Financial Statements
June 30, 2019 and 2018

Utah Municipal Power Agency

Independent Auditor's Report

The Board of Directors of
Utah Municipal Power Agency
Spanish Fork, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Municipal Power Agency, which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits 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 audits 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Utah Municipal Power Agency, as of June 30, 2019 and 2018, and the results of its operations and cash flows for the years 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 3 through 7, the schedule of the proportionate share of the net pension liability on page 33, the schedule of contributions on page 34, and the notes to required supplementary information on page 35, 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 an opinion on the financial statements taken as a whole. The schedule of changes in funds established by the bond indenture and bond resolution on page 36 is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule of changes in funds established by the bond indenture and bond resolution is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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 schedule of changes in funds established by the bond indenture and bond resolution is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019 on our consideration of Utah Municipal Power Agency 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 solely 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 effectiveness of Utah Municipal Power Agency's 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 Utah Municipal Power Agency's internal control over financial reporting and compliance.

Eide Bailly LLP

Salt Lake City, Utah
December 9, 2019

This discussion and analysis provides an overview of the financial performance and activities of Utah Municipal Power Agency (UMPA or the Agency) for the fiscal years ended June 30, 2019 and 2018. The information presented should be read in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Financial Statements Overview

The Agency operates as a utility enterprise and substantially follows the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission. The accompanying basic financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Agency's basic financial statements include the statements of net position, the statements of revenues, expenses, and changes in net position, and the statements of cash flows.

The statements of net position provide information about the nature and amount of assets and obligations (liabilities) of the Agency as of the end of the year. The statements of revenues, expenses, and changes in net position reports revenues and expenses for the current year. The statements of cash flows report cash receipts, cash payments, and net changes in cash resulting from operating, capital and related financing activities, and investing activities.

Condensed Financial Statements and Analysis

The following comparative condensed statements of net position summarize the financial position of the Agency for the years ended June 30, 2019, 2018 and 2017:

Condensed Statements of Net Position

	2019	2018	2017
Assets and Deferred Outflow of Resources:			
Current assets	$ 62,001,612	$ 65,499,519	$ 77,290,037
Utility plant & equipment, net	124,245,719	120,854,488	97,232,840
Deferred outflow of resources	1,276,520	942,855	919,930
Total assets and deferred outflow of resources	$ 187,523,851	$ 187,296,862	$ 175,442,807
Liabilities and Deferred Inflow of Resources:			
Current liabilities	$ 11,308,826	$ 12,375,106	$ 12,251,516
Long-term liabilities	116,543,729	120,537,026	124,939,429
Deferred inflow of resources	59,667,946	54,381,380	38,248,512
Total liabilities and deferred inflow of resources	187,520,501	187,293,512	175,439,457
Net Position:			
Net investment in capital assets	5,035,347	(557,247)	(10,706,455)
Restricted for debt service	15,765,486	17,016,286	40,836,674
Unrestricted	(20,797,483)	(16,455,689)	(30,126,869)
Total net position	3,350	3,350	3,350
Total liabilities, deferred inflow, and net position	$ 187,523,851	$ 187,296,862	$ 175,442,807

Condensed statements of net position highlights are as follows:

- A decrease in current assets at year-end of $3.5 million is the primary effect of $1.2 million decrease in cash and investments, a $900,000 decrease in receivables for member and non-member power sales, and $1.4 million decrease of inventory at the West Valley Plant and Bonanza Unit. The 2019 decrease in cash and investments was due to $1.3 million spending from the 2016 Bond Project Fund to pay for control upgrades at the West Valley Plant in 2019 and $9.4 million spending for West Valley Plant major repairs and control upgrades. In order to accumulate an appropriate balance in the Repair and Replacement Fund for planned major maintenance at the West Valley Plant, budgeted and collected member contributions of $2.8 million. Under a tolling agreement for the West Valley Plant, UMPA collected a run hour charge of $1.4 million held in the Repair and Replacement Fund for future maintenance of the facility. Budgeted and collected member contributions of $1.8 million were allocated to the Rate Stabilization Fund in 2019.

  In 2018 current assets decreased $11.8 million due to a $11.1 million decrease in cash and investments, a $300,000 decrease in receivables for member and other power sales, and a decrease of $310,000 of inventory at the West Valley and Bonanza Plants. The 2018 decrease in cash and investments was due to $18.1 million spending from the 2016 Bond Project Fund to pay for the construction of the UMPA Provo Power Plant and Administrative office building. Capitalized interest funds of $2.5 million were applied to debt service payments in 2018. Total budgeted and collected member and tolling agreement contributions of $7.3 million were added to the Repair and Replacement Fund. Budgeted and collected member contributions of $1.7 million were allocated to the Rate Stabilization Fund in 2018.

- Utility plant & equipment, net increased by approximately $3.4 million during 2019. This is attributable to total additions of $10.7 million for the completion control upgrades and major overhauls at the West Valley Plant offset by an increase in accumulated depreciation of approximately $7.6 million. Capital additions in the amount of $250,000 were for the Hunter 1 Unit. Utility plant & equipment, net includes the Agency's 3.75% undivided ownership interest in the Bonanza Unit, with a historical cost of $28.6 million, and the Agency's 6.25% undivided ownership interest in certain related transmission facilities, with a historical cost of $8.7 million. It also includes the Agency's 6.75% undivided ownership interest in the Hunter 1 Unit, with a historical cost of $18.0 million.

  In 2018 utility plant & equipment net increased by $23.6 million due to the completion of the $18.6 million UMPA Provo Power Plant, office building, and work in process for control upgrades at the West Valley Plant. The transfer of Provo's 6.75% ownership interest in the Hunter 1 Unit was recorded at the carrying value of $11.3 million. More detailed information about the capital assets is presented in Note 4 to the financial statements.

- Long-term revenue bonds payable decreased $5.0 million in 2019. Long-term 2016 revenue bonds outstanding decreased $5.0 million due to the classification of the current portion of long-term liabilities and the net effect of bond premium amortization. Long-term liabilities decreased $4.2 million in 2018 with the $4.1 million classification of the current portion of long-term liabilities and the Long-term 2016 revenue bonds outstanding decrease of $200,000 due to bond premium amortization. More detailed information about the long-term revenue bonds payable is presented in Note 6 to the financial statements.

- Deferred inflow of resources related to future billings to members increased $5.7 million in 2019. This is attributable to an increase of $1.8 million of member contributions to the Rate Stabilization Fund, a net decrease of $4.2 million of contributions and spending from the Repair and Replacement Fund, and an increase of $8.3 million of the net revenues to be returned in future billings to members. The Agency's rate stabilization account may be used to meet unanticipated increases in revenue requirements in subsequent periods or achieve rate stability to members. Deferred inflow of resources related to future billings to members increased $15.8 million from 2017 to 2018, which represented a $1.7 million increase in the Rate Stabilization Fund, a $7.3 million increase in the Repair and Replacement Fund, $11.3 million increase in capital assets transferred, and a $4.5 million decrease in net revenues to be returned in future billings to members.

- Restricted net position consists of the Bond Fund, Debt Service Fund, and Project Fund. The unrestricted net position consists of the Revenue Fund, Repair and Replacement Fund, and Rate Stabilization Fund. These funds were created under UMPA's 2003 Bond Indenture and under UMPA's 2016 Bond Resolution. The 2016 Series under the Bond Resolution are subordinate to Revenue Bonds issued under the Bond Indenture. The Rate Stabilization Fund, created by a UMPA Board resolution in 1999 and subsequently incorporated by the Bond Indenture in 2003, is used as designated by UMPA's Board.

