LEHI CITY CORPORATION

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Prepared by:
Department of Finance

LEHI

Pioneering Utah's Future

LEHI CITY CORPORATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2011

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INTRODUCTORY SECTION

LEHI

Pioneering Utah's Future

153 North 100 East – P.O. Box 255 – Lehi, Utah 84043-1895
801-768-7100 – Fax: 801-768-7101

December 22, 2011

To the Honorable Mayor, City Council and Citizens of Lehi City:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Lehi City (the City) for the fiscal year ended June 30, 2011.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's basic financial statements have been audited by Osborne, Robbins and Buhler PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

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Profile of the Government

Lehi is located 12 miles north of Provo and 23 miles south of Salt Lake City. Lehi was settled by Mormon pioneers in 1850 and was known by several different names: Sulphur Springs, Snow's springs, Dry Creek and Evansville. The final name settled on by the Town's people was Lehi. The City was incorporated in 1852. Lehi is Utah's sixth oldest city.

The City has had a traditional Mayor Council form of government since 1852. Policy making and legislative authority are vested in a governing council consisting of the mayor and five city council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's administrator, recorder, and treasurer. The City's administrator is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing heads of the various departments. The mayor and city council are elected on a non-partisan basis. City council members serve four-year staggered terms. The mayor is elected to serve a four-year term. The mayor and all five city council seats are elected at large.

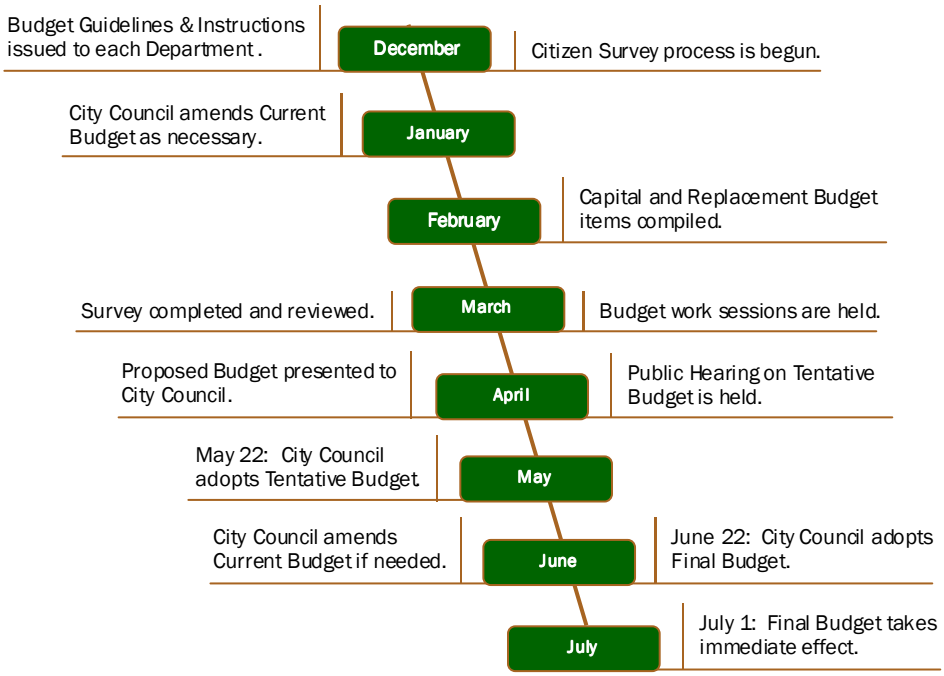
Lehi has a rich history. The Overland Stage Coach Route ran through the town. The famous Pony Express Trail ran next to the town. The Transcontinental Telegraph line ran adjacent to the City.

The City is a beautiful place to live. Just to the south is Utah Lake used for boating, fishing and hunting. The river that drains Utah Lake is the Jordan River, which runs through the City. To the east of the City are the beautiful Wasatch Mountains and to the west are the White Mountains and Oquirrh Mountains. All of which are within thirty minutes of Lehi offering a variety of activities including hiking, mountain biking, fishing, camping and skiing.

The City has a very western feel with many of the downtown businesses operating in buildings built in the late 1800s. The Lehi Roundup is a five-day celebration with many different community events, a stock parade, a standard parade and a professional rodeo. The Lehi Roundup Rodeo is one of the oldest rodeos in the state. Recently, the City has also started a tradition on the Twenty Fourth of July with its annual foam day. When the City Fire Department sprays foam onto a grassy area and the public is allowed to play in the foam for a couple of hours. Booths, stage shows, and a watermelon giveaway are also part of this annual event.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and roads; parks; both commercial and residential building inspection; a wide variety of recreational programs; and cultural events. The City also owns and operates a culinary water system, a secondary water system, a wastewater system, a storm water system, an electrical distribution system, solid waste collection, a swimming and recreation facility and emergency medical services.

The annual budget serves as the foundation for the City's financial planning and control. The City's budget process is well laid out starting in December for a budget that will be adopted by June 22 and goes into effect July 1. The creation of the budget follows the time line on the following page:



The City is required to hold two public hearings on the proposed budget. The first public hearing must be held by May 22 for the adoption of the tentative budget. The second public hearing must be held by June 22 for the adoption of the final budget.

Within the existing budget, the level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed appropriated amounts) is established by activity and purpose within the individual fund. Department heads may make transfers of appropriations within their activity. Transfers of appropriations between activities, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and the Redevelopment Agency, a major special revenue fund, the comparison is presented on page 36. For capital project funds this comparison is presented on page 80.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City has enjoyed strong residential growth for the previous eight years; however, the current and future projections for the next couple of years show that growth is declining due to the tough economic times for Lehi, the State of Utah, and the United States. Commercial growth has leveled off also, but Lehi has experienced some moderate growth with the addition of various small strip malls. There are several restaurants planned for 2012 as well as a large hotel. A large developer is planning to add a large mall at the north end of the City. The new Cabela's store, a one of a kind retailer is enjoying great success. The City has some of the best undeveloped commercial frontage along the Wasatch Front. Also, the Utah Department of Transportation granted Lehi ownership of its Mains Street road in June of 2011. In addition to the Main Street

road, which is approximately three miles long, the Utah Department of Transportation contributed 5.7 million dollars to Lehi for the purpose of revitalizing Main Street and the downtown area. This area is presently under construction and should be completed by the spring/summer of 2012.

The region has Brigham Young University, Utah Valley State College and the University of Utah within 25 minutes of the City center. These higher education facilities employ more than 3,000 people. These universities provide a strong educated work force for a large number of high tech businesses in the area. The region also provides some of the best medical facilities in the western United States. Utah County, the County in which the City is located, has an unemployment rate of 7.1%, which is slightly lower than the State of Utah, which is at 7.5%.

Long-term Financial Planning

The City's long-term goals are expressed simply as meeting tomorrow's needs with good financial decisions and by continuing to forecast capital improvements into the future. The City administration is currently working on updates to all the capital facilities plans and updates to impact fees. Impact fees help the City add the capital improvements that are needed to accommodate new growth. Existing impact fees, which include fire, police, parks, streets, culinary water, secondary water, sewer and power, are expected to remain at the existing fee levels.

The implementation of long term planning has permitted the City to construct some of the finest park systems in our region. From just three parks a few years ago to more than a fourteen major facilities today, we have successfully transformed our community's park system and created exceptional open spaces for our citizens' enjoyment. The strategic planning for parks has been expanded to include a trail system that will allow joggers, walkers and bicyclists to enjoy the Dry Creek Basin, which runs through the entire City.

In our utilities, the City has developed numerous long-term goals including maintenance of a high service level and sufficient advance planning to meet expected demands. For example, the culinary water system planning process has required the City Engineer to prepare a capital facilities plan that provides for the provision of resources, storage and transmission systems to keep up with the demands of our growing community. An example of success in long-term planning has been made in the area of power. Without the strategic plan in place the City would not be able to anticipate infrastructure needs in a timely manner and some services could be interrupted.

Our storm drainage plans include ambitious expansions in the future to deal with the pressures of growth. Likewise, sewer and road systems are under careful review to be certain that as our systems age are maintained in a manner that identifies and solves problems before failures occur. The City staff is currently exploring long term financing options for street projects and drainage system improvements. With long term plans, it becomes easier to be proactive rather than reactive.

Finally, our commitment to public safety cannot be overstated. In August 2006, the City started 24/7 EMS service. The roll out of this much needed service was a culmination of years of planning. This was only one step in a continuing effort to improve public safety. Additional fire personnel have been added to make the service adequate. This was a huge commitment, but one that needed to occur as response time to accidents and fires had fallen far below national standards. We built a new fire station in the north east end of the City and staffed it with 12 new personnel.

As a long-term goal it is clear that a sense of safety must be maintained if our citizens are to enjoy the wide array of programs and activities being provided in the community. Lehi's strategic plan has identified the need for three more fire/EMS stations on the south and north ends of the City. A third fire station is projected to be constructed in the next ten years. The constructed fire station will allow the fire and EMS departments to respond to emergency calls much faster on the northeast side of the City.

Cash Management Policies and Practices

The City maintains an active investment program with the State Investment Pool as well as with local banking institutions. All investments comply with the Utah Money Management Act. The City's investment policy includes many self-imposed constraints in order to effectively safeguard the public funds involved. Idle cash is invested on a daily basis. The City maintains a zero cash balance at a local bank as funds are swept into an investment account at the end of each day, maximizing the City's interest income.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2010. This was the thirteenth consecutive year the government has received this prestigious award. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2011. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

In addition, the City also received the GFOA's Popular Annual Financial Report (herein referred to as PAFR Award) for year ended June 30, 2010. In order to qualify for the PAFR Award, the government must obtain the CAFR award and the PAFR document was judged by a panel to transmit summary information of the CAFR to the Citizens of Lehi.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance, treasury, and administration departments. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Bert Wilson
Mayor

David Sanderson
Director of Finance and Administrative Services

Certificate of Achievement for Excellence in Financial Reporting

Presented to

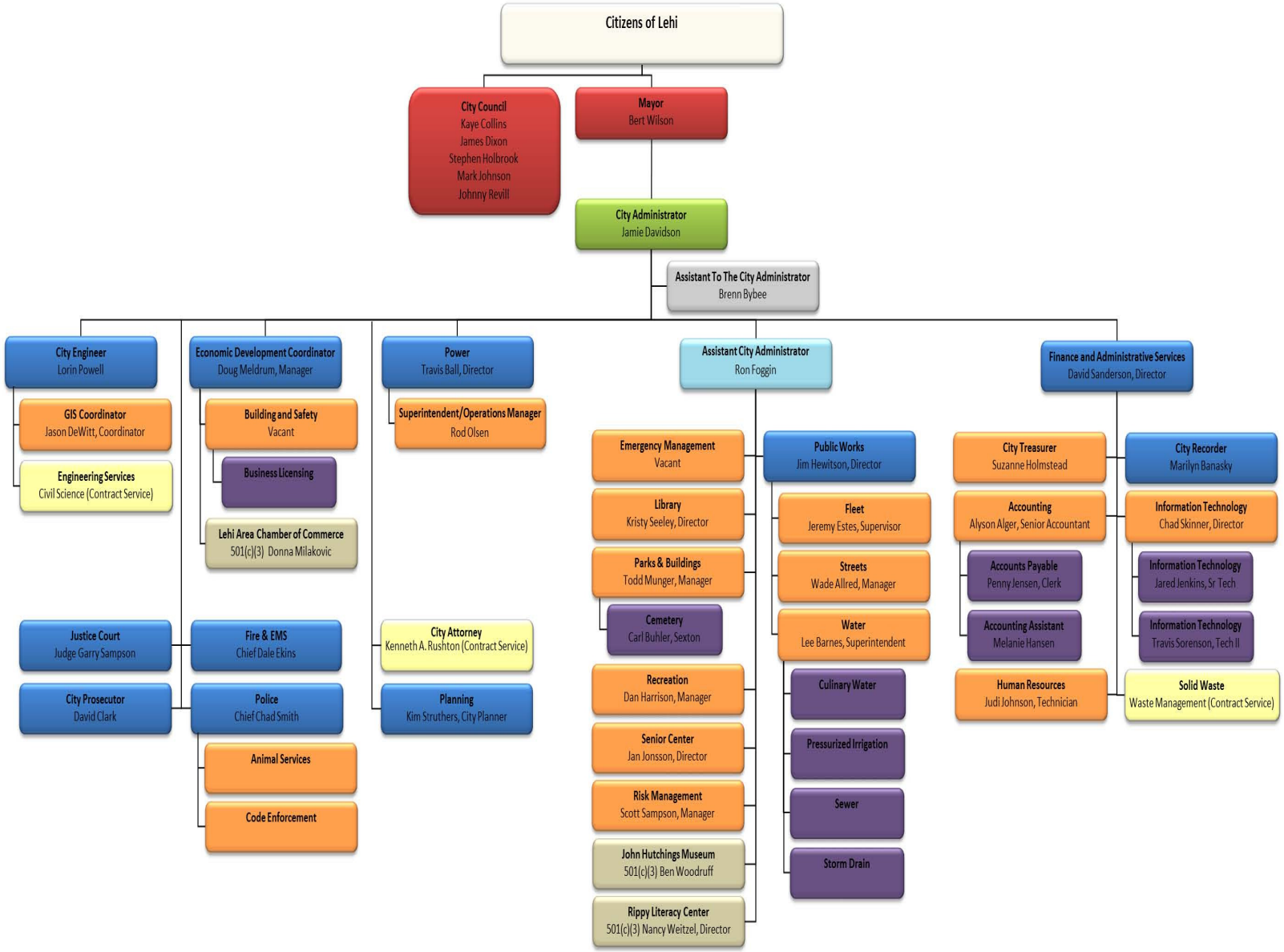
Lehi City Corporation
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director


Citizens of Lehi
City Council
Kaye Collins
James Dixon
Stephen Holbrook
Mark Johnson
Johnny Revill
Mayor
Bert Wilson
City Administrator
Jamie Davidson
Assistant To The City Administrator
Brenn Bybee
City Engineer
Lorin Powell
GIS Coordinator
Jason DeWitt, Coordinator
Engineering Services
Civil Science (Contract Service)
Economic Development Coordinator
Doug Meldrum, Manager
Building and Safety
Vacant
Business Licensing
Lehi Area Chamber of Commerce
501(c)(3) Donna Milakovic
Power
Travis Ball, Director
Superintendent/Operations Manager
Rod Olsen
Assistant City Administrator
Ron Foggin
Finance and Administrative Services
David Sanderson, Director
Justice Court
Judge Garry Sampson
City Prosecutor
David Clark
Fire & EMS
Chief Dale Ekins
Police
Chief Chad Smith
Animal Services
Code Enforcement
City Attorney
Kenneth A. Rushton (Contract Service)
Planning
Kim Struthers, City Planner
Emergency Management
Vacant
Library
Kristy Seeley, Director
Parks & Buildings
Todd Munger, Manager
Cemetery
Carl Buhler, Sexton
Recreation
Dan Harrison, Manager
Senior Center
Jan Jonsson, Director
Risk Management
Scott Sampson, Manager
John Hutchings Museum
501(c)(3) Ben Woodruff
Rippy Literacy Center
501(c)(3) Nancy Weitzel, Director
Public Works
Jim Hewitson, Director
Fleet
Jeremy Estes, Supervisor
Streets
Wade Allred, Manager
Water
Lee Barnes, Superintendent
Culinary Water
Pressurized Irrigation
Sewer
Storm Drain
City Treasurer
Suzanne Holmstead
Accounting
Alyson Alger, Senior Accountant
Accounts Payable
Penny Jensen, Clerk
Accounting Assistant
Melanie Hansen
Human Resources
Judi Johnson, Technician
City Recorder
Marilyn Banasky
Information Technology
Chad Skinner, Director
Information Technology
Jared Jenkins, Sr Tech
Information Technology
Travis Sorenson, Tech II
Solid Waste
Waste Management (Contract Service)

LEHI

Principal Officials

For the Year Ended
June 30, 2011

Bert Wilson
Mayor

Kaye Collins
Councilperson

James Dixon
Councilperson

Mark Johnson
Councilperson

Stephen Holbrook
Councilperson

Johnny Revill
Councilperson

James P. Davidson
City Administrator

FINANCIAL SECTION

LEHI

Pioneering Utah's Future

OSBORNE, ROBBINS & BUHLER, P.L.L.C. **Certified Public Accountants**

4527 SOUTH 2300 EAST, SUITE 201 • SALT LAKE CITY, UTAH 84117-4480 • PHONE: 308-0220 • FAX: 274-8589

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Council
Lehi City Corporation, Utah

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 Lehi City Corporation, Utah (the City) as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Lehi City Corporation, Utah as of June 30, 2011, and the respective changes in financial position, and, cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund and the Redevelopment Agency for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on 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.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis pages 17 through 29 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 Lehi City Corporation, Utah financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules 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 taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Osborne Robbins & Bahler PLLC

December 13, 2011

As management of the City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-9 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $326,981,222 (*net assets*).

- The total net assets of $326,981,222 are comprised of $383,642,974 in capital assets net of related debt, $14,680,685 restricted, and ($71,342,437) unrestricted.

- The City's governmental funds reported combined fund balances of $10,767,836 which is an increase of $5,133,675 from fund balance reported in 2010 of $5,634,161.

- The City's total debt decreased by a net of $509,913 during the current fiscal year.

    - There was an increase in the tax increment note payable to a developer of $958,500 for the cost of further development within the Alpine Highway Economic Development Area. The City made a principal payment of $2,294,285 on the note payable to developer. Consequently, the outstanding balance on the note decreased by $1,335,785 from prior year. It is important to note that, if tax increment collections from the Alpine Highway Economic Development Area are insufficient to fully repay the tax increment note payable, the remaining balance will not be repaid to the developer.
    - The City issued $2,500,000 in refunding and revenue drainage bonds, refunding $935,000 of the 2000 Series Drainage Revenue bonds.
    - The City issued notes payable totaling $1,816,162 to acquire additional water stock.
    - Other reductions in debt were related to normally scheduled principal reductions.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to of the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

- The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, community development, streets and highways, parks, recreation and culture, and cemetery. The business-type activities of the City include culinary water, sewer, pressurized irrigation, electric, drainage, and garbage.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate entity, the Hutchings Museum, for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself. The Redevelopment Agency and Municipal Building Authority, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found on pages 32-33 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the capital projects fund, and the redevelopment agency special revenue fund which are considered to be major funds. The Lehi Community Foundation fund is the only nonmajor governmental fund of the City.

The City adopts annual appropriated budgets for its general fund and its special revenue redevelopment agency fund. A budgetary comparison statement has been provided for the general fund and the redevelopment agency fund to demonstrate compliance with these budgets.

The basic governmental fund financial statement can be found on pages 34-36 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its culinary water, sewer, pressurized irrigation, electric, drainage, and garbage operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the culinary water, sewer, pressurized irrigation, electric, and drainage funds, which are considered to be major funds of the City. The garbage fund is the only non-major proprietary fund.

The City of Lehi uses three *internal service funds* to account for its fleet maintenance, risk management activities and computer maintenance and replacement activities. These are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

The basic proprietary fund financial statements can be found on pages 38-42 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-73 of this report.

Other information. Combining and individual fund statements and schedules can be found on pages 76-87 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, net assets exceeded liabilities by $326,981,222 at the close of the most recent year.

By far the largest portion of the City's net assets reflects its investment in capital assets (e.g. land, intangible assets, buildings, improvements other than buildings, machinery and equipment, and infrastructure assets); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (4.5%) represents resources that are subject to external restrictions on how they may be used.

As of June 30, 2011, the net assets of the City's business-type activities totaled $177,135,717 compared to $143,317,101 in 2010. $32,291,300 of the change was related to a prior period adjustment made to recognize intangible assets, consisting primarily of water stock and water rights, that had not previously been recognized. In addition, the business-type activities reported an increase in net assets of $1,527,316. Much of this increase in net assets can be attributed to capital grants and contributions, including contributions of infrastructure.

