
Principal paid on notes and lease payable	-	-	-	(530,321)	-	-	-	(530,321)
Interest paid on notes & lease payable	-	-	-	(98,898)	-	-	-	(98,898)
Net cash provided (used) by capital and related financing activities	-	-	-	(4,930,126)	-	-	-	(4,930,126)
Cash flows from investing activities:								
Receipts of interest	13,400	103,276	29,475	85,568	8,894	29,614	63,091	333,318
Net cash provided by investing activities	13,400	103,276	29,475	85,568	8,894	29,614	63,091	333,318
Net increase (decrease) in cash	336,681	681,016	193,216	(2,020,185)	161,558	274,455	510,970	137,711
Cash at beginning of year	711,816	6,274,669	1,422,876	7,853,604	509,917	1,526,829	3,264,165	21,563,876
Cash at end of year	\$ 1,048,497	\$ 6,955,685	\$ 1,616,092	\$ 5,833,419	\$ 671,475	\$ 1,801,284	\$ 3,775,135	\$ 21,701,587
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:								
Operating income (loss)	\$ (483,885)	\$ 152,441	\$ 161,633	\$ (913,701)	\$ 197,254	\$ (13,915)	\$ 445,792	\$ (454,381)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	18,696	-	-	3,938,340	27,884	19,580	2,087	4,006,587
Changes in assets and liabilities:								
Decrease (increase) in inventory	16,951	-	-	(66,767)	-	(20,000)	-	(69,816)
Increase (decrease) in accounts payable	35,676	(10,264)	1,431	(197,236)	(72,474)	(29,205)	-	(272,072)
Increase (decrease) in accrued liabilities	115,785	435,563	677	(33,572)	-	40,775	-	559,228
Increase (decrease) in accrued compensated absences	28,745	-	-	(27,691)	-	10,606	-	11,660
Net cash provided (used) by operating activities	\$ (268,032)	\$ 577,740	\$ 163,741	\$ 2,699,373	\$ 152,664	\$ 7,841	\$ 447,879	\$ 3,781,206

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 wellbeing 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>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>2020</u>
Governmental activities										
Net investment in capital assets	\$ 200,011	\$ 257,442	\$ 256,354	\$ 295,912	\$ 302,153	\$ 297,887	\$ 281,052	\$ 282,889	\$ 281,008	\$ 297,030
Restricted	7,023	5,669	8,575	10,213	9,152	9,012	8,636	8,044	10,949	10,080
Unrestricted	<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>	<u>69,287</u>
Total governmental activities net position	<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>	<u>\$ 376,397</u>
Business type activities										
Net investment in capital assets	\$ 161,660	\$ 162,495	\$ 174,365	\$ 184,123	\$ 195,163	\$ 206,938	\$ 215,012	\$ 225,102	\$ 245,279	\$ 268,884
Restricted	10,535	11,550	2,114	1,452	1,554	1,790	1,177	1,173	2,001	1,628
Unrestricted	<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>	<u>59,801</u>
Total business-type activities net position	<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>	<u>\$ 330,313</u>
Primary government										
Net investment in capital assets	\$ 361,671	\$ 419,936	\$ 430,719	\$ 480,035	\$ 497,316	\$ 504,825	\$ 496,064	\$ 507,991	\$ 526,287	\$ 565,914
Restricted	17,557	17,219	10,689	11,665	10,706	10,802	9,813	9,217	12,950	11,708
Unrestricted	<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>	<u>129,088</u>
Total primary government net position	<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>	<u>\$ 706,710</u>

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

	<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>2020</u>
<u>Expenses</u>										
Governmental activities:										
General government	\$ 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	\$ 11,529,737
Public safety	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	37,990,332
Public services	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	5,165,268
Community revitalization	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	6,612,903
Culture and Recreation	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	18,472,769
Interest on long-term debt	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	4,598,372
Total governmental activities expenses	65,329,035	60,579,081	65,822,127	71,699,645	72,973,875	79,301,667	85,650,081	87,403,655	90,347,149	84,369,381
Business-type activities:										
Golf course	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	1,524,659
Water	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	12,175,512
Waste water	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	6,511,771
Energy	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	64,944,421
Airport	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	4,705,001
Utility transportaion						1,946,733	2,393,632	2,871,069	1,994,134	3,894,913
Sanitation	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	4,498,386
Storm drain	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	2,335,090
Ice Sheet	-	-	-	-	-	-	-	1,640,921	1,644,985	2,144,660
Total business-type activities expenses	65,626,249	67,987,159	69,014,758	74,163,997	81,338,725	80,907,512	91,738,411	103,373,793	101,572,939	102,734,413
Total primary government expenses	<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>	<u>\$ 187,103,794</u>
<u>Program Revenues</u>										
Governmental activities:										
Charges for services:										
General government	\$ 5,326,761	\$ 4,835,523	\$ 4,530,922	\$ 690,216	\$ 2,492,797	\$ 2,174,918	\$ 782,851	\$ 485,976	\$ 754,295	\$ 787,616
Public safety	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	2,050,818
Public services	99,315	179,750	266,274	614,765	1,167,202	817,255	2,288,295	3,347,881	1,558,837	2,473,032
Culture and Recreation	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	5,534,951
Community revitalization	(162,154)	484,483	395,934	1,883,310	1,891,662	3,822,107	2,875,746	1,618,026	2,180,378	2,115,099
Operating grants and contributions	8,355,345	11,801,818	9,739,605	14,389,040	13,385,474	12,882,537	17,459,101	17,674,626	8,485,241	21,664,085
Capital grants and contributions	146,504	492,655	996,567	234,646	70,635	29,838	1,513,967	3,378,973	7,859,934	8,520,320
Total governmental activities program revenues	17,655,219	20,680,707	20,282,908	24,374,308	26,025,085	27,369,753	33,674,465	35,520,179	29,589,952	43,145,921
Business-type activities:										
Charges for services:										
Golf Course	514,414	548,169	556,005	620,765	775,243	809,593	808,011	814,257	936,358	439,035
Water	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	15,230,443
Waste water	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	16,721,652
Energy	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	71,015,193
Airport	235,591	221,062	223,228	-	-	-	375,614	631,791	1,344,372	811,699
Utility transportaion	-	-	-	-	2,384,790	2,406,091	2,678,925	2,133,216	2,150,893	2,095,746
Sanitation	3,318,996	3,943,935	4,027,015	4,089,239	4,421,366	4,525,973	4,633,958	4,974,791	5,563,966	6,169,994
Storm drain	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	5,758,440
Ice Sheet	-	-	-	-	-	-	-	1,236,381	1,353,780	1,364,043
Operating grants and contributions	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	50,000
Capital grants and contributions	481,452	-	945,298	444,333	8,724,479	5,428,944	2,630,733	11,816,977	7,274,196	17,348,919
Total business-type activities program revenue	73,253,798	80,901,094	86,126,291	91,899,897	105,720,555	109,338,358	112,830,111	126,642,534	126,581,022	137,005,164
Total primary government program revenues	<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>	<u>\$ 180,151,085</u>
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (41,223,460)
Business-type activities	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	34,270,751
Total primary government net expense	<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>	<u>\$ (6,952,709)</u>