The comparative condensed statements of revenues, expenses, and changes in net position summarize the changes in financial position of the Agency for the years ended June 30, 2019, 2018 and 2017:

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2019	2018	2017
Operating revenues	$ 83,056,369	$ 79,523,349	$ 85,420,998
Operating expenses	74,759,783	72,334,831	76,365,997
Income from operations	8,296,586	7,188,518	9,055,001
Interest income	1,187,878	932,010	620,263
Interest expense	(3,792,125)	(3,992,261)	(4,707,262)
Gain on sale of other utility assets	3,802	347,774	-
Net Non-operating revenues (expenses)	(2,600,445)	(2,712,477)	(4,086,999)
Change in net position before transfer and adjustments	5,696,141	4,476,041	4,968,002
Transfer in of generation assets	-	11,343,675	-
Deferred inflow of resources adjustment	(5,696,141)	(15,819,716)	(4,968,002)
Change in net position	-	-	-
Beginning net position	3,350	3,350	3,350
Ending net position	$ 3,350	$ 3,350	$ 3,350

- Operating revenues from power sales increased by approximately $3.5 million between 2019 and 2018. Power sales consist principally of member power sales revenue and other power sales. Revenue from power sales to members was consistent with the prior year as member capacity decreased 0.4% and energy increased 1.2%. Energy not needed for member load is sold in the market. Other power sales revenues increased $1.3 million in 2019 due to favorable markets and sales from tolling the West Valley Plant increased $840,000. In 2018, operating revenues from total power sales decreased by approximately $5.9 million from 2017. Sales to members increased $70,000 due to a member capacity and energy increase. Other power sales decreased $5.4 million due to a sales contract ending in prior year and capacity and energy sales from the West Valley Plant decreased $500,000.

- Operating expenses increased by approximately $2.4 million between 2019 and 2018. This difference is attributable primarily to generation costs, dedicated resource costs, and other power costs.

Total Generation costs has a net increase of $3.6 million in 2019.

The Hunter 1 Unit had an increase of $1.6 million in fuel costs with 50% more utilization and a decrease of $1.4 million of capital & maintenance costs primarily due to no planned outage in 2019. In 2018 the Hunter plant fuel costs decreased $350,000 while operating and maintenance costs increased $320,000 because of a planned outage.

The Bonanza Unit had an overall increase of $90,000 in 2019. Fuel costs had a net increase of $70,000 from an increase of variable cost per ton of coal, 4.5% less utilization, and coal inventory true-ups. Bonanza's operating and maintenance expenses decreased $108,000 while administration, property service charge, and county taxes net increased $130,000. Bonanza generation costs in 2018 were $1.5 million lower than the previous year due to $1.5 million decreased fuel costs and a decrease of $170,000 in maintenance costs from shorter outage period than prior year.

The West Valley Plant had an increase of $990,000 in 2019. Variable costs net increased $90,000 due to an increase costs related to 53% more run hours utilization and a decrease in actual variable cost per run hour. Fixed costs net increased $900,000 due to planned additional preventative maintenance projects and inspections during the outage, additional accrued benefits as operators became employees of the Agency, and a decrease of operating management fees. West Valley generation costs net increased $160,000 in 2018 primarily from operating a full twelve months and from the structure of the tolling agreement.

The UMPA Provo Plant costs increased $270,000 in 2019. Variable costs net increased $200,000 for additional utilization of the plant for twelve months and a decrease in actual variable cost per run hour. Other fixed costs net increased $70,000 including maintenance, benefits, and equipment supplies. In 2018 the new plant started operations in November and incurred $170,000 in variable costs while other fixed costs increased $60,000 including insurance, consulting, and other maintenance.

Dedicated resource costs had a net decrease of $1.1 million in 2019. In September 2017 the Hunter 1 Unit ownership interest was transferred to UMPA and the Capacity Purchase Agreement with Provo was terminated. The 2019 decrease is attributable to the $1.1 million costs for the portion of the prior year that the Hunter 1 Unit was still allocated as a dedicated resource cost. The hydro Capacity Purchase Agreement costs increased $11,000 because of maintenance costs. In 2018, dedicated resource costs decreased $4.2 million primarily due to the transfer and reclassification of the Hunter 1 Unit costs to Generation Costs.

Other power costs decreased $1.0 million in 2019. Other power costs consist of UMPA's long-term and firm contracts for power, and supplemental power purchased on the market. Other power costs also include power purchased for resale to other entities. Other purchased power costs net decreased 3.4% because of addition of lower cost renewable resources, additional utilization of contracts that had higher unit availability, and displacing higher cost resources with lower cost market alternatives during the year. In 2018, other power costs decreased $5.5 million.

Transmission costs decreased $983,000 in 2019.

Depreciation expense increased $1.5 million in 2019 with the addition of new generation facilities and capital additions.

Budgetary Highlights

UMPA's budget and rates to Members are established on the annual revenue requirement of the Agency. UMPA's Board of Directors adopted a fiscal year 2019 budget with total expenditures of $79.5 million including budgeted operating expenses of $70.6 million and debt service of $8.9 million. Actual operating expenses and debt service were $78.9 million, $570,000 or 0.7% under budget. Total interest and other income were greater than budget by $990,000. Total operating revenues were greater than budget by $400,000 or 0.5%.

Contact Information

This financial report is designed to provide a general overview of the Agency's finances. Questions or requests for additional information should be addressed to the VP of Finance, 696 West 100 South, Spanish Fork, UT 84660.

	2019	2018
Current Assets		
Cash, cash equivalents, and investments - Note 1 & 3	$ 50,177,250	$ 51,407,647
Accounts receivable		
Member power sales	9,170,519	10,300,527
Other power sales	577,158	358,300
Inventory - Note 1	2,076,685	3,433,045
Total Current Assets	62,001,612	65,499,519
Noncurrent Assets		
Utility Plant and Equipment - Note 1 & 4		
Interest in generating plant and work in process	156,294,822	145,294,045
Interest in transmission system	8,744,772	8,729,746
Other utility assets and work in process	4,484,022	4,508,113
Less: accumulated depreciation	(45,277,897)	(37,677,416)
Utility Plant and Equipment - Net	124,245,719	120,854,488
Deferred Outflows of Resources		
Future recoverable costs (net of accumulated amortization of $226,247 in 2019 and $210,742 in 2018) - Note 1	7,753	23,258
Deferred outflow of resources related to pensions - Note 10	907,382	542,865
Asset retirement costs (net of accumulated depreciation of $46,039 in 2019 and $30,692 in 2018) Note 1	361,385	376,732
Total Deferred Outflows of Resources	1,276,520	942,855
Total Assets and Deferred Outflows of Resources	$ 187,523,851	$ 187,296,862

	2019	2018
Current Liabilities		
Accounts payable	$ 4,300,244	$ 6,233,042
Current portion of compensated absences - Note 1	127,893	-
Accrued bond interest payable	1,985,689	2,087,064
Current portion of revenue bonds payable - Note 6	4,895,000	4,055,000
Total Current Liabilities	11,308,826	12,375,106
Long-Term Liabilities		
Net pension liability - Note 10	1,425,382	659,370
Compensated absences - Note 1	437,188	142,715
Asset retirement obligations - Note 9	466,178	445,706
Revenue bonds payable - Note 6	114,214,981	119,289,235
Total Long-Term Liabilities	116,543,729	120,537,026
Total Liabilities	127,852,555	132,912,132
Deferred Inflows of Resources		
Deferred inflow of resources related to pensions - Note 10	48,402	457,977
Deferred inflow of resources related to future billings to members - Note 5	59,619,544	53,923,403
Total Deferred Inflows of Resources	59,667,946	54,381,380
Total Liabilities and Deferred Inflows of Resources	187,520,501	187,293,512
Net Position		
Net investment in capital assets	5,035,347	(557,247)
Restricted for debt service	15,765,486	17,016,286
Unrestricted	(20,797,483)	(16,455,689)
Total Net Position	3,350	3,350
Total Liabilities, Deferred Inflows of Resources, and Net Position	$ 187,523,851	$ 187,296,862