LEHI CITY CORPORATION
NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 30,223,414	$ 22,202,275	$ 17,027,653	$ 16,638,825	$ 47,251,067	$ 38,841,100
Capital assets	229,677,674	231,315,196	183,989,296	182,790,881	413,666,970	414,106,077
Total assets	259,901,088	253,517,471	201,016,949	199,429,706	460,918,037	452,947,177
Long-term liabilities	90,731,520	93,413,391	13,590,426	11,418,468	104,321,946	104,831,859
Other liabilities	19,982,005	20,263,904	9,632,864	8,951,685	29,614,869	29,215,589
Interfund balances	(657,942)	(3,451,152)	657,942	3,451,152	-	-
Total liabilities	110,055,583	110,226,143	23,881,232	23,821,305	133,936,815	134,047,448
Net assets						
Invested in capital assets, net of related debt	211,722,660	211,805,645	171,920,314	172,095,833	383,642,974	383,901,478
Restricted	9,514,316	3,500,816	5,166,369	5,638,545	14,680,685	9,139,361
Unrestricted	(71,391,471)	(72,015,133)	49,034	(2,125,977)	(71,342,437)	(74,141,110)
Total net assets	$ 149,845,505	$ 143,291,328	$ 177,135,717	$ 175,608,401	$ 326,981,222	$ 318,899,729

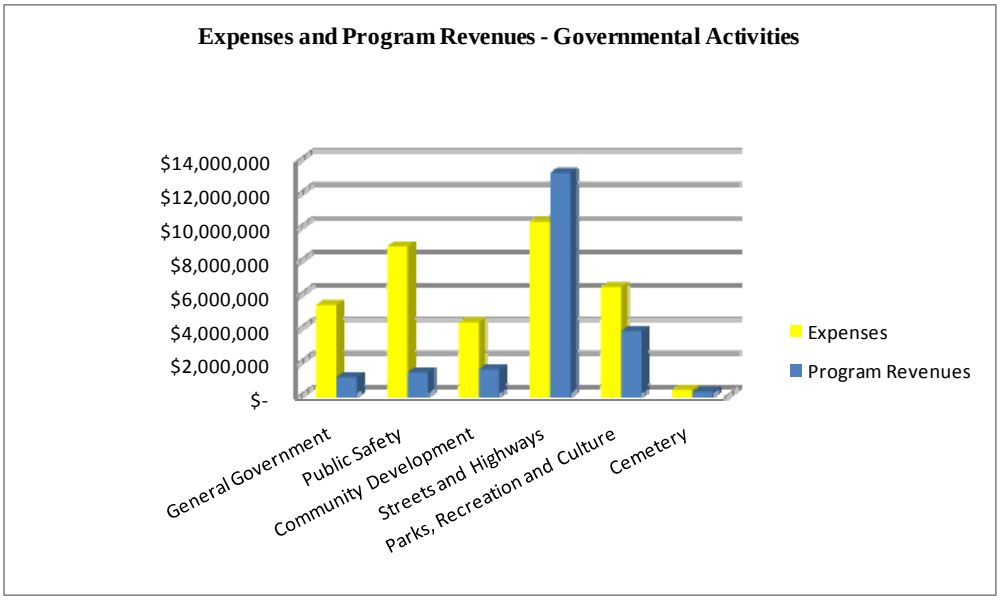
Governmental activities. Governmental activities increased the City's net assets by $6,554,177. Key elements of this increase as a result of current year operations are as follows:

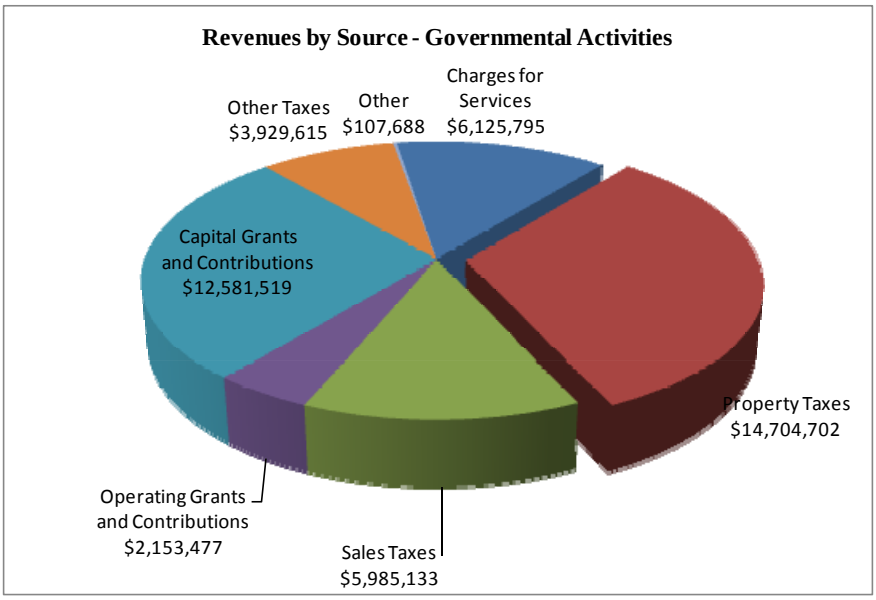
- Capital grants and contributions increased by 1.25% from 2010. The capital grants and contributions were higher than in the prior year due in part to a contribution of infrastructure in the form of certain streets from the Utah Department of Transportation (UDOT). In addition, UDOT granted the City approximately $5.7 million in cash to fund the renovations required on those streets.

- Operating grants and contributions increased from 2010 by $608,379 due in large part to a federal grant used to fund additional personnel in the City's fire department and to an increase in the City's Class C Road allotment from the State of Utah.

LEHI CITY CORPORATION
CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 6,125,795	$ 6,159,733	$ 32,842,223	$ 30,442,857	$ 38,968,018	$ 36,602,590
Operating grants and contributions	2,153,477	1,545,098	-	-	2,153,477	1,545,098
Capital grants and contributions	12,581,519	5,596,760	4,245,278	5,034,797	16,826,797	10,631,557
General revenues:					-	-
Property taxes	14,704,702	13,900,358	-	-	14,704,702	13,900,358
Other taxes	9,914,748	9,190,097	-	-	9,914,748	9,190,097
Other	107,688	153,645	323,351	104,207	431,039	257,852
Total revenues	45,587,929	36,545,691	37,410,852	35,581,861	82,998,781	72,127,552
Expenses:						
General government	5,307,139	4,429,526	-	-	5,307,139	4,429,526
Public safety	8,781,592	8,294,302	-	-	8,781,592	8,294,302
Community development	4,264,439	3,915,440	-	-	4,264,439	3,915,440
Highways/streets	10,227,496	7,533,656	-	-	10,227,496	7,533,656
Parks, recreation, and culture	6,369,274	6,181,189	-	-	6,369,274	6,181,189
Cemetery	269,700	343,280	-	-	269,700	343,280
Interest on long-term debt	4,545,032	4,677,116	-	-	4,545,032	4,677,116
Culinary Water	-	-	2,544,131	2,502,822	2,544,131	2,502,822
Sewer	-	-	6,102,340	4,867,521	6,102,340	4,867,521
Pressurized Irrigation	-	-	2,676,304	1,882,960	2,676,304	1,882,960
Electric	-	-	20,787,596	20,554,351	20,787,596	20,554,351
Drainage	-	-	1,225,380	1,006,380	1,225,380	1,006,380
Garbage	-	-	1,816,865	2,021,030	1,816,865	2,021,030
Total expenses	39,764,672	35,374,509	35,152,616	32,835,064	74,917,288	68,209,573
Increase in net assets before transfers	5,823,257	1,171,182	2,258,236	2,746,797	8,081,493	3,917,979
Transfers	730,920	731,000	(730,920)	(731,000)	-	-
Increase in net assets	6,554,177	1,902,182	1,527,316	2,015,797	8,081,493	3,917,979
Net assets, beginning	143,291,328	141,389,146	143,317,101	141,301,304	286,608,429	282,690,450
Prior period adjustment	-	-	32,291,300	-	32,291,300	-
Net assets at beginning of year, as restated	143,291,328	141,389,146	175,608,401	141,301,304	318,899,729	282,690,450
Net assets, ending	$ 149,845,505	$ 143,291,328	$ 177,135,717	$ 143,317,101	$ 326,981,222	$ 286,608,429


Expenses and Program Revenues - Governmental Activities
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
General Government
Public Safety
Community Development
Streets and Highways
Parks, Recreation and Culture
Cemetery
Expenses
Program Revenues


Revenues by Source - Governmental Activities
Other Taxes $3,929,615
Other $107,688
Charges for Services $6,125,795
Capital Grants and Contributions $12,581,519
Property Taxes $14,704,702
Operating Grants and Contributions $2,153,477
Sales Taxes $5,985,133

For the most part, increases in expenses closely paralleled inflation and related growth in the demand for services. Community development expenses increased from prior year because of capital projects undertaken within the Alpine Highway Economic Development Area. The cost of these capital projects is reported as community development expense because the City does not own these current year improvements and therefore does not report the improvements as capital assets.

General government expenses experienced an increase of $877,613 (19.8%) over 2010. This was due in part to an increase in personnel costs over 2010, a higher amount of depreciation expense being allocated to general government expenses in 2011 as well as some unexpected nondepartmental expenses incurred during the year.

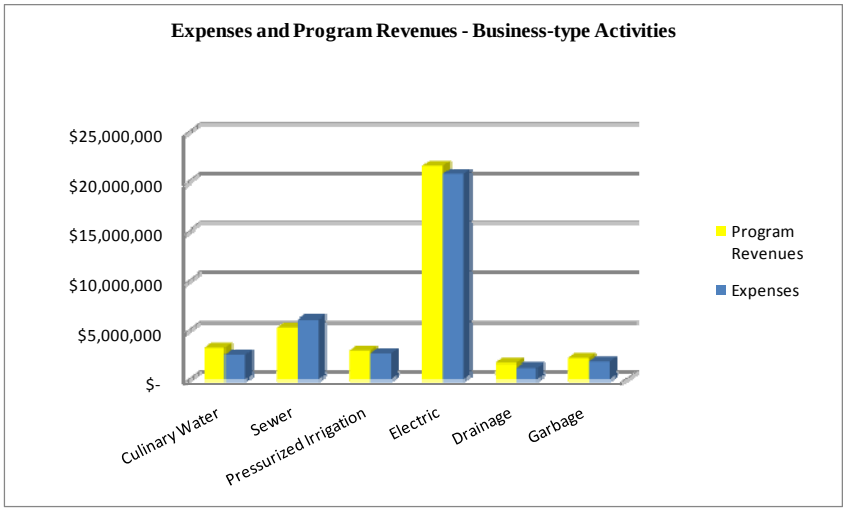
Streets and highways expenses increased by $2,693,840 over 2010 (35.8%) due primarily to significant maintenance costs incurred during 2011.

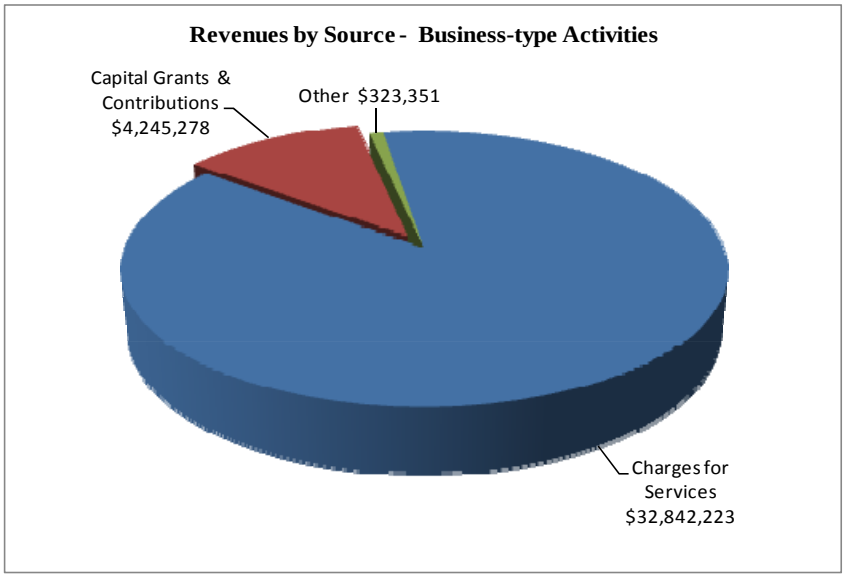
Business-type activities. Business-type activities increased the City's net assets by $1,527,316 not including the effects of the prior period adjustment. Combined with the prior period adjustment, the City's business-type activities increased by a total of $33,818,616. At the end of the current fiscal year, all of the City's major business-type activities reported positive net assets. Key elements of the increase in net assets are as follows:

- Charges for services in the business-type activities increased over 2010 by $2,399,367 (7.3%). All of the enterprise funds experienced an increase in charges for services over 2010. The increase was the result of approved increases in the monthly service fees charged to customers. Services fees have increased slightly over the last two years to ensure that user fees are adequate to fund operating expenses.

- Capital grants and contributions for the business-type activities added $4,245,278 to the net assets of the City. This amount was a decrease of $789,519 from the previous year. The decrease was a result of a downturn in collection of impact fees from new residential and commercial development combined with a decrease in contributions of infrastructure from developers.

- Expenses of the business-type activities increased by $2,317,552 from the prior year. The increase is primarily due to an increase in system maintenance costs and purchased sewage treatment services.


Expenses and Program Revenues - Business-type Activities
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
Culinary Water
Sewer
Pressurized Irrigation
Electric
Drainage
Garbage
Program Revenues
Expenses


Revenues by Source - Business-type Activities
Capital Grants & Contributions $4,245,278
Other $323,351
Charges for Services $32,842,223

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of $10,767,836. $2,832,530 of this total amount (26.3%) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either *nonspendable, restricted, committed or assigned* to indicate that it is not available for new spending because it 1) is not in a spendable form, 2) has constraints imposed either externally or by law, 3) has constraints imposed by formal resolution of the city council, or 4) is or intended by the city council and the city manager to be used for specific purposes.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,590,564, while total fund balance reached $3,209,816. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.4% of total general fund expenditures, while total fund balance represents 12.9% of that same amount. The fund balance of the City's general fund decreased by $433,407 during the current fiscal year and this decrease was due in part to transfers to other funds, including the capital projects fund.

The special revenue Redevelopment Agency Fund has an unassigned fund balance of $1,241,966. The project areas are the Mill Pond Project, the Alpine Highway Project, and the Thanksgiving Park Economic Development Project Area. During 2011, a new project area was approved, but no expenditures were incurred and no tax increment was collected in this new area. Overall, the fund experienced an increase in fund balance of $188,060.

The capital projects fund also had an increase in fund balance in the amount of $5,441,362, which resulted in a fund balance of $6,316,054, $8,566,451 representing restricted fund balance, with an assigned deficit of $2,250,397. As mentioned, during 2011, the City received approximately $5.7 in fund from UDOT for the reconstruction of certain streets. None of these funds had been expended prior to June 30, 2011.

Proprietary funds. The City's proprietary funds provide the same type of information found in the business-type portions of the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary funds at the end of the year totaled a deficit of $453,956. Individually, the electric fund's unrestricted net assets totaled $4,137,170 and the drainage unrestricted net assets totaled $1,131,426. The culinary water fund had a deficit in unrestricted net assets of $3,267,388, the sewer fund had a deficit of $1,819,594, pressurized irrigation a deficit of $1,305,788, and the non-major enterprise fund a positive amount of $670,218. Other factors concerning the finances of these proprietary funds can be found earlier in this section under business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the City made no amendments to the General Fund's original budget of $25,266,742.

- Tax revenues recognized in 2011 were $851,948 more than budgeted. The majority of this was related to higher than anticipated property tax revenues.

- Charges for services revenue was lower than originally budgeted by approximately $740,000. This shortfall was primarily the result of a combination of recreation and ambulance fees being substantially less than originally budgeted. This was due in large part to the downturn in the economy.

- The Public Safety department exceeded its final budget by $279,820 due mainly to higher than anticipated personnel costs.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to $413,666,970 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements including infrastructure and distribution systems, machinery and equipment, vehicles, and office furniture and equipment.

Major capital asset activity during the current fiscal year included the following:

- In the governmental activities, there were several street widening and relocation projects as well as pedestrian safety projects completed for a cost of approximately $2.9 million.

- Additions to infrastructure in the Pressurized Irrigation fund included approximately $972,000 in construction in progress on a reservoir as well as approximately $173,000 in fire hydrant mainline replacements.

- As mentioned, approximately $32 million in previously unrecognized intangible assets consisting of water stock was recorded by means of a prior period adjustment.

- Infrastructure and land was donated to the City by developers. The estimated fair value of the infrastructure and land donated in the governmental and business type activities was $1,857,385 and $2,091,606 respectively.

LEHI CITY CORPORATION
CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 84,199,738	$ 82,811,839	$ 2,336,469	$ 2,336,469	$ 86,536,207	$ 85,148,308
Intangibles	-	-	35,290,142	33,473,980	35,290,142	33,473,980
Construction in progress	5,117,812	3,952,044	2,968,632	1,208,865	8,086,444	5,160,909
Buildings and structures	14,925,211	15,634,913	2,000,050	2,089,155	16,925,261	17,724,068
Improvements, including infrastructure	121,060,290	124,048,648	140,129,595	142,189,660	261,189,885	266,238,308
Machinery, equipment, and vehicles	4,124,844	4,549,562	1,229,166	1,469,466	5,354,010	6,019,028
Office furniture and equipment	249,779	318,190	35,242	23,286	285,021	341,476
Total	$ 229,677,674	$ 231,315,196	$ 183,989,296	$ 182,790,881	$ 413,666,970	$ 414,106,077

Additional information on the City's capital assets can be found in note E on pages 55-57 of this report.

Long-term debt. At the end of the current fiscal year the City had total bonded debt outstanding of $28,933,919. Of this amount $1,125,000 is excise tax debt which is secured by Class C road taxes. The remainder of the City's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

LEHI CITY CORPORATION
OUTSTANDING DEBT

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Capital lease obligations	$ 160,014	$ 234,551	$ -	$ 24,317	$ 160,014	$ 258,868
Excise tax bonds	1,125,000	1,665,000	-	-	1,125,000	1,665,000
Tax increment notes payable to developers	70,449,547	71,785,332	-	-	70,449,547	71,785,332
Other notes payable	-	-	1,683,586	-	1,683,586	-
Revenue bonds	16,670,000	17,610,000	11,138,919	10,670,731	27,808,919	28,280,731
Other liabilities	2,326,959	2,118,508	767,921	723,420	3,094,880	2,841,928
Total	$ 90,731,520	$ 93,413,391	$ 13,590,426	$ 11,418,468	$ 104,321,946	$ 104,831,859

The City decreased its total debt by $509,913 in fiscal year 2011. Major long-term debt activity included the following:

- As mentioned, there was an increase in the tax increment note payable to developer of $958,500. A principal payment of $2,294,285 was also made resulting in a net decrease to this note of $1,335,785.
- $2,500,000 in revenue and refunding drainage bonds were issued, in part to refund $935,000 of the 2000 Series Drainage Revenue bonds and in part to fund additional infrastructure improvements. The refunding resulted in a cash flow savings of $285,930 and an economic gain of $258,146.
- The City issued notes payable totaling $1,816,162 in connection with the acquisition of additional water stock. The notes are payable in annual installments through 2035.
- Other reductions in debt were attributable to regular principal reductions.

The City was awarded an underlying "AA-" rating up from an underlying "A+" rating from Standard & Poor's ("AAA" insured) for sales tax revenue bonds and an underlying "A3" from Moody's ("Aaa" insured) for the culinary water and pressurized irrigation funds. All bonds previous to these were rated with an "AAA" with the purchase of bond insurance.

State statues limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is $125,485,664 and the City currently has no general obligation debt. In addition, state statutes allow for an additional 4% to be used for business-type debt, thus resulting in a debt limit of 8% of total taxable value. The current limitation for business-type projects is $250,971,328, which significantly exceeds the outstanding business-type debt the City currently has.

Additional information on the City's long-term debt can be found in note G on pages 57-66 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for Utah County is currently 7.0% (unemployment data is not available for the City). This compares to the state unemployment rate of 7.0% and a national rate of 9.1%.

- The City administration will continue to examine utility and update them as needed. A slight increase in sewer fees is anticipated and will probably be offset with a decrease in garbage fees.

The above factors were considered in preparing the City's budget for the 2012 fiscal year. The 2012 budget is balanced without a property tax rate increase. The City administration will be examining the utility service rates it charges its customers in fiscal 2012. The City plans to perform this review on an annual basis.

Cabela's opened a new 160,000 square feet retail store in early fiscal year 2006. This one of a kind retailer brought in approximately 4,000,000 million visitors to the City in 2006. The store opened to the biggest opening a Cabela's store has ever had, and continues to be one of the biggest sales tax producers in the City and is expected to bolster sales tax revenues in coming years.

There are several new restaurants and a hotel scheduled for construction during the 2012 fiscal year. In the spring of 2009 a Smiths Marketplace, which sells grocery and other retail items, opened and is expected to generate more than $50,000,000 in taxable sales a year.

IM Flash is a flash memory manufacturer and employs approximately 1,600 people. This state of the art manufacturing plant adds $450,000,000 of property value to the City. Other notable additions to the City in the next several years will be an 800,000 square foot class an office park project, a new children's museum, an upscale factory outlet mall and a new 18 screen theatre complex scheduled for completion in the fall of 2012.

The Adobe Corporation located one of their new corporate campuses in Lehi City. Construction began in the summer of 2011 on a three story building complex on a 20 acre site. It is scheduled for completion in the fall of 2012.

Thanksgiving Park began construction in the fall of 2011 on their third building consisting of 170,000 square feet of office space. That will bring the total square footage of office space to the area of 510,000.

The additional tax revenue generated by the new development will be needed to fund the additional required City services. The City has a full time fire/EMS service, but the City is in need of two additional stations. Other services such as parks, police and library services will be improved with revenue increases.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 153 North 100 East, Lehi, Utah, 84043.

