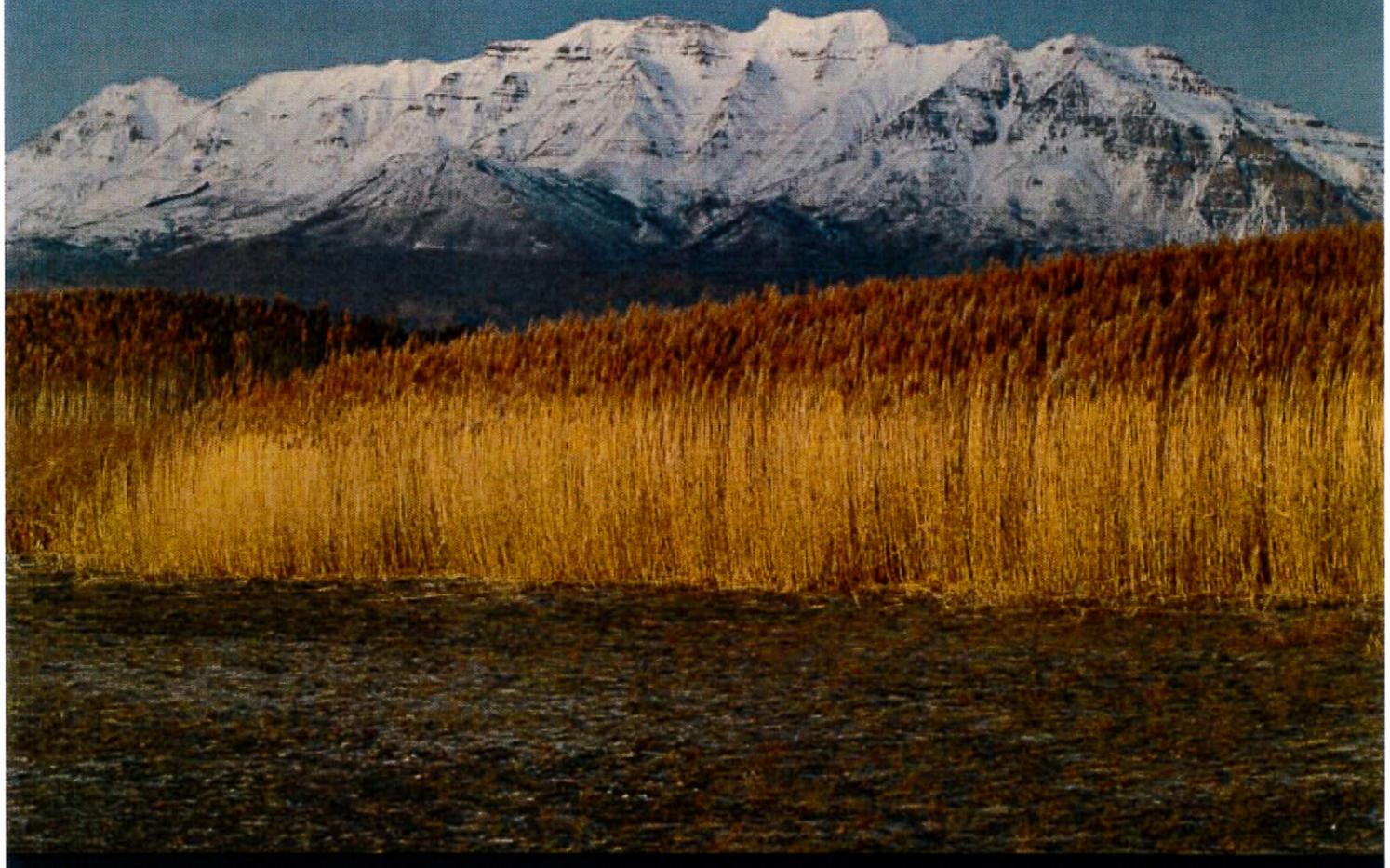




CITY OF OREM

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT



YEAR ENDED JUNE 30, 2013



Keddington & Christensen, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Gary K. Keddington, CPA
Brent E. Christensen, CPA
Phyl R. Warnock, CPA

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Orem, Utah (the City), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents. The prior year partial comparative information has been derived from the City's June 30, 2012 financial statements and, in our report dated December 6, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Report Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report on our consideration of the City's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters dated December 3, 2013. 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 the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Other Matters

Required Supplementary Information

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining statements, budgetary comparisons, and schedules of capital assets as listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section 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.