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

	<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>2020</u>
<u>General Revenues and Other Changes In Net Position</u>										
Governmental revenues:										
Property taxes	\$ 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	\$ 17,463,263
Vehicle	858,068	879,969	901,678	925,744	957,751	841,044	800,751	732,313	773,424	914,073
Sales taxes	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	20,675,621
Franchise taxes	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	9,804,436
Joint venture gain(loss)	316,065	-	-	-	-	-	-	-	-	-
RAP	-	-	-	-	-	-	1,215,568	1,277,460	1,349,125	1,433,495
Other taxes	-	-	-	-	-	-	-	662,512	848,059	739,068
Investment earnings	2,217,494	242,580	369,740	694,827	433,330	620,547	535,793	1,250,036	2,947,191	3,260,602
Gain on sale of capital assets	-	-	-	208,663	37,960	1,687,243	194,406	1,381,050	-	-
Miscellaneous	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	1,788,227
Interfund loan write-off	5,357,316	-	-	-	-	-	-	-	-	-
Provision for receivable write-down	(12,773,517)	-	-	-	-	-	-	-	-	-
Transfers	6,729,473	7,317,330	12,003,399	12,223,406	13,176,393	15,116,342	15,157,353	8,738,733	14,998,527	13,515,098
Total governmental activities	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	69,593,883
Business Activities										
Joint venture gain(loss)	(550,846)	126,178	-	-	-	-	-	-	-	-
Investment earnings	54,500	1,886,348	174,346	205,319	320,033	671,981	867,623	2,051,911	2,427,192	2,073,895
Gain on sale of capital assets	-	-	-	(247,413)	-	-	-	-	-	-
Miscellaneous	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	8,292,675
Interfund loan write-off	(5,357,316)	-	-	-	-	-	-	-	-	-
Loss on sale of assets	-	-	(22,486,508)	-	-	-	-	-	-	-
Transfers	(6,729,473)	(7,317,330)	(12,003,399)	(12,223,406)	(13,176,393)	(15,116,342)	(15,157,353)	(8,738,733)	(14,998,527)	(13,515,098)
Total business-type activities	(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)	(3,148,528)
Total primary government	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	66,445,355
Change in Net Position										
Governmental activities	(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	28,370,423
Business-type activities	(893,432)	14,458,128	(13,083,748)	13,912,763	13,651,511	17,309,372	10,006,988	20,124,839	16,928,844	31,122,223
Total primary government	<u>\$ (7,587,865)</u>	<u>\$ 23,749,929</u>	<u>\$ (3,451,368)</u>	<u>\$ 27,500,329</u>	<u>\$ 24,256,280</u>	<u>\$ 25,411,846</u>	<u>\$ 19,105,351</u>	<u>\$ 25,678,731</u>	<u>\$ 18,923,068</u>	<u>\$ 59,492,646</u>

PROVO CITY CORPORATION
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten 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>	<u>2020</u>
General fund										
Nonspendable	\$ 47	\$ 49	\$ 36	\$ 61	\$ 47	\$ 86	\$ 86	\$ 86	\$ 2,105	\$ 2,125
Restricted	4,225	3,649	4,046	7,487	2,287	2,897	3,269	2,920	3,851	10,121
Assigned	640	1,433	2,135	2,211	1,968	2,002	3,716	3,074	4,597	2,015
Unassigned	<u>8,547</u>	<u>7,639</u>	<u>8,977</u>	<u>5,019</u>	<u>8,634</u>	<u>11,171</u>	<u>9,882</u>	<u>13,128</u>	<u>12,274</u>	<u>15,289</u>
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>	<u>\$ 29,550</u>
All other governmental funds										
Nonspendable	\$ 11,811	\$ 15	\$ -	\$ -	\$ 16,722	\$ 14,640	\$ 15,455	\$ -	\$ 1,600	\$ 1,600
Restricted	40,389	23,943	2,843	17,009	16,293	19,145	28,348	47,198	113,486	111,033
Assigned	17,797	17,322	18,190	6,297	9,126	9,757	3,669	3,545	3,472	3,490
Unassigned	<u>(1,709)</u>	<u>-</u>	<u>-</u>	<u>(741)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>	<u>\$ 116,123</u>