	2019	2018
Operating Revenues		
Power sales:		
Members	$ 74,375,947	$ 72,955,994
Other	8,647,800	6,542,553
Other operating revenue	32,622	24,802
Total Operating Revenues	83,056,369	79,523,349
Operating Expenses		
Generation costs	21,908,667	18,274,244
Federal hydro power costs	8,520,041	8,535,748
Dedicated resource costs	81,755	1,165,606
Other power costs	30,370,023	31,451,904
Transmission costs	3,043,710	4,026,822
Operation costs	1,545,759	1,310,910
Depreciation	7,631,137	6,090,841
Depreciation related to asset retirement costs	15,346	15,346
Accretion related to asset retirement costs	20,472	19,572
General and administrative	1,622,873	1,443,838
Total Operating Expenses	74,759,783	72,334,831
Income from Operations	8,296,586	7,188,518
Non-Operating Revenues (Expenses)		
Interest income	1,187,878	932,010
Interest expense	(3,792,125)	(3,992,261)
Gain on sale of other utility assets	3,802	347,774
Net Non-Operating Expenses	(2,600,445)	(2,712,477)
Change in net position before transfers & adjustments	5,696,141	4,476,041
Transfer in of generation assets - Note 7	-	11,343,675
Deferred inflow of resources adjustment - Note 1 & 5	(5,696,141)	(15,819,716)
Change in Net Position	-	-
Net Position, Beginning of Year	3,350	3,350
Net Position, End of Year	$ 3,350	$ 3,350

	2019	2018
Cash Flows from Operating Activities		
Receipts from members	$ 75,505,955	$ 72,812,023
Other operating receipts	8,461,564	7,007,449
Payments for UMPA resources	(21,061,120)	(16,797,541)
Payments for dedicated resources	(81,755)	(1,037,175)
Payments for purchased power	(39,266,682)	(40,758,858)
Payments for transmission	(3,922,726)	(3,730,270)
Payments for operation expenses	(1,418,681)	(1,351,002)
Payments for general and administrative expenses	(1,488,511)	(1,471,179)
Net Cash from Operating Activities	16,728,044	14,673,447
Cash Flows from Capital & Related Financing Activities		
Bonds and note principal payments	(4,055,000)	(4,450,000)
Interest paid on bonds and note	(4,072,753)	(4,271,641)
Acquisition of utility plant and equipment	(11,022,368)	(18,563,656)
Proceeds from sale of other utility assets	3,802	542,615
Net Cash used in Capital and Related Financing Activities	(19,146,319)	(26,742,682)
Cash Flows from Investing Activities		
Interest received on cash, cash equivalents, and investments	1,187,878	932,010
Net Cash from Investing Activities	1,187,878	932,010
Net Change in Cash, Cash Equivalents, and Investments	(1,230,397)	(11,137,225)
Cash, Cash Equivalents, and Investments at Beginning of Year	51,407,647	62,544,872
Cash, Cash Equivalents, and Investments at End of Year	$ 50,177,250	$ 51,407,647
Reconciliation of Income from Operations to Net Cash From Operating Activities		
Income from operations	$ 8,296,586	$ 7,188,518
Noncash operating activities adjustment:		
Depreciation	7,631,137	6,090,841
Depreciation related to asset retirement costs	15,346	15,346
Accretion related to asset retirement costs	20,472	19,572
Amortization expense	15,505	15,506
Net pension liability	(8,080)	(67,434)
Accrued benefits	422,366	21,058
Changes in assets and liabilities:		
Accounts receivable	911,150	296,123
Inventory	1,356,360	307,900
Prepaid Expense	-	49,270
Accounts payable	(1,932,798)	736,747
Net Cash Flows from Operating Activities	$ 16,728,044	$ 14,673,447

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Utah Municipal Power Agency (UMPA or Agency) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies.

Organization and Purpose—UMPA, a separate legal entity and political subdivision of the State of Utah, was formed by an agreement dated September 17, 1980, pursuant to the provisions of the Utah Interlocal Co-Operation Act. UMPA's membership consists of six municipalities (the Members). 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 its Members. UMPA purchased from Deseret Generation and Transmission Co-Operative (DG&T) an undivided interest in the Bonanza Unit on December 19, 1985, and began selling power to the Members at that time. The following governmental entities are UMPA Members:

Town of Levan
Manti City Corporation
Nephi City Corporation
Provo City Corporation
Salem City Corporation
Spanish Fork City Corporation

Basis of Accounting—The Agency follows the Federal Energy Regulatory Commission's Uniform System of Accounts and maintains accounting records on an accrual basis, in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental entities, including the application of the Government Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* as the guidance relates to regulated operations. The guidance allows for deferral of revenues and expenses to future periods in which the revenues are earned or the expenses are recovered through the rate-making process.

Recently Issued Accounting Standards—In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This standard addresses accounting and financial reporting for certain asset retirement obligations (ARO's). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. GASB No. 83 establishes the criteria for recognition of a liability and corresponding deferred outflow of resources, as well as requiring disclosure of information related to ARO's. The provisions of GASB No. 83 are effective for the Agency on July 1, 2018. See Note 2.

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This standard improves the information that is disclosed in notes to government financial statements related to debt and clarifies which liabilities should be included when disclosing this information. This Statement defines debt for purposes of disclosure as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the data the contractual obligation is established. The provisions of GASB No. 88 are effective for the Agency on July 1, 2018.

Reclassifications—Certain 2018 amounts have been reclassified to conform to the 2019 presentation.

***Cash Equivalents*—**For purposes of the statements of cash flows, the Agency considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents (Note 3).

***Investments*—**Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and interest income.

***Utility Plant and Equipment*—**The interest in generating plants consists of (1) a 3.75% undivided ownership interest (representing approximately 17 MW of capacity) in the Bonanza Unit, a 458 MW coal-fired generating plant located in northeastern Utah, (2) a 1.875% undivided ownership interest in certain common facilities constructed to serve a potential additional unit, and (3) a 6.25% undivided ownership interest in certain related transmission facilities and miscellaneous related rights and interests.

The plant is stated at original cost, which represents the actual cost to DG&T of labor, materials, and indirect costs, such as engineering, supervision, transportation, and allowance for borrowed funds used during construction, plus capitalized interest on bonds until the Bonanza Unit was placed in commercial operation.

In July 2016 the Agency purchased a 100% undivided ownership interest in a 185 MW (summer) natural gas-fired generating plant located in West Valley Utah. The West Valley Plant is recorded at acquisition cost.

The construction of the new Provo Power Plant, a 12 MW natural gas-fired generating plant located in Provo Utah, completed in November 2017. The costs associated with the construction are included in generating plant equipment.

In September 2017, Provo City and UMPA entered into an Assignment and Assumption Agreement to transfer Provo’s 6.25% ownership interest (representing approximately 27 MW of capacity) in the Hunter 1 Unit, a 430 MW coal-fired generating plant located in central Utah. The plant is recorded at the carrying value at the time of the transfer. Previously the Hunter 1 Unit was a dedicated resource under the Capacity Purchase Agreement.

Furniture and equipment purchased by UMPA are stated at cost.

UMPA uses the following useful lives in depreciating fixed assets under the straight-line method:

Office Building	30 Years
Furniture and Equipment	3 – 7 Years
Interest in Utility Plant	20 – 40 Years

***Asset Retirement Obligations*—**The Agency records asset retirement obligations where there is a legal obligation associated with the retirement of its tangible long-lived assets and where the amounts are estimable. The carrying amount of the liability for asset retirement obligations (ARO’s) is adjusted upon revisions to the timing or the amount of the future cash flows estimated to settle such obligations. Associated increases or decreases in such obligations are correspondingly recorded as increases or decreases to the related assets (Note 9).

***Subsequent Events*—**Management of the Agency has evaluated subsequent events through December 9, 2019, the date which the financial statements were available to be issued.

***Future Recoverable Costs*—**Costs in excess of the amounts currently billable to the Members that are to be recovered from future revenues by setting rates sufficient to provide funds for the related expenses.