Keddington & Christensen, LLC

December 3, 2013

City of Orem
Statement of Net Position
June 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 14,863,295	\$ 13,465,916	\$ 28,329,211
Receivables (Net of Allowance for Uncollectibles)	699,183	2,987,049	3,686,232
Property and Other Taxes Receivable	8,876,245	-	8,876,245
Special Assessments Receivable	5,000,876	-	5,000,876
Intergovernmental Receivables	288,723	-	288,723
Internal Balances	58,536	(58,536)	-
Inventory	406,380	-	406,380
Notes Receivable	356,229	-	356,229
Prepaid Expenses	183,807	-	183,807
Unamortized Charges	234,824	345,080	579,904
Restricted Assets:			
Cash and Cash Equivalents:			
Debt Service	3,711,797	-	3,711,797
Capital Improvement Projects	11,430,067	2,078,613	13,508,680
Other Purposes	4,963,154	-	4,963,154
Receivables:			
Debt Service	4,407,482	-	4,407,482
Capital Improvement Projects	4,576,431	-	4,576,431
Other Purposes	1,332,396	-	1,332,396
Capital Assets:			
Non-depreciable Capital Assets	59,267,718	4,070,735	63,338,453
Depreciable Capital Assets (net)	87,429,197	80,476,035	167,905,232
Total Assets	<u>\$ 208,086,340</u>	<u>\$ 103,364,892</u>	<u>\$ 311,451,232</u>
LIABILITIES			
Accounts Payable	\$ 1,686,169	\$ 1,434,552	\$ 3,120,721
Customer Deposits	2,933,406	64,110	2,997,516
Accrued Liabilities	978,256	143,235	1,121,491
Unearned Revenues	1,998,804	444,551	2,443,355
Accrued Interest Payable	345,258	443,775	789,033
Liabilities Payable from Restricted Assets	30,942	-	30,942
Noncurrent Liabilities:			
Due within One Year	5,512,843	2,028,823	7,541,666
Due in more than One Year	28,813,855	30,865,867	59,679,722
Total Liabilities	<u>42,299,532</u>	<u>35,424,913</u>	<u>77,724,445</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenues	10,663,652	-	10,663,652
Total Deferred Inflows of Resources	<u>10,663,652</u>	<u>-</u>	<u>10,663,652</u>
NET POSITION			
Net Investment in Capital Assets	116,156,331	52,401,013	168,557,344
Restricted for:			
Debt Service	3,321,577	-	3,321,577
Construction	14,939,254	2,035,413	16,974,667
Other Purposes	5,238,370	-	5,238,370
Unrestricted	15,467,624	13,503,553	28,971,177
Total Net Position	<u>\$ 155,123,156</u>	<u>\$ 67,939,979</u>	<u>\$ 223,063,135</u>

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

City of Orem
Statement of Activities
For The Year Ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Government	\$ 11,534,649	\$ 9,624,404	\$ 22,750	\$ -
Public Safety	21,305,592	4,306,443	736,406	99,109
Highways and Public Improvements	7,485,469	-	-	2,480,481
Parks, Recreation and Arts	8,961,377	820,453	49,560	33,492
Economic and Physical Development	778,954	163,099	464,446	-
Redevelopment	1,217,886	-	-	-
Interest on Long-term Debt	6,151,718	-	-	-
Total Governmental Activities	<u>57,435,645</u>	<u>14,914,399</u>	<u>1,273,162</u>	<u>2,613,082</u>
Business-type Activities:				
Water	10,405,264	11,021,745	-	54,080
Water Reclamation	6,164,406	7,146,508	-	52,160
Storm Sewer	2,338,213	3,091,807	-	288,267
Recreation	1,758,026	1,650,645	-	-
Solid Waste	2,999,632	3,237,559	-	-
Street Lighting	1,260,509	897,672	-	-
Total Business-type Activities	<u>24,926,050</u>	<u>27,045,936</u>	<u>-</u>	<u>394,507</u>
Total Primary Government	<u>\$ 82,361,695</u>	<u>\$ 41,960,335</u>	<u>\$ 1,273,162</u>	<u>\$ 3,007,589</u>

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

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

City of Orem
Balance Sheet
Governmental Funds
June 30, 2013

	General	Debt Service	Redevelopment	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 8,984,593	\$ 1,724,555	\$ -	\$ 1,970,068	\$ 12,679,216
Receivables (Net of Allowance for Uncollectibles)	374,855	-	-	-	374,855
Property Taxes Receivable	4,684,702	-	-	-	4,684,702
Other Taxes Receivable	4,191,543	-	-	-	4,191,543
Special Assessments Receivable	5,000,876	-	-	-	5,000,876
Intergovernmental Receivables	193,952	-	-	94,771	288,723
Due from Other Funds	150,995	-	-	-	150,995
Notes Receivable	-	-	-	356,229	356,229
Prepays	183,807	-	-	-	183,807
Restricted Cash and Cash Equivalents:					
Debt Service	2,863,752	848,045	-	-	3,711,797
Capital Improvement Projects	2,346,744	-	7,286,232	1,797,091	11,430,067
Other Purposes	10,145	-	551,000	4,402,009	4,963,154
Restricted Receivables:					
Debt Service	-	4,407,482	-	-	4,407,482
Capital Improvement Projects	531,431	-	4,045,000	-	4,576,431
Other Purposes	-	-	-	-	-
Total Assets	<u>\$ 29,517,395</u>	<u>\$ 6,980,082</u>	<u>\$ 11,882,232</u>	<u>\$ 9,952,564</u>	<u>\$ 58,332,273</u>
LIABILITIES					
Accounts Payable	\$ 900,649	\$ 70,149	\$ -	\$ 703,646	\$ 1,674,444
Customer Deposits	2,933,406	-	-	-	2,933,406
Accrued Liabilities	1,248,585	-	-	3,130	1,251,715
Due to Other Funds	-	-	-	92,459	92,459
Unearned Revenues	6,145,774	-	-	853,906	6,999,680
Liabilities Payable from Restricted Assets	30,744	-	198	-	30,942
Total Liabilities	<u>11,259,158</u>	<u>70,149</u>	<u>198</u>	<u>1,653,141</u>	<u>12,982,646</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Property Tax Revenues	4,684,702	1,933,950	4,045,000	-	10,663,652
Total Deferred Inflows of Resources	<u>4,684,702</u>	<u>1,933,950</u>	<u>4,045,000</u>	<u>-</u>	<u>10,663,652</u>
FUND BALANCES					
Nonspendable	183,807	2,473,532	-	-	2,657,339
Restricted	5,721,516	848,045	7,837,034	6,435,267	20,841,862
Committed	75,000	-	-	-	75,000
Assigned	1,500,374	1,654,406	-	1,864,156	5,018,936
Unassigned	6,092,838	-	-	-	6,092,838
Total Fund Balances	<u>13,573,535</u>	<u>4,975,983</u>	<u>7,837,034</u>	<u>8,299,423</u>	<u>34,685,975</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 29,517,395</u>	<u>\$ 6,980,082</u>	<u>\$ 11,882,232</u>	<u>\$ 9,952,564</u>	