LEHI

Pioneering Utah's Future

BASIC FINANCIAL STATEMENTS

LEHI CITYCORPORATION
STATEMENT OF NET ASSETS
JUNE 30, 2011

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HUTCHINGS MUSEUM
ASSETS				
CASH AND CASH EQUIVALENTS	$ 2,329,881	$ 1,096,454	$ 3,426,335	$ 124,377
RECEIVABLES (NET)				
ACCOUNTS	-	3,323,775	3,323,775	-
UNBILLED	-	487,340	487,340	-
TAXES	16,204,513	-	16,204,513	-
INTERGOVERNMENTAL	331,288	-	331,288	-
OTHER	624,628	-	624,628	-
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	2,075,929	2,075,929	-
PREPAID EXPENSES	2,637	82,257	84,894	-
INVENTORY	38,590	2,889,866	2,928,456	-
BOND ISSUE COSTS (NET)	203,727	201,744	405,471	-
RESTRICTED CASH AND CASH EQUIVALENTS	10,488,150	6,870,288	17,358,438	-
NON-DEPRECIABLE CAPITAL ASSETS	89,317,550	40,595,243	129,912,793	5,000
DEPRECIABLE CAPITAL ASSETS, NET	140,360,124	143,394,053	283,754,177	337,117
TOTAL ASSETS	259,901,088	201,016,949	460,918,037	466,494
LIABILITIES				
INTERFUND BALANCES	(657,942)	657,942	-	-
ACCOUNTS PAYABLE	491,454	3,608,172	4,099,626	4,764
LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
ACCOUNTS PAYABLE	842,352	208,772	1,051,124	-
ACCRUED INTEREST	131,482	-	131,482	-
UNEARNED REVENUE-PREPAID IMPACT FEES	-	741,624	741,624	
WAGES PAYABLE	168,217	32,012	200,229	1,040
ACCRUED LIABILITIES	921,339	-	921,339	-
ACCRUED INTEREST PAYABLE	1,561,848	12,260	1,574,108	-
UNEARNED REVENUE:				
PROPERTY TAXES	14,771,248	-	14,771,248	-
IMPACT FEES	1,094,065	4,755,594	5,849,659	-
CUSTOMER DEPOSITS	-	274,430	274,430	-
NON-CURRENT LIABILITIES				
DUE WITHIN ONE YEAR	1,840,547	1,320,127	3,160,674	2,888
DUE IN MORE THAN ONE YEAR:				
COMPENSATED ABSENCES	1,191,421	568,568	1,759,989	495
LANDFILL POSTCLOSURE COSTS	483,117	-	483,117	-
CAPITAL LEASES PAYABLE	81,888	-	81,888	-
TAX INCREMENT NOTE PAYABLE TO DEVELOPER	70,449,547	-	70,449,547	-
OTHER NOTES PAYABLE	-	1,672,812	1,672,812	-
BONDS PAYABLE	16,685,000	10,028,919	26,713,919	-
TOTAL LIABILITIES	110,055,583	23,881,232	133,936,815	9,187
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	211,722,660	171,920,314	383,642,974	342,117
RESTRICTED FOR				
CAPITAL IMPROVEMENTS	9,514,316	5,103,165	14,617,481	-
DEBT SERVICE	-	63,204	63,204	-
UNRESTRICTED (DEFICIT)	(71,391,471)	49,034	(71,342,437)	115,190
TOTAL NET ASSETS	$ 149,845,505	$ 177,135,717	$ 326,981,222	$ 457,307

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITYCORPORATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

		PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET ASSETS PRIMARY GOVERNMENT			COMPONENT UNIT
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	HUTCHINGS MUSEUM
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES								
GENERAL GOVERNMENT	$ 5,307,139	$ 1,021,657	$ -	$ -	$ (4,285,482)	$ -	$ (4,285,482)	$ -
PUBLIC SAFETY	8,781,592	505,979	553,815	249,126	(7,472,672)	-	(7,472,672)	-
COMMUNITY DEVELOPMENT	4,264,439	1,487,215	-	-	(2,777,224)	-	(2,777,224)	-
STREETS AND HIGHWAYS	10,227,496	-	1,534,646	11,591,904	2,899,054	-	2,899,054	-
PARKS, RECREATION AND CULTURE	6,369,274	2,949,442	65,016	740,489	(2,614,327)	-	(2,614,327)	-
CEMETERY	269,700	161,502	-	-	(108,198)	-	(108,198)	-
INTEREST ON LONG-TERM DEBT	4,545,032	-	-	-	(4,545,032)	-	(4,545,032)	-
TOTAL GOVERNMENTAL ACTIVITIES	39,764,672	6,125,795	2,153,477	12,581,519	(18,903,881)	-	(18,903,881)	-
BUSINESS-TYPE ACTIVITIES								
CULINARY WATER	2,544,131	2,634,733	-	664,533	-	755,135	755,135	-
SEWER	6,102,340	4,886,485	-	406,953	-	(808,902)	(808,902)	-
PRESSURIZED IRRIGATION	2,676,304	2,200,146	-	767,352	-	291,194	291,194	-
ELECTRIC	20,787,596	19,856,320	-	1,785,354	-	854,078	854,078	-
DRAINAGE	1,225,380	1,070,910	-	621,086	-	466,616	466,616	-
GARBAGE	1,816,865	2,193,629	-	-	-	376,764	376,764	-
TOTAL BUSINESS-TYPE ACTIVITIES	35,152,616	32,842,223	-	4,245,278	-	1,934,885	1,934,885	-
TOTAL PRIMARY GOVERNMENT	$ 74,917,288	$ 38,968,018	$ 2,153,477	$ 16,826,797	(18,903,881)	1,934,885	(16,968,996)	-
COMPONENT UNIT								
HUTCHINGS MUSEUM	$ 219,380	$ 36,336	$ 164,996	$ -				(18,048)
GENERAL REVENUES:								
PROPERTY TAXES					14,704,702	-	14,704,702	-
SALES TAXES					5,985,133	-	5,985,133	-
FRANCHISE TAXES					3,418,306	-	3,418,306	-
MOTOR VEHICLE FEES IN LIEU					511,309	-	511,309	-
INVESTMENT EARNINGS					74,775	48,967	123,742	1,356
GAIN ON DISPOSAL OF CAPITAL ASSETS					28,511	-	28,511	
OTHER					4,402	274,384	278,786	-
TOTAL GENERAL REVENUES					24,727,138	323,351	25,050,489	1,356
TRANSFERS					730,920	(730,920)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					25,458,058	(407,569)	25,050,489	1,356
CHANGE IN NET ASSETS					6,554,177	1,527,316	8,081,493	(16,692)
NET ASSETS AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					143,291,328	143,317,101	286,608,429	473,999
PRIOR PERIOD ADJUSTMENT					-	32,291,300	32,291,300	-
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED					143,291,328	175,608,401	318,899,729	473,999
NET ASSETS AT END OF YEAR					$ 149,845,505	$ 177,135,717	$ 326,981,222	$ 457,307

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
CASH AND CASH EQUIVALENTS	$ 303,243	$ 1,241,966	$ 120,939	$ -	$ 1,666,148
RECEIVABLES					
TAXES	6,779,513	9,425,000	-	-	16,204,513
INTERGOVERNMENTAL	331,288	-	-	-	331,288
OTHER	624,628	-	-	-	624,628
DUE FROM OTHER FUNDS	1,985,968	-	-	-	1,985,968
PREPAID ITEMS	2,637	-	-	-	2,637
RESTRICTED CASH AND CASH EQUIVALENTS	1,079,347	-	9,408,803	-	10,488,150
TOTAL ASSETS	$ 11,106,624	$ 10,666,966	$ 9,529,742	$ -	$ 31,303,332
LIABILITIES					
ACCOUNTS PAYABLE	$ 371,534	$ -	$ 46,300	$ -	$ 417,834
DUE TO OTHER FUNDS	-	-	2,325,036	-	2,325,036
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	-	-	842,352	-	842,352
WAGES PAYABLE	163,622	-	-	-	163,622
ACCRUED LIABILITIES	921,339	-	-	-	921,339
DEFERRED REVENUE:			-	-	-
TAXES	5,346,248	9,425,000	-	-	14,771,248
IMPACT FEES	1,094,065	-	-	-	1,094,065
TOTAL LIABILITIES	7,896,808	9,425,000	3,213,688	-	20,535,496
FUND BALANCES					
NONSPENDABLE	2,637	-	-	-	2,637
RESTRICTED	1,079,347	-	8,566,451	-	9,645,798
COMMITTED	355,345	-	-	-	355,345
ASSIGNED	181,923	-	(2,250,397)	-	(2,068,474)
UNASSIGNED	1,590,564	1,241,966	-	-	2,832,530
TOTAL FUND BALANCE	3,209,816	1,241,966	6,316,054	-	10,767,836
TOTAL LIABILITIES AND FUND BALANCES	$ 11,106,624	$ 10,666,966	$ 9,529,742	$ -	$ 31,303,332

LEHI CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

TOTAL GOVERNMENTAL FUND BALANCES	$ 10,767,836
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS ARE DIFFERENT BECAUSE:	
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS.	229,677,674
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD DEFERRED IN THE FUNDS.	203,727
LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(90,731,520)
INTEREST PAYABLE ON LONG-TERM FINANCIAL RESOURCES AND IS NOT REPORTED IN THE GOVERNMENTAL FUNDS.	(1,693,330)
THE CURRENT ASSETS AND LIABILITIES OF THE INTERNAL SERVICE FUNDS ARE INCLUDED IN THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS	2,124,108
SOME OF THE INTERNAL SERVICE NET INCOME IS ALLOCABLE TO BUSINESS-TYPE ACTIVITIES. THESE AMOUNTS ARE SHOWN IN THE INTERNAL BALANCES IN THE STATEMENT OF NET ASSETS	(502,990)
NET ASSETS OF GOVERNMENT ACTIVITIES	$ 149,845,505

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
TAXES	$ 14,825,019	$ 8,974,309	$ 820,122	$ -	$ 24,619,450
LICENSES, FEES AND PERMITS	1,092,697	-	1,978,045	-	3,070,742
INTERGOVERNMENTAL	2,199,928	-	8,494,182	-	10,694,110
CHARGES FOR SERVICES	4,209,859	-	-		4,209,859
FINES AND FORFEITURES	835,010	-	-	-	835,010
MISCELLANEOUS	293,237	-	-	42,223	335,460
INTEREST ON INVESTMENTS	56,627	5,092	5,562	-	67,281
TOTAL REVENUES	23,512,377	8,979,401	11,297,911	42,223	43,831,912
EXPENDITURES					
CURRENT					
GENERAL GOVERNMENT	4,928,570	-	-	-	4,928,570
PUBLIC SAFETY	8,453,897	-	-	-	8,453,897
COMMUNITY DEVELOPMENT	1,871,162	2,517,481	-	-	4,388,643
STREETS AND HIGHWAYS	1,770,865	-	-	-	1,770,865
PARKS, RECREATION AND CULTURE	6,058,330	-	-	-	6,058,330
CEMETERY	223,569	-	-	-	223,569
OTHER	-	-	777,049	21,258	798,307
CAPITAL OUTLAY	-	-	5,362,725	-	5,362,725
DEBT SERVICE					
PRINCIPAL	1,090,000	2,294,285	390,000	-	3,774,285
INTEREST AND FISCAL CHARGES	449,409	3,753,168	390,677	-	4,593,254
CAPITAL LEASE PAYMENTS-PRINCIPAL	74,537	-	-	-	74,537
CAPITAL LEASE PAYMENTS-INTEREST	9,785	-	-	-	9,785
TOTAL EXPENDITURES	24,930,124	8,564,934	6,920,451	21,258	40,436,767
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,417,747)	414,467	4,377,460	20,965	3,395,145
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	3,095,100	-	2,159,870	-	5,254,970
TRANSFERS OUT	(2,159,870)	(1,184,907)	(1,095,968)	(83,305)	(4,524,050)
SALE OF CAPITAL ASSETS	49,110	-	-	-	49,110
ISSUANCE OF BONDS AND NOTES	-	958,500	-	-	958,500
TOTAL OTHER FINANCING SOURCES (USES)	984,340	(226,407)	1,063,902	(83,305)	1,738,530
NET CHANGE IN FUND BALANCE	(433,407)	188,060	5,441,362	(62,340)	5,133,675
FUND BALANCE AT BEGINNING OF YEAR	3,643,223	1,053,906	874,692	62,340	5,634,161
FUND BALANCE AT END OF YEAR	$ 3,209,816	$ 1,241,966	$ 6,316,054	$ -	$ 10,767,836

LEHI CITY CORPORATION
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, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 5,133,675
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES WHILE GOVERNMENTAL ACTIVITIES REPORT DEPRECIATION EXPENSE TO ALLOCATE THOSE EXPENDITURES OVER THE LIFE OF THE ASSETS	
CAPITAL ASSET PURCHASES CAPITALIZED	3,531,158
DEPRECIATION EXPENSE	(7,899,544)
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES, SUCH AS COMPENSATED ABSENCES, INTEREST, LANDFILL POST-CLOSURE COSTS DO NOT REQUIRE THE UST OF CURRENT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS	(132,510)
PROCEEDS FROM DEBT ISSUES ARE AN OTHER FINANCING SOURCE IN THE FUNDS, BUT A DEBT ISSUE INCREASES LONG-TERM LIABILITIES IN THE STATEMENT OF NET ASSETS	(958,500)
REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET ASSETS.	3,848,822
THE NET REVENUE OF INTERNAL SERVICES FUNDS IS ALLOCATED BETWEEN GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES.	
INTERNAL SERVICE FUND NET INCOME	741,401
LESS AMOUNT ALLOCATED TO BUSINESS-TYPE ACTIVITIES	(248,346)
GOVERNMENTAL FUNDS REPORT BOND ISSUE COSTS AS EXPENDITURES. WHILE GOVERNMENTAL ACTIVITIES AMORTIZE THOSE COSTS OVER THE LIFE OF THE BONDS	(14,199)
GOVERNMENTAL FUNDS REPORT THE DISPOSAL OF ASSETS TO THE EXTENT PROCEEDS ARE RECEIVED A GAIN OR LOSS IS REPORTED FOR EACH DISPOSAL	(20,599)
DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS	2,572,819
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 6,554,177

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	GENERAL FUND				REDEVELOPMENT AGENCY			
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES								
TAXES	$ 13,973,071	$ 13,973,071	$ 14,825,019	$ 851,948	$ 9,700,000	$ 9,700,000	$ 8,974,309	$ (725,691)
LICENSES, FEES AND PERMITS	850,000	850,000	1,092,697	242,697	-	-	-	-
INTERGOVERNMENTAL REVENUE	2,095,964	2,095,964	2,199,928	103,964	-	-	-	-
CHARGES FOR SERVICE	4,953,242	4,953,242	4,209,859	(743,383)	-	-	-	-
FINES AND FORFEITURES	906,380	906,380	835,010	(71,370)	-	-	-	-
MISCELLANEOUS REVENUE	595,020	595,020	293,237	(301,783)	(186,000)	(186,000)	-	186,000
INTEREST ON INVESTMENTS	62,500	62,500	56,627	(5,873)	6,000	6,000	5,092	(908)
TOTAL REVENUES	23,436,177	23,436,177	23,512,377	76,200	9,520,000	9,520,000	8,979,401	(540,599)
EXPENDITURES								
GENERAL GOVERNMENT	5,292,818	5,292,818	4,928,570	364,248	-	-	-	-
PUBLIC SAFETY	8,174,077	8,174,077	8,453,897	(279,820)	-	-	-	-
COMMUNITY DEVELOPMENT	2,026,634	2,026,634	1,871,162	155,472	7,059,000	7,059,000	2,517,481	4,541,519
STREETS AND HIGHWAYS	1,770,647	1,770,647	1,770,865	(218)	-	-	-	-
PARKS, RECREATIONS AND CULTURE	6,126,728	6,126,728	6,058,330	68,398	-	-	-	-
CEMETERY	252,429	252,429	223,569	28,860	-	-	-	-
DEBT SERVICE	1,623,409	1,623,409	1,623,731	(322)	6,650,000	6,650,000	6,047,453	602,547
TOTAL EXPENDITURES	25,266,742	25,266,742	24,930,124	336,618	13,709,000	13,709,000	8,564,934	5,144,066
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,830,565)	(1,830,565)	(1,417,747)	412,818	(4,189,000)	(4,189,000)	414,467	4,603,467
OTHER FINANCING SOURCES (USES)								
ISSUANCE OF NOTES	-	-	-	-	5,500,000	5,500,000	958,500	(4,541,500)
TRANSFERS IN	2,042,000	2,042,000	3,095,100	1,053,100	-	-	-	-
TRANSFERS OUT	(250,000)	(250,000)	(2,159,870)	(1,909,870)	(1,311,000)	(1,311,000)	(1,184,907)	126,093
SALE OF CAPITAL ASSETS	38,565	38,565	49,110	10,545	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,830,565	1,830,565	984,340	(846,225)	4,189,000	4,189,000	(226,407)	(4,415,407)
NET CHANGE IN FUND BALANCE	-	-	(433,407)	(433,407)	-	-	188,060	188,060
FUND BALANCE AT BEGINNING OF YEAR	3,643,223	3,643,223	3,643,223	-	1,053,906	1,053,906	1,053,906	-
FUND BALANCE AT END OF YEAR	$ 3,643,223	$ 3,643,223	$ 3,209,816	$ (433,407)	$ 1,053,906	$ 1,053,906	$ 1,241,966	$ 188,060

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI

Pioneering Utah's Future

LEHI CITY CORPORATION
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTAL BUSINESS-TYPE FUNDS	INTERNAL SERVICE FUNDS
ASSETS								
CURRENT ASSETS								
CASH AND CASH EQUIVALENTS	$ 53,092	$ 460	$ 198,780	$ 108,222	$ 158,773	$ 577,127	$ 1,096,454	$ 663,733
RECEIVABLE (NET):								
ACCOUNTS	252,978	488,390	223,421	2,012,138	109,674	237,174	3,323,775	-
UNBILLED	41,811	74,345	36,931	277,139	14,781	42,333	487,340	-
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	-	-	2,075,929	-	-	2,075,929	-
PREPAID INTEREST	-	-	-	82,257	-	-	82,257	-
DUE FROM OTHER FUNDS	-	-	300,000	465,675	910,000	-	1,675,675	1,500,000
INVENTORY	50,991	8,581	53,419	2,774,560	2,315	-	2,889,866	38,590
TOTAL CURRENT ASSETS	398,872	571,776	812,551	7,795,920	1,195,543	856,634	11,631,296	2,202,323
NON-CURRENT ASSETS								
BOND ISSUE COSTS (NET)	27,488	-	22,483	121,892	29,881	-	201,744	-
RESTRICTED CASH AND CASH EQUIVALENTS	1,709,159	1,843,725	406,976	2,156,905	753,523	-	6,870,288	-
NONDEPRECIABLE CAPITAL ASSETS	19,317,693	66,605	18,740,292	490,500	1,980,153	-	40,595,243	44,692
DEPRECIABLE CAPITAL ASSETS, NET	24,681,252	28,903,995	28,770,291	36,717,084	24,321,431	-	143,394,053	634,002
TOTAL NON-CURRENT ASSETS	45,735,592	30,814,325	47,940,042	39,486,381	27,084,988	-	191,061,328	678,694
TOTAL ASSETS	$ 46,134,464	$ 31,386,101	$ 48,752,593	$ 47,282,301	$ 28,280,531	$ 856,634	$ 202,692,624	$ 2,881,017

CONTINUED

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
LIABILITIES	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
CURRENT LIABILITIES								
DUE TO OTHER FUNDS	$ 1,463,412	$ 1,373,195	$ -	$ -	$ -	$ -	$ 2,836,607	$ -
ACCOUNTS PAYABLE	13,374	640,362	12,449	2,693,917	61,654	186,416	3,608,172	73,620
WAGES PAYABLE	5,340	1,612	3,000	20,421	1,639	-	32,012	4,595
ACCRUED INTEREST PAYABLE	4,325	-	3,539	951	3,445	-	12,260	-
PAYABLE FROM RESTRICTED ASSETS:								-
ACCOUNTS PAYABLE	20,848	82,120	104,370	1,434	-	-	208,772	-
UNEARNED REVENUE - PREPAID IMPACT FEES	452,440	-	289,184	-	-	-	741,624	-
UNEARNED REVENUE-IMPACT FEES	2,028,733	358,880	2,050,296	317,685	-	-	4,755,594	-
CUSTOMER DEPOSITS	-	-	-	274,430	-	-	274,430	-
CURRENT PORTION COMPENSATED ABSENCES	41,521	7,651	15,615	124,991	9,575	-	199,353	27,170
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	208,887	-	171,887	600,000	140,000	-	1,120,774	-
TOTAL CURRENT LIABILITIES	4,238,880	2,463,820	2,650,340	4,033,829	216,313	186,416	13,789,598	105,385
NON-CURRENT LIABILITIES								
COMPENSATED ABSENCES	137,043	9,670	55,923	348,247	17,685	-	568,568	30,241
NOTES PAYABLE	836,406	-	836,406	-	-	-	1,672,812	-
BONDS PAYABLE, LESS CURRENT MATURITIES	1,170,082	-	957,345	5,706,000	2,195,492	-	10,028,919	-
TOTAL NON-CURRENT LIABILITIES	2,143,531	9,670	1,849,674	6,054,247	2,213,177	-	12,270,299	30,241
TOTAL LIABILITIES	6,382,411	2,473,490	4,500,014	10,088,076	2,429,490	186,416	26,059,897	135,626
NET ASSETS								
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	41,783,570	28,970,600	45,544,945	30,901,584	24,719,615	-	171,920,314	678,694
RESTRICTED FOR								
CAPITAL PROJECTS	1,219,463	1,761,605	-	2,122,097	-	-	5,103,165	-
DEBT SERVICE	16,408	-	13,422	33,374	-	-	63,204	-
UNRESTRICTED (DEFICIT)	(3,267,388)	(1,819,594)	(1,305,788)	4,137,170	1,131,426	670,218	(453,956)	2,066,697
TOTAL NET ASSETS	39,752,053	28,912,611	44,252,579	37,194,225	25,851,041	670,218	176,632,727	2,745,391
TOTAL LIABILITIES AND NET ASSETS	$ 46,134,464	$ 31,386,101	$ 48,752,593	$ 47,282,301	$ 28,280,531	$ 856,634		$ 2,881,017

ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	
CURRENT YEAR ADJUSTMENT	248,346
CUMULATIVE ADJUSTMENT FROM PRIOR YEARS	254,644
NET ASSETS OF BUSINESS-TYPE ACTIVITIES	$ 177,135,717