Taxes**—**UMPA is not subject to federal or state taxes but has agreed to make payments in lieu of ad valorem taxes to Uintah and Emery Counties in respect of its interests in the Bonanza and Hunter 1 Units. UMPA paid $47,165 to Uintah County during the 2019 fiscal year and $33,323 in fiscal year 2018. UMPA paid $219,996 to Emery County during the 2019 fiscal year and $214,683 in fiscal year 2018.

Inventory**—**Inventory consists of Coal stockpiled at the Bonanza Unit and working capital inventory at both the Hunter 1 Unit and the West Valley Plant. All inventory is valued at lower of cost or market on the moving average basis. Inventory as of June 30, 2019 and 2018 are detailed as follows:

	2019	2018
Inventory:		
Bonanza Coal	$ 478,635	$ 1,478,637
Hunter 1 Unit materials and supplies	273,000	273,000
West Valley Plant materials and supplies	1,325,050	1,681,408
Total Inventory	$ 2,076,685	$ 3,433,045

Rates**—**Utah State law provides that UMPA's Board of Directors (Board) has sole authority to establish power supply rates to its Members. In accordance with its 2003 Bond Indenture (Indenture) and 2016 Bond Resolution (Resolution), the Agency shall establish and collect rates and charges which, together with all other revenues, are reasonably expected to pay its operating costs (not including depreciation and amortization) and at least (i) 1.00 times its aggregate debt service for such fiscal year, and (ii) together with any other available funds, shall be at least 1.10 times its aggregate debt service for such fiscal year. Power supply rates of the Agency are not subject to state or federal rate regulation.

Revenue**—**The Indenture and Resolution require UMPA to fix and collect rates, fees and charges sufficient to meet operating expenses and debt service. UMPA accomplishes this by estimating the operating expenses and debt service and then invoices the member cities monthly at a rate sufficient to match the estimates plus Board directed charges (Note 5). The estimates and billings are updated periodically to reflect the difference between the actual and the estimates.

Deferred Outflow of Resources Related to Future Billings to Members**—**Costs in excess of the amounts currently billable to the Members are to be recovered from future revenues by setting rates sufficient to provide funds for the related debt service requirements. As allowed through the applications of the provisions of GASB Statement No. 62, current costs in excess of funding are deferred and shown as deferred costs to be recovered in future periods on the accompanying statements of net position and as expenses to be recovered in future periods on the statements of revenues, expenses, and changes in net position. These costs represent depreciation of utility and equipment, amortization of long-term debt premium/discount, gain/loss on disposed assets, amortization of cost of reacquired debt in excess of amounts currently billed to Members, and change in net pension liability.

Deferred Inflow of Resources Related to Future Billings to Members**—**The Agency designs its electric service rates to recover costs, as defined above, of providing power supply services including costs of establishing allowances for working capital, liquidity and rate stabilization reserves, and other reasonable reserves for contingencies deemed necessary by the Agency in order to carry out its obligations.

Compensated Absences—The Agency records a liability for vacation as the benefits accrue to employees. The Agency compensates all employees upon termination for unused vacation. Employees who have been employed by the Agency for at least twenty years who are leaving the Agency or who are eligible to retire as defined by Utah Retirement Systems, will receive compensation equal to fifty percent of the value of their remaining unused sick leave.

***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 System Pension Plan (URS) including additions to and deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Deferred Outflows/Inflow of Resources Related to Pensions*—**In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Note 2 - Adoption of New Standards

As of July 1, 2018, the Agency adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*. The implementation of this standard requires governments calculate and report the cost and obligations associated with the Asset Retirement Obligations in their financial statements, including additional note disclosures. Beginning deferred inflow of resources was restated to retroactively report the beginning asset retirement costs and associated liabilities as follows:

Deferred inflow of resources at June 30, 2018, as previously reported	$ 53,992,377
Asset retirement obligations at June 30, 2018	(445,706)
Retirement obligation assets at June 30, 2018	407,424
Accumulated depreciation related to asset retirement costs at June 30, 2018	(30,692)
Deferred inflow of resources at July 1, 2018, as restated	$ 53,923,403

There was no impact in total net position. See Note 5 for discussion of the Agency's change in net position and deferred inflows related to future billings to members. Additionally, the financial statements do not label the comparative 2018 balances as being restated due to the immaterial change caused by the adoption of the standard.

Note 3 - Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments as of June 30, 2019 and 2018 are detailed as follows:

	2019	2018
Cash, cash equivalents, and investments:		
Deposits	$ 5,601,029	$ 4,857,915
Investment in the Utah State PTIF	44,576,221	46,549,732
Total cash, cash equivalents, and investments	$ 50,177,250	$ 51,407,647

Deposits—It is the policy of UMPA to invest funds in compliance with state and local laws, regulations, and other policies governing the investment of public funds, specifically according to the terms and conditions of the State Money Management Act of 1974 (the "Act) and Rules of the Utah Money Management Council as currently amended, and the Agency's own written investment policy. UMPA's bank deposits are covered by federal depository insurance up to $250,000.

The Act requires the depositing of UMPA funds in a "qualified depository." The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. All of the Agency's deposits during the years ended June 30, 2019 and 2018 were made with qualified depositories.

Deposit Custodial Credit Risk—Custodial credit risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. Investments in the Utah State Public Treasurer's Investment Fund (PTIF) are not insured or otherwise guaranteed by the State of Utah. The State of Utah does not require collateral on deposits. As of June 30, 2019, $49,864,338 of the Agency's bank balance was uninsured and uncollateralized and therefore was exposed to some degree of custodial credit risk.

Investments—The Agency may place public money in investments authorized by the Act (U.C.A. 51-7-11). The Financial Manager shall ensure that all purchases and sales of securities are settled within 15 days of the trade date. In general, these investments can be any of the following subject to restrictions specified in the Act: (1) Obligations of the U.S. Treasury and most Government-Sponsored Enterprises; (2) Commercial paper; (3) Bankers Acceptances; (4) Publicly traded, fixed rate corporate obligations; (5) Certain variable rate securities and deposits; (6) Deposits with the State Public Treasurer's Investment Pool; and (7) Certain fixed rate negotiable deposits with a certified depository. The Agency's investment policy does not allow an investment in a master repurchase agreement, a repurchase agreement, or a reverse-repurchase agreement. Further by policy, as measured by cost, no more than 50% of the Agency's portfolio may be invested in any one class of investment. This restriction does not apply to obligations of the U.S. Government and the PTIF.

Fair Value of Investments—The Agency measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

At June 30, 2019, the Agency had $44,576,221 in the PTIF. These investments were valued by applying the June 30, 2019 fair value factor, as calculated by the Utah State Treasurer, to the Agency's average daily balance in the PTIF. Such valuation is considered a *Level 2* valuation for GASB Statement No. 72 purposes.

***Investment Interest Rate Risk*—**The Agency's formal investment policy limits investment maturities to a maximum of three years as a means of managing its exposure to fair value losses arising from increasing interest rates.

***Arbitrage Rebate*—**Under U. S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. Interest income on bond proceeds which exceeds the cost of borrowing is payable to the federal government on every fifth anniversary of each bond issue. The estimated arbitrage liability is included in accrued liabilities on the balance sheet and the estimated arbitrage expense is recorded as a reduction of interest income. At June 30, 2019 and 2018, the estimated liability is $0 and $0, respectively.