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

Capital assets used in governmental funds are not financial resources.	146,696,915
Other long-term assets are not available to pay for current-period expenditures.	234,824
Certain revenue is unearned in governmental funds but not in the Statement of Net Position because it qualifies for recognition under the economic resources measurement focus.	5,325,204
Internal service funds are used by management to charge the cost of fleet management, self-insurance, and purchasing/warehousing. The current assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position.	2,204,102
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period.	(33,964,924)
Other financial obligations not due and payable in the current period.	286,318
Interest payable on long-term obligations does not require current financial resources and is not reported in the governmental funds.	(345,258)
Net position of governmental activities	<u>\$ 155,123,156</u>

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

City of Orem
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2013

	General	Debt Service	Redevelopment	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and Special Assessments	\$ 31,382,380	\$ 3,364,622	\$ 4,137,383	\$ 1,711,475	\$ 40,595,860
Licenses and Permits	1,147,855	-	-	-	1,147,855
Intergovernmental	3,421,798	-	-	464,446	3,886,244
Charges for Services	5,657,865	-	-	369,131	6,026,996
Fines and Forfeitures	1,358,345	-	-	-	1,358,345
Charges for Services - Other Funds	4,447,898	-	-	-	4,447,898
Interest Revenues	127,619	3,157	53,184	90,479	274,439
Miscellaneous Revenue	1,453,593	-	-	436,066	1,889,659
Total Revenues	<u>48,997,353</u>	<u>3,367,779</u>	<u>4,190,567</u>	<u>3,071,597</u>	<u>59,627,296</u>
EXPENDITURES					
Current:					
General Government	11,093,324	-	-	-	11,093,324
Public Safety	20,332,951	-	-	-	20,332,951
Highways and Public Improvements	2,974,008	-	-	-	2,974,008
Parks, Recreation and Arts	6,059,839	-	-	1,498,332	7,558,171
Economic and Physical Development	271,010	-	-	436,393	707,403
Redevelopment	-	-	1,128,457	-	1,128,457
Debt Service:					
Principal Retirement	-	3,080,714	-	50,000	3,130,714
Interest and Fiscal Charges	-	6,177,091	-	56,205	6,233,296
Capital Leases - Principal	98,213	-	-	-	98,213
Capital Leases - Interest	12,099	-	-	-	12,099
Capital Outlay	1,732,780	-	-	230,373	1,963,153
Total Expenditures	<u>42,574,224</u>	<u>9,257,805</u>	<u>1,128,457</u>	<u>2,271,303</u>	<u>55,231,789</u>
Excess (Deficiency) of Revenues over (under) Expenditures	6,423,129	(5,890,026)	3,062,110	800,294	4,395,507
OTHER FINANCING SOURCES (USES)					
Gain (Loss) on Asset Disposals	-	-	-	48,275	48,275
Transfers In	2,077,155	4,540,171	-	582,654	7,199,980
Transfers Out	(6,008,519)	(200,000)	(1,332,682)	(247,620)	(7,788,821)
Total Other Financing Sources (Uses)	<u>(3,931,364)</u>	<u>4,340,171</u>	<u>(1,332,682)</u>	<u>383,309</u>	<u>(540,566)</u>
Net Change in Fund Balances	2,491,765	(1,549,855)	1,729,428	1,183,603	3,854,941
Fund Balance - Beginning	11,081,770	6,525,838	6,107,606	7,115,820	30,831,034
Fund Balance - Ending	<u>\$ 13,573,535</u>	<u>\$ 4,975,983</u>	<u>\$ 7,837,034</u>	<u>\$ 8,299,423</u>	<u>\$ 34,685,975</u>

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

City of Orem
Reconciliation of The Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For The Year Ended June 30, 2013

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

Net Change in Fund Balances - Total Governmental Funds		\$ 3,854,941	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>			
Capital Asset Purchases Capitalized	\$ 909,714		
Depreciation Expense	<u>(6,543,239)</u>	(5,633,525)	
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.</p>			
Principal Payments recorded as a reduction of the long-term liability	<u>\$ 3,228,927</u>	3,228,927	
<p>Governmental funds report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.</p>			
Amortization of Bond Issuance Costs	\$ (19,289)		
Amortization of Bond Issuance Costs - Refundings	(72,188)		
Amortization of Bond Premiums (Discounts)	<u>95,757</u>	4,280	
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.</p>			
Compensated Absences	\$ 207,523		
Interest Expense	16,653		
Other Post Employment Benefits (OPEB) Expense	<u>(412,813)</u>	(188,637)	
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>			
			(692,602)
<p>Internal service funds are used by management to charge the costs of fleet management, purchasing/warehousing and self-insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>			
			<u>574,334</u>
Change in Net Position of Governmental Activities			<u><u>\$ 1,147,718</u></u>