PROVO CITY CORPORATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten 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>	<u>2020</u>
Revenues:										
Taxes	\$ 35,027	\$ 38,051	\$ 39,942	\$ 41,092	\$ 42,006	\$ 40,710	\$ 43,118	\$ 43,833	\$ 44,190	\$ 50,828
Licenses and permits	1,231	1,046	1,301	1,699	1,777	2,933	1,738	1,111	1,578	1,467
Intergovernmental	8,413	11,786	9,755	10,476	11,547	5,882	18,776	17,590	14,492	26,894
Charges for services	3,632	4,695	5,425	7,958	8,946	10,038	12,999	13,343	11,715	11,364
Fine and forfeitures	2,138	1,767	1,547	1,577	1,739	1,682	1,606	1,566	1,872	1,655
Overhead charges	-	-	-	-	-	-	1,265	-	-	-
Impact fees	1,236	685	695	1,034	1,635	887	1,514	1,170	1,864	1,623
Interest income	245	253	239	212	211	285	397	857	2,273	2,902
Loan principal repayments	1,740	1,023	712	704	-	-	-	-	-	-
Loan interest repayments	2,048	48	32	21	101	22	68	165	333	8
Lease income	743	33	36	18	20	88	43	44	49	17
Miscellaneous	5,392	4,394	3,869	6,694	3,275	4,114	401	2,097	59	636
Total revenues	<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>	<u>97,394</u>
Expenditures:										
Current:										
General government	10,690	11,275	12,169	12,714	11,246	12,254	13,363	12,369	12,103	13,047
Public safety	21,438	23,179	24,541	25,322	26,576	27,007	28,838	30,471	30,751	32,097
Public services	2,862	3,182	3,497	9,059	6,798	5,094	5,776	3,952	4,140	4,351
Culture and recreation	10,946	11,174	11,995	15,359	18,600	15,039	15,333	15,868	15,710	15,705
Community revitalization	9,138	8,011	7,231	13,441	10,102	14,920	13,276	9,505	7,056	5,632
Total current expenditures	<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>	<u>70,832</u>
Debt service:										
Interest	2,402	2,364	3,525	3,381	3,265	4,095	3,008	2,560	2,606	4,962
Rent/Lease Principal	149	123	52	152	289	274	836	836	836	836
Principal on debt	11,761	2,901	4,389	4,536	4,749	2,691	3,686	3,824	5,473	6,621
Service fees on debt	33	8	10	91	15	11	9	178	725	10
Interest - interfund	356	120	113	37	87	22	6	-	-	13
Debt cost of issuance	469	-	-	-	-	-	-	-	-	-
Total debt service	<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>	<u>12,442</u>
Capital outlay:										
Capital outlay	2,283	24,940	27,271	750	474	887	7,943	13,285	15,395	26,991
Total expenditures	<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>	<u>110,265</u>
Excess (deficiency) of revenues over (under) expenditures	<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>	<u>(12,869)</u>
Other financing sources (uses):										
Transfers from other funds	55,229	15,467	16,056	16,624	20,912	17,605	17,613	17,430	18,104	21,127
Transfers to other funds	(49,038)	(8,568)	(5,550)	(5,029)	(9,203)	(2,801)	(2,798)	(2,956)	(3,953)	(8,565)
Debt issuance	-	-	-	-	-	-	12	31,157	-	-
Note proceeds	-	-	-	544	-	5,500	-	-	-	-
Proceeds of bonds	45,280	-	-	2,334	-	-	-	-	70,850	2,500
Deposit to escrow agent	-	-	-	-	-	-	-	(29,884)	-	-
Sale of assets	487	650	291	-	975	775	61	853	2,801	2,097
Total other financing sources (uses)	<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>	<u>17,159</u>
Special item:										
Interfund loan write-off	5,357	-	-	-	-	-	-	-	-	-
Net change in fund balances										
Fund balance	46,633	(15,947)	(20,443)	1,116	1,740	5,426	4,739	5,527	71,432	4,290
Fund balance beginning of year restated	25,114	69,998	56,670	36,226	53,337	54,273	59,698	64,425	69,952	141,384
Prior period adjustment	-	-	-	-	(804)	-	-	-	-	-
Fund balance at end of year	<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>	<u>\$ 145,674</u>
Debt service to noncapital expenses ratio	22.18%	9.00%	11.81%	11.83%	12.65%	9.77%	9.70%	8.65%	12.32%	15.98%

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	Lodging Tax	Municipal Energy Tax	Franchise Fee Tax	Total Tax Revenue
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	510	316	9,547	44,167
2020	17,463	914	20,675	1,433	420	318	9,603	50,828