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS)								
CHARGES FOR SERVICES	$ 2,489,628	$ 4,886,485	$ 2,140,449	$ 19,762,771	$ 1,070,910	$ 2,193,629	$ 32,543,872	$ 2,815,230
HOOK-UP AND SERVICING FEES	145,105	-	59,697	93,549	-	-	298,351	-
MISCELLANEOUS REVENUES	11,297	8,741	270	246,377	1,514	6,185	274,384	-
TOTAL OPERATING REVENUES	2,646,030	4,895,226	2,200,416	20,102,697	1,072,424	2,199,814	33,116,607	2,815,230
OPERATING EXPENSES								
PERSONNEL	625,707	240,193	375,863	2,247,289	200,628	-	3,689,680	538,937
GENERAL ADMINISTRATION	76,663	38,155	39,508	326,677	40,214	25,267	546,484	-
OPERATING AND MAINTENANCE	564,572	4,681,777	1,234,462	15,994,707	201,379	1,791,598	24,468,495	1,424,539
INTERFUND CHARGES	203,240	131,000	75,000	570,000	15,000	-	994,240	-
DEPRECIATION	1,005,449	1,006,861	900,149	1,761,706	680,772	-	5,354,937	122,249
TOTAL OPERATING EXPENSES	2,475,631	6,097,986	2,624,982	20,900,379	1,137,993	1,816,865	35,053,836	2,085,725
OPERATING INCOME (LOSS)	170,399	(1,202,760)	(424,566)	(797,682)	(65,569)	382,949	(1,937,229)	729,505
NON-OPERATING REVENUES (EXPENSES)								
IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	496,422	177,778	541,868	791,577	146,027	-	2,153,672	-
INTEREST INCOME	8,722	6,947	7,962	13,639	10,050	1,647	48,967	7,494
INTEREST EXPENSE	(63,283)	(4,354)	(47,053)	(128,398)	(83,568)	-	(326,656)	-
MISCELLANEOUS REVENUES	-	-	-	-	-	-	-	4,402
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	-	-	-	-	-	-	-	-
AMORTIZATION OF BOND ISSUE COSTS	(5,217)	-	(4,269)	(7,165)	(3,819)	-	(20,470)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	436,644	180,371	498,508	669,653	68,690	1,647	1,855,513	11,896
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	607,043	(1,022,389)	73,942	(128,029)	3,121	384,596	(81,716)	741,401
CAPITAL CONTRIBUTIONS	168,111	229,175	225,484	993,777	475,059	-	2,091,606	-
TRANSFERS TO OTHER FUNDS	(174,500)	(150,000)	(64,890)	(265,920)	(65,610)	(10,000)	(730,920)	-
CHANGE IN NET ASSETS	600,654	(943,214)	234,536	599,828	412,570	374,596	1,278,970	741,401
NET ASSETS AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	23,005,749	29,855,825	27,872,393	36,594,397	25,438,471	295,622		2,003,990
PRIOR PERIOD ADJUSTMENT	16,145,650	-	16,145,650	-	-	-		-
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	39,151,399	29,855,825	44,018,043	36,594,397	25,438,471	295,622		2,003,990
NET ASSETS AT END OF YEAR	$ 39,752,053	28,912,611	$ 44,252,579	$ 37,194,225	$ 25,851,041	$ 670,218		$ 2,745,391
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS							248,346	
CHANGE IN NET ASSETS OF BUSINESS-TYPE ACTIVITIES (page 17)							$ 1,527,316	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES								
CASH RECEIVED FROM CUSTOMERS	$ 2,628,769	$ 4,759,633	$ 2,144,885	$ 19,703,575	$ 1,064,625	$ 2,179,882	$ 32,481,369	$ -
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	-	-	-	-	-	-	-	2,815,230
CASH PAID TO SUPPLIERS	(597,279)	(4,384,372)	(1,177,910)	(16,714,711)	(618,885)	(1,925,735)	(25,418,892)	(1,103,178)
CASH PAID TO EMPLOYEES	(629,497)	(250,955)	(378,158)	(2,278,691)	(205,962)	-	(3,743,263)	(922,729)
CASH PAID FOR INTERFUND SERVICES	(203,240)	(131,000)	(75,000)	(570,000)	(15,000)	-	(994,240)	-
OTHER RECEIPTS (PAYMENTS)	11,297	8,741	270	246,377	1,514	6,185	274,384	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,210,050	2,047	514,087	386,550	226,292	260,332	2,599,358	789,323
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
TRANSFERS OUT	(174,500)	(150,000)	(64,890)	(265,920)	(65,610)	(10,000)	(730,920)	-
OTHER RECEIPTS (PAYMENTS)	-	-	-	-	-	-	-	4,402
PAYMENTS RECEIVED FROM INTERFUND BALANCES	-	180,735	-	155,968	-	-	336,703	1,446,421
PAYMENTS MADE ON INTERFUND BALANCES	(822,975)	-	(466,029)	(465,675)	(1,126,888)	-	(2,881,567)	(1,500,000)
INTEREST PAID ON INTERFUND ADVANCE	(5,777)	(4,501)	-	-	-	-	(10,278)	-
NET CASH USED (PROVIDED BY) IN NON-CAPITAL FINANCING ACTIVITIES	(1,003,252)	26,234	(530,919)	(575,627)	(1,192,498)	(10,000)	(3,286,062)	(49,177)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(532,084)	(83,659)	(1,338,877)	(722,638)	(836,323)	-	(3,513,581)	(300,893)
CONTRIBUTIONS FROM DEVELOPERS	-	-	-	686,911	233,104	-	920,015	-
PRINCIPAL PAID ON BONDS	(195,250)	-	(159,750)	(600,000)	(1,080,000)	-	(2,035,000)	-
INTEREST PAID ON BONDS	(58,948)	2,092	(48,232)	(103,664)	(77,428)	-	(286,180)	-
PROCEEDS FROM ISSUANCE OF BONDS	-	-	-	-	2,500,000	-	2,500,000	-
BOND ISSUE COSTS PAID	-	-	-	-	(33,700)	-	(33,700)	-
PRINCIPAL PAID ON NOTES PAYABLE	(66,288)	-	(66,288)	-	-	-	(132,576)	-
PRINCIPAL PAID ON CAPITAL LEASES	-	(12,832)	-	(11,480)	-	-	(24,312)	-
INTEREST PAID ON CAPITAL LEASES	-	(1,974)	-	(1,745)	-	-	(3,719)	-
IMPACT FEES COLLECTED	399,602	177,318	432,428	791,577	146,027	-	1,946,952	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(452,968)	80,945	(1,180,719)	38,961	851,680	-	(662,101)	(300,893)
CASH FLOWS FROM INVESTING ACTIVITIES								
INTEREST INCOME COLLECTED	8,722	6,947	7,962	13,639	10,050	1,647	48,967	7,494
NET CASH PROVIDED BY INVESTING ACTIVITIES	8,722	6,947	7,962	13,639	10,050	1,647	48,967	7,494

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(237,448)	116,173	(1,189,589)	(136,477)	(104,476)	251,979	(1,299,838)	446,747
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,999,699	1,728,012	1,795,345	2,401,604	1,016,772	325,148	9,266,580	216,986
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,762,251	$ 1,844,185	$ 605,756	$ 2,265,127	$ 912,296	$ 577,127	$ 7,966,742	$ 663,733
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:								
UNRESTRICTED CASH	$ 53,092	$ 460	$ 198,780	$ 108,222	$ 158,773	$ 577,127	$ 1,096,454	$ 663,733
RESTRICTED CASH	1,709,159	1,843,725	406,976	2,156,905	753,523	-	6,870,288	-
	$ 1,762,251	$ 1,844,185	$ 605,756	$ 2,265,127	$ 912,296	$ 577,127	$ 7,966,742	$ 663,733
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
NOTES PAYABLE ISSUED TO ACQUIRE WATER STOCK	$ 908,081	$ -	$ 908,081	$ -	$ -	$ -	$ 1,816,162	$ -
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	168,111	229,175	225,484	306,866	241,955	-	1,171,591	-
	$ 1,076,192	$ 229,175	$ 1,133,565	$ 306,866	$ 241,955	$ -	$ 2,987,753	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:								
OPERATING INCOME (LOSS)	$ 170,399	$ (1,202,760)	$ (424,566)	$ (797,682)	$ (65,569)	$ 382,949	$ (1,937,229)	$ 729,505
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
DEPRECIATION	1,005,449	1,006,861	900,149	1,761,706	680,772	-	5,354,937	122,249
CHANGES IN ASSETS AND LIABILITIES								
ACCOUNTS RECEIVABLE	(13,700)	(133,659)	(60,740)	(267,735)	(10,489)	(23,656)	(509,979)	-
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	7,736	6,807	5,479	93,865	4,204	9,909	128,000	-
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	-	-	(1,009,252)	-	-	(1,009,252)	-
PREPAID ITEMS	-	-	-	7,344	-	-	7,344	-
INVENTORY	33,493	(1,014)	7,865	(356,651)	373	-	(315,934)	(15,584)
ACCOUNTS PAYABLE	10,463	336,574	88,195	965,232	(377,665)	(108,870)	913,929	(50,477)
WAGES PAYABLE	(17,755)	(8,200)	(6,518)	(60,814)	(4,797)	-	(98,084)	(14,304)
COMPENSATED ABSENCES	13,965	(2,562)	4,223	29,412	(537)	-	44,501	17,934
CUSTOMER DEPOSITS	-	-	-	21,125	-	-	21,125	-
	$ 1,210,050	$ 2,047	$ 514,087	$ 386,550	$ 226,292	$ 260,332	$ 2,599,358	$ 789,323

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lehi City Corporation (the City) was incorporated under the laws of the State of Utah in 1852 and operates under an elected Mayor-Council form of government. The City's major operations include police and fire protection, parks, library and recreation, public works, community development and general administrative services. In addition, the City owns and operates culinary water, pressurized irrigation, sewer, drainage, and power systems.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

Reporting Entity

These financial statements present the City (primary government) and its component units, organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units, although legal separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. The following entity is the City's only blended component unit which also has a June 30 year end:

The Lehi City Redevelopment Agency - The Lehi City Redevelopment Agency (RDA) serves all the citizens of the City and is governed by a board comprised of the City Council. In conformity with generally accepted accounting principles, the financial statements of the RDA have been included in the financial reporting entity as a special revenue fund and a debt service fund. Separate financial statements are not issued for the RDA.

The City's discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. The following entity is reported as a discretely presented component unit:

The Hutchings Museum - The Hutchings Museum is a separate non-profit entity under its own articles of incorporation. The Lehi City Mayor and Council appoint and approve the Museum Board of Directors. The City has financial responsibility for the operations of the Museum. The assets and inventories of the Hutchings Museum are controlled and maintained by the Board. Separate financial statements are not issued for the Hutchings Museum.

The Tri-City Golf Course – The Tri-City Golf Course was established in 1973 by American Fork City, Pleasant Grove City, and Lehi City. The Golf Course has its own board with one member of the each city council serving on that board. The joint venture does not meet the criteria for inclusion in the City's financial report as a component unit because the City does not exercise administrative control and the effect of the City's investment in the joint venture is immaterial.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks, library and recreation, streets, community development and general administrative services are classified as governmental activities. The City's culinary water, sewer, pressurized irrigation, electric, drainage, and garbage services are classified as business-type activities.
In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, community development, streets, etc.). The functions are also supported by general government revenues (property, sales and franchise taxes, impact fees, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and franchise taxes, etc.).

The City does not allocate indirect expenses.

The effect of interfund activity has generally been eliminated from the government-wide financial statements in accordance with GAAP. Certain eliminations have been made in regards to interfund activities, payables and receivables. Interfund services provided and used are not eliminated in the process of consolidation.

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. The following fund types are used by the City:

Governmental Funds
The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounting for in another fund.
- **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- **Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type proprietary funds).

The City has three major governmental funds – the General Fund, the Capital Projects Fund, and the Special Revenue Redevelopment Agency Fund which is used to account for revenues generated by development projects overseen by the Redevelopment Agency of the City of Lehi.

Proprietary Funds
The focus of proprietary fund measurement is upon the determination of net income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The City's proprietary funds consist of:

- **Enterprise funds** are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

  The City's major enterprise funds are the Water Fund, the Sewer Fund, the Pressurized Irrigation Fund, the Electric Fund and the Drainage Fund.
  - The purpose of the Culinary Water Fund is to assure an adequate supply of potable water. It also maintains the culinary water distribution lines, wells and storage tanks, and culinary water facilities.
  - The purpose of the Pressurized Irrigation Fund is to provide the citizens of the City with an adequate supply of clean irrigation water and an adequate working water pressure to the City Fire Department.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- The Sewer Fund's mission is to ensure the proper and healthy collection and transmission of the City's sewers and to protect, maintain and expand the City's sewer system.
- The purpose of the Electric Fund is to provide reliable electrical service to the City's customers at competitive rates. This includes the construction and operation and maintenance of the City's power distribution system including underground and overhead lines, meters, and substations.
- The Drainage Fund is responsible for improving storm water conveyance throughout the City, including construction of new storm water conveyance and detention facilities to correct existing drainage problems in order to protect the City's citizens and their property from serious flooding.

- **Internal service funds** are used to account for the City's fleet maintenance, risk management, and information technology services. The internal service fund activities have been combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided with the combining data elsewhere in this report.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities category. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Basis of Accounting
Basis of accounting refers to the point at which revenues and expenditures, or expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

Accrual
Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual
The governmental funds financial statements are presented on the modified accrual basis of accounting. Under this basis, revenues are recognized when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and cash equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agents and short-term investments with original maturity of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, certain qualifying commercial paper, repurchase agreements and bankers' acceptances, and negotiable or nonnegotiable deposits of qualified depositories and the Utah Public Treasurers' Investment Fund.

Investments for the City are reported at fair value. The Utah Public Treasurers' Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Restricted cash and cash equivalents

Certain restricted cash and cash equivalents are held by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

Inventories

Inventories in the proprietary funds consist of materials used in the construction and repair of the transmission, distribution, collection, and treatment systems are valued at the lower of cost or market on a weighted average basis. Supplies inventories, consisting principally of office supplies, are valued at the lower of cost or market on a first-in, first-out basis. Transformers are valued at the lower of cost or market on a specific identification basis.

Capital assets

Capital assets, which include building and structures, improvements (including distributions systems and infrastructure), machinery, equipment, vehicles and office furniture, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All City infrastructure has been capitalized. Capital assets are defined as assets purchased or acquired with an original cost of $5,000 or more. Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on these assets is computed using the straight-line method over their estimated useful lives as follows:

	Years
Buildings and structures	10-50
Improvements, including distribution systems and other infrastructure	10-50
Machinery, equipment, and vehicles	5-15
Office furniture and equipment	5-15

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Intangible Assets

Following the guidance of GASB Statement No. 51, effective July 1, 2009, the City began recording donated intangible assets meeting the criteria outlined in GASB Statement No. 51 at fair value. The City has historically included purchased intangible assets as capital assets. Water rights are the City's primary intangible asset. At the time GASB Statement No. 51 was implemented the City did retroactively report donated intangible assets because adequate records to determine or estimate historical cost were not available. During 2011, the City was able to obtain the necessary records to record these assets. See additional information regarding a prior period adjustment in Note T.

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is reported on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is reported in the year in which the resources are measurable and become available.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants and donations. Revenue from property taxes is recognized in the year which the taxes are collected because the property taxes are intended to fund activities in the year of collection and not the fiscal year in which they were levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, matching requirements and expenditure requirements. On a modified accrual basis, revenue from a nonexchange transaction must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: intergovernmental revenue, sales and franchise taxes, charges for services, interest, and other fees.

Property taxes and special assessments are measurable and susceptible to accrual when they attach as an enforceable lien on the property. They become available when they are due. Amounts that are measurable but not available are recorded as deferred revenue. Property taxes become an enforceable lien on January 1 but are not due until November 30.

The City bills utility customers once monthly when the meters are read. The City is divided into two billing districts. Unbilled accounts receivable were $487,340 at June 30, 2011. The accounts receivable are reported net of the allowance for doubtful accounts of $339,040 at June 30, 2011.

Compensated Absences

Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated on a monthly basis and is fully vested when earned. Accumulated vacation cannot exceed 80 hours at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination, all unpaid accrued vacation is paid to the beneficiary. Proprietary funds expense all accrued vacation amounts when incurred. Governmental funds report an expenditure as the vacation is paid or at termination. The current portion is determined by the City to be the portion of vacation pay due employees who terminated prior to year-end.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Accumulated sick leave is earned at a rate of one day per month. Employees may accumulate unlimited sick leave. Upon retirement, employees may elect to be paid 25% of outstanding sick pay or may have 75% of outstanding sick pay deposited into an annuity account for their benefit. Proprietary funds expense 75% of sick pay when it is earned by the employee. Governmental funds report an expenditure when the sick pay is paid. The current portion is the accrued sick pay for employees of governmental funds who terminated prior to year end.

The noncurrent portion of these amounts (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

Interfund Activity

Interfund activity is reported either as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and, in the government-wide statement of activities, reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

Nonspendable fund balance. This classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the city council – the City's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance. This classification reflects the amounts constrained by the City's "intent" to be used for specific purposes, but are neither restricted nor committed. The city council and the city manager have the authority to assign amounts to be used for specific purposes.

Unassigned fund balance. This fund balance is the residual classification for the General Fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. Operating expenses are necessary costs that have been incurred in order to provide the good or service that is the primary activity of the fund.

Estimates and assumptions

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

Bond issue costs

Bond issuance costs are capitalized and amortized over the terms of the respective bonds using a method which approximates the effective interest method.

Advance billing on deposit with power supplier

The City is a participant in the Utah Associated Municipal Power Systems (UAMPS). UAMPS bills members in advance based upon estimates of power cost and usage. The City's advance billings on deposit at UAMPS at year-end are recorded as a current asset.

Budgets and budgetary control

Annual budgets are prepared and adopted, in accordance with state law, by the Mayor and City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Redevelopment Agency Special Revenue Fund and Capital Projects Fund. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established by activity and purpose within an individual fund such as general government; public safety; community development; streets and highways; parks, recreation and culture; and cemetery within the governmental funds. Each department head is responsible to the Mayor and City Council for spending within the budget for their department. All annual budgets lapse at fiscal year end.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Utah State law prohibits the appropriation of unrestricted General Fund balance until it exceeds 5% of the General Fund revenues. Until unreserved fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. When unreserved fund balance is greater than 18% of the next year's budgeted revenues, the excess must be appropriated within the following two years.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance. A public hearing must be held to increase total appropriations of any governmental fund. With the consent of the Finance Director, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgetary information included in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund and the Redevelopment Agency are prepared on the modified accrual basis of accounting. Encumbrance accounting is not used by the City.

Subsequent events

Management has evaluated subsequent events through December 13, 2011, the date the financial statements were available to be issued.

NOTE B – DEPOSITS AND INVESTMENTS

The City's deposits and investing are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) and rules of the State of Utah Money Management Council.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. At June 30, 2011 the book value of cash on deposit was $3,195,133 and the bank balance was $4,196,736 ($783,374 of which was exposed to custodial credit risk as uninsured and uncollateralized) with the difference being outstanding checks and deposits.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. The Act authorizes investments in both negotiable and nonnegotiable deposits of qualified depositories and

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Student Loan Marketing Association (Sallie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rate "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; and shares or certificates in a money market mutual fund as defined in the Act.

The City's investments at June 30, 2011 are presented below:

		Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Utah Public Treasurer's Investment Fund	$ 17,552,705	$ 17,552,705	$ -	$ -	$ -
Money Market Funds	131,482	131,482	-	-	-
U.S. Treasuries	29,830	29,830	-	-	-
	$ 17,714,017	$ 17,714,017	$ -	$ -	$ -

Interest Rate Risk – Investments
Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City's policy for managing interest rate risk is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding two years.

Credit Risk of Debt Securities
Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk. The City's rated debt investments are presented on the following page:

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

		Quality Ratings			
Rated Debt Investments	Fair Value	AAA	AA	A	Unrated
Utah Public Treasurer's Investment Fund	$ 17,552,705	$ -	$ -	$ -	$ 17,552,705
Money Market Funds	131,482	-	131,482	-	-
U.S. Treasuries	29,830	29,830	-	-	-
	$ 17,714,017	$ 29,830	$ 131,482	$ -	$ 17,552,705

Custodial Credit Risk – Investments
Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

The City's investments at June 30, 2011 were predominantly with the Utah Public Treasurer's Investment Fund and therefore are not categorized as to custodial credit risk. Additional information regarding the Utah Public Treasurer's Investment Fund is available at Note C.

Concentration of Credit Risk – Investments
Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer.

The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5 and 10 percent depending upon the total dollar amount held in the portfolio. The Money Management Council limitations do not apply to securities issued by the U.S. government and its agencies.

At June 30, 2011, the City did not have more than 5 percent of its investments in any single issuer other than the amounts invested with the Utah Public Treasurer's Investment Fund. The Utah Public Treasurer's Investment Fund is not categorized as to concentration of credit risk. Additional information regarding the Utah Public Treasurer's Investment Fund is available at Note C.

NOTE C – EXTERNAL INVESTMENT POOL

The City invests in the Public Treasurer's Investment Fund (PTIF) which is an external investment pool administered by Utah State Public Treasurer. State agencies, municipalities, counties, and local governments within the State of Utah are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized which are high-grade securities and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share

NOTE C – EXTERNAL INVESTMENT POOL - CONTINUED

proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis. The participants' balance is their investment deposited in the PTIF plus their share of income, gains and losses, net of administration fees, which are allocated to each participant on the ratio of each participant's share to the total funds in the PTIF.