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

City of Orem
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and Special Assessments	\$ 30,944,557	\$ 29,200,557	\$ 31,382,380	\$ 2,181,823
Licenses and Permits	975,000	975,000	1,147,855	172,855
Intergovernmental	2,827,635	3,274,537	3,421,798	147,261
Charges for Services	5,397,200	5,405,573	5,657,865	252,292
Fines and Forfeitures	1,208,000	1,310,700	1,358,345	47,645
Charges for Services - Other Funds	4,447,898	4,447,898	4,447,898	-
Interest Revenues	226,443	227,443	127,619	(99,824)
Miscellaneous Revenues	981,446	1,187,015	1,453,593	266,578
Total Revenues	<u>47,008,179</u>	<u>46,028,723</u>	<u>48,997,353</u>	<u>2,968,630</u>
EXPENDITURES				
General Government:				
Legislative	304,205	307,805	303,581	4,224
Executive	2,158,723	2,443,733	2,255,856	187,877
Administrative Services	4,031,063	4,195,512	3,821,574	373,938
Development Services	3,468,369	3,525,947	3,267,767	258,180
Legal Services	977,051	936,051	873,206	62,845
Other - Unclassified	653,188	846,290	583,517	262,773
Total General Government	<u>11,592,599</u>	<u>12,255,338</u>	<u>11,105,501</u>	<u>1,149,837</u>
Public Safety:				
Administration	646,518	651,749	583,224	68,525
Police	12,461,133	13,171,462	12,755,150	416,312
Fire	7,732,242	7,498,426	7,258,754	239,672
Total Public Safety	<u>20,839,893</u>	<u>21,321,637</u>	<u>20,597,128</u>	<u>724,509</u>
Highways and Public Improvements:				
Administration	315,759	318,075	311,954	6,121
Maintenance & Engineering	4,472,359	5,827,606	4,078,401	1,749,205
Total Highways and Public Improvements	<u>4,788,118</u>	<u>6,145,681</u>	<u>4,390,355</u>	<u>1,755,326</u>
Parks, Recreation and Arts	6,221,747	6,569,647	6,099,918	469,729
Economic and Physical Development	1,314,909	285,309	271,010	14,299
Debt Service:				
Capital Leases - Principal	98,213	98,213	98,213	-
Capital Leases - Interest	12,099	12,099	12,099	-
Total Debt Service	<u>110,312</u>	<u>110,312</u>	<u>110,312</u>	<u>-</u>
Total Expenditures	<u>44,867,578</u>	<u>46,687,924</u>	<u>42,574,224</u>	<u>4,099,401</u>
Excess of Revenues over Expenditures	<u>2,140,601</u>	<u>(659,201)</u>	<u>6,423,129</u>	<u>7,082,330</u>
OTHER FINANCING SOURCES (USES)				
Capital Leases	-	-	-	-
Transfers In	1,842,885	2,077,155	2,077,155	-
Transfers Out	(5,319,271)	(6,009,271)	(6,008,519)	752
Total Other Financing Sources (Uses)	<u>(3,476,386)</u>	<u>(3,932,116)</u>	<u>(3,931,364)</u>	<u>752</u>
Net Change in Fund Balance	<u>(1,335,785)</u>	<u>(4,591,317)</u>	<u>2,491,765</u>	<u>7,083,082</u>
Fund Balance - Beginning	11,081,770	11,081,770	11,081,770	-
Fund Balance - Ending	<u>\$ 9,745,985</u>	<u>\$ 6,490,453</u>	<u>\$ 13,573,535</u>	<u>\$ 7,083,082</u>

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

City of Orem
Redevelopment - Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For The Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 4,020,000	\$ 4,137,382	\$ 4,137,383	\$ 1
Interest Revenues	-	-	53,184	53,184
Total Revenues	<u>4,020,000</u>	<u>4,137,382</u>	<u>4,190,567</u>	<u>53,185</u>
EXPENDITURES				
Current:				
Redevelopment	2,687,318	8,724,915	1,128,457	7,596,458
Total Expenditures	<u>2,687,318</u>	<u>8,724,915</u>	<u>1,128,457</u>	<u>7,596,458</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,332,682</u>	<u>(4,587,533)</u>	<u>3,062,110</u>	<u>7,649,643</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(1,332,682)	(1,332,682)	(1,332,682)	-
Total Other Financing Sources (Uses)	<u>(1,332,682)</u>	<u>(1,332,682)</u>	<u>(1,332,682)</u>	<u>-</u>
Net Change in Fund Balance	-	(5,920,215)	1,729,428	7,649,643
Fund Balance - Beginning	6,107,606	6,107,606	6,107,606	-
Fund Balance - Ending	<u>\$ 6,107,606</u>	<u>\$ 187,391</u>	<u>\$ 7,837,034</u>	<u>\$ 7,649,643</u>

City of Orem
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water Fund	Water Fund	Water Reclamation Fund	Water Reclamation Fund	Storm Sewer Fund
	Current Year	Prior Year	Current Year	Prior Year	Current Year
ASSETS					
Current Assets:					
Cash and Cash Equivalents	\$ 6,095,689	\$ 5,549,022	\$ 3,564,489	\$ 2,626,982	\$ 2,460,067
Accounts Receivable (Net of Allowance for Doubtful Accounts)	1,481,272	1,548,047	735,412	764,561	288,505
Inventories	-	-	-	-	-
Prepays	-	-	-	-	-
Restricted Cash & Cash Equivalents:					
Debt Service & Capital Improvements	2,035,413	1,949,513	-	294,967	-
Total Current Assets	9,612,374	9,046,582	4,299,901	3,686,510	2,748,572
Noncurrent Assets:					
Unamortized Charges	212,874	229,177	68,075	71,729	64,131
Capital Assets:					
Land	-	-	570,209	570,209	1,898,443
Buildings and Systems	1,720,799	1,720,799	3,057,201	3,380,362	679,293
Improvements other than Buildings	9,198,722	9,217,110	702,993	595,039	357,034
Machinery and Equipment	1,769,973	1,683,661	4,302,373	4,406,148	1,587,422
Infrastructure	53,380,531	56,542,996	50,365,909	38,607,024	15,684,747
Construction in Progress	859,591	-	100,102	13,231,458	582,568
Intangibles	20,000	20,000	-	-	-
Less Accumulated Depreciation	(28,580,889)	(30,314,779)	(30,950,718)	(31,857,713)	(5,100,763)
Total Capital Assets (Net of Accumulated Depreciation)	38,368,727	38,869,787	28,148,069	28,932,527	15,688,744
Total Noncurrent Assets	38,581,601	39,098,964	28,216,144	29,004,256	15,752,875
Total Assets	\$ 48,193,975	\$ 48,145,546	\$ 32,516,045	\$ 32,690,766	\$ 18,501,447
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 1,002,735	\$ 985,161	\$ 114,191	\$ 283,386	\$ 8,400
Customer Deposits	64,110	52,846	-	-	-
Accrued Liabilities	39,257	40,389	43,093	147,623	14,596
Due to Other Funds	-	-	-	-	-
Accrued Vacation and Sick Leave	82,516	87,222	57,607	58,759	37,378
Claims and Judgments	-	-	-	-	-
Unearned Revenue	51,496	63,285	-	-	-
Accrued Interest Payable	341,645	353,209	6,825	10,063	95,305
Bonds Payable - Current Portion	730,095	703,095	824,000	809,000	255,713
Total Current Liabilities	2,311,854	2,285,207	1,045,716	1,308,831	411,392
Noncurrent Liabilities:					
Accrued Vacation and Sick Leave	4,342	4,590	3,032	3,092	1,967
Claims and Judgments	-	-	-	-	-
Bonds Payable - Long-term Portion	15,664,836	16,394,931	10,938,757	11,769,757	4,250,748
Total Noncurrent Liabilities	15,669,178	16,399,521	10,941,789	11,772,849	4,252,715
Total Liabilities	17,981,032	18,684,728	11,987,505	13,081,680	4,664,107
NET POSITION					
Net Investment in Capital Assets	22,338,241	22,165,318	16,385,312	16,353,770	11,336,230
Restricted for Debt Service & Capital Improvements	2,035,413	1,949,513	-	294,967	-
Unrestricted	5,839,289	5,345,987	4,143,228	2,960,349	2,501,110
Total Net Position	\$ 30,212,943	\$ 29,460,818	\$ 20,528,540	\$ 19,609,086	\$ 13,837,340