(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

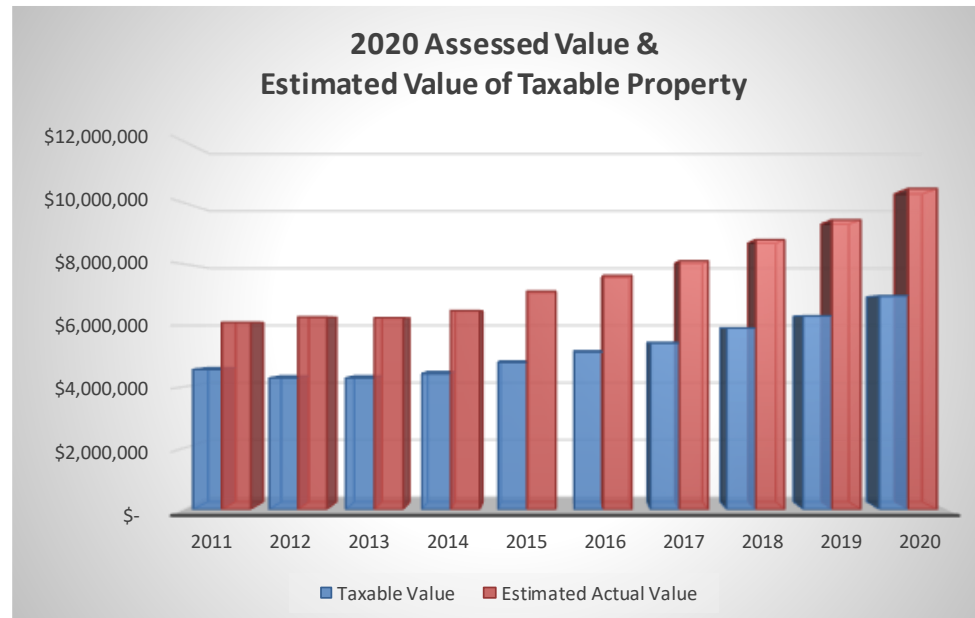
City is entitled to receive 1% of the sales tax revenue collected by the State of Utah

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

TAXABLE VALUE (1)							Ratio of Total Taxable Value To
Fiscal Year	Real Property	Personal Property	Centrally Assessed**	Taxable Value	Total Direct Tax Rate	Estimated Actual Value	Total Estimated Actual Value
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	0.001888	8,791,727	67.26%
2019	5,848,687	313,432	148,687	6,310,806	0.002560	9,442,223	66.84%
2020	6,434,400	383,351	147,683	6,965,434	0.002426	10,464,027	66.57%

(1) Source: Utah State Tax Commission

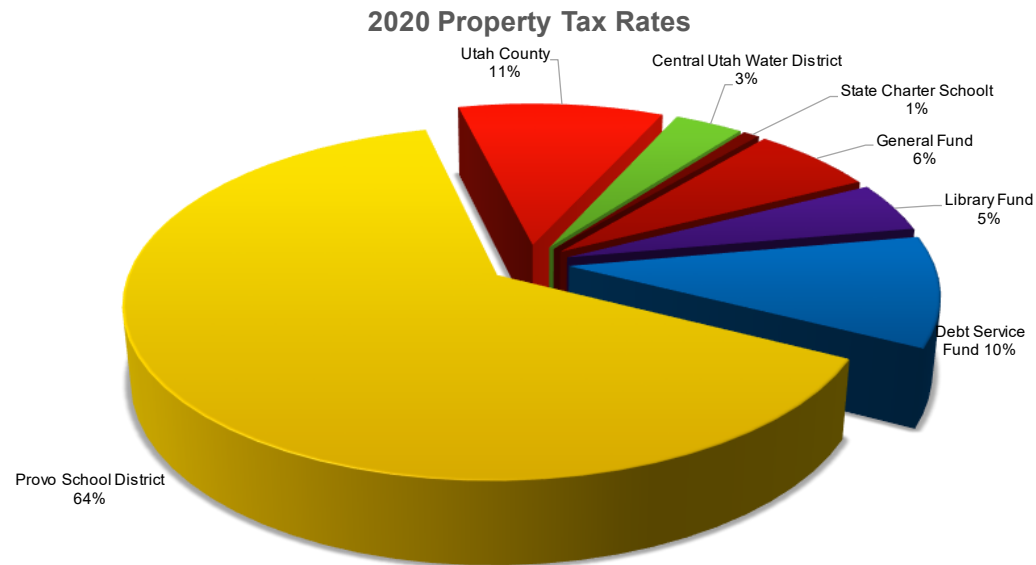
** 2012 added Centrally Assessed Column



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

City of Provo					Other Taxing Entities (1)					
Calendar Year	General Fund	Library Fund	Debt Service Fund	Total	Provo School District	Utah County	Central UT Water District	State Charter School	Total	Total Tax Rate
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
2020	0.000728	0.000529	0.001169	0.002426	0.007244	0.001202	0.000400	0.000093	0.008939	0.011365

(1) SOURCE: Utah County Auditor



PROVO CITY CORPORATION
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago
June 30, 2020
(amounts expressed in thousands)