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security's fair value in accordance with GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2011) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2011, the City had $17,552,705 invested in the PTIF which had a fair value of $17,658,691 for an unrealized gain of $105,986. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

Investment Type	Investment Percentage
Corporate bonds and notes	79.78%
Certificates of deposit	3.12%
Money market accounts and Commercial paper	16.78%
U.S. Government securities	0.32%
	100.00%

NOTE D – RESTRICTED ASSETS

The balance of the City's restricted asset accounts are as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Reserves for future debt service	$ 131,482	$ 63,204	$ 194,686
Unexpended bond proceeds	-	753,523	753,523
Unexpended B & C Road funds	474,662	-	474,662
Funds restricted for landfill post-closure costs	604,685	-	604,685
Unexpended contribution from UDOT for Main Street construction	5,728,842	-	5,728,842
Unexpended impact fees	3,548,479	5,311,937	8,860,416
Prepaid impact fees (unearned revenue)	-	741,624	741,624
	$ 10,488,150	$ 6,870,288	$ 17,358,438

NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 is as follows:

	July 1, 2010	Increases	Decreases	June 30, 2011
Governmental Activities:				
Nondepreciable capital assets:				
Land	$ 82,811,839	$ 1,387,899	$ -	$ 84,199,738
Construction in progress	3,952,044	1,165,768	-	5,117,812
Total nondepreciable capital assets	$ 86,763,883	$ 2,553,667	$ -	$ 89,317,550
Depreciable capital assets:				
Buildings	$ 20,692,255	$ -	$ -	$ 20,692,255
Improvements, including infrastructure	160,407,357	3,430,200	-	163,837,557
Machinery, equipment and vehicles	12,834,224	406,751	303,441	12,937,534
Office furniture and equipment	1,367,307	14,253	-	1,381,560
Total depreciable capital assets at historical cost	195,301,143	3,851,204	303,441	198,848,906
Less accumulated depreciation:				
Buildings	5,057,342	709,702	-	5,767,044
Improvements, including infrastructure	36,358,709	6,418,558	-	42,777,267
Machinery, equipment and vehicles	8,284,662	810,869	282,841	8,812,690
Office furniture and equipment	1,049,117	82,664	-	1,131,781
Total accumulated depreciation	50,749,830	8,021,793	282,841	58,488,782
Depreciable capital assets, net of accumulated depreciation	$ 144,551,313	$ (4,170,589)	$ 20,600	$ 140,360,124

Depreciation was charged to functions as follows:

Governmental activities:	
General government	$ 730,907
Public safety	576,491
Community development	30,971
Streets and highways, including infrastructure	6,071,908
Parks, recreation and culture	565,385
Cemetery	46,131
	$ 8,021,793

NOTE E – CAPITAL ASSETS – CONTINUED

	July 1, 2010	Increases	Decreases	June 30, 2011
Business-type Activities				
Nondepreciable capital assets:				
Land	$ 2,336,469	$ -	$ -	$ 2,336,469
Construction in progress	1,208,865	1,759,767	-	2,968,632
Intangibles	33,473,980	1,816,162	-	35,290,142
Total nondepreciable capital assets	$ 37,019,314	$ 3,575,929	$ -	$ 40,595,243
Depreciable capital assets:				
Buildings	$ 2,808,699	$ -	$ -	$ 2,808,699
Improvements, including infrastructure	176,170,641	2,884,332	-	179,054,973
Machinery, equipment and vehicles	4,919,804	9,511		4,929,315
Office furniture and equipment	177,109	83,580	65,078	195,611
Total depreciable capital assets at historical cost	184,076,253	2,977,423	65,078	186,988,598
Less accumulated depreciation:				
Buildings	719,544	89,105	-	808,649
Improvements, including infrastructure	33,980,981	4,944,397	-	38,925,378
Machinery, equipment and vehicles	3,450,338	249,811	-	3,700,149
Office furniture and equipment	153,823	71,624	65,078	160,369
Total accumulated depreciation	38,304,686	5,354,937	65,078	43,594,545
Depreciable capital assets, net of accumulated depreciation	$ 145,771,567	$ (2,377,514)	$ -	$ 143,394,053

Depreciation was charged to functions as follows:

Business-type activities:	
Culinary water	$ 1,005,449
Sewer	1,006,861
Electric	1,761,706
Pressurized irrigation	900,149
Drainage	680,772
	$ 5,354,937

NOTE E – CAPITAL ASSETS – CONTINUED

	July 1, 2010	Increases	Decreases	June 30, 2011
Discretely Present Component Unit:				
Nondepreciable capital assets:				
Land	$ 5,000	$ -	$ -	$ 5,000
Depreciable capital assets:				
Buildings	$ 222,768	$ -	$ -	$ 222,768
Improvements, including infrastructure	310,382	-	-	310,382
Office furniture and equipment	72,194	-	-	72,194
Total depreciable capital assets at historical cost	605,344	-	-	605,344
Less accumulated depreciation:				
Buildings	88,750	6,648	-	95,398
Improvements, including infrastructure	111,912	8,308	-	120,220
Office furniture and equipment	51,635	974	-	52,609
Total accumulated depreciation	252,297	15,930	-	268,227
Depreciable capital assets, net of accumulated depreciation	$ 353,047	$ (15,930)	$ -	$ 337,117

NOTE F – CUSTOMER DEPOSITS

Business-type activity deposits are enterprise fund customer deposits the City requires from renters or businesses before they receive utility connection. The deposit is returnable when the residence is vacated by the renter, or the business has established a history of meeting its obligations to the City promptly.

NOTE G – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2011:

Governmental activities	
2003 Excise tax bonds	
$3,130,000 excise tax term bonds due June 1, 2013 with interest at 2.5% to 3.2%	$ 1,125,000

NOTE G – LONG-TERM DEBT - CONTINUED

Governmental activities - continued

2003 Sales tax revenue bonds	
$3,900,000 sales tax revenue term bonds due serially through June 1, 2024 with interest at 3.6% to 4.625%	3,900,000
2004 Sales tax revenue and refunding bonds	
$8,345,000 sales tax revenue and refunding term bonds due serially through June 1, 2024 with interest at 2.25% to 5.0%	4,815,000
2004 Subordinated sales tax revenue bonds	
$9,000,000 sales tax revenue bonds with interest at 4.75% payable from 87.5% of the local sales and use tax and 100% of the transient room tax collected from the Cabela's Retail Store Project area, due in 2024	7,955,000
Capital lease obligation	
Payable in annual installments of $21,080, including interest at 4.73%, maturing in 2013	160,014
Tax increment note payable to developer	
Due in annual installments equal to 70% of the tax increment received by the RDA from the Alpine Highway Project, including interest at 6.5%	69,587,801
Tax increment note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 95% of the tax increment received by the RDA from the Thanksgiving Park Economic Development Project area	861,746
Compensated absences	1,843,842
Landfill closure and postclosure care liability	483,117
Total Governmental activities long-term debt	$ 90,731,520

NOTE G – LONG-TERM DEBT - CONTINUED

Business-type activities

2009 Electric refunding and revenue bonds $7,700,000 electric refunding and revenue bonds due serially through 2020. The bonds are variable rate debt and are remarketed weekly. The interest rate is based on the market conditions the day the bonds are remarketed	$ 6,306,000
2003 Water refunding bonds $3,980,000 water revenue bonds due serially through 2020 with interest rates ranging from 2.5% to 3.9%	1,937,427
1999 Water refunding bonds $1,740,000 water refunding bonds due serially through 2015 with interest at 3.25% to 4.9%	560,000
2010 Storm Drain revenue and refunding bonds $2,500,000 in drainage revenue and refunding bonds due serially through 2025 with interest rates ranging at 3.51%	2,335,492
Note payable to Provo Reservoir Water Users Company payable in annual installments through 2035. Payments include interest at 4% and range from $34,813 to $33,439	482,518
Note payable to Provo River Water Users Association payable in annual installments through 2035. Approximately 81 percent of the total obligation bears interest at 4%. The balance of the obligation will mirror a line of credit issued by a bank to the Provo River Water Users Association. The line of credit will have a variable interest rate which is estimated to average 4.5%	1,201,068
Compensated absences	767,921
Total Business-type activities long-term debt	$ 13,590,426

NOTE G – LONG-TERM DEBT - CONTINUED

The following is a summary of the changes in governmental-type activities long-term debt for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Current Amounts Due
Governmental activities					
Bonds, note and leases payable					
2003 Excise tax bonds	$ 1,665,000	$ -	$ 540,000	$ 1,125,000	$ 550,000
2003 Sales tax revenue bonds	3,900,000	-	-	3,900,000	-
2004 Sales tax revenue and refunding bonds	5,365,000	-	550,000	4,815,000	560,000
Capital lease obligations	234,551	-	74,537	160,014	78,126
2004 Subordinated sales tax revenue bonds	8,345,000	-	390,000	7,955,000	-
Tax increment notes payable to developers	71,785,332	958,500	2,294,285	70,449,547	-
Total bonds, notes and leases payable	91,294,883	958,500	3,848,822	88,404,561	1,188,126
Other liabilities:					
Compensated absences	1,655,638	829,729	641,525	1,843,842	652,421
Landfill closure and post-closure care liability	462,870	20,247	-	483,117	-
	2,118,508	849,976	641,525	2,326,959	652,421
Governmental activities long-term debt	$ 93,413,391	$1,808,476	$4,490,347	$ 90,731,520	$ 1,840,547

For the governmental activities, compensated absences are generally liquidated by the general fund. Capital project funds predominantly provide debt service for the excise tax bonds, special assessment bonds and lease revenue bonds. The debt service for the note payable to developer is provided by the RDA.

NOTE G - LONG-TERM DEBT - CONTINUED

As of June 30, 2011 annual debt service requirements of governmental activities to maturity are as follows:

	Sales Tax Revenue Bonds		Excise Tax Bonds Revenue Bonds	
Year ending June 30,	Principal	Interest	Principal	Interest
2012	$ 560,000	$ 380,434	$ 550,000	$ 34,900
2013	540,000	358,034	575,000	18,400
2014	560,000	337,473	-	-
2015	585,000	315,884	-	-
2016	605,000	293,042	-	-
2017-2021	3,410,000	1,071,590	-	-
2022-2024	2,455,000	239,723	-	-
	$8,715,000	$ 2,996,180	$1,125,000	$ 53,300

The amortization of compensated absences, subordinated sales tax revenues bonds, and the tax increment note payable to developer have not been included in the above schedules due to the uncertainty of the timing of the payments. However, annual payments in the amount of 70% of tax increment collections for the Alpine Highway Economic Development Area are required on the tax increment note payable to developer through the year 2028. The City is required, per the contract with the developer, to make annual payments, as specified above, until 2028. In no case would the City be required to pay more on the note than 70% of the tax increment collections from this area through 2028. If these collections are insufficient to fully repay the tax increment note payable, the remaining balance will not be paid to the developer.

Annual payments, in the amount of 87.5% of sales tax collections from the Cabela's store (an outdoor and sporting goods retailer located within the City) are required on the subordinated sales tax bonds. To date, collections have been sufficient to pay interest and some principal related to the subordinated sales tax bonds. Per the subordinated sales tax bond covenants, if the bonds have not been paid in full by their September 2024 maturity date, the remaining outstanding balance shall be forgiven by the owners of the bonds.

NOTE G - LONG-TERM DEBT - CONTINUED

The following is a summary of the changes in business-type activities long-term debt for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011	Current Amounts Due
Business-type activities					
Bonds, notes and leases payable					
2009 Electric refunding bonds	$ 6,881,750	$ -	$ 575,750	$ 6,306,000	$ 600,000
2003 Water refunding bonds	2,163,981	-	226,554	1,937,427	235,000
1999 Water refunding bonds	690,000	-	130,000	560,000	135,000
2000 Drainage revenue bonds	935,000	-	935,000	-	-
2010 Drainage refunding bonds	-	2,475,615	140,123	2,335,492	140,000
Note payable to Provo Reservoir Water Users Company	-	615,094	132,576	482,518	10,774
Note payable to Provo River Water Users Association	-	1,201,068	-	1,201,068	-
Capital lease obligations	24,317	-	24,317	-	-
Total bonds, notes and leases payable	10,695,048	4,291,777	2,164,320	12,822,505	1,120,774
Compensated absences	723,420	345,564	301,063	767,921	199,353
Business-type activities long-term debt	$ 11,418,468	$4,637,341	$2,465,383	$ 13,590,426	$ 1,320,127

During 2011, the City issued $2,500,000 in new drainage revenue bonds. Approximately $1.7 million of the proceeds were issued to fund the construction of storm drain improvements. $729,840 of the proceeds of these bonds, along with monies remaining in the Series 2000 Debt Service Reserve account, was used for the purpose of refunding the Series 2000 Drainage revenue bonds. The refunding was undertaken to reduce total future debt service payments. The difference between the cash flow required to service the old debt and that required to service the new debt and complete the refunding, amounts to a $285,930 savings. The advance refunding resulted in an economic gain of $258,146.

As of June 30, 2011, annual debt service requirements of business-type activities to maturity are as follows:

	Electric Refunding Bonds		Water Refunding Bonds	
Year ending June 30,	Principal	Interest	Principal	Interest
2012	$ 600,000	$ 220,907	$ 370,000	$ 94,382
2013	700,000	187,080	385,000	80,988
2014	700,000	173,789	400,000	66,428
2015	700,000	149,205	385,000	50,980
2016	700,000	124,739	175,000	35,790
2017-2020	3,100,000	238,255	770,000	76,095
	6,500,000	1,093,975	2,485,000	404,663
Unamortized premium	(194,000)	194,000	12,427	(12,427)
	$6,306,000	$ 1,287,975	$2,497,427	$ 392,236

NOTE G – LONG-TERM DEBT – CONTINUED

	Drainage Revenue bonds		Note Payable to Provo Reservoir Water Users Co.	
Year ending June 30,	Principal	Interest	Principal	Interest
2012	$ 140,000	$ 82,661	$ 10,774	$ 19,301
2013	145,000	77,747	11,214	18,869
2014	150,000	72,657	11,659	18,420
2015	160,000	67,392	12,120	17,955
2016	150,000	61,776	12,617	17,470
2017-2021	830,000	226,395	71,038	79,369
2022-2026	780,000	69,675	104,547	62,577
2027-2031	-	-	127,208	39,936
2032-2035	-	-	121,341	12,368
Unamortized loss	2,355,000	658,303	482,518	286,265
on defeasance	(19,508)	(19,508)	-	-
	$2,335,492	$ 638,795	$ 482,518	$ 286,265

The amortization of compensated absences and the note payable to Provo River Water Users Association have not been included in the above schedules due to the uncertainty of the timing of the payments. The payments due to the Provo River Water Users Association will be assessed annually in November. As of June 30, 2011 the annual assessments are estimated to be approximately $94,000 from 2012 through 2020 and $69,000 from 2021 through 2035.

NOTE G – LONG-TERM DEBT – CONTINUED

All outstanding revenue bonds are secured by a first lien on net revenues earned by the City. Net revenues are defined in the revenue bond agreements. The City is required to establish rates (including connection fees) sufficient to pay the operation and maintenance expenses and to provide net revenues in an amount not less that 125% of the aggregate annual debt service requirement for the forthcoming fiscal year. The following summarizes the debt service coverage calculations for the various revenue bonds:

	Electric Revenues Bonds	Water Revenue Bonds*	Drainage Revenue Bonds
Net revenues			
Operating revenues	$ 20,102,697	$4,846,446	$1,072,424
Operating expenses (excluding depreciation)	(19,138,673)	(3,195,015)	(457,221)
Impact fee revenues	791,577	1,038,290	146,027
Interest income	13,639	16,684	10,050
Net revenues	$ 1,769,240	$2,706,405	$ 771,280
Aggregate debt service for 2012	$ 820,907	$ 464,382	$ 222,661
Ratio of net revenues to aggregate debt service	2.16	5.83	3.46
Minimum ratio	1.25	1.25	1.25

*The net revenues calculation for the Water Revenue Bonds combines the related information from the Culinary Water fund and the Pressurized Irrigation Fund.

Prior Years Defeasance of Debt

In prior years, certain outstanding bonds were defeased by placing proceeds of bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements.

At June 30, 2011 the following bonds are considered defeased:

	Bond Series	Defeased Balance
Governmental Activities:	2000 Lease Revenue Bonds	$4,790,000
Business-type Activities:		
Electric fund	1994 Electric Revenue	430,000
Culinary Water and Pressurized Irrigation Funds	1989 Water Revenue – Series C	339,000

NOTE G – LONG-TERM DEBT – CONTINUED

Pledged Revenues

The City has pledged excise tax revenue in the amount of $1,178,300 to fund debt service payments on the excise tax revenue bonds. These bonds were used to finance road projects. Excise tax revenue has been pledged for debt service payments through the year 2013. Excise tax revenues are expected to produce 230 percent of the debt service requirements over the life of the bonds. Excise tax revenue in the current year was $1,534,646 and debt service for the excise tax bonds was $591,100.

The City has pledged sales tax revenues in the amount of $19,666,180 to fund debt service payments on the sales tax revenue bonds. These bonds were used to finance infrastructure improvements within the City. Sales tax revenue has been pledged for debt service payments through the year 2024. Total sales tax collections through 2024 have not been estimated. Sales tax revenue in the current year was $5,345,179 and debt service for the sales tax bonds was $1,725,434.

The City has pledged tax increment revenues to fund debt service payments on the tax increment note payable to developer. The principal portion of the note is $69,587,801. The interest associated with the note is uncertain because of the timing of payments on the note are contingent upon tax increment revenues collected in the area. The proceeds from the note were used to fund redevelopment expenditures. Tax increment has been pledged for debt service payments through the year 2028. Total tax increment collections through 2028 are not estimable. Tax increment revenue available for debt service in the current year was $8,584,570. As explained previously, if tax increment revenues over the life of the note are insufficient to pay the note, the City will not be required to pay the remaining balance.

The City has pledged tax increment revenues to fund debt service payments on a tax increment note payable to developer in the amount of $861,746. The note is noninterest bearing. Timing of the payments on the note is contingent upon tax increment revenues collected in the area. The note was issued to reimburse the developer for costs incurred in the project area. Tax increment revenues have been pledged for debt service payments through the year 2024. Tax increment revenue available for debt service in the current year was $40,268. If tax increment revenues over the life of the note are insufficient to pay the note, the City will not be required to pay the remaining balance.

The City has pledged water revenues in the amount of $2,889,663 to fund debt service payments on the water revenue refunding bonds. The bonds were issued to fund water system improvements within the City. Water revenues have been pledged for debt service payments through the year 2020. Water revenues are expected to produce 500 percent of the debt service requirements over the life of the bonds. Net water revenues for the year were $2,532,574 and debt service payments on the water revenue bonds were $462,178.

The City has pledged electric revenues in the amount of $7,593,975 to fund debt service payments on the electric revenues bonds. The bonds were issued to fund electric system improvements within the City. Electric revenues have been pledged for debt service payments through the year 2020. Electric revenues are projected to produce 420 percent of the debt service requirements over the life of the bonds. In the current year, net electric revenues were $1,736,570 and electric revenue bond debt service payments were $841,779.

NOTE G – LONG-TERM DEBT – CONTINUED

The City has pledged drainage revenues in the amount of $2,974,287 to fund debt service payments on the drainage revenue bonds. The bonds were issued to refund the Series 2000 drainage revenue bonds and to fund drainage system improvements within the City. Drainage revenues have been pledged to fund debt service payments through the year 2025. Drainage revenues are expected to produce approximately 400 percent of the debt service requirements over the life of the bonds. In the current year, net drainage revenues were $774,014 and drainage revenue bond debt service payments were $290,724.

NOTE H – CAPITAL LEASES

The City has entered into certain capital lease agreements under which the related buildings and equipment will become the property of the City when the terms of the lease agreement are met.

	Governmental Activities
2012	$ 84,322
2013	84,321
	168,643
Less amount representing interest	(8,630)
Present value of future minimum lease payments	$ 160,013

Capital assets and related accumulated depreciation under capital lease are as follows:

	Governmental Activities
Cost of capital assets	$ 500,000
Accumulated depreciation	74,991

NOTE I - RETIREMENT PLANS

Plan Description - The City contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, Public Safety Contributory Retirement System, Firefighters Retirement System, cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Government Noncontributory Retirement System, the Public Safety Contributory Retirement System, and the Firefighters Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

NOTE I – RETIREMENT PLANS – CONTINUED

Funding Policy - In the Local Governmental Noncontributory Retirement System, the City is required to contribute 13.37% of plan members' annual covered salary. In the Public Safety Contributory Retirement System, members are required to contribute 12.29% of their salary (all of which is paid by the City), and the City is required to pay 14.86% of members' annual salary. In the Public Safety Noncontributory Retirement System the City is required to contribute 26.13% of the members' annual covered salary. In the Firefighters Retirement System, members are required to contribute 15.05% of their annual covered salary (all of which is paid by the City), and the City is required to contribute 1.72% of members' annual salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

The City contributions to the Local Governmental Noncontributory Retirement System for June 30, 2011, 2010, and 2009 were $840,041, $740,602, and $766,263, respectively; and for the Public Safety Contributory Retirement System, the contributions for the years ended June 30, 2011, 2010, and 2009, were $202,997, $185,184, and $205,438, respectively; and for the Public Safety Noncontributory Retirement System, the contributions for the years ended June 30, 2011, 2010, and 2009 were $306,322, $282,640, and $258,383, respectively. For the Firefighters Retirement System, the contributions for the years ended June 30, 2011, 2010, and 2009 were $210,514, $168,241, and $98,325, respectively. The contributions were equal to the required contributions for each year.

NOTE J - DEFERRED COMPENSATION PLANS

The City sponsors a defined contribution deferred compensation plan administered by either USRS or ICMA Retirement Corporation under the Internal Revenue Code Section 401(k) for City employees covered by the State's contributory and noncontributory retirement plans. The plan, available to all permanent full-time City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The 401(k) deferred compensation monies are not available to the City or its general creditors. The City's contributions for each employee (and interest allocated to the employee's account) are fully vested in the employee's account from the date of employment. The City's total payroll in the fiscal year ended June 30, 2011, was approximately $13,525,000. Of that amount, approximately $10,180,232 was eligible to participate in the plan. The City participates at rates between 0% and 2.68% depending on the employees' contributions. The rate of City participation can be changed by the City Council. During the year ended June 30, 2011, contributions totaling $176,741 were made to the plan by employees and $305,684 by the City.

The City sponsors another deferred compensation plan through ICMA Retirement Corporation in accordance with Internal Revenue Code Section 457. This plan is available to all City employees and permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

NOTE K – COMMITMENTS AND CONTIGENCIES

The City has entered into a contract expiring in 2027 with the Intermountain Power Agency (IPA) for the purchase of power. Under the terms of the agreement, the City is liable for an agreed-upon purchase amount of approximately .43% of production regardless of whether it is used. The City has also entered into an excess power sales agreement whereby all power purchased from IPA in excess of the City's need, will be sold to a group of California cities, thus relieving the City's excess power purchase liability.

The City is a member of Utah Associated Municipal Power System (UAMPS), a political subdivision of the State of Utah created to secure electric power for the members of UAMPS. As a member, the City has entered into power supply agreements with respect to various projects in which UAMPS participates. The total cost of the power the City will be required to purchase in future years is not determinable, however, at a minimum, in connection with these power supply agreements, the City will be required to fund debt service on the UAMPS bonds which, at June 30, 2011, had an outstanding balance of $149,617,646, of which the City's portion was $21,978,605. During the year ended June 30, 2011, the City purchased power totaling approximately $15,294,803 million.

There are several pending lawsuits in which the City is involved. The City management estimates the potential claims against the City resulting from such litigation not covered by insurance would not materially affect the financial position of the City.

In fiscal year 2007, the City entered into a ten year operating lease agreement for property to be used for a park. The lease payment is $300,000 annually. At the expiration of the lease the City has the option to purchase the property for $4,200,000.