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

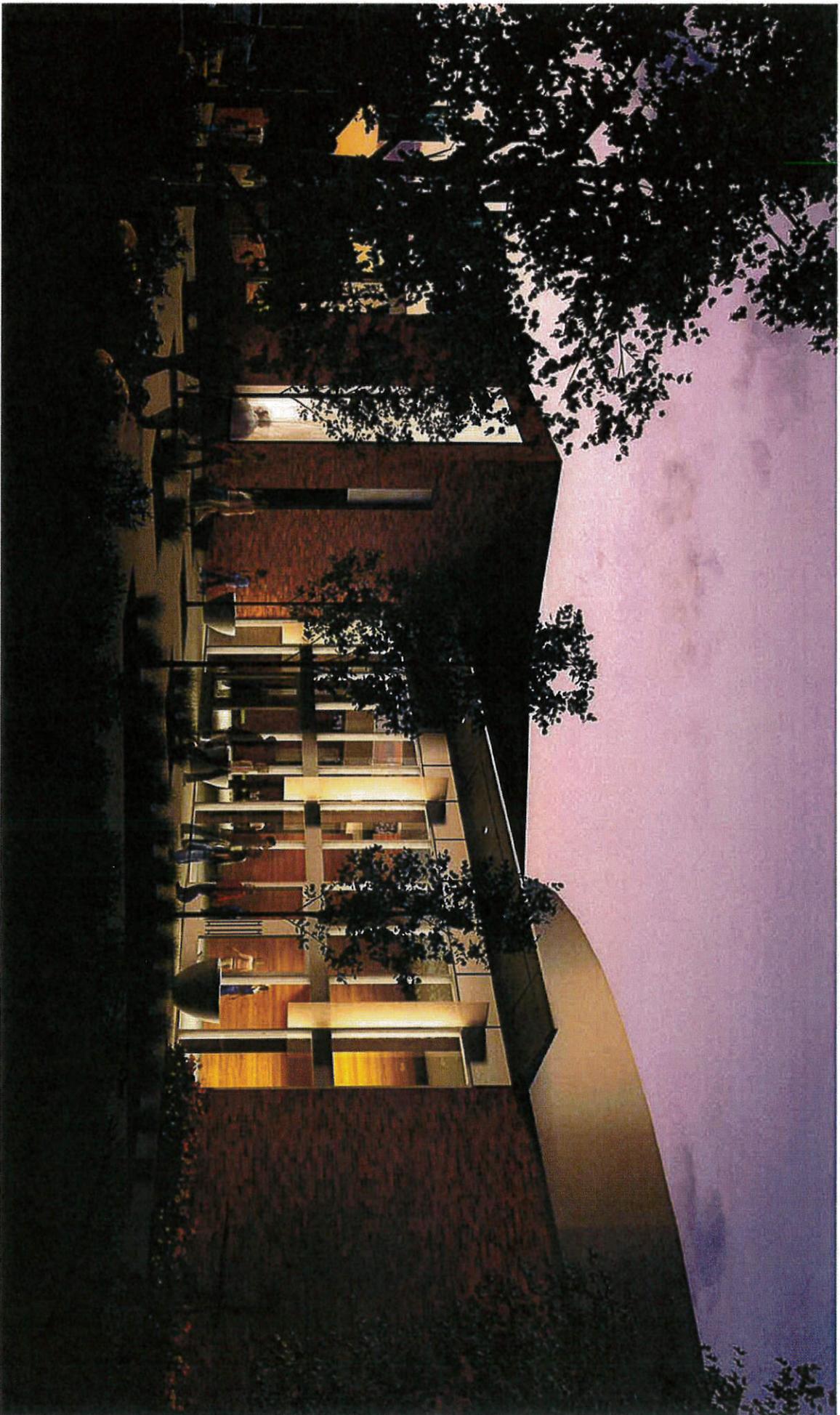
Storm Sewer Fund Prior Year	Other Enterprise Funds Current Year	Other Enterprise Funds Prior Year	Total		Governmental Activities Internal Service Funds Current Year
			Current Year	Prior Year	
\$ 2,598,592	\$ 1,345,671	\$ 1,307,433	\$ 13,465,916	\$ 12,082,029	\$ 2,184,079
283,671	481,860	476,808	2,987,049	3,073,087	.
.	.	680	.	680	406,380
371,316	43,200	.	2,078,613	2,615,796	.
<u>3,253,579</u>	<u>1,870,731</u>	<u>1,784,921</u>	<u>18,531,578</u>	<u>17,771,592</u>	<u>2,590,459</u>
69,420	.	.	345,080	370,326	.
1,176,034	39,822	39,822	2,508,474	1,786,065	.
679,293	4,125,955	4,131,130	9,583,248	9,911,584	150,000
357,034	1,895,601	1,798,197	12,154,350	11,967,380	.
1,584,506	105,748	116,657	7,765,516	7,790,972	217,244
15,578,492	1,263,915	1,246,991	120,695,102	111,975,503	.
.	.	129	1,542,261	13,231,587	.
.	.	.	20,000	20,000	.
<u>(4,460,742)</u>	<u>(5,089,811)</u>	<u>(4,965,912)</u>	<u>(69,722,181)</u>	<u>(71,599,146)</u>	<u>(224,299)</u>
14,914,617	2,341,230	2,367,014	84,546,770	85,083,945	142,945
14,984,037	2,341,230	2,367,014	84,891,850	85,454,271	142,945
<u>\$ 18,237,616</u>	<u>\$ 4,211,961</u>	<u>\$ 4,151,935</u>	<u>\$ 103,423,428</u>	<u>\$ 103,225,863</u>	<u>\$ 2,733,404</u>
\$ 39,022	\$ 309,226	\$ 285,899	\$ 1,434,552	\$ 1,593,468	\$ 11,725
.	.	.	64,110	52,846	.
15,101	46,289	50,162	143,235	253,275	12,859
.	58,536	448,464	58,536	448,464	.
38,292	41,514	50,172	219,015	234,445	49,832
.	.	.	.	.	311,941
371,316	393,055	361,540	444,551	796,141	.
99,761	.	.	443,775	463,033	.
255,713	.	.	1,809,808	1,767,808	.
<u>819,205</u>	<u>848,620</u>	<u>1,196,237</u>	<u>4,617,582</u>	<u>5,609,480</u>	<u>386,357</u>
2,016	2,185	2,642	11,526	12,340	13,401
.	.	.	.	.	669,043
4,506,461	.	.	30,854,341	32,671,149	.
<u>4,508,477</u>	<u>2,185</u>	<u>2,642</u>	<u>30,865,867</u>	<u>32,683,489</u>	<u>682,444</u>
<u>5,327,682</u>	<u>850,805</u>	<u>1,198,879</u>	<u>35,483,449</u>	<u>38,292,969</u>	<u>1,068,801</u>
10,319,086	2,341,230	2,367,014	52,401,013	51,205,188	142,945
.	.	.	2,035,413	2,244,480	.
2,590,848	1,019,926	586,042	13,503,553	11,483,226	1,521,658
<u>\$ 12,909,934</u>	<u>\$ 3,361,156</u>	<u>\$ 2,953,056</u>	<u>\$ 67,939,979</u>	<u>\$ 64,932,894</u>	<u>\$ 1,664,603</u>