Note 4 - Utility Plant and Equipment

Capital asset activity for the years ended June 30, 2019 and 2018 was as follows:

Utility Plant and Equipment as of June 30, 2019	Beginning Balance	Additions	Retirements & Transfers	Ending Balance
Generation plant	$ 144,694,052	$ 11,001,746	$ 599,024	$ 156,294,822
Work in process - Generating plant	599,993	-	(599,993)	-
Work in process - Other utility assets	29,322	-	(29,322)	-
Transmission plant	8,729,746	15,026	-	8,744,772
Other utility assets	4,478,791	5,596	(365)	4,484,022
Total Utility Plant and Equipment	158,531,904	11,022,368	(30,656)	169,523,616
Less accumulated depreciation:				
Generation plant	(30,388,341)	(7,131,231)	-	(37,519,572)
Transmission plant	(6,979,011)	(229,708)	-	(7,208,719)
Other utility assets	(310,064)	(270,198)	30,656	(549,606)
Total Depreciation	(37,677,416)	(7,631,137)	30,656	(45,277,897)
Utility Plant and Equipment, net	$ 120,854,488	$ 3,391,231	$ -	$ 124,245,719

Utility Plant and Equipment as of June 30, 2018	Beginning Balance	Additions	Retirements & Transfers	Ending Balance
Generation plant	$ 114,512,927	$ 17,266,295	$ 12,914,830	$ 144,694,052
Work in process - Generating plant	1,571,156	599,993	(1,571,156)	599,993
Work in process - Other utility assets	3,350,697	29,322	(3,350,697)	29,322
Transmission plant	8,715,692	14,054	-	8,729,746
Other utility assets	1,936,846	653,992	1,887,953	4,478,791
Total Utility Plant and Equipment	130,087,318	18,563,656	9,880,930	158,531,904
Less accumulated depreciation:				
Generation plant	(24,691,078)	(5,697,263)	-	(30,388,341)
Transmission plant	(6,750,503)	(228,508)	-	(6,979,011)
Other utility assets	(1,412,897)	(165,070)	1,267,903	(310,064)
Total Depreciation	(32,854,478)	(6,090,841)	1,267,903	(37,677,416)
Utility Plant and Equipment, net	$ 97,232,840	$ 12,472,815	$ 11,148,833	$ 120,854,488

Note 5 - Deferred Inflow/Outflow of Resources Related to Future Billings to Members

UMPA bills its Members at rates which will provide revenues sufficient to cover the costs of operating and maintaining UMPA and the costs of debt service plus any Board directed charges, but not items such as depreciation, amortization, gains/losses on sale and disposal of capital assets, and deferred inflow of resources. This amount represents the unbilled amount of such costs, other charges to Members, and unanticipated revenues which are to be recovered or returned in future billings and are classified as deferred outflow or deferred inflow of resources in the accompanying financial statements.

UMPA's Board of Directors established a Rate Stabilization Fund (RSF) on September 22, 1999. The purpose of the fund is to set aside funds to assist in maintaining stable rates to Members in the event of unplanned or extraordinary operation, maintenance, or capital replacement costs. The fund can also be used for early retirement of debt. For fiscal year 2014 and those years prior, the monthly fund contribution, if any, was the difference between the budgeted results of operations and actual results of operations. Beginning in fiscal year 2015, the RSF funding methodology was modified to a defined rate per kWh included in the base power rate to Members. For the year ended June 30, 2019 the Agency made contributions of $1,806,829, including interest, and for the year ended June 30, 2018 contributions of $1,654,299, including interest, reflected in the Rate Stabilization Fund and reported in deferred inflow of resources on the statements of net position.

Differences exist between the costs used in the determination of power rates and the revenues and expenses reportable under generally accepted accounting principles (GAAP). Change in net position is not reported in the accompanying financial statements because differences described above have been deferred and will reverse when costs included in power rates exceed revenues and expenses reportable under GAAP. These timing differences consist mainly of debt service payments, depreciation, amortization, gains and losses for the sale of assets, unanticipated revenues, and RSF additions and uses. The following is a summary of those differences.

The statements of net position amounts at end of year June 30, 2019 and 2018 include the following classifications:

	2019	2018
Deferred inflow of resources related to future billings to members:		
Designated for rate stabilization	$ 11,925,874	$ 10,119,045
Designated for repair and replacement	9,313,588	13,499,787
Net revenues to be returned in future billings to members	38,380,082	30,304,571
Total deferred inflow of resources related to future billings to members	$ 59,619,544	$ 53,923,403

Note 6 - Long-Term Liabilities

Revenue Bonds Payable—Maturities and coupon interest rates associated with the bonds as of June 30, 2019 and 2018 are as follows:

	2019	2018
Remaining Revenue Bonds Payable		
Series 2003A Bonds, 5.000%, due April 3, 2003 - July 1, 2018	$ -	$ 4,055,000
Series 2016A Bonds, 1.630%, due Oct 26, 2016 - July 1, 2036	98,290,000	98,290,000
Series 2016B Bonds, 4.000%, due Oct 26, 2016 - July 1, 2038	18,215,000	18,215,000
Principal Amount	116,505,000	120,560,000
Series 2016B Unamortized premium	2,604,981	2,784,235
Total Bonds Payable, Net	119,109,981	123,344,235
Less current portion	(4,895,000)	(4,055,000)
Total Long-Term Revenue Bonds Payable	$114,214,981	$119,289,235

On April 3, 2003 the Agency issued $43,780,000 of 2003 Series Electric System Revenue Refunding Bonds (referred to as 2003 Bonds), with an average coupon rate of 4.96% to advance refund $45,560,000 of outstanding 1993 Series A Electric Revenue Bonds (referred to as 1993 Bonds). The 2003 Bonds, combined with the fiscal year 2003 annual debt service payments, retired 100 percent of the outstanding 1993 Bonds. The net proceeds of $45,810,894 (including premium of $2,703,218 and reduction for $658,857 cost of issuance) and additional UMPA funds of $547,839 were deposited in an irrevocable trust with an escrow agent to provide for the July 1, 2003 call of the 1993 Bonds.

The current refunding resulted in a difference between the reacquisition price and the net carry amount of the old debt of $2,720,490. This cost of reacquired debt, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective interest method.

The cash outflows without this refund were to be $67,360,038 and the cash outflows as a result of this refund were to be $63,823,939 for a reduction in total debt service payments over the life of the bonds of $3,536,099. The economic gain was $1,987,454 as a result of this refunding. The final principal payment on these bonds were paid with the debt service reserves on July 1, 2018.

On July 16, 2012 UMPA issued $6,600,000 of 2012 Series Electric System Revenue Bonds, with a fixed interest rate of 2.06%. The net proceeds of $6,500,000 (including a reduction of $100,000 for cost of issuance) were used to finance clean air projects at two dedicated power resource facilities. These bonds were paid in full on July 1, 2017.

On October 27, 2016 UMPA issued $98,290,000 of Taxable Power Supply System Revenue Bonds, Series 2016A, with interest rates ranging from 1.630 - 3.806%. Net Proceeds of $82,628,814 (including a reduction of $1,097,019 for cost of issuance) were used to provide long-term financing for the cost of acquisition of the West Valley Plant through the payment and retirement of the 2016 Bond Anticipation Note. Proceeds of $10,540,613 were deposited with the Trustee to provide for debt service reserves and capital interest funds. Proceeds of $4,024,000 were deposited with the Trustee to fund the future acquisition and construction of certain capital improvements to the West Valley Plant.

On October 27, 2016 UMPA issued $18,215,000 of Tax-Exempt Power Supply System Revenue Bonds, Series 2016B, with interest rates ranging from 4.000 – 5.000%. An additional premium of $3,074,716 resulted in total sources of funds for the issuance of $21,289,716. Net Proceeds of $19,700,000 (including a reduction of $203,500 for cost of issuance) were used to finance the cost of acquisition and construction of the Agency’s Provo Power Plant and the Agency’s Office Building. Proceeds of $1,386,216 were deposited with the Trustee to provide for debt service reserves.

The following table shows the revenue bonds debt service requirements.