NOTE L – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all of these risks of loss except natural disasters. There were no decreases in coverage during 2011. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Expenses and claims not covered by insurance are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. Claims information for the past two years is as follows:

	2011	2010
Claims liability, July 1	$ -	$ 27,695
Claims incurred during the year and changes in estimates	62,743	-
Payments on claims during the year		
Payments made by insurance	62,743	27,695
Coinsurance and deductible insurance payments made by the City	-	-
Claims liability, June 30	$ -	$ -

NOTE M - INTERFUND RECEIVABLES AND PAYABLES

Individual fund receivables and payables at June 30, 2011, are as follows:

Due to Other Funds	Due from Other Funds	Amount
Culinary Water Fund	General Fund	$ 1,463,412
Sewer Fund	General Fund	522,556
Sewer Fund	Drainage Fund	850,639
Capital Projects Fund	Drainage Fund	59,361
Capital Projects Fund	Pressurized Irrigation	300,000
Capital Projects Fund	Electric Fund	465,675
Capital Projects Fund	Governmental Activities Internal Service Funds	1,500,000
		$ 5,161,643

The interfund receivables/payables are related to operating cash temporarily loaned between the funds to meet the daily operating cash needs of each fund.

NOTE N - INTERFUND TRANSFERS

The City has transfers to distribute administrative costs expended in the general fund to the enterprise funds. The City has transfers from the Redevelopment Agency to the general fund and capital projects fund to reimburse these funds for capital improvements made in prior years. The costs of these capital improvements are reimbursed to the general fund and capital projects fund by the Redevelopment Agency pursuant to the Alpine Highway Economic Development Plan.

A summary of interfund transfers by fund is as follows:

	Transfers in to:		
	General	Capital Projects	Total
Transfers out from:			
General Fund	$ -	$ 2,159,870	$ 2,159,870
Capital Projects Fund	1,095,968	-	1,095,968
Redevelopment Agency	1,184,907	-	1,184,907
Culinary Water Fund	174,500	-	174,500
Sewer Fund	150,000	-	150,000
Pressurized Irrigation Fund	64,890	-	64,890
Electric Fund	265,920	-	265,920
Drainage Fund	65,610	-	65,610
Nonmajor Enterprise Fund	10,000	-	10,000
Nonmajor Governmental Fund	83,305	-	83,305
	$ 3,095,100	$ 2,159,870	$ 5,254,970

NOTE O – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City has issued revenue bonds to finance certain improvements to its culinary water distribution system, its sewer system, its pressurized irrigation system, its electric power distribution system and its drainage system. Because each of these activities is accounted for in separate funds and all of those funds are reported as major funds in the fund financial statements, segment disclosures herein are not required.

NOTE P - REDEVELOPMENT AGENCY OF THE CITY OF LEHI

The Lehi City Redevelopment Agency was created in 1985 to increase and develop the commercial growth in the southeast area of the City, known as the Millpond Project Area. Redevelopment activity did not begin until 1996, when the first tax increment was generated.

In 1994, Micron Technologies, Inc. (IM Flash), a computer chip manufacturer, approached the City for tax incentives to construct a manufacturing facility in Utah. This project, which became a component of the Redevelopment Agency of the City, is known as the Alpine Highway Project Area. Infrastructure improvements on and off site have been made over the life of the project area. In 1998, the tax increment related to this project was triggered and received by the Redevelopment Agency and was used for debt service. In 2008 the Alpine Highway Project Area was extended for an additional twenty years. Consequently, payments will be made to IM Flash through 2028. The majority of the infrastructure improvements associated with this project were contributed to the City's business-type activities therefore the note payable to IM Flash related to this project has not been included in the calculation of net assets invested in capital assets, net of related debt for the City's governmental activities.

During 2010, the Redevelopment Agency approved another economic development project called the Thanksgiving Park Economic Development Project Area. The project involves the construction of several office buildings within the project area, with the Redevelopment Agency obligated to pay the developer a portion of the tax increment generated by the project. The office buildings must be developed according to a specific schedule and if the schedule is not met, the developer would forfeit some of the tax increment funds.

In August 2010, the Redevelopment Agency passed an ordinance adopting an economic development project area known as the Alpine Highway West Economic Development Project Area. The project will be funded with tax increment financing for a period not to exceed twenty years and up to a maximum of $18,726,485, with the Agency electing to receive 75% of the tax increment from the project area. No tax increment revenues were collected from this project in 2011.

NOTE P - REDEVELOPMENT AGENCY OF THE CITY OF LEHI – CONTINUED

For the year ended June 30, 2011 the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for the project area	
Millpond Project Area	$ 349,471
Alpine Highway Project Area	8,584,570
Thanksgiving Point Project Area	40,268
	$ 8,974,309
Outstanding loans to finance RDA projects	$ 69,587,801
Expenditures:	
Tax increments paid to other taxing agencies	$ 1,394,259
Principal	2,294,285
Interest	3,753,168
Redevelopment costs	1,112,738
Administrative costs	10,484
	$ 8,564,934

NOTE Q – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expenditure in the General fund in each period based on landfill capacity used as of each balance sheet date. The landfill closure and postclosure care liability at June 30, 2011, and the expenditure recognized for the year then ended were calculated as follows based on the cumulative use of 73% of the estimated capacity of the landfill:

Total estimated closure and postclosure care costs	$635,680
Capacity used as of June 30, 2011	76%
Cumulative closure and postclosure care liability	483,117
Amounts previously recognized	462,870
Amount to be recognized as of June 30, 2011	$ 20,247
Amount reported as a long-term liability in the governmental activities statement of net assets	$483,117

The total estimated closure and postclosure care costs are based on estimates of what it would cost to perform all closure and postclosure care in 2011. The City expects the landfill to close in the year 2031 after reaching its total estimated capacity of 230,000 cubic yards. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required to establish financial assurance in accordance with the State of Utah Department of Environmental Quality, Division of Solid and Hazardous Waste Administrative Rules. The City must submit an annual report in which certain financial information is provided to the State indicating that the City meets the minimum financial requirements outlined in the aforementioned rules.

NOTE R – EXPENDITURES EXCEEDING APPROPRIATIONS

Expenditures in the General Fund exceeded appropriations in the following departments:

	Expenditures In Excess of Appropriations
Public Safety	$ 279,820
Debt Service	322
Streets and Highways	218
Transfers Out	1,909,870

Within the Capital Projects Fund expenditures exceeded appropriations by $921,926.

The City will monitor expenditures closely in the future to ensure compliance with budgetary appropriations.

NOTE S – IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLE

For the year ending June 30, 2011, the City implemented GASB Statement No. 54, *Fund Balance reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes standards for fund balance classifications that comprise a hierarchy based primarily on the extent to which an organization is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Additionally, the Statement clarifies the definition of governmental fund types used in financial reporting.

The fund balances of the City have been classified according to Statement No. 54. The City had no additional reporting implications.

NOTE T – PRIOR PRIOD ADJUSTMENT

During 2011, the City gathered the necessary information to determine a reasonable estimate of the historic fair market value for intangible assets that had been donated to the City prior to July 1, 2009. These intangible assets consist primarily of water stock and rights. To properly reflect the historical donated value of these assets a prior period adjustment in the amount of $16,145,650 was made in both the Water Fund and the Pressurized Irrigation Fund for a total adjustment of $32,291,300.

LEHI

Pioneering Utah's Future

INDIVIDUAL FUND SCHEDULES OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2011

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
TAXES				
PROPERTY TAXES	$ 4,863,000	$ 4,863,000	$ 5,730,393	$ 867,393
IN LIEU OF	475,000	475,000	511,309	36,309
GENERAL SALES TAX	5,262,000	5,262,000	5,233,643	(28,357)
FRANCHISE TAX	3,373,071	3,373,071	3,349,674	(23,397)
TOTAL	13,973,071	13,973,071	14,825,019	851,948
LICENSES, FEES AND PERMITS				
BUSINESS LICENSES	75,000	75,000	71,985	(3,015)
BUILDING PERMITS	775,000	775,000	762,652	(12,348)
IMPACT FEES	-	-	258,060	258,060
TOTAL	850,000	850,000	1,092,697	242,697
INTERGOVERNMENTAL REVENUE				
CLASS "C" ROAD FUNDS	1,300,000	1,300,000	1,534,646	234,646
FIRE DEPARTMENT GRANT	542,700	542,700	464,980	(77,720)
POLICE SALARY REIMBURSEMENT	34,000	34,000	34,000	-
STATE LIQUOR FUNDS ALLOTMENT	43,957	43,957	48,276	4,319
COUNTY FIRE ALLOCATION	40,000	40,000	14,559	(25,441)
STATE GRANT	108,492	108,492	60,980	(47,512)
OTHER GRANTS	26,815	26,815	42,487	15,672
TOTAL	2,095,964	2,095,964	2,199,928	103,964
CHARGES FOR SERVICE				
PLANNING/INSPECTION FEES	625,000	625,000	652,578	27,578
AMBULANCE FEES	550,000	550,000	479,275	(70,725)
FIRE FEES	5,000	5,000	5,249	249
CEMETERY FEES	112,000	112,000	161,502	49,502
RECREATION FEES	3,521,242	3,521,242	2,786,379	(734,863)
LIBRARY FEES	102,000	102,000	91,336	(10,664)
OTHER SERVICE REVENUE	38,000	38,000	33,540	(4,460)
TOTAL	4,953,242	4,953,242	4,209,859	(743,383)
FINES AND FORFEITURES				
COURTS FINES AND FORFEITURES	906,380	906,380	835,010	(71,370)
MISCELLANEOUS	595,020	595,020	293,237	(301,783)
INTEREST ON INVESTMENTS	62,500	62,500	56,627	(5,873)
TOTAL REVENUES	23,436,177	23,436,177	23,512,377	76,200
EXPENDITURES				
GENERAL GOVERNMENT				
COURT				
PERSONNEL	354,047	354,047	363,434	(9,387)
OPERATIONS AND MAINTENANCE	95,750	95,750	91,345	4,405
CAPITAL	5,000	5,000	-	5,000
TOTAL	454,797	454,797	454,779	18
ADMINISTRATIVE				
PERSONNEL	500,820	500,820	496,031	4,789
OPERATIONS AND MAINTENANCE	78,000	78,000	48,059	29,941
CAPITAL	-	-	-	-
TOTAL	578,820	578,820	544,090	34,730
TREASURY				
PERSONNEL	330,074	330,074	322,749	7,325
OPERATIONS AND MAINTENANCE	37,700	37,700	34,182	3,518
TOTAL	367,774	367,774	356,931	10,843

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2011

		BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FINANCE					
PERSONNEL		393,807	393,807	378,615	15,192
OPERATIONS AND MAINTENANCE		81,246	81,246	73,771	7,475
	TOTAL	475,053	475,053	452,386	22,667
CITY RECORDER					
PERSONNEL		148,611	148,611	165,096	(16,485)
OPERATIONS AND MAINTENANCE		49,550	49,550	18,470	31,080
	TOTAL	198,161	198,161	183,566	14,595
LEGAL SERVICES					
PERSONNEL		167,849	167,849	196,371	(28,522)
OPERATIONS AND MAINTENANCE		174,884	174,884	146,229	28,655
	TOTAL	342,733	342,733	342,600	133
LEGISLATIVE					
PERSONNEL		184,809	184,809	162,808	22,001
OPERATIONS AND MAINTENANCE		107,000	107,000	78,345	28,655
	TOTAL	291,809	291,809	241,153	50,656
NONDEPARTMENTAL					
OPERATIONS AND MAINTENANCE		1,790,631	1,790,631	1,603,474	187,157
CAPITAL		245,000	245,000	221,331	23,669
	TOTAL	2,035,631	2,035,631	1,824,805	210,826
EMERGENCY MANAGEMENT					
OPERATIONS AND MAINTENANCE		15,000	15,000	8,154	6,846
CAPITAL		-	-	6,336	(6,336)
	TOTAL	15,000	15,000	14,490	510
FACILITIES MAINTENANCE					
PERSONNEL		355,640	355,640	327,248	28,392
OPERATIONS AND MAINTENANCE		157,400	157,400	165,882	(8,482)
CAPITAL		20,000	20,000	20,640	(640)
	TOTAL	533,040	533,040	513,770	19,270
TOTAL GENERAL GOVERNMENT		5,292,818	5,292,818	4,928,570	364,248
PUBLIC SAFETY					
POLICE					
PERSONNEL		3,495,737	3,495,737	3,806,492	(310,755)
OPERATIONS AND MAINTENANCE		953,456	953,456	902,833	50,623
CAPITAL		75,000	75,000	72,124	2,876
	TOTAL	4,524,193	4,524,193	4,781,449	(257,256)
CODE ENFORCEMENT					
PERSONNEL		78,919	78,919	89,649	(10,730)
OPERATIONS AND MAINTENANCE		22,294	22,294	5,792	16,502
	TOTAL	101,213	101,213	95,441	5,772
FIRE					
PERSONNEL		2,692,136	2,692,136	2,738,113	(45,977)
OPERATIONS AND MAINTENANCE		557,815	557,815	616,239	(58,424)
CAPITAL		83,304	83,304	82,539	765
	TOTAL	3,333,255	3,333,255	3,436,891	(103,636)
ANIMAL CONTROL					
PERSONNEL		102,316	102,316	81,405	20,911
OPERATIONS AND MAINTENANCE		113,100	113,100	58,711	54,389
	TOTAL	215,416	215,416	140,116	75,300
TOTAL PUBLIC SAFETY		8,174,077	8,174,077	8,453,897	(279,820)

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2011

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
COMMUNITY DEVELOPMENT				
PUBLIC WORKS ADMINISTRATION				
PERSONNEL	225,566	225,566	220,044	5,522
OPERATIONS AND MAINTENANCE	17,750	17,750	18,623	(873)
TOTAL	243,316	243,316	238,667	4,649
ENGINEERING				
PERSONNEL	353,152	353,152	344,129	9,023
OPERATIONS AND MAINTENANCE	52,900	52,900	39,548	13,352
CAPITAL	3,000	3,000	24,938	(21,938)
TOTAL	409,052	409,052	408,615	437
PLANNING AND ZONING				
PERSONNEL	476,066	476,066	377,145	98,921
OPERATIONS AND MAINTENANCE	82,850	82,850	62,068	20,782
CAPITAL	-	-	-	-
TOTAL	558,916	558,916	439,213	119,703
INSPECTIONS				
PERSONNEL	606,339	606,339	592,874	13,465
OPERATIONS AND MAINTENANCE	73,185	73,185	70,994	2,191
TOTAL	679,524	679,524	663,868	15,656
ECONOMIC DEVELOPMENT				
PERSONNEL	101,341	101,341	98,709	2,632
OPERATIONS AND MAINTENANCE	31,985	31,985	22,090	9,895
CAPITAL	2,500	2,500	-	2,500
TOTAL	135,826	135,826	120,799	15,027
TOTAL COMMUNITY DEVELOPMENT	2,026,634	2,026,634	1,871,162	155,472
STREETS AND HIGHWAYS				
STREETS AND PUBLIC IMPROVEMENTS				
PERSONNEL	700,991	700,991	693,664	7,327
OPERATIONS AND MAINTENANCE	225,256	225,256	227,648	(2,392)
CAPITAL	-	-	5,216	(5,216)
TOTAL	926,247	926,247	926,528	(281)
C ROAD				
OPERATIONS AND MAINTENANCE	85,400	85,400	45,114	40,286
CAPITAL	759,000	759,000	799,223	(40,223)
TOTAL	844,400	844,400	844,337	63
TOTAL STREETS AND HIGHWAYS	1,770,647	1,770,647	1,770,865	(218)
PARKS, RECREATION AND CULTURE				
PARKS				
PERSONNEL	853,173	853,173	840,346	12,827
OPERATIONS AND MAINTENANCE	233,530	233,530	228,202	5,328
CAPITAL	66,815	66,815	84,717	(17,902)
TOTAL	1,153,518	1,153,518	1,153,265	253
COMMUNITY ARTS AND EVENTS				
OPERATIONS AND MAINTENANCE	366,200	366,200	359,802	6,398
TOTAL	366,200	366,200	359,802	6,398
SENIOR CITIZENS				
PERSONNEL	115,342	115,342	104,097	11,245
OPERATIONS AND MAINTENANCE	38,150	38,150	42,979	(4,829)
TOTAL	153,492	153,492	147,076	6,416
RECREATION				
PERSONNEL	1,736,500	1,736,500	1,727,550	8,950
OPERATIONS AND MAINTENANCE	1,458,550	1,458,550	1,373,046	85,504
CAPITAL	165,433	165,433	236,916	(71,483)
TOTAL	3,360,483	3,360,483	3,337,512	22,971

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2011

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
LITERACY CENTER				
PERSONNEL	149,385	149,385	133,740	15,645
OPERATIONS AND MAINTENANCE	10,250	10,250	10,784	(534)
TOTAL	159,635	159,635	144,524	15,111
LIBRARY				
PERSONNEL	585,400	585,400	565,088	20,312
OPERATIONS AND MAINTENANCE	341,000	341,000	326,390	14,610
CAPITAL	7,000	7,000	24,673	(17,673)
TOTAL	933,400	933,400	916,151	17,249
TOTAL PARKS, RECREATION AND CULTURE	6,126,728	6,126,728	6,058,330	68,398
CEMETERY				
PERSONNEL	192,032	192,032	163,661	28,371
OPERATIONS AND MAINTENANCE	60,397	60,397	59,908	489
TOTAL	252,429	252,429	223,569	28,860
DEBT SERVICE				
PRINCIPAL	948,309	948,309	1,090,000	(141,691)
INTEREST	591,100	591,100	449,409	141,691
CAPITAL LEASE PAYMENT-PRINCIPAL	74,215	74,215	74,537	(322)
CAPITAL LEASE PAYMENT-INTEREST	9,785	9,785	9,785	-
TOTAL	1,623,409	1,623,409	1,623,731	(322)
TOTAL EXPENDITURES	25,266,742	25,266,742	24,930,124	336,618
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,830,565)	(1,830,565)	(1,417,747)	412,818
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	2,042,000	2,042,000	3,095,100	1,053,100
TRANSFERS OUT	(250,000)	(250,000)	(2,159,870)	(1,909,870)
SALE OF CAPITAL ASSETS	38,565	38,565	49,110	10,545
TOTAL OTHER FINANCING SOURCES	1,830,565	1,830,565	984,340	(846,225)
NET CHANGE IN FUND BALANCE	-	-	(433,407)	(433,407)
FUND BALANCE AT BEGINNING OF YEAR	3,643,223	3,643,223	3,643,223	-
FUND BALANCE AT END OF YEAR	$ 3,643,223	$ 3,643,223	$ 3,209,816	$ (433,407)

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
JUNE 30, 2011

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
IMPACT FEE REVENUE	$ 1,712,975	$ 1,712,975	$ 1,978,045	$ 265,070
SALES TAX REVENUE	427,500	427,500	820,122	392,622
INTERGOVERMENTAL REVENUES	4,108,000	4,108,000	8,494,182	4,386,182
INTEREST ON INVESTMENTS	34,000	34,000	5,562	(28,438)
TOTAL REVENUES	6,282,475	6,282,475	11,297,911	5,015,436
EXPENDITURES				
CURRENT				
OTHER	94,500	94,500	777,049	(682,549)
CAPITAL OUTLAY	5,476,525	5,476,525	5,362,725	113,800
DEBT SERVICE				
PRINCIPAL	-	-	390,000	(390,000)
INTEREST AND FISCAL CHARGES	427,500	427,500	390,677	36,823
TOTAL EXPENDITURES	5,998,525	5,998,525	6,920,451	(921,926)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	283,950	283,950	4,377,460	4,093,510
OTHER FINANCING SOURCES				
TRANSFERS IN	250,000	250,000	2,159,870	1,909,870
TRANSFERS OUT	-	-	(1,095,968)	(1,095,968)
TOTAL OTHER FINANCING SOURCES	250,000	250,000	1,063,902	813,902
NET CHANGE IN FUND BALANCE	533,950	533,950	5,441,362	4,907,412
FUND BALANCE AT BEGINNING OF YEAR	874,692	874,692	874,692	-
FUND BALANCE AT END OF YEAR	$ 1,408,642	$ 1,408,642	$ 6,316,054	$ 4,907,412

COMBINING FINANCIAL STATEMENTS
INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of services provided by one department or agency to other departments or agencies of the City.

Information Technology-This fund is used to account for the costs of providing computers, related equipment, and software to City departments. A service fee is charged to City departments monthly.

Fleet-This fund is used to account for the costs of maintaining the City's vehicles and equipment.

Risk Management-This fund is used to account for the costs of general liability insurance premiums, property damage, and claims for which the City is responsibility. The City employs a risk manager who is also paid with the fund accumulated in this fund.