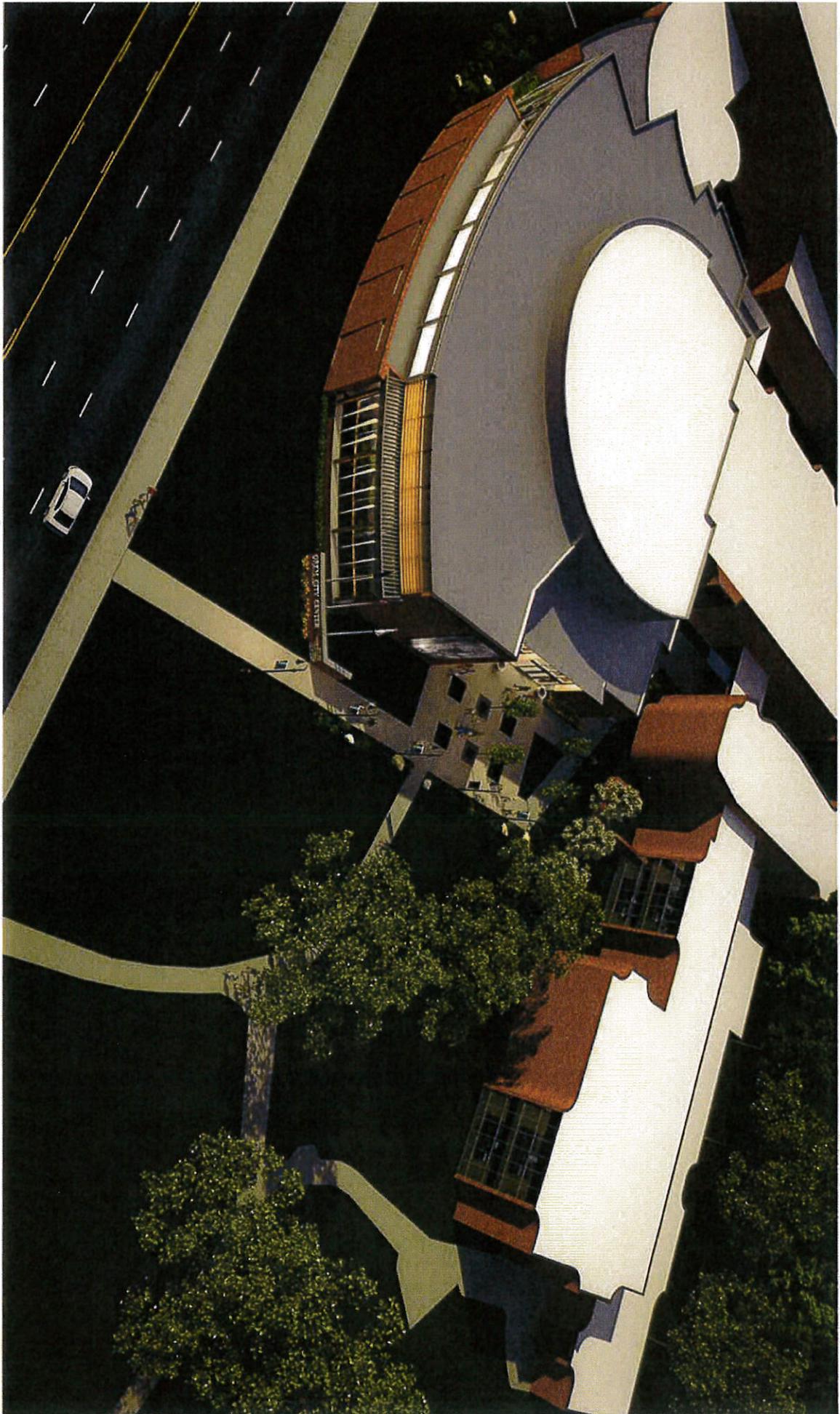
City of Orem
Statement of Revenues, Expenses, and Change in Net Position
Proprietary Funds
For The Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water Fund	Water Fund	Water Reclamation Fund	Water Reclamation Fund	Storm Sewer Fund
	Current Year	Prior Year	Current Year	Prior Year	Current Year
OPERATING REVENUES					
Charges for Services	\$ 10,071,475	\$ 9,765,330	\$ 6,380,841	\$ 6,329,891	\$ 2,793,384
Other Revenues	950,270	1,275,567	765,667	481,875	298,423
Total Operating Revenues	<u>11,021,745</u>	<u>11,040,897</u>	<u>7,146,508</u>	<u>6,811,766</u>	<u>3,091,807</u>
OPERATING EXPENSES					
Personnel Services	1,851,773	1,829,309	2,028,481	2,105,684	651,159
Supplies and Maintenance	667,690	680,674	713,955	636,648	263,956
Administrative Fee	1,322,372	1,295,151	884,441	854,576	337,013
Utilities	534,023	462,322	634,577	584,089	8,415
Contract Services	3,055,319	2,708,624	507,136	743,387	139,232
Equipment Lease and Rentals	26,561	35,231	18,402	12,060	9,000
Insurance	139,263	138,462	102,627	102,003	41,571
Charges in Lieu of Property Tax	75,000	122,500	50,000	52,500	-
Depreciation Expense	1,934,845	1,852,900	1,069,685	979,954	644,005
Miscellaneous	91,077	83,892	75,217	70,895	42,926
Total Operating Expenses	<u>9,697,923</u>	<u>9,209,065</u>	<u>6,084,521</u>	<u>6,141,796</u>	<u>2,137,277</u>
Operating Income (Loss)	<u>1,323,822</u>	<u>1,831,832</u>	<u>1,061,987</u>	<u>669,970</u>	<u>954,530</u>
NONOPERATING REVENUES AND EXPENSES					
Interest Revenue	48,672	58,852	16,134	29,202	15,164
Gain (Loss) on Sale of Capital Assets	1,300	94,629	(55,327)	61,034	-
Donations / Grants	-	-	-	-	198,267
Deferred Charges	(16,304)	(16,304)	(3,655)	(3,655)	(5,289)
Interest Expense	(691,037)	(714,132)	(20,903)	(28,532)	(195,647)
Total Nonoperating Revenues	<u>(657,369)</u>	<u>(576,955)</u>	<u>(63,751)</u>	<u>58,049</u>	<u>12,495</u>
Income (Loss) before Transfers and Contributions	666,453	1,254,877	998,236	728,019	967,025
Contributions from Developers	54,080	49,000	52,160	24,400	90,000
Transfers In	96,017	105,370	-	-	-
Transfers Out	(64,425)	(65,429)	(130,942)	(141,299)	(129,619)
Change in Net Position	752,125	1,343,818	919,454	611,120	927,406
Total Net Position - Beginning	29,460,818	28,117,000	19,609,086	18,997,966	12,909,934
Total Net Position - Ending	<u>\$ 30,212,943</u>	<u>\$ 29,460,818</u>	<u>\$ 20,528,540</u>	<u>\$ 19,609,086</u>	<u>\$ 13,837,340</u>