Year Ending June 30,	Series 2016A		Series 2016B		
	Principal	Interest	Principal	Interest	Total Debt Service
2020	$ 4,340,000	$ 3,036,558	$ 555,000	$ 888,350	$ 8,819,908
2021	4,410,000	2,960,989	575,000	865,750	8,811,739
2022	4,490,000	2,875,376	595,000	839,375	8,799,751
2023	4,585,000	2,778,104	625,000	808,875	8,796,979
2024	4,685,000	2,667,403	660,000	776,750	8,789,153
2025-2029	25,395,000	11,297,315	-	3,801,250	40,493,565
2030-2034	29,755,000	6,764,869	-	3,801,250	40,321,119
2035-2039	20,630,000	1,196,797	15,205,000	3,049,125	40,080,922
	$ 98,290,000	$ 33,577,411	$ 18,215,000	$ 14,830,725	$164,913,136

The Indenture provides that UMPA is not obligated to make payment of the Revenue Bonds from funds other than Pledged Funds, generally defined as: (1) the proceeds from the sale of the Revenue Bonds; (2) revenues from UMPA’s electric system and certain investment income; and (3) all funds established by the Indenture.

The bonds are special obligations of the Agency secured solely by the revenues of the system and certain funds held under the Resolution. The bonds are not general obligations of the Agency, the State of Utah or any agency, instrumentality or political subdivision thereof. The issuance of the bonds shall not directly, indirectly, or contingently obligate the State of Utah or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the bonds. The Agency has no taxing power. The Resolution does not mortgage or grant a security interest in any physical properties of the system to secure the bonds.

The Agency has covenanted in the Resolution to establish, revise, and collect rates and charges for system services to (i) provide revenues sufficient in each fiscal year to pay all operating expenses, and (ii) provide net revenues for each year which are (a) exclusive of any other available funds, equal to not less than 100% of the aggregate annual debt service requirement for such year, and (b) including any other available funds, equal to not less than 110% of the aggregate annual debt service requirement for such year; and as shall be required, together with all other available funds, to pay or discharge all other indebtedness, obligations, charges and liens whatsoever payable out of revenues for such fiscal year.

The Series 2016A bonds maturing prior to July 1, 2026 are subject to a make-whole redemption at the option of the Agency, in whole or in part, and if in part among maturities to be designated by the Agency. The Series 2016A bonds maturing on or after July 1, 2027 are subject to redemption prior to maturity at the option of the Agency. The Series 2016A bonds maturing on July 1, 2036 are subject to mandatory redemption by operation of sinking fund installments.

The Series 2016B bonds maturing prior to July 1, 2026 are not subject to redemption prior to maturity. The Series 2016B bonds maturing after July 1, 2027 are subject to redemption prior to maturity at the option of the Agency. The Series 2016B bonds maturing on July 1, 2038 are subject to mandatory redemption by operation of sinking fund installments.

In the event of default, the bond’s trustee or bondholders have the option to declare all outstanding principal and accrued interest to be payable immediately. If and event of default has not been remedied, the books of records and accounts of UMPA and all other records of the system shall be subject to inspection. UMPA will account for all revenues and other moneys, securities and funds pledged or held under the Resolution upon demand of the Trustee. In the event of default, the Trustee shall apply all moneys, securities, funds and revenues received by the Trustee in the following order: (1) expenses of fiduciaries; (2) operating expenses; and (3) principal or redemption price and interest.

The Indenture requires that certain funds be established to account for UMPA’s receipts and disbursements. The cash and investments held in these funds are restricted for the purposes as stipulated in the Indenture.

The Resolution adopted September 28, 2016 requires that certain additional funds be established to account for UMPA’s receipts and disbursements. The cash and investments held in these funds are restricted for the purposes as stipulated in the Resolution. At all times prior to the Indenture Retirement Date, all Bonds, Subordinated Indebtedness, and other obligations issued under this Resolution shall be subordinate in all respects to the pledge and assignment of the Revenues and the moneys, securities, and funds created by the Indenture as security for Bonds issued under the Indenture.

Revenue Fund**—**This fund previously established under the Indenture receives revenue and pays all costs of operation and maintenance. Funds are transferred to other funds in the following order: Bond Fund, Debt Service Fund, Repair and Replacement Fund, and Rate Stabilization Fund.

***Bond Fund*—**This fund previously established under the Indenture pays all interest and principal related to the Revenue Bonds issued under the Indenture. At the end of each month, amounts required to be on deposit are the accrued interest payable, the accrued portion of the next principal installment due, and an amount equal to the largest future annual debt service requirement.

***Repair and Replacement Fund*—**This fund previously established under the Indenture may be drawn on and used by the Agency for the purpose of (1) paying the cost of unusual or extraordinary maintenance or repairs of the system; (2) paying the costs of any renewals, renovation, improvements, expansion or replacements to the system; and (3) paying the cost of any replacement of buildings, lines, equipment and other related facilities, to the extent the same are not paid as part of the ordinary and normal expense of the operation of the system, and (4) paying the decommissioning costs of any system facilities. Funds shall be deposited monthly from available Revenues in such amounts as may be required from time to time by the Resolution until the Repair and Replacement Fund has an amount equivalent to the Repair and Replacement Requirement. Funds at any time on deposit in the Repair and Replacement Fund in excess of the amount required to be maintained therein may, at any time, be transferred to the Revenue Fund and used by UMPA for any lawful purpose. The amount in the Repair and Replacement Fund is determined annually by the Board.

***Rate Stabilization Fund*—**This fund previously established under the Indenture may receive transfers from the net revenues of the Revenue Fund and may transfer amounts to the Revenue Fund to cover any insufficiency. The Board periodically reviews the amounts collected and may adjust the contribution as they deem prudent. Amounts on deposit in the fund may be used for any lawful purpose. To the extent that amounts on deposit in the Revenue Fund are insufficient in any year for any of the purposes thereof, UMPA covenants that, to the extent amounts are on deposit in the Rate Stabilization Fund, it shall transfer amounts from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency.

***Debt Service Fund*—**This fund established under the Resolution consists of a Debt Service Account and a Debt Service Reserve Account. The Debt Service Account includes capitalized interest and pays all interest and principal related to the Revenue Bonds. Amounts required to be on deposit are the accrued interest payable and the accrued portion of the next principal installment due. The Debt Service Reserve Account maintains the reserve requirement as an amount equal to the lessor of (1) 10% of the aggregate original principal amount of all series of bonds outstanding, (2) the maximum aggregate debt service due in any bond year on all series outstanding, or (3) 125% of the aggregate average debt service due during any bond year on all series of bonds outstanding.

***Project Fund*—**This fund established under the Resolution provides for the cost of acquisition and construction of the projects.

Long-term liability activity for the years ended June 30, 2019 and 2018 were as follows:

June 30, 2019	Beginning Balance	Additions	Reductions	Ending Balance
Long-term revenue bonds	$ 120,560,000	$ -	$ (4,055,000)	$ 116,505,000
Adjusted for:				
Current maturities	(4,055,000)	(4,895,000)	4,055,000	(4,895,000)
Unamortized premium, net	2,784,235	-	(179,254)	2,604,981
Total Long-Term Revenue Bonds, net	$ 119,289,235	$ (4,895,000)	$ (179,254)	$ 114,214,981
Net pension liability	$ 659,370	$ 766,012	$ -	$ 1,425,382
Compensated absences	142,715	294,473	-	437,188
Asset retirement obligations	445,706	20,472	-	466,178

June 30, 2018	Beginning Balance	Additions	Reductions	Ending Balance
Long-term revenue bonds	$ 125,010,000	$ -	$ (4,450,000)	$ 120,560,000
Adjusted for:				
Current maturities	(4,450,000)	(4,055,000)	4,450,000	(4,055,000)
Unamortized premium, net	2,993,513	-	(209,278)	2,784,235
Unamortized reacquisition cost	(26,397)	-	26,397	-
Total Long-Term Revenue Bonds, net	$ 123,527,116	$ (4,055,000)	$ (182,881)	$ 119,289,235
Net pension liability	$ 986,179	$ 19,776	$ (346,585)	$ 659,370
Compensated absences	121,657	20,058	-	141,715
Asset retirement obligations	426,134	19,572	-	445,706

Note 7 - Transfer of Operations

On September 20, 2017, under an assignment and assumption agreement between Provo City and UMPA, Provo agreed to transfer their interest in the Hunter 1 Unit to the Agency. This includes all of Provo's rights, title and interest in and to Hunter 1 Unit and all related properties and assets, including its rights under the then existing agreements. The Agency will also assume all obligations, responsibilities and liabilities relating to the then existing agreements, including payment in lieu of ad valorem taxes.