Taxpayer	2020		2011		
	Taxable	Percentage of			Percentage of
	Assessed	Total Taxable	Assessed		Total Taxable
	Value	Value	Value	Rank	Value
SIR PROPERTIES TRUST	\$ 112,866	2.45%	\$ -	-	-
NU SKIN INTERNATIONAL INC	97,496	2.11%	-	-	-
IHC HEALTH SERVICES	84,981	1.84%	11,049	15	0.28%
B+F TIMPANOGOS TECH CENT	79,915	1.73%	-	-	-
CENTRAL UTAH INVESTMENT CO	47,642	1.03%	36,489	3	0.92%
BRIXTON PROVO MALL LLC	44,600	0.97%	48,270	2	1.22%
DUNCAN AVIATION	41,105	0.89%	-	-	-
UNION PACIFIC RAILROAD	40,715	0.88%	14,394	11	0.36%
QUESTAR GAS	38,267	0.83%	17,078	10	0.43%
TIMP CAMPUS LLC	32,094	0.70%	-	-	-
VISTA HEIGHTS INVESTMENTS	29,677	0.64%	-	-	-
DPRE RIVERWOODS I LLC	28,607	0.62%	-	-	-
TIGRISWOODS LLC	28,104	0.61%	18,732	8	0.47%
UTAH COMMUNITY CREDIT UNION	26,490	0.57%	-	-	-
PEAK JOAQUIN HOLDINGS LLC	25,908	0.56%	-	-	-
CENTURYLINK INC	24,487	0.53%	-	-	-
VERIZON COMMUNICATIONS	24,348	0.53%	-	-	-
PMH INVESTORS LLC	22,242	0.48%	-	-	-
HRA BRANBURY PARK LLC	22,160	0.48%	12,903	12	0.33%
MILLER FAMILY REAL ESTATE	21,495	0.47%	-	-	-
LIBERTY INVESTORS	21,062	0.46%	-	-	-
BLOCK 29 DEVELOPERS LLC	20,949	0.45%	-	-	-
TKG RIVERSIDE PLAZA LLC	20,209	0.44%	-	-	-
PARKWAY VILLAGE PARTNERS	19,460	0.42%	17,204	9	0.43%
B H PROVO LLC	18,254	0.40%	12,027	13	0.30%
FREEDOM PLAZA	17,872	0.39%	-	-	-
UTAH VALLEY MEDICAL OFFICES	17,868	0.39%	-	-	-
KC GARDNER RIVERWOODS	17,342	0.38%	-	-	-
RIVERWOODS MEDICAL ART	16,553	0.36%	7,855	29	0.20%
RELIANT-UTAH LLC	16,345	0.35%	-	-	-
GLE 1565 LLC	16,179	0.35%	-	-	-
JAMESTOWN SQUARE ASSOCIATES	15,852	0.34%	-	-	-
IRON VISTA	15,825	0.34%	-	-	-
PLUM TREE PROPERTY LLC	15,720	0.34%	-	-	-
COLLEGEPLACE BYU	13,694	0.30%	-	-	-
ASPEN BROOK LLC (ET AL)	13,584	0.29%	-	-	-
CORP OF PRES BISHOP CHURCH OF JESUS	12,816	0.28%	-	-	-
AT&T INC	12,700	0.28%	-	-	-
RAI 1849 LLC	12,662	0.27%	-	-	-
NORCO VISTA LLC	12,418	0.27%	-	-	-
SAMS REAL ESTATE BUSINESS TRUST	12,405	0.27%	7,474	31	0.19%
EAST BAY SHOPPING CENTER	11,982	0.26%	10,780	17	0.27%
HD DEVELOPMENT OF MARYLAND	11,974	0.26%	7,254	32	0.18%
MPT OF PROVO LLC	11,662	0.25%	-	-	-
VINTAGE PROPERTIES LP	11,461	0.25%	8,493	24	0.21%
MEDICAL CENTER COMPANY LC	11,243	0.24%	8,382	25	0.21%
PROVO HOSPITALITY GROUP	10,552	0.23%	-	-	-
MOUNTAIN VISTA PARTNERS	10,543	0.23%	-	-	-
SAN PIETRO PROPERTIES LLC	10,535	0.23%	-	-	-
TEMPLEVIEW PARTNERS LLC	10,369	0.22%	-	-	-

Total assessed value for Provo

\$ 4,611,603

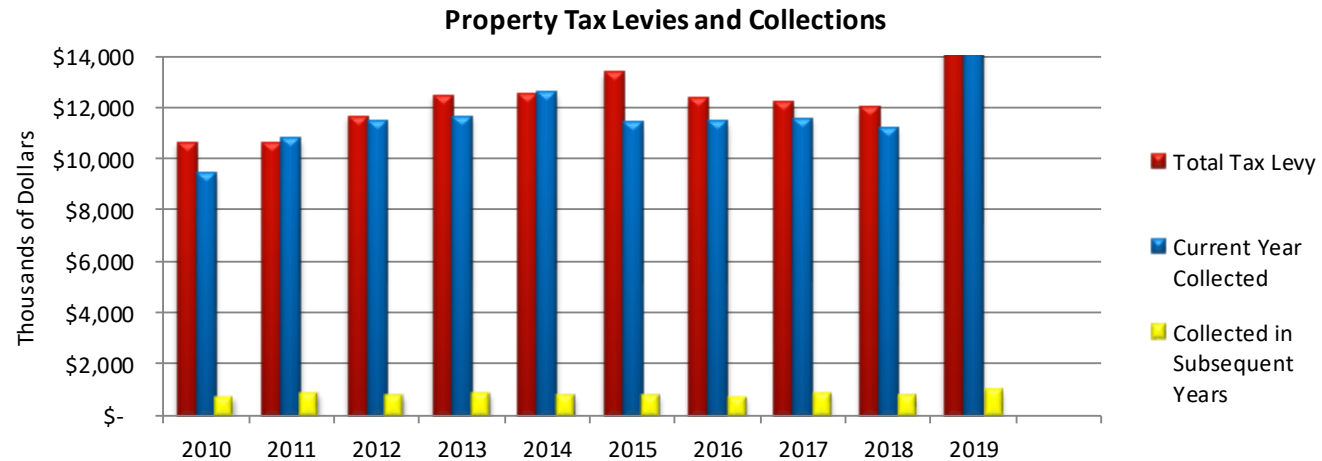
\$ 3,967,065

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 December 31	Total Tax Levy for Calendar Year	Total Adjusted Tax Levy	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Assessment
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%
2019	17,574	18,290	16,460	93.66%	1,006	17,463	95.48%



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)	(Provo)
	General	Revenue	Notes	Capital	Revenue	Notes	Capital		Percentage	
	Obligation Bonds	Bonds	Payable	Leases	Bonds	Payable	Leases		of Personal Income	Per Capita
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	0.04%	954
2019	103,961	20,156	1,149	7,274	44,854	-	-	177,394	N/A	1,512
2020	99,236	17,850	3,370	5,958	42,351	5,000	-	173,765	N/A	1,490