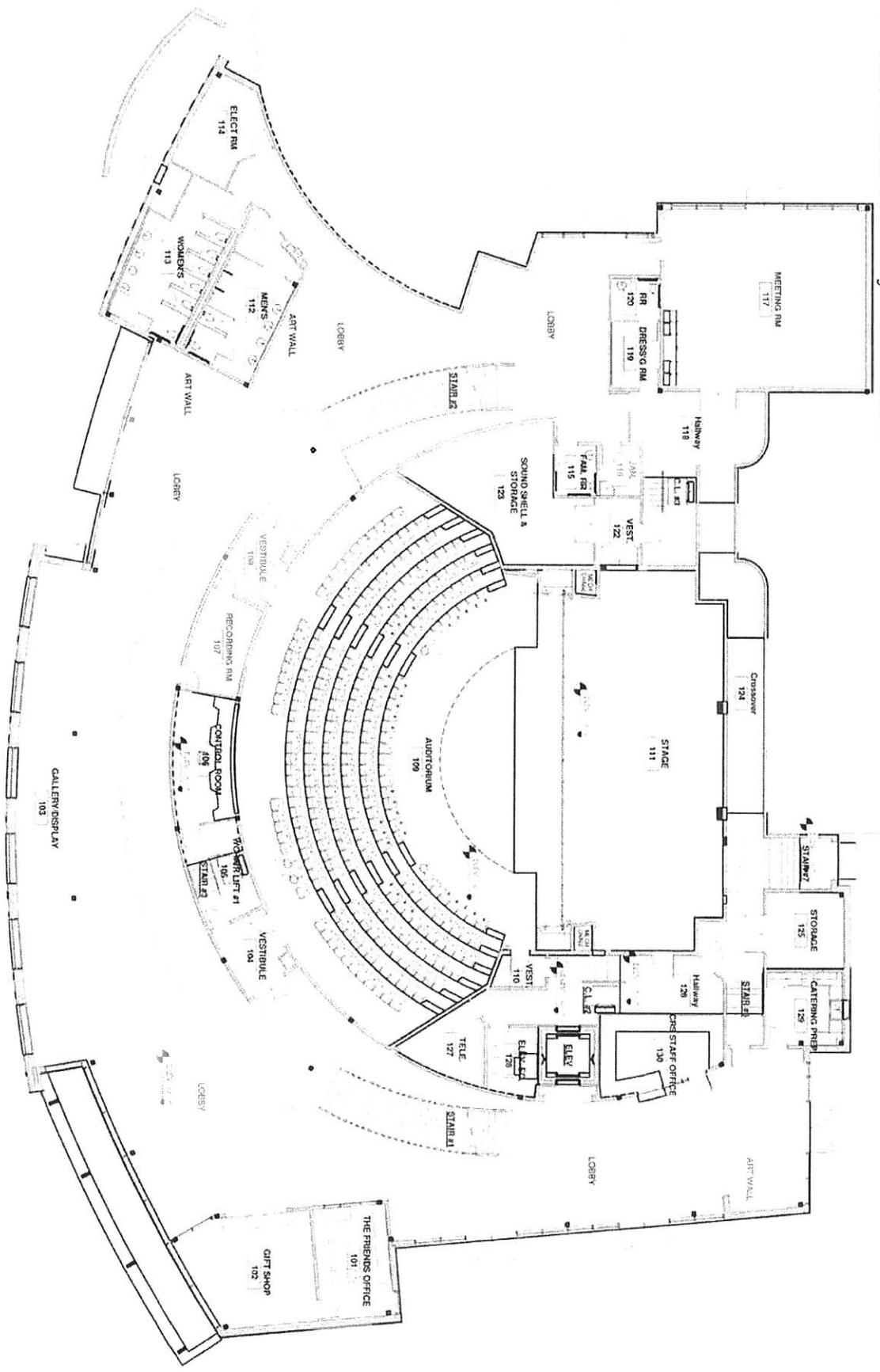
The notes to the financial statements are an integral part of this statement