Provo City purchased a 6.25 % interest in the Hunter 1 Unit in 1980. Later that decade in 1985, UMPA was formed and Provo City agreed in the Power Sale Agreement to purchase all power required for the operation of Provo's electric system. Under a Capacity Purchase Agreement, Provo dedicated, and UMPA paid for, the capacity and energy of Hunter 1 Unit. All members of UMPA have paid for and mutually benefitted from these agreements.

As a result of the transfer, UMPA recognized the following assets, liabilities, and net position:

	Carrying Values
Transferred Assets (Net)	
Hunter 1 Generating Plant	$ 11,343,675
Total capital assets	$ 11,343,675
Transferred Liabilities	$ -
Net Position of Transferred Hunter 1 Operations	
Net investment in capital assets	$ 11,343,675

Note 8 - Related Party Transactions

DG&T Payable—DG&T, which is a joint owner with UMPA and operator of the Bonanza Unit, bills UMPA in advance under DG&T's operating budget for costs expected to be incurred for each month's power usage. The actual costs are finalized two months after the initial billing. At June 30, 2019 and 2018 UMPA had prepaid DG&T for May and June's power usage. Prepayment and actual expenses as of June 30, 2019 and 2018 were as follows:

	2019	2018
Actual expenses	$ 1,593,121	$ 1,746,992
Prepayment	(1,113,345)	(1,173,139)
Payable to DG&T	$ 479,776	$ 573,853

PacifiCorp Payable—PacifiCorp, which is a joint owner with UMPA and operator of the Hunter Unit 1, bills UMPA in advance under Hunter's operating budget for costs expected to be incurred for each month's power usage. The actual costs are finalized two months after the initial billing. At June 30, 2019 and 2018 UMPA had prepaid PacifiCorp for May and June's power usage. Prepayment and actual expenses as of June 30, 2019 and 2018 were as follows:

	2019	2018
Actual expenses	$ 852,665	$ 1,062,214
Prepayment	(817,700)	(620,400)
Payable to PacifiCorp	$ 34,965	$ 441,814

Note 9 - Commitments and Contingencies

Power Sales Contracts—Power Sales Agreements between UMPA and each of the Members provide that UMPA shall sell and deliver and the Member shall purchase and receive all electric power and energy required by the Member to meet the loads on its electric system. The Power Sales Agreements were amended January 1, 2016 and shall remain in effect through December 31, 2065. The agreements do not specify any particular power supply resource as the source of UMPA's power.

Power Purchase Contracts—UMPA has entered into several power purchase contracts with various terms and conditions. The estimated minimum payments required are summarized below.

Year Ending June 30,	Capacity and Energy contracts	Energy only contracts
Actual expenses:		
2019	$ 36,117,298	$ 997,286
2018	33,733,038	156,139
Estimated minimum payments:		
2020	$ 15,319,226	$ 2,957,107
2021	7,786,013	107,194
2022	7,846,448	109,236
2023	7,905,578	111,161
2024	7,970,297	114,406
2025-2029	26,824,811	
2030-2034	24,957,710	
2035-2039	24,957,710	
2040-2044	24,957,710	
2045-2049	24,957,710	
2050-2054	24,957,710	
2055-2058	16,118,168	

Asset Retirement Obligations—The Agency has a minority share of ownership interest in an undivided interest arrangement in two coal power plants. UMPA's share of the ARO is reported using the measurement produced by the nongovernmental majority owner who following the guidance of the majority owner's recognized accounting standards setter, FASB. The fair value of an ARO liability is recognized in the period in which it is incurred, if a reasonable estimate of fair value can be made, and is added to the carrying amount of the associated asset, which is then depreciated over the remaining useful life of the asset. Subsequent to the initial recognition, the ARO liability is adjusted for any revisions to the original estimate of undiscounted cash flows (with corresponding adjustments to Utility Plant and Equipment, net) and for accretion of the ARO liability due to the passage of time.

On April 7, 2015, the EPA published the Disposal of Coal Combustion Residual (CCR) from Electric Utilities fine rule (CCR Rule) in the Federal Register, which became effective on October 19, 2015. The CCR Rule regulates the disposal of CCR, including coal ash and gypsum, as non-hazardous solid waste in CCR units at active generating power plants.

The Agency has an ownership interest of 6.25% in certain transmission facilities of DG&T. A significant portion of DG&T's transmission facilities are located upon land that is leased from the U.S. Federal and certain state governments. Upon termination of the leases, the structures, improvements, and equipment are to be removed and the land is to be restored. DG&T is not able to reasonably estimate the ARO associated with these assets because information sufficient to reasonably estimate the settlement date or range of settlement dates does not exist, and therefore the settlement date of the obligation is indeterminate. Land rights and transmission facilities will be maintained for the foreseeable future; as such, the majority owner has not recognized a liability related to these obligations. UMPA will recognize the liability when the majority owner recognizes a liability in the period in which sufficient information is available to reasonably estimate its fair value.

The Bonanza generation facilities are generally located on property owned by DG&T. Other than described below, it is DG&T's opinion that the it does not have a reclamation liability related to the Bonanza generation facilities. As a minority owner, UMPA will recognize a liability related to the Bonanza Unit when the majority owner determines there is such a liability.

As of the measurement date of December 31, 2018 and 2017, the ARO related to the CCR Rule for the Bonanza Unit totaled approximately $2,671,000 and $2,544,000, respectively. As of June 30, 2019 and 2018, the Agency's 3.75% ownership share of the ARO for the Bonanza Unit totaled approximately $100,156 and $95,399, respectively. During the years ended June 30, 2019 and 2018, accretion expense for UMPA's 3.75% ownership share totaled approximately $4,757 and $4,532, respectively.

The Agency has a 6.25% ownership interest in the Hunter Unit 1 plant. The majority owner, PacifiCorp, has recognized an ARO for both the CCR and environmental remediation including asbestos, other landfills, and groundwater facilities. As of the measurement date of December 31, 2018 and 2017, the ARO related to these items for the Hunter Unit 1 totaled approximately $5,856,355 and $5,604,920, respectively. As of June 30, 2019 and 2018, the Agency's 6.25% ownership share of the ARO for the Hunter Unit 1 totaled approximately $366,022 and $350,307, respectively. During the years ended June 30, 2019 and 2018, accretion expense for UMPA's 6.25% ownership share totaled approximately $15,715 and $15,040, respectively.

Dedicated Resource Costs—UMPA has entered into Capacity Purchase Agreements with Levan, Manti, Nephi and Provo as to their existing electric generating capacity. These agreements have estimated remaining facility lives of 10-25 years. Under the Capacity Purchase Agreements, generation capacity and energy from the Members' resources are dedicated to UMPA to meet the load requirements of its Members. The agreements provide that UMPA pays to the Members actual fixed and variable costs associated with the resources. The contracts terms coincide with the Members Power Sale Contracts. In July 1, 2016, the old Provo City power plant was decommissioned and UMPA started construction of the new UMPA owned power plant located in Provo. In September 2017, the Provo Capacity Purchase Agreement was terminated with the transfer of the final generating resource of Provo City. The new UMPA Provo Power Plant and the Hunter I Unit expenses will go forward as UMPA Generation Costs. Minimum payments are estimated to be:

Year Ending June 30,	Dedicated Resource Costs
Actual expenses:	
2019	$ 81,755
2018	1,165,606
Estimated minimum payments:	
2020	$ 125,700
2021	128,214
2022	130,778
2023	133,394
2024	136,062
2025-2029	722,232
2030-2034	797,403
2035-2039	880,397
2040-2045	972,029
2046-2050	1,073,199
2051-2055	1,184,898
2056-2060	1,308,223
2061-2065	1,444,384

Note 10 - Employee Pensions

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

- Tier 1 Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System); is a multiple employer, cost sharing, 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.