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 Estimated Actual Taxable Value of Property	Per Capita
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	3,344	37,695	0.82%	318
2015	38,213	1,230	36,983	0.77%	322
2016	36,555	1,004	35,551	0.69%	308
2017	34,867	1,085	33,782	0.62%	289
2018	35,411	1,080	34,331	0.58%	293
2019	103,961	1,084	102,877	1.63%	882
2020	99,236	1,079	98,157	N/A	N/A

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

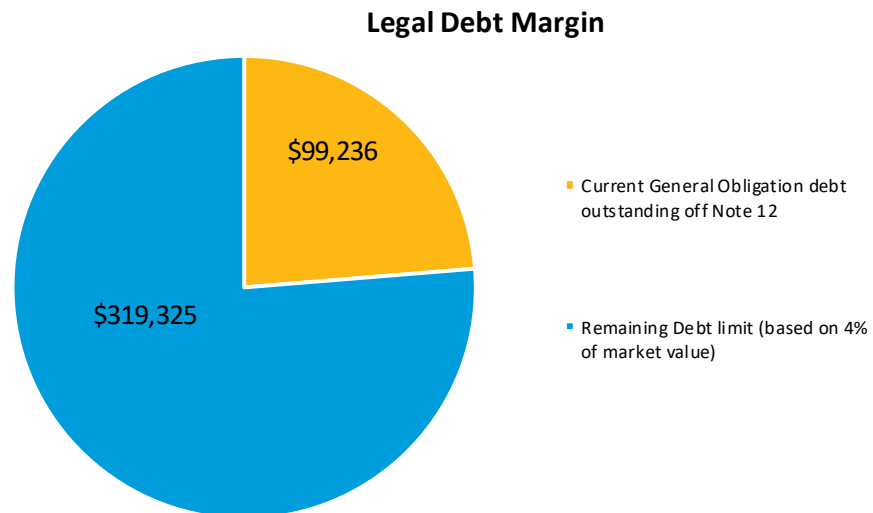
PROVO CITY CORPATION
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020
(amounts expressed in thousands)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Provo City School District*	\$ 102,200	100%	\$ 102,200
Utah County	<u>-</u>		<u>-</u>
Subtotal overlapping debt	<u>102,200</u>		<u>102,200</u>
Direct Debt from Governmental activities:			
General Obligation Bonds			99,236
Revenue bonds			17,850
Capital Leases			5,958
Notes Payable			<u>3,370</u>
Total Provo City Direct Debt from Governmental activities			<u>126,414</u>
Total direct and overlapping debt			<u><u>\$ 228,614</u></u>

*The School District and City boundaries are the same.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 269,683	\$ 250,988	\$ 250,064	\$ 259,338	\$ 282,160	\$ 302,604	\$ 322,001	\$ 351,669	\$ 377,689	\$ 418,561
Total net debt applicable to limit	48,595	45,996	43,796	41,039	38,213	36,555	34,867	35,411	103,961	99,236
Legal debt margin	221,088	204,992	206,268	218,299	243,947	266,049	287,134	316,258	273,728	319,325
Total net debt applicable to the limit as a percentage of debt limit	18.02%	18.33%	17.51%	15.82%	13.54%	12.08%	10.83%	10.07%	27.53%	23.71%



Sales Tax Revenue Bonds				
Fiscal Year	Sales Tax Revenue	Debt Service		Coverage
		Principal	Interest	
2011	\$ 13,996,455	\$ 1,460,000	\$ 1,756,436	4.35
2012	14,910,351	1,520,000	1,696,138	4.64
2013	15,461,642	1,585,000	1,629,258	4.81
2014	16,076,033	1,660,000	1,557,140	5.00
2015	16,625,467	1,735,000	1,479,286	5.17
2016	17,010,075	1,820,000	1,395,659	5.29
2017	17,918,298	1,910,000	1,306,115	5.57
2018	18,973,348	2,005,000	1,263,172	5.81
2019	19,582,083	2,110,000	1,304,052	5.74
2020	20,675,621	2,350,000	1,189,690	5.84

Energy Revenue Bonds						
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 58,364,515	\$ 50,242,202	\$ 8,122,313	\$ 3,695,000	\$ 865,134	1.78
2012	67,449,653	48,070,765	19,378,888	3,855,000	654,070	4.30
2013	69,526,364	49,162,309	20,364,055	4,015,000	433,745	4.58
2014	71,385,680	51,172,363	20,213,317	4,185,000	204,678	4.60
2015	71,453,976	55,303,831	16,150,145	-	-	-
2016	75,467,639	57,140,821	18,326,818	875,000	480,035	13.52
2017	77,096,441	61,940,171	15,156,270	720,000	634,622	11.19
2018	77,310,312	66,913,669	10,396,643	735,000	576,933	7.92
2019	76,317,202	66,997,930	9,319,272	750,000	605,522	6.88
2020	74,753,353	64,548,757	10,204,596	770,000	583,023	7.54

Storm Drain Revenue Bonds						
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	\$ 2,516,830	\$ 1,085,869	\$ 1,430,961	\$ 495,000	\$ 302,196	1.79
2012	3,088,692	1,289,705	1,798,987	505,000	293,139	2.25
2013	2,400,786	1,198,658	1,202,128	525,000	272,939	1.51
2014	2,434,443	1,461,025	973,418	535,000	262,439	1.22
2015	2,838,459	1,822,821	1,015,638	545,000	251,738	1.27
2016	3,795,310	2,288,068	1,507,242	560,000	239,476	1.89
2017	4,593,555	2,871,503	1,722,052	575,000	222,676	2.16
2018	4,929,742	2,408,114	2,521,628	595,000	201,564	3.17
2019	5,795,353	2,301,539	3,493,814	610,000	184,576	4.40
2020	5,829,834	2,191,067	3,638,767	630,000	165,738	4.57