Storm Sewer Fund	Other Enterprise Funds	Other Enterprise Funds	Total	Total	Governmental
					Activities
Prior Year	Current Year	Prior Year	Current Year	Prior Year	Internal Service Funds Current Year
\$ 2,779,313	\$ 5,756,356	\$ 5,745,628	\$ 25,002,056	\$ 24,620,162	\$ 2,648,452
165,038	29,520	9,468	2,043,880	1,931,948	180
<u>2,944,351</u>	<u>5,785,876</u>	<u>5,755,096</u>	<u>27,045,936</u>	<u>26,552,110</u>	<u>2,648,632</u>
669,910	1,225,184	1,351,398	5,756,597	5,956,301	781,616
210,265	243,062	265,445	1,888,663	1,793,032	1,461,727
360,310	375,354	391,980	2,919,180	2,902,017	-
8,556	689,426	548,498	1,866,441	1,603,465	-
148,592	2,598,268	2,814,877	6,299,955	6,415,480	-
11,685	679,525	665,775	733,488	724,751	-
41,341	-	-	283,461	281,806	-
-	-	-	125,000	175,000	-
630,123	145,763	145,213	3,794,298	3,608,190	19,835
44,187	61,585	56,381	270,805	255,355	-
<u>2,124,969</u>	<u>6,018,167</u>	<u>6,239,567</u>	<u>23,937,888</u>	<u>23,715,397</u>	<u>2,263,178</u>
<u>819,382</u>	<u>(232,291)</u>	<u>(484,471)</u>	<u>3,108,048</u>	<u>2,836,713</u>	<u>385,454</u>
23,372	10,681	13,741	90,651	125,167	-
15,150	1,135	-	(52,892)	170,813	(355)
-	-	-	198,267	-	-
(5,289)	-	-	(25,248)	(25,248)	-
(205,354)	-	-	(907,587)	(948,018)	-
<u>(172,121)</u>	<u>11,816</u>	<u>13,741</u>	<u>(696,809)</u>	<u>(677,286)</u>	<u>(355)</u>
647,261	(220,475)	(470,730)	2,411,239	2,159,427	385,099
-	-	-	196,240	73,400	-
-	764,809	300,000	860,826	405,370	200,000
(67,068)	(136,234)	(33,534)	(461,220)	(307,330)	(10,765)
580,193	408,100	(204,264)	3,007,085	2,330,867	574,334
<u>12,329,741</u>	<u>2,953,056</u>	<u>3,157,320</u>	<u>64,932,894</u>	<u>62,602,027</u>	<u>1,090,269</u>
<u>\$ 12,909,934</u>	<u>\$ 3,361,156</u>	<u>\$ 2,953,056</u>	<u>\$ 67,939,979</u>	<u>\$ 64,932,894</u>	<u>\$ 1,664,603</u>





The Center for Story - Main Floor



The Center for Story - Balcony