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2011

	INTERNAL SERVICE FUNDS			
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	TOTALS
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	$ 290,278	$ 221,187	$ 152,268	$ 663,733
DUE FROM OTHER FUNDS	-	800,000	700,000	1,500,000
INVENTORY	-	38,590	-	38,590
TOTAL CURRENT ASSETS	290,278	1,059,777	852,268	2,202,323
NON-CURRENT ASSETS				
NONDEPRECIABLE CAPITAL ASSETS	44,692	-	-	44,692
DEPRECIABLE CAPITAL ASSETS, NET	113,904	512,660	7,438	634,002
TOTAL NON-CURRENT ASSETS	158,596	512,660	7,438	678,694
TOTAL ASSETS	448,874	1,572,437	859,706	2,881,017
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	46,929	25,961	730	73,620
WAGES PAYABLE	2,785	940	870	4,595
CURRENT PORTION COMPENSATED ABSENCES	15,392	5,184	6,594	27,170
TOTAL CURRENT LIABILITIES	65,106	32,085	8,194	105,385
NON-CURRENT LIABILITIES				
COMPENSATED ABSENCES	15,586	3,914	10,741	30,241
TOTAL NON-CURRENT LIABILITIES	15,586	3,914	10,741	30,241
TOTAL LIABILITIES	80,692	35,999	18,935	135,626
NET ASSETS				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	158,596	512,660	7,438	678,694
UNRESTRICTED	209,586	1,023,778	833,333	2,066,697
TOTAL NET ASSETS	368,182	1,536,438	840,771	2,745,391
TOTAL LIABILITIES AND NET ASSETS	$ 448,874	$ 1,572,437	$ 859,706	$ 2,881,017

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
JUNE 30, 2011

	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	TOTALS
OPERATING REVENUES				
CHARGES FOR SERVICES - INTERNAL	$ 656,999	$ 1,322,240	$ 835,991	$ 2,815,230
TOTAL OPERATING REVENUES	656,999	1,322,240	835,991	2,815,230
OPERATING EXPENSES				
PERSONNEL	313,141	127,897	97,899	538,937
OPERATING AND MAINTENANCE	208,699	737,510	478,330	1,424,539
DEPRECIATION	35,305	83,463	3,481	122,249
TOTAL OPERATING EXPENSES	557,145	948,870	579,710	2,085,725
OPERATING INCOME (LOSS)	99,854	373,370	256,281	729,505
NON-OPERATING REVENUES (EXPENSES)				
MISCELLANEOUS REVENUES	-	4,402	-	4,402
INTEREST INCOME	1,017	3,718	2,759	7,494
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,017	8,120	2,759	7,494
CHANGE IN NET ASSETS	100,871	381,490	259,040	741,401
NET ASSETS AT BEGINNING OF YEAR	267,311	1,154,948	581,731	2,003,990
NET ASSETS AT END OF YEAR	$ 368,182	$ 1,536,438	$ 840,771	$ 2,745,391

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2011

	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES				
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	$ 656,999	$ 1,322,240	$ 835,991	$ 2,815,230
CASH PAID TO SUPPLIERS	(210,453)	(795,976)	(96,749)	(1,103,178)
CASH PAID TO EMPLOYEES	(308,209)	(130,349)	(484,171)	(922,729)
NET CASH PROVIDED BY OPERATING ACTIVITIES	138,337	395,915	255,071	789,323
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
OTHER RECEIPTS (PAYMENTS)	-	4,402	-	4,402
PAYMENTS RECEIVED FROM OTHER FUNDS	-	851,983	594,438	1,446,421
PAYMENTS MADE TO OTHER FUNDS	-	(800,000)	(700,000)	(1,500,000)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	56,385	(105,562)	(49,177)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(64,741)	(236,152)	-	(300,893)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(64,741)	(236,152)	-	(300,893)
CASH FLOWS FROM INVESTING ACTIVITIES				
INTEREST INCOME COLLECTED	1,017	3,718	2,759	7,494
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,017	3,718	2,759	7,494
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	74,613	219,866	152,268	446,747
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	215,665	1,321	-	216,986
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 290,278	$ 221,187	$ 152,268	$ 663,733
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:				
UNRESTRICTED CASH	$ 290,278	$ 221,187	$ 152,268	$ 663,733
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
OPERATING INCOME	$ 99,854	$ 373,370	$ 256,281	$ 729,505
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
DEPRECIATION	35,305	83,463	3,481	122,249
CHANGES IN ASSETS AND LIABILITIES				
INVENTORY	-	(15,584)	-	(15,584)
ACCOUNTS PAYABLE	(1,754)	(42,882)	(5,841)	(50,477)
WAGES PAYABLE	(7,975)	(3,837)	(2,492)	(14,304)
COMPENSATED ABSENCES	12,907	1,385	3,642	17,934
	$ 138,337	$ 395,915	$ 255,071	$ 789,323

COMPONENT UNIT FINANCIAL STATEMENTS

LEHI CITY CORPORATION
COMPONENT UNIT – HUTCHINGS MUSEUM
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

OPERATING REVENUES	
ADMISSIONS	$ 36,336
GRANTS	5,000
TOTAL OPERATING REVENUES	41,336
OPERATING EXPENSES	
PERSONNEL	112,167
OPERATING AND MAINTENANCE	91,283
DEPRECIATION	15,930
TOTAL OPERATING EXPENSES	219,380
OPERATING LOSS	(178,044)
NON-OPERATING REVENUES (EXPENSES)	
CONTRIBUTIONS FROM PRIMARY GOVERNMENT	159,996
INTEREST INCOME	1,356
TOTAL NON-OPERATING REVENUES (EXPENSES)	161,352
CHANGE IN NET ASSETS	(16,692)
NET ASSETS AT BEGINNING OF YEAR	473,999
NET ASSETS AT END OF YEAR	$ 457,307

LEHI CITY CORPORATION
COMPONENT UNIT – HUTCHINGS MUSEUM
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
CASH RECEIVED FROM CUSTOMERS	$ 41,336
CASH PAID TO SUPPLIERS	(92,610)
CASH PAID TO EMPLOYEES	(114,484)
NET CASH USED IN OPERATING ACTIVITIES	(165,758)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
CONTRIBUTIONS FROM PRIMARY GOVERNMENT	159,996
CASH FLOWS FROM INVESTING ACTIVITIES	
INTEREST INCOME COLLECTED	1,356
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,406)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	128,783
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 124,377

LEHI

Pioneering Utah's Future

LEHI CITY CORPORATION
STATISTICAL SECTION
TABLE OF CONTENTS

This part of Lehi City Corporation's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

	Page
FINANCIAL TRENDS These schedules provide trend information to help the reader understand how the City's financial performance and economic conditions have changed over time.	90 - 98
REVENUE CAPACITY These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues.	99 - 105
DEBT CAPACITY These schedules provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	106 - 114
DEMOGRAPHIC AND ECONOMIC INFORMATION These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	115 - 116
OPERATING INFORMATION These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.	117 - 120

Note: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

LEHI CITY CORPORATION
SCHEDULE 1
NET ASSETS BY COMPONENT (LAST NINE FISCAL YEARS)
(accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities					
Invested in capital assets, net of related debt	$ 118,676,685	$ 199,579,556	$ 213,579,310	$ 211,805,645	$ 211,722,660
Restricted	3,168,606	1,412,125	2,488,688	3,500,816	9,514,316
Unrestricted	5,528,236	(71,602,248)	(74,678,852)	(72,015,133)	(71,391,471)
Total governmental activities net assets	127,373,527	129,389,433	141,389,146	143,291,328	149,845,505
Business-type activities					
Invested in capital assets, net of related debt	138,778,193	131,058,326	137,407,148	172,095,833	171,920,314
Restricted	7,081,023	7,606,529	5,622,428	5,638,545	5,166,369
Unrestricted	5,232,772	(764,656)	(1,728,272)	(2,125,977)	49,034
Total business-type activities net assets	151,091,988	137,900,199	141,301,304	175,608,401	177,135,717
Primary government					
Invested in capital assets, net of related debt	257,454,878	330,637,882	350,986,458	383,901,478	383,642,974
Restricted	10,249,629	9,018,654	8,111,116	9,139,361	14,680,685
Unrestricted	10,761,008	(72,366,904)	(76,407,124)	(74,141,110)	(71,342,437)
Total primary government net assets	$ 278,465,515	$ 267,289,632	$ 282,690,450	$ 318,899,729	$ 326,981,222

	Fiscal Year			
	2003	2004	2005	2006
Governmental activities				
Invested in capital assets, net of related debt	$ (36,977,479)	$ (35,683,910)	$ 76,480,271	$ 95,663,909
Restricted	2,229,240	1,934,133	2,464,432	5,069,239
Unrestricted	18,135,240	20,634,004	11,523,200	14,183,830
Total governmental activities net assets	(16,612,999)	(13,115,773)	90,467,903	114,916,978
Business-type activities				
Invested in capital assets, net of related debt	72,442,065	78,483,565	88,606,990	111,727,736
Restricted	938,806	1,022,388	2,278,824	3,964,822
Unrestricted	5,944,956	4,439,713	2,888,003	4,861,520
Total business-type activities net assets	79,325,827	83,945,666	93,773,817	120,554,078
Primary government				
Invested in capital assets, net of related debt	35,464,586	42,799,655	165,087,261	207,391,645
Restricted	3,168,046	2,956,521	4,743,256	9,034,061
Unrestricted	24,080,196	25,073,717	14,411,203	19,045,350
Total primary government net assets	$ 62,712,828	$ 70,829,893	$ 184,241,720	$ 235,471,056

Lehi City implemented GASB 34 in Fiscal Year 2003, prior to that date, this information was not maintained.

LEHI CITY CORPORATION
SCHEDULE 2
CHANGES IN NET ASSETS (LAST NINE FISCAL YEARS)
(accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities					
General government	$ 3,278,956	$ 3,628,674	$ 4,790,376	$ 4,429,526	$ 5,307,139
Public Safety	6,602,301	7,519,925	6,917,410	8,294,302	8,781,592
Community Development	4,117,333	23,047,285	7,845,367	3,915,440	4,264,439
Streets and Highways	4,927,772	5,810,559	6,833,204	7,533,656	10,227,496
Parks, recreation, and culture	6,017,809	6,392,168	6,154,035	6,181,189	6,369,274
Cemetery	409,954	448,945	179,180	343,280	269,700
Interest on long-term debt	3,407,163	4,365,331	4,818,132	4,677,116	4,545,032
Total governmental activities	28,761,288	51,212,887	37,537,704	35,374,509	39,764,672
Business-type activities					
Culinary Water	2,182,072	2,656,616	2,738,379	2,502,822	2,544,131
Sewer	3,377,096	3,763,563	4,427,260	4,867,521	6,102,340
Pressurized Irrigation	1,926,428	1,827,990	1,867,549	1,882,960	2,676,304
Electric	16,223,414	18,944,544	20,728,252	20,554,351	20,787,596
Drainage	508,081	607,976	906,252	1,006,380	1,225,380
Garbage	1,661,564	1,673,466	1,934,512	2,021,030	1,816,865
Total business-type activities	25,878,655	29,474,155	32,602,204	32,835,064	35,152,616
Total primary government expenses	$ 54,639,943	$ 80,687,042	$ 70,139,908	$ 68,209,573	$ 74,917,288
Program Revenues					
Governmental activities					
Charges for services					
General government	$ 1,594,333	$ 1,695,954	$ 1,704,170	$ 1,145,665	$ 1,021,657
Public Safety	389,865	428,763	492,808	591,731	505,979
Community Development	5,355,658	2,887,683	1,023,732	1,363,643	1,487,215
Streets and Highways	-	-	-	-	-
Parks, recreation, and culture	2,862,975	2,605,373	2,874,871	2,987,914	2,949,442
Cemetery	130,334	271,967	136,252	70,780	161,502
Operating grants and contributions	829,731	1,229,542	823,303	1,545,098	2,153,477
Capital grants and contributions	34,359,144	27,104,451	13,239,384	5,596,760	12,581,519
Total governmental activities	45,522,040	36,223,733	20,294,520	13,301,591	20,860,791
Business-type activities					
Charges for services					
Culinary Water	2,110,706	2,346,398	1,984,451	2,597,686	2,634,733
Sewer	2,806,305	3,696,025	3,682,833	3,959,930	4,886,485
Pressurized Irrigation	1,497,451	1,606,059	1,630,416	1,850,135	2,200,146
Electric	15,926,346	18,198,914	19,110,795	18,975,668	19,856,320
Drainage	492,993	540,080	866,809	933,646	1,070,910
Garbage	1,595,038	1,833,795	2,011,309	2,125,792	2,193,629
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	22,743,591	14,121,431	8,470,064	5,034,797	4,245,278
Total business-type activities	47,172,430	42,342,702	37,756,677	35,477,654	37,087,501
Total primary government program revenues	$ 92,694,470	$ 78,566,435	$ 58,051,197	$ 48,779,245	$ 57,948,292

Lehi City implemented GASB 34 in Fiscal Year 2003, prior to that date, this information was not maintained.

CONTINUED

LEHI CITY CORPORATION
SCHEDULE 2
CHANGES IN NET ASSETS (LAST NINE FISCAL YEARS)
(accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Net (Expense)/Revenue					
Governmental activities	$ (14,989,154)	$ (17,243,184)	$ (22,072,918)	$ (22,072,918)	$ (18,903,881)
Business-type activities	12,868,547	5,154,473	2,642,590	2,642,590	1,934,885
Total primary government net (expense)/revenue	$ (2,120,607)	$ (12,088,711)	$ (19,430,328)	# $ (19,430,328)	$ (16,968,996)
General Revenues and Other Changes in Net Assets					
Governmental activities					
Taxes					
Property taxes	$ 6,581,220	$ 17,539,314	$ 13,900,358	$ 13,900,358	$ 14,704,702
Sales taxes	5,670,821	5,727,822	5,741,667	5,741,667	5,985,133
Franchise taxes	3,059,267	3,191,822	3,127,311	3,127,311	3,418,306
Motor vehicle fees in lieu	427,577	533,111	321,119	321,119	511,309
Earnings on investments	503,871	179,236	98,348	98,348	74,775
Gain (Loss) on disposal of assets	-	(159,412)	55,297	55,297	28,511
Other	31,304	-	-	-	4,402
Transfers	731,000	2,231,004	731,000	731,000	730,920
Total governmental activities	17,005,060	29,242,897	23,975,100	23,975,100	25,458,058
Business-type activities					
Earnings on investments	505,827	280,778	49,956	49,956	48,967
Gain (Loss) on disposal of assets	-	-	(115,728)	(115,728)	-
Other	274,922	196,858	169,979	169,979	274,384
Transfers	(731,000)	(2,231,004)	(731,000)	(731,000)	(730,920)
Total business-type activities	49,749	(1,753,368)	(626,793)	(626,793)	(407,569)
Total primary government	$ 17,054,809	$ 27,489,529	$ 23,348,307	$ 23,348,307	$ 25,050,489
Change in Net Assets					
Governmental activities	$ 19,762,254	$ 2,015,906	$ 11,999,713	$ 1,902,182	$ 6,554,177
Business-type activities	34,837,591	12,918,296	3,401,105	2,015,797	1,527,316
Total primary government	$ 54,599,845	$ 14,934,202	$ 15,400,818	$ 3,917,979	$ 8,081,493

Lehi City implemented GASB 34 in Fiscal Year 2003, prior to that date, this information was not maintained.

CONTINUED

LEHI CITY CORPORATION
SCHEDULE 2
CHANGES IN NET ASSETS (LAST NINE FISCAL YEARS)
(accrual basis of accounting)

	Fiscal Year			
Expenses	2003	2004	2005	2006
Governmental activities				
General government	$ 2,502,438	$ 2,157,885	$ 2,481,312	$ 3,061,330
Public Safety	3,452,452	3,641,392	4,058,050	5,591,343
Community Development	1,602,565	1,893,666	2,094,404	2,430,340
Streets and Highways	1,239,635	2,134,311	4,075,003	4,832,769
Parks, recreation, and culture	2,789,498	1,847,707	4,880,066	5,224,571
Cemetery	285,779	298,869	303,608	350,002
Interest on long-term debt	1,435,216	3,095,006	2,228,046	2,573,686
Total governmental activities	13,307,583	15,068,836	20,120,489	24,064,041
Business-type activities				
Culinary Water	1,298,539	1,586,672	1,806,484	1,883,564
Sewer	1,817,524	2,163,724	2,529,956	2,885,779
Pressurized Irrigation	971,657	1,144,007	1,368,222	1,396,885
Electric	16,268,567	16,775,273	14,829,348	16,087,303
Drainage	392,205	390,367	434,486	440,973
Swimming pool	318,325	304,497	235,355	-
Ambulance	364,241	386,564	381,408	-
Garbage	817,826	1,041,433	1,257,056	1,386,508
Total business-type activities	22,248,884	23,792,537	22,842,315	24,081,012
Total primary government expenses	$ 35,556,467	$ 38,861,373	$ 42,962,804	$ 48,145,053
Program Revenues				
Governmental activities				
Charges for services				
General government	$ 770,293	$ 976,371	$ 1,300,040	$ 1,671,982
Public Safety	67,203	87,388	86,129	389,767
Community Development	1,568,535	2,659,701	2,781,526	4,738,740
Streets and Highways	4,184	20,600	19,475	314,829
Parks, recreation, and culture	834,499	910,245	1,579,155	2,496,624
Cemetery	73,668	80,850	77,836	113,897
Operating grants and contributions	747,425	566,948	299,681	652,893
Capital grants and contributions	6,150,959	4,754,765	15,631,015	23,997,070
Total governmental activities	10,216,766	10,056,868	21,774,857	34,375,802
Business-type activities				
Charges for services				
Culinary Water	1,152,873	1,444,078	1,589,361	1,986,927
Sewer	1,517,513	1,629,146	1,802,658	2,071,764
Pressurized Irrigation	793,680	1,000,270	1,134,314	1,325,319
Electric	16,200,634	17,109,495	14,735,942	16,880,143
Drainage	445,165	421,334	381,558	426,361
Swimming pool	210,336	220,119	81,895	-
Ambulance	232,863	236,663	254,131	-
Garbage	735,079	961,685	1,200,183	1,405,976
Operating grants and contributions	33,976	11,690	11,308	-
Capital grants and contributions	11,062,542	5,391,982	11,178,666	26,673,151
Total business-type activities	32,384,661	28,426,462	32,370,016	50,769,641
Total primary government revenues	$ 42,601,427	$ 38,483,330	$ 54,144,873	$ 85,145,443

Lehi City implemented GASB 34 in Fiscal Year 2003, prior to that date, this information was not maintained.

CONTINUED

LEHI CITY CORPORATION
SCHEDULE 2
CHANGES IN NET ASSETS (LAST NINE FISCAL YEARS)
(accrual basis of accounting)

	Fiscal Year			
	2003	2004	2005	2006
Net (Expense)/Revenue				
Governmental activities	$ (3,090,817)	$ (5,011,968)	$ 1,654,368	$ 10,311,761
Business-type activities	10,135,777	4,633,925	9,527,791	9,527,791
Total primary government net (expense)/revenue	$ 7,044,960	$ (378,043) #	$ 11,182,159	$ 19,839,552
General Revenues and Other Changes in Net Assets				
Governmental activities				
Taxes				
Property taxes	$ 3,189,739	$ 3,302,183	$ 6,087,979	$ 7,078,262
Sales taxes	2,212,632	2,356,721	1,758,008	2,462,970
Franchise taxes	1,482,720	1,608,100	1,864,640	2,186,651
Motor vehicle fees in lieu	335,782	340,504	333,893	503,721
Earnings on investments	443,235	142,183	542,371	698,566
Other	93,413	445,803	160,689	41,239
Transfers	(15,547,513)	313,700	326,900	1,165,905
Total governmental activities	(7,789,992)	8,509,194 -	11,074,480	14,137,314
Business-type activities				
Earnings on investments	274,376	53,429	230,544	328,593
Gain (Loss) on disposal of assets	-	-	396,716	-
Other	57,027	246,185	-	928,944
Transfers	15,547,513	(313,700)	(326,900)	(1,165,905)
Total business-type activities	15,878,916	(14,086) -	300,360	91,632
Total primary government	$ 8,088,924	$ 8,495,108 #	$ 11,374,840	$ 14,228,946
Change in Net Assets				
Governmental activities	$ (10,880,809)	$ 3,497,226	$ 12,728,848	$ 24,449,075
Business-type activities	26,014,693	4,619,839	9,828,151	9,619,423
Total primary government	$ 15,133,884	$ 8,117,065 #	$ 22,556,999	$ 34,068,498

Lehi City implemented GASB 34 in Fiscal Year 2003, prior to that date, this information was not maintained.

LEHI CITY CORPORATION
SCHEDULE 3
FUND BALANCES: GOVERNMENTAL FUNDS (LAST TEN FISCAL YEARS)
(modified accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Nonspendable	$ -	$ -	$ 34,398	$ -	$ 2,637
Restricted	3,026,635	2,087,820	1,963,731	2,226,954	1,079,347
Committed	144,549	199,396	319,499	321,627	355,345
Assigned	89,938	103,574	179,765	180,961	181,923
Unassigned	3,710,734	3,031,997	526,590	913,681	1,590,564
Total general fund	6,971,856	5,422,787	3,023,983	3,643,223	3,209,816
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	141,971	108,055	1,055,460	1,509,304	8,566,451
Committed	-	-	-	-	-
Assigned	-	-	-	-	(2,250,397)
Unassigned	2,095,679	2,680,563	297,990	481,634	1,241,966
Total all other governmental funds	2,237,650	2,788,618	1,353,450	1,990,938	7,558,020
Total governmental funds	$ 9,209,506	$ 8,211,405	$ 4,377,433	$ 5,634,161	$10,767,836

	Fiscal Year				
	2002	2003	2004	2005	2006
General Fund					
Reserved	$ 855,385	$ 1,156,872	$ 1,934,133	$ 2,389,930	$ 4,626,796
Unreserved	3,890,133	1,931,931	3,488,074	3,657,739	4,515,495
Total general fund	4,745,518	3,088,803	5,422,207	6,047,669	9,142,291
All Other Governmental Funds					
Reserved	3,237,208	4,636,863	7,377,815	2,810,393	812,311
Unreserved, reported in:	-				
Debt service funds	-	81,336	87,250	57,690	398,620
Special revenue funds	1,919,022	368,022	995,839	899,461	1,018,681
Capital projects funds	26,204	2,681,334	733,467	31,494	572,749
Total all other governmental funds	5,182,434	7,767,555	9,194,371	3,799,038	2,802,361
Total governmental funds	$ 9,927,952	$ 10,856,358	$ 14,616,578	$ 9,846,707	$11,944,652

As discussed in NOTE S, Lehi City has implemented GASB 54 for the fiscal year ended June 30, 2011. The fund balances from prior fiscal years (2007 – 2010) were restated for comparison purposes.