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

	Wastewater Revenue Bonds					
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage
2011	\$ -	\$ -	\$ -	\$ -	\$ -	-
2012	-	-	-	-	-	-
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	6,898,529	4,483,344	2,415,185	-	-	-
2016	8,118,457	5,014,814	3,103,643	310,000	348,025	4.72
2017	9,539,983	7,057,377	2,482,606	310,000	344,750	3.79
2018	11,329,082	6,429,272	4,899,810	320,000	277,153	8.21
2019	14,998,704	7,405,388	7,593,316	335,000	322,650	11.55
2020	17,030,188	6,206,089	10,824,099	350,000	305,900	16.50

	Water Revenue Bonds					
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Interest	Coverage
2011	\$ 8,168,567	\$ 5,050,237	\$ 3,118,330	\$ 184,000	\$ 28,262	14.69
2012	8,410,196	5,125,837	3,284,359	192,000	20,880	15.43
2013	9,329,393	5,776,510	3,552,883	200,000	12,940	16.68
2014	9,417,201	6,211,095	3,206,106	208,000	4,420	15.09
2015	10,617,881	6,632,506	3,985,375	-	-	-
2016	11,602,845	7,574,864	4,027,981	370,000	417,566	5.11
2017	13,341,166	7,995,529	5,345,637	375,000	413,675	6.78
2018	14,458,782	9,561,473	4,897,309	385,000	332,188	6.83
2019	14,568,792	11,037,632	3,531,160	400,000	387,025	4.49
2020	15,255,075	11,912,122	3,342,953	420,000	367,025	4.25

**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	PERSONAL	MEDIAN	SCHOOL	UNEMPLOYMENT	REGISTERED
		<u>INCOME</u>	<u>INCOME</u>		<u>AGE</u>	<u>ENROLLMENT</u>	<u>RATE</u>	<u>VOTERS</u>
		<u>(millions)</u>						<u>SCHOOLS</u>
2011	114,625	\$ 15,996	\$ 28,978		23.3	14,750	7.6	61,977
2012	115,925	16,879	30,807		23.5	15,322	5.4	40,211
2013	116,288	17,948	31,223		23.4	15,505	4.7	49,558
2014	118,447	19,138	32,230		23.7	14,824	3.5	42,475
2015	114,807	21,535	34,227		23.5	16,600	3.6	40,558
2016	115,264	21,811	36,154		23.6	15,914	3.4	41,737
2017	116,868	23,518	38,075		23.7	16,302	3.5	41,805
2018	117,335	25,877	40,831		23.6	17,165	3.3	34,536
2019	116,618	**	**		**	15,486	2.8	41,452
2020	**	**	**		**	15,152	5	41,453

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, 2020
(Unaudited)

	<u>2020</u>	<u>2011</u>
EMPLOYER	<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	
CENTRAL UTAH MEDICAL CLINIC	1000-1999	
CHRYSLIS UTAH, INC.	1000-1999	
QUALTRICS, LLC	1000-1999	
FRONTIER COMMUNICATIONS	500-999	
NU SKIN INTERNATIONAL INC	500-999	1000-4999
RBD ACQUISITION SUB, INC.	500-999	
UHS OF PROVO CANYON, INC.	500-999	
UTAH STATE HOSPITAL	500-999	500-999
ARM SECURITY INC	250-499	
DESERET INDUSTRIES	250-499	
HEALTH DEPT	250-499	
HERITAGE SCHOOLS, 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
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>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>2020</u>
General Government	106	121	135	139	143	142	146	144	145	153
Public Safety										
Fire	78	85	83	81	80	80	80	80	83	83
Police	157	175	166	165	165	168	172	172	153	157
Emergency Response	9	8	9	9	7	5	4	4	27	26
Public Services										
Street Maintenance	16	18	16	16	16	16	16	16	16	16
Engineering	12	16	14	15	16	16	17	17	18	20
Culture and Recreation	173	136	182	198	229	221	224	219	241	250
Other										
Water	32	33	32	32	36	37	37	35	36	37
Wastewater	27	28	28	28	28	28	29	30	30	35
Energy	83	97	65	63	64	66	67	69	69	70
Airport	2	2	4	4	4	4	4	4	4	5
Sanitation	16	16	14	14	14	17	17	19	35	21
Golf Course	8	0	8	8	8	14	14	14	13	13
Telecom	0	0	1	1	0	0	0	0	0	0
Vehicle Maintenance	7	10	8	8	8	8	8	8	8	9
Facilities	7	13	8	8	8	8	8	8	8	8
	733	758	773	789	826	830	843	839	886	903