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 (URS) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of URS under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. URS 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 issued a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided—URS provides retirement, disability, and death benefits. Retirement benefits are summarized as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	COLA**
Tier 1 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%
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%

** Actuarial reductions are applied.*

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

***Contribution Rate Summary*—**As a condition of participation in URS, 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 are as follows:

	2019		2018	
	Employer Contribution Rates	Employer Rate for 401(k) Plan	Employer Contribution Rates	Employer Rate for 401(k) Plan
Noncontributory System				
15 Local Government Div - Tier 1	18.47%	N/A	18.47%	N/A
Contributory System				
111 Local Government Div - Tier 2	15.54%	1.15%	15.11%	1.58%
DC Only				
211 Local Government - Tier 2	6.69%	10.00%	6.69%	10.00%

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

For fiscal year ended June 30, 2019 and 2018, the employer and employee contributions to URS were as follows:

	2019		2018	
System	Employer Contributions	Employee Contributions	Employer Contributions	Employee Contributions
Tier 1 Noncontributory System	$ 309,753	N/A	$ 282,478	N/A
Tier 2 Public Employees System	189,628	-	20,359	-
Total Contributions	$ 499,381	$ -	$ 302,837	$ -

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

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources relating to Pensions

At June 30, 2019, the Agency reported a net pension asset of $0 and a net pension liability of $1,425,382. At June 30, 2018, the Agency reported a net pension asset of $0 and a net pension liability of $659,370.

	(Measurement Date): Dec 31, 2018			Dec 31, 2017	
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share	Change/ (Decrease)
Tier 1 Noncontributory System	$ -	$1,400,191	0.1901471%	0.1502198%	0.0399273%
Tier 2 Public Employees System	-	25,191	0.0588189%	0.0137515%	0.0450674%
Total Net Pension Asset / Liability	$ -	$1,425,382			

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

For the year ended June 30, 2019 and 2018 the Agency recognized pension expense of $491,301 and $235,400, respectively.

At June 30, 2019 the Agency 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
Differences between expected and actual experience	$ 18,185	$ 31,321
Changes in assumptions	193,886	453
Net difference between projected and actual earnings on pension plan investments	299,567	-
Changes in proportion and differences between contributions and proportionate share of contributions	142,314	16,628
Contributions subsequent to the measurement date	253,430	-
Total	$ 907,382	$ 48,402

Deferred outflows of resources relating to pensions in the amount of $253,430 was reported as a result of contributions made by UMPA prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018.

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

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2019	$ 250,831
2020	131,309
2021	73,928
2022	142,167
2023	859
Thereafter	6,456

Actuarial Assumptions**—**The total pension liability in the December 31, 2018 and 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2018	2017
Inflation	2.50%	2.50%
Salary increases - average, including inflation	3.25 - 9.75%	3.25 - 9.75%
Investment rate of return - net of pension plan investment expense, including inflation	6.95%	6.95%

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

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

Discount Rate—The discount rate used to measure the total pension liability was 6.95%. 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% from the prior measurement period.

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%, 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%) of 1-percentage point higher (7.95%) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Tier 1 Noncontributory System	$ 2,869,635	$ 1,400,191	$ 176,532
Tier 2 Public Employees System	100,919	25,191	(33,253)
Total	$ 2,970,554	$ 1,425,382	$ 143,279

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.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental 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 the separately issued URS financial report.

The Agency participates in the following Defined Contribution Savings Plan with Utah Retirement Systems:

*401(k) Plan
*457(b) Plan

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

401(k) Plan		2019		2018		2017
Employer Contributions	$	98,096	$	8,464	$	18,476
Employee Contributions		102,509		34,005		63,182

457(b) Plan		2019		2018		2017
Employer Contributions	$	-	$	-	$	-
Employee Contributions		64,284		28,800		9,600

Note 11 - Risk Management

The Agency is subject to various risks of loss related to general liability and property insurance. The Agency has purchased commercially available indemnity insurance to cover these risks. The deductible amounts for this insurance would be immaterial to the Agency. The amount of insurance settlements has not exceeded insurance coverage in the past three years.

	As of calendar year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a % of its covered payroll	Plan fiduciary net position as a % of the total pension liability
Tier 1 Noncontributory System	2014	0.1579117%	$ 685,690	$ 1,352,785	50.70%	90.20%
	2015	0.1581374%	894,818	1,370,842	65.28%	87.80%
	2016	0.1532885%	984,300	1,367,364	71.99%	87.30%
	2017	0.1502198%	658,158	1,346,110	48.89%	91.90%
	2018	0.1901471%	1,400,191	1,560,717	89.71%	87.00%
Tier 2 Public Employees System	2014	0.0202041%	$ (612)	$ 99,116	-0.06%	103.50%
	2015	0.0163275%	(36)	105,488	-0.03%	100.20%
	2016	0.0168434%	1,879	138,129	1.36%	95.10%
	2017	0.0137515%	1,212	134,564	0.90%	97.40%
	2018	0.0588189%	25,191	674,062	3.74%	90.80%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Agency will present information for those years for which information is available.

	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 % of covered payroll
Tier 1 Noncontributory System	2014	$ 231,122	$ 231,122	$ -	$ 1,336,739	17.29%
	2015	248,567	248,567	-	1,345,786	18.47%
	2016	255,687	255,687	-	1,384,337	18.47%
	2017	234,462	234,462	-	1,269,420	18.47%
	2018	282,478	282,478	-	1,529,385	18.47%
	2019	309,753	309,753	-	1,677,059	18.47%
Tier 2 Public Employees System*	2014	$ 12,066	$ 12,066	$ -	$ 86,244	13.99%
	2015	15,144	15,144	-	101,366	14.94%
	2016	17,306	17,306	-	116,069	14.91%
	2017	20,959	20,959	-	140,568	14.91%
	2018	20,359	20,359	-	134,737	15.11%
	2019	189,628	189,628	-	1,220,254	15.54%

* 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.

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the Agency will present information for those years for which information is available. Contributions as a percentage of covered payroll may be different than the board-certified rate due to rounding and other administrative practices.

Changes in Assumptions:

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

	2003 Bond Indenture				2016 Bond Resolution		
	Revenue Fund	Bond Fund	Repair and Replacement Fund	Rate Stabilization Fund	Debt Service Fund	Project Fund	Total
Balance July 1, 2018	$ 9,572,529	$ 4,156,375	$14,699,787	$10,119,045	$ 10,858,437	$ 2,001,474	$ 51,407,647
Additions and Transfers							
Investment earnings	1,071,696	1,926	-	-	57,992	56,265	1,187,879
Power sales and other receipts	83,967,519	-	-	-	-	-	83,967,519
Sale of other utility asset proceeds	3,802	-	-	-	-	-	3,802
Transfers from (to) other funds	(14,172,097)	(1,926)	4,256,926	1,806,829	8,816,033	(705,765)	-
Total Additions and Transfers	70,870,920	-	4,256,926	1,806,829	8,874,025	(649,500)	85,159,200
Deductions							
Operating expenses	67,239,476	-	-	-	-	-	67,239,476
Purchase of capital additions	1,231,671	-	8,443,125	-	-	1,347,572	11,022,368
Interest expense	-	101,375	-	-	3,971,378	-	4,072,753
Bond principal payments	-	4,055,000	-	-	-	-	4,055,000
Total Deductions	68,471,147	4,156,375	8,443,125	-	3,971,378	1,347,572	86,389,597
Balance June 30, 2019	$11,972,302	$ -	$10,513,588	$11,925,874	$ 15,761,084	$ 4,402	$ 50,177,250