PROVO CITY CORPORATION
Operating Indicators By Function
Last Ten Fiscal Years

Function	<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>2020</u>
Police (Calendar Year)										
Adult Arrest	1,912	N/A **	2,179	2,327	2,215	2,275	2,072	2,443	1,928	2,324
DUI violations	214	N/A **	302	267	245	222	227	209	188	216
Juvenile Arrests	489	N/A **	484	440	470	328	343	354	487	258
Parking violations	14,471	12,099	10,933	N/A	14,027	14,632	17,611	20,624	22,899	16,250
Traffic violations	7,505	8,769	9,479	N/A	9,618	8,097	7,865	7,197	10,915	8,044
Fire (Calendar Year)										
Number of ambulance calls	5843	4223	4,534	N/A	4831	4992	5,153	5,078	5,001	4,929
Number of FIRE/EMS combined	10129	9981	10,472	N/A	10931	11495	11,023	11,522	11,505	11,470
Inspections	571	456	431	N/A	455	420	424	329	476	240
Highways and streets										
General Road Repair (tons of asphalt used)	4,023	2,588	2,250	52,886	17,318	21,696	13,312	24,189	16,513	17,629
Potholes repaired (tons of asphalt used)	40	70	61	244	230	191	224	45	91	108
Sidewalks replaced (linear feet)	12,800	350	6,019	7,755	8,320	10,547	6,285	8,080	7,021	7,464
Sanitation										
Refuse collected (tons/yr)	21,212	20,288	20,979	20,295	21,108	N/A	21,148	21,208	21,483	21,023
Recyclables collected (tons/yr)	1,305	2,021	2,222	2,133	2,163	N/A	2,586	2,657	2,574	2,508
Culture and recreation										
Recreation Center Attendance	N/A	N/A	N/A	1,466,000	1,610,996	1,882,865	1,976,552	2,050,209	2,034,949	1,616,000
Youth sports program participants	44,232	47,783	48,525	49,119	53,359	55,635	68,525	63,706	58,892	35,887
Adult sports program participants	67,980	60,351	59,668	54,056	49,595	51,612	52,462	52,111	40,142	20,676
Aquatics program participants	110,033	115,405 ***	82,585	104,000	114,520	N/A	N/A	N/A	N/A	N/A
Senior citizen program participants	54,816	44,111 ***	13,189	22,154	25,028	N/A	N/A	N/A	N/A	N/A
Community special events participants	32,887	35,730	30,993	24,565	31,795	31,226	28,750	35,380	32,790	24,500
Covey Center for the Arts Participants	123,931	146,774	140,760	131,497	124,276	118,427	109,225	106,380	102,200	72,210
Peaks Ice Arena participants	321,548	319,404	330,286	335,374	345,435	352,444	375,000	382,000	387,000	378,000
The Center	52,360	41,352 ***	18,116	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community program Participants	19,386	10,375 ***	6,377	8,942	23,064	N/A	N/A	N/A	N/A	N/A
Energy										
Energy Requirements (kwh)	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	775,952,424
Water										
Number of Consumers (connections)	18,653	18,787	18,882	19,004	18,999	19,067	19,239	19,422	19,561	19,472
Water mains breaks	45	33	32	25	34	33	35	41	21	27
Average Daily Consumption (gallons)	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	25,254,395
Wastewater										
Average daily sewage treatment (gallons)	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	11,033,000

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>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>2020</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	0	0
Police Officers	72	78	100	105	105	105	105	105	105	113
Fires Stations	5	5	5	5	5	5	5	5	5	5
Sanitation										
Collection trucks	10	11	13	13	13	13	14	14	16	16
Highways and streets										
Street lane miles	882	882	882	882	882	882	646	639	640	643
Traffic signals	90	90	88	94	94	105	49	49	50	48
Water										
Water mains (miles)	384	389	389	389	393	399	393	398	400	403
Fire hydrants	3,064	3,070	3,107	3,130	3,156	3,204	3,271	3,303	3,325	3,328
Sewer										
Sanitary sewers (miles)	300	302	309	310	313	310	293	315	317	319
Storm sewers (miles)	123	123.5	130.0	138.0	126.5	128.0		135.0	131.5	134.0
Electric										
Number of distribution stations	18	18	18	18	19	19	18	18	18	20
Miles of service lines	404	404	404	400	400	400	400	400	412	413
Number of consumer connections	35,281	35,248	35,119	36,286	36,139	36,536	36,800	37,377	37,352	37,725
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	53	53	54	54	54	54	54
Developed park acreage	382	802	802	802	802	800	800	800	794	794
Undeveloped				11	11	10	10	10	8	8
Undeveloped Parks (Partial)		14	14	14	14	14	14	14	16	16
Undeveloped park acreage		1,370	1,370	1,370	1,370	1,369	1,369	1,369	1,223	1,223
Recreation Centers	2	2	1	1	1	1	1	1	1	1
Senior Center	1	1	0	0	0	0	0	0	0	0
Swimming pools	2	2	1	1	1	1	1	1	5	5
Pocket Parks		4	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	1.1
Neighborhood Parks		18	18	18	18	17	17	17	17	17
Neighborhood Parks (Acres)		90.9	90.9	90.9	90.9	88.2	88.2	88.2	82.2	82.2
Community Parks		14	14	14	14	15	15	15	14	14
Community Parks (Acres)		283.1	283.1	283.1	283.1	283.1	283.1	283.1	252.0	252.0
Regional Parks		4	4	4	4	4	4	4	7	7
Regional Parks (Acres)		167.4	167.4	167.4	167.4	167.4	167.4	167.4	204.0	204.0
Conservation Parks		5	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	609.6
Greenways/Road Frontage Landscapes		8	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	68.4
Trailhead Parks		7	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	21.2
Pathways/Trails		15	15	15	15	14	14	14	14	14
Pathways/Trails(Miles)		37.2	37.2	37.2	37.2	35.4	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	553.8
Turf Acres in Developed Areas (Acres)		463.9	463.9	463.9	463.9	461.9	461.9	461.9	452.0	452.0
Special Use Facilities		10	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	5.0
Center Street Linear Park (Acres)		7.2	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	4.0
Shooting Sports Park (Acres)		50.0	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	4.0
Cemetery (Acres)		49.1	49.1	49.1	49.1	57.1	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	1.0
East Bay Golf Course (Acres)		226.0	226.0	226.0	226.0	226.0	226.0	226.0	226.0	226.0
Provo Recreation Center (Acres)		18.5	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	13.6

Sources: Various City departments