LEHI CITY CORPORATION
SCHEDULE 4
CHANGES IN FUND BALANCES: GOVERNMENTAL FUNDS (LAST TEN FISCAL YEARS)
(modified accrual basis of accounting)

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues					
Taxes	$ 14,296,381	$ 15,738,885	$ 26,992,069	$ 23,090,455	$ 24,619,450
Licenses, fees and permits	5,869,656	2,720,478	1,753,077	3,295,183	3,070,742
Intergovernmental	1,569,424	1,888,959	1,604,255	2,589,244	10,694,110
Charges for services	6,025,454	4,899,924	3,951,453	4,111,773	4,209,859
Fines and forfeitures	1,129,472	1,252,981	1,133,215	828,467	835,010
Special assessment revenue	2,875,335	-	-	-	-
Developers contribution	-	3,500,000	1,271,000	-	-
Miscellaneous	464,861	442,973	570,955	441,419	335,460
Interest on investments	1,283,194	503,871	179,236	92,336	67,281
Total revenues	33,513,777	30,948,071	37,455,260	34,448,877	43,831,912
Expenditures					
General government	3,074,401	3,285,328	4,390,714	4,431,166	4,928,570
Public Safety	6,572,995	6,858,543	7,897,722	8,071,323	8,453,897
Community development	4,134,069	22,801,077	7,667,029	3,707,335	4,388,643
Streets and highways	4,611,346	1,551,653	1,834,279	1,689,097	1,770,865
Parks recreation and culture	8,360,057	5,674,251	5,542,788	5,793,779	6,058,330
Cemetery	446,884	345,922	297,062	289,208	223,569
Other	5,571	180,038	32,623	33,225	798,307
Capital outlay	2,577,544	8,046,417	8,617,325	1,695,944	5,362,725
Debt Service					
Principal	4,708,651	1,443,002	7,937,343	4,062,549	3,848,822
Interest and fiscal charges	3,455,683	4,366,846	3,774,216	4,568,005	4,603,039
Total expenditures	37,947,201	54,553,077	47,991,101	34,341,631	40,436,767
Excess (deficiency) of revenues over (under) expenditures	(4,433,424)	(23,605,006)	(10,535,841)	107,246	3,395,145
Other Financing Sources (Uses)					
Transfers in	1,799,157	4,494,820	8,224,855	2,100,180	5,254,970
Transfers out	(14,423,252)	(3,763,820)	(5,993,851)	(1,369,180)	(4,524,050)
Sale of capital assets	71,920	35,550	-	56,297	49,110
Bond and note proceeds	15,785,158	21,840,355	4,470,865	362,185	958,500
Total other financing sources (uses)	3,232,983	22,606,905	6,701,869	1,149,482	1,738,530
Net change in fund balances	$ (1,200,441)	$ (998,101)	$ (3,833,972)	$ 1,256,728	$ 5,133,675
Debt service as a percentage of noncapital expenditures	23.10%	12.50%	30.61%	26.67%	33.07%

Note: Noncapital expenditures are total expenditures less capital outlay and expenditures for capitalized assets included within the functional expenditure categories.

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LEHI CITY CORPORATION
SCHEDULE 4
CHANGES IN FUND BALANCES: GOVERNMENTAL FUNDS (LAST TEN FISCAL YEARS)
(modified accrual basis of accounting)

	Fiscal Year				
	2002	2003	2004	2005	2006
Revenues					
Taxes	$ 11,856,438	$ 7,325,767	$ 8,777,061	$ 9,444,620	$ 11,590,739
Licenses, fees and permits	1,813,277	2,240,770	3,340,344	4,283,213	6,903,211
Intergovernmental	981,506	1,186,672	1,420,442	1,062,031	1,338,970
Charges for services	1,578,816	1,510,792	1,967,509	2,702,550	4,587,955
Fines and forfeitures	623,722	770,293	976,371	1,300,040	1,219,282
Special assessment revenue	236,860	251,664	-	831,970	451,914
Miscellaneous	708,225	290,566	1,038,819	547,766	978,350
Interest on investments	-	435,532	142,183	542,371	566,413
Total revenues	17,798,844	14,012,056	17,662,729	20,714,561	27,636,834
Expenditures					
General government	1,619,850	2,197,016	2,157,039	2,351,371	3,826,086
Public Safety	2,668,517	3,544,002	3,651,906	3,982,637	5,424,736
Streets and highways	1,687,978	2,153,217	1,964,867	2,518,285	2,949,997
Parks recreation and culture	2,880,260	2,774,849	3,432,867	4,562,906	5,639,584
Cemetery	367,759	284,773	267,909	329,604	480,627
Redevelopment	842,182	-	-	-	-
Other	27,382	73,463	9,264	87,616	8,598
Capital outlay	2,506,815	370,232	2,681,809	10,741,229	4,859,533
Debt Service					
Principal	2,625,541	2,713,142	7,478,960	2,113,343	1,555,506
Interest and fiscal charges	1,548,727	1,424,739	3,080,911	2,230,367	2,182,580
Total expenditures	16,775,011	15,535,433	24,725,532	28,917,358	26,927,247
Excess (deficiency) of revenues over (under) expenditures	1,023,833	(1,523,377)	(7,062,803)	(8,202,797)	709,587
Other Financing Sources (Uses)					
Transfers in	5,803,056	5,533,843	8,496,273	3,571,403	3,526,085
Transfers out	(5,567,056)	(21,081,356)	(8,182,573)	(3,244,503)	(2,963,569)
Transfer to component unit	(28,000)	(30,000)	-	(100,000)	-
Proceeds from capital lease	384,688	271,709	-	-	500,000
Sale of capital assets	-	-	-	-	41,239
Bond and note proceeds	740,360	19,360,876	12,391,881	5,399,485	2,747,936
Total other financing sources (uses)	1,333,048	4,055,072	12,705,581	5,626,385	3,851,691
Net change in fund balances	$ 2,356,881	$ 2,531,695	$ 5,642,778	$ (2,576,412)	$ 4,561,278
Debt service as a percentage of noncapital expenditures	25.25%	24.70%	44.10%	21.30%	15.20%

Note: Noncapital expenditures are total expenditures less capital outlay and expenditures for capitalized assets included within the functional expenditure categories.

LEHI CITY CORPORATION
SCHEDULE 5
TAX REVENUES BY SOURCE
(LAST TEN FISCAL YEARS)

Fiscal Year	General Property Tax	General Use and Sales Tax	Franchise Tax	Fees in Lieu of Personal Property Tax	Total
2002	$ 1,470,180	$ 2,266,702	$ 1,346,252	$ 400,961	$ 5,484,095
2003	3,294,633	2,212,632	1,482,720	335,782	7,325,767
2004	4,471,736	2,356,721	1,608,100	340,504	8,777,061
2005	4,557,879	2,688,208	1,864,640	333,893	9,444,620
2006	5,594,262	3,946,940	2,186,651	503,721	12,231,574
2007	6,310,568	4,897,855	2,543,247	544,711	14,296,381
2008	6,581,220	5,670,821	3,059,267	427,577	15,738,885
2009	17,539,314	5,727,822	3,191,822	533,111	26,992,069
2010	13,900,358	5,741,667	3,127,311	321,119	23,090,455
2011	14,704,702	5,985,133	3,418,306	511,309	24,619,450
Growth 2001-2011	900.2%	164.0%	153.9%	27.5%	348.9%

LEHI CITY CORPORATION
SCHEDULE 6
DIRECT TAXABLE SALES BY CATEGORY
(LAST TEN CALENDAR YEARS)

	Category					
Calendar Year	Retail	Services	Business Equipment & Utilities	Other	Total	City Direct Sales Tax Rate
2002	$ 67,361,754	$ 19,769,806	$ 35,668,882	$ 31,179,109	$ 153,979,551	% 1.00
2003	69,038,784	17,360,572	33,581,299	32,809,516	152,790,171	1.00
2004	73,780,406	17,804,639	45,816,443	38,537,300	175,938,788	1.00
2005	81,312,086	19,627,480	49,472,357	16,675,432	167,087,355	1.00
2006	118,687,003	27,774,877	71,333,454	33,988,557	251,783,891	1.00
2007	126,788,004	29,887,594	75,667,454	38,555,443	270,898,495	1.00
2008	134,866,005	31,867,594	76,068,432	39,555,412	282,357,443	1.00
2009	132,245,016	29,863,447	73,066,431	38,568,479	273,743,373	1.00
2010	131,655,216	29,254,658	72,096,599	38,467,499	271,473,972	1.00
2011	131,957,303	29,485,632	71,931,244	37,979,479	271,353,658	1.00

Source: Utah State Tax Commission

LEHI CITY CORPORATION
SCHEDULE 7
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(LAST TEN CALENDAR YEARS)

Fiscal Year (1)	Real Property	Personal Property (2)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value (3)	Assessed Value as a Percentage of Actual Value (4)
2001	$ 681,393,303	$ 35,036,732	$ 716,430,035	0.002452	$ 1,191,215,705	% 60.1
2003	834,159,420	291,471,697	1,125,631,117	0.002541	1,557,999,509	72.2
2004	852,926,407	166,657,163	1,019,583,570	0.002462	1,675,255,691	60.9
2005	1,012,159,310	142,807,609	1,154,966,919	0.002663	1,678,423,396	68.8
2006	1,597,480,058	106,666,087	1,704,146,145	0.002604	2,370,356,176	71.9
2007	1,611,147,905	113,555,088	1,724,702,993	0.002614	2,405,333,599	71.7
2008	2,145,782,000	575,688,000	2,721,470,000	0.002618	2,626,902,107	103.6
2009	2,379,091,353	623,900,919	3,002,992,272	0.002681	2,633,756,697	114.0
2010	2,553,929,456	799,448,514	3,353,377,970	0.002785	2,150,922,532	155.9
2011	2,450,084,564	687,057,038	3,137,141,602	0.002785	2,416,627,119	129.8

(1) Numbers based on calendar year not fiscal year.

(2) Personal Property has been combined with centrally assessed values.

(3) Values were obtained from the Utah County Auditor and do not include properties which are taxed separately under tax increment programs. The dramatic increase in personal property in 2003 was due to a reassessment of personal property at the Micron Technology facility. The decrease in assessed and personal property values in 2004 was due to a reassessment of several large properties in Lehi.

(4) The assessed value percentage has increased dramatically over the previous years due to significant real property that has been placed in Redevelopment Area
significant real property that has been placed in Redevelopment Area

LEHI CITY CORPORATION
SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
(LAST TEN FISCAL YEARS)

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	$ 2,284,123	$ -	% -	$ -	$ 1,974,618	% 86.45
2003	2,929,044	-	-	-	2,529,492	86.36
2004	2,763,289	2,137,696	77.36	143,510	2,281,206	82.55
2005	2,350,221	2,482,760	105.64	(30,316)	2,452,444	104.35
2006	3,167,943	2,962,266	93.51	138,512	3,100,778	97.88
2007	4,037,756	3,705,842	91.78	336,239	4,042,081	100.11
2008	4,645,150	4,536,512	97.66	363,590	4,900,102	105.49
2009	4,834,566	4,387,425	90.75	275,689	4,663,114	96.45
2010	5,235,678	4,605,762	87.97	292,642	4,898,404	93.56
2011	5,346,248	5,273,059	98.63	434,402	5,707,461	106.76

Note: Years preceding 2004 reflect total collections, including delinquent collections, relative to the tax levy.
Year 2004 begins tracking collections by levy year.

Source: Utah County Treasurer

LEHI CITY CORPORATION
SCHEDULE 9
DIRECT AND OVERLAPPING SALES TAX RATES
(LAST TEN FISCAL YEARS)

		Overlapping Rates			
Fiscal Year	City Direct Rate (1)	State of Utah	Utah County	Mass Transit	Total
2002	1.00	4.75	0.25	0.25	6.25
2003	1.00	4.75	0.25	0.25	6.25
2004	1.00	4.75	0.25	0.25	6.25
2005	1.00	4.75	0.25	0.25	6.25
2006	1.00	4.75	0.25	0.25	6.25
2007	1.00	4.75	0.25	0.25	6.25
2008	1.00	4.75	0.25	0.25	6.25
2009	1.00	4.75	0.25	0.25	6.25
2010	1.00	4.75	0.25	0.25	6.25
2011	1.00	4.75	0.25	0.25	6.25

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City.

(1) Of the total sales taxes assessed by municipalities within the state, 50 percent is distributed based on point of sale and 50 percent is pooled and distributed based on population.

Source: Utah State Tax Commission

LEHI CITY CORPORATION
SCHEDULE 10
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(LAST TEN FISCAL YEARS)

	Lehi City (1)									
Fiscal Year	General Fund	Debt Service Fund	Total	Alpine School District	Utah County	Central Utah Water Conservancy District	Northern Utah County Water Conservancy District	Lehi Metropolitan Water District	Other	Total
2002	2.452	-	2.452	6.953	1.034	0.358	0.036	0.013	0.348	11.194
2003	2.541	-	2.541	7.884	1.053	0.358	0.036	0.013	0.358	12.243
2004	2.462	-	2.462	8.119	1.065	0.353	0.035	0.010	0.360	12.404
2005	2.663	-	2.663	8.082	1.040	0.400	0.033	0.011	0.351	12.580
2006	2.604	-	2.604	6.883	1.079	0.036	0.028	0.011	0.504	11.145
2007	2.614	-	2.614	8.150	1.090	0.032	0.022	0.008	0.520	12.436
2008	2.618	-	2.618	8.153	1.092	0.031	0.022	0.008	0.520	12.444
2009	2.681	-	2.681	8.152	1.091	0.031	0.210	0.008	0.520	12.693
2010	2.370	-	2.370	8.152	1.091	0.031	0.210	0.008	0.520	12.382
2011	2.519	-	2.519	8.812	1.342	0.005	0.028	0.013	0.431	13.150

Note: Overlapping rates are those of other governments and agencies that apply to property owners within the City. Tax rates are set by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year. Tax rates are per dollar of assessed value.

(1) The City's certified property tax rate may be increased only by a majority vote of the city council, after holding one or more truth-in-taxation public hearings.

Source: Utah State Tax Commission

LEHI CITY CORPORATION
SCHEDULE 11
PRINCIPAL SALES TAX PAYERS
(CURRENT YEAR AND TEN YEARS AGO)

	2011				2001			
Taxpayer	Sales Tax (1)	Rank		Percentage of Total Sales Tax (1)	Sales Tax (1)	Rank		Percentage of Total Sales Tax (1)
Costco	N/A	1	%	16.78	N/A	-	%	-
Cabellas	N/A	2		12.45	N/A	-		-
Smiths	N/A	3		8.57	N/A	-		10.84
Jack P Parson	N/A	4		3.71	N/A	4		4.66
Fresh Market	N/A	5		3.68	N/A	3		5.70
Lone Peak Trailers	N/A	6		3.42	N/A	2		7.50
Questar Gas Co.	N/A	7		2.57	N/A	6		2.74
Kohlers Inc.	N/A	8		2.38	N/A	5		4.57
Truck World	N/A	9		2.34	N/A	-		-
Lowes	N/A	10		1.83	N/A	7		2.50
Vinyl Industries	N/A	-		-	N/A	8		2.39
Thanksgiving Point	N/A	-		-	N/A	9		2.08
Standard Plummers	N/A	-		-	N/A	10		1.45
Total	$ 1,503,696		%	58.93	$ 754,333		%	44.43

(1) Sales tax information is considered proprietary and cannot be shown by individual payer, so the group is shown in the aggregate.

N/A = Not applicable

Source: Utah State Tax Commission

LEHI CITY CORPORATION
SCHEDULE 12
PRINCIPAL PROPERTY TAX PAYERS
(CURRENT YEAR AND TEN YEARS AGO)

	2011			2001		
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Micron Technology, Inc.	$ 523,680,513	1	% 6.73	$ 381,997,352	1	% 0.58
Thanksgiving Point L.C.	70,685,444	2	1.75	-	-	-
Cabellas	29,950,435	3	1.74	1,203,075	6	0.18
Fox Ridge Investments LLC	23,983,959	4	1.18	-	-	-
Thai Properties, LLC	17,744,236	5	1.05	-	-	-
Point Development L.C.	11,535,677	6	0.48	-	-	-
Whistle Stop Development Corp.	7,355,868	7	0.42	-	-	-
Smiths	7,045,990	8	0.41	-	-	-
Century Link	6,958,003	9	0.42	6,837,890	2	1.04
Museum of Ancient History	5,879,554	10	0.36	-	-	-
Mountain Fuel Supply Co.	-	-	-	1,606,090	3	0.24
Lehi Lodging L.C.	-	-	-	1,579,465	4	0.24
Thomas J Peck & Sons Inc.	-	-	-	1,400,941	5	0.21
Metro West Ready-Mix Inc.	-	-	-	1,168,200	7	0.18
Union Pacific Railroad Co.	-	-	-	1,048,230	8	0.16
Devere Fowler LTD	-	-	-	989,157	9	0.15
Kohler's Market	-	-	-	793,374	10	0.12
Total	$ 704,819,679		% 14.48	$ 398,623,774		% 60.62

Source: Utah County Assessor

LEHI CITY CORPORATION
SCHEDULE 13
RATIO OF OUTSTANDING DEBT BY TYPE
(LAST TEN FISCAL YEARS)

	Governmental Activities							Business-Type Activities								
Fiscal Year	Sales Tax Revenue Bonds	Lease Revenue Bonds	Sewer* Revenue Bonds	Excise Tax Road Bonds	Special Assessment Bonds	Capital Leases	Note Payable	Water Revenue Bonds	Sewer* Revenue Bonds	Electric Revenue Bonds	Dainage Revenue Bonds	Capital Leases	Special Assessment Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2002	$ -	$ 6,455,000	$ 1,139,825	$ 2,075,000	$ 5,130,998	$ 729,974	$ 22,004,045	$ 3,044,230	$ 674,797	$ 3,905,348	$ 2,015,000	$ 379,108	$ 3,534,002	$ 51,087,687	% 15.48	$ 2,118
2003	3,900,000	6,305,000	1,050,925	4,980,000	4,879,333	805,324	38,992,623	5,431,412	621,735	3,703,498	1,900,000	364,084	3,360,666	76,294,600	15.49	2,899
2004	12,245,000	-	958,850	4,555,000	4,612,888	547,623	39,006,764	5,214,858	566,848	3,491,648	1,780,000	237,696	3,177,111	76,394,286	14.85	2,546
2005	17,036,200	-	860,425	4,115,000	3,780,987	292,194	39,127,461	4,838,304	508,311	3,269,798	1,655,000	154,809	2,604,125	78,242,614	12.76	2,272
2006	19,155,292	-	755,650	3,660,000	3,461,254	679,356	39,276,305	4,451,752	446,124	8,892,948	1,525,000	420,591	2,383,954	85,108,226	11.70	2,266
2007	19,805,000	-	644,525	3,185,000	-	518,084	53,911,763	4,050,196	380,288	8,552,948	1,390,000	296,063	-	92,733,867	12.72	2,343
2008	19,052,455	-	530,225	2,695,000	-	431,927	75,752,118	3,632,088	312,625	8,046,098	1,245,000	209,457	-	111,906,993	15.35	2,827
2009	18,401,997	-	-	2,190,000	-	305,665	74,097,585	3,200,536	-	7,457,501	1,095,000	118,935	-	106,867,219	14.65	2,375
2010	17,610,000	-	-	1,665,000	-	234,551	71,785,332	2,853,981	-	6,881,750	935,000	24,317	-	101,989,931	13.99	2,081
2011	16,670,000	-	-	1,125,000	-	160,014	72,133,133	2,497,427	-	6,306,000	2,335,492	-	-	101,227,066	13.88	2,066

1) See Schedule 23 for personal income and population data

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

* 63.5% of the Sewer Revenue bonds are repaid by the RDA with the remaining 36.5% payable by sewer fund.

N/A=Not Available

LEHI CITY CORPORATION
SCHEDULE 14
RATIO OF GENERAL BONDED DEBT OUTSTANDING
(LAST TEN FISCAL YEARS)

Fiscal Year	General Obligation Bonds	Other Bonds	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
2002	$ -	$ -	$ -	% -	% -
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-

(1) See Schedule 7 for property value data.
(2) See Schedule 23 for population data.

LEHI CITY CORPORATION
SCHEDULE 15
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES
(AS OF JUNE 30, 2011)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to Lehi (1)	Estimated Amount Applicable to Lehi
State of Utah	$ 2,090,240,000	% 7.00	$ 146,316,800
Utah County	4,270,000	7.00	298,900
Alpine School District	357,220,000	12.70	45,669,400
Central Utah Water Conservancy District	625,069,442	1.60	10,001,111
Subtotal, overlapping debt	3,076,799,442		202,286,211
Lehi City direct debt	101,227,066		101,227,066
Total direct and overlapping debt	$ 3,178,026,508		$ 303,513,277

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lehi. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by dividing the City's taxable assessed value by each overlapping unit's total taxable assessed value.

Sources: Utah State Tax Commission; Alpine School District; Utah County Auditor's Office; Central Utah Water Conservancy District

LEHI CITY CORPORATION
SCHEDULE 16
LEGAL DEBT MARGIN INFORMATION
(LAST TEN FISCAL YEARS)

Fiscal Year	Debt Limit	Total debt applicable to limit	Legal debt margin
2002	$ 47,648,628	-	$ 47,648,628
2003	62,319,980	-	62,319,980
2004	67,010,228	-	67,010,228
2005	67,136,936	-	67,136,936
2006	94,814,247	-	94,814,247
2007	96,213,344	-	96,213,344
2008	105,076,084	-	105,076,084
2009	155,043,152	-	155,043,152
2010	134,135,119	-	134,135,119
2011	125,485,664	-	125,485,664

Total debt applicable to the limit as a percentage of debt limit	0.0%

Legal Debt Margin Calculation for Fiscal Year 2011

Estimated market value	$ 3,137,141,602
Debt limit (4% of market value)	125,485,664
Debt applicable to limit	-
Legal debt margin	$ 125,485,664

Source: Utah State Tax Commission; Utah County Auditor's Office

LEHI CITY CORPORATION
SCHEDULE 17
PLEDGED-REVENUE COVERAGE
WATER REVENUE BONDS (LAST TEN FISCAL YEARS)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3) Principal	Interest	Total	Coverage
2002	$ 2,995,023	$ 1,503,953	$ 1,491,070	$ 216,655	$ 234,224	$ 450,879	3.31
2003	3,565,066	1,467,649	2,097,417	270,000	188,123	458,123	5.33
2004	4,314,572	1,517,999	2,796,573	215,000	178,461	393,461	7.11
2005	5,745,050	1,885,130	3,859,920	375,000	181,287	556,287	6.94
2006	7,097,064	1,921,382	5,175,682	385,000	170,345	555,345	9.32
2007	5,639,918	2,550,237	3,089,681	400,000	159,019	559,019	5.53
2008	5,732,489	2,744,802	2,987,687	415,000	147,235	562,235	5.31
2009	5,200,893	2,668,401	2,532,492	430,000	133,951	563,951	4.49
2010	5,722,876	2,375,972	3,346,904	345,000	119,327	464,327	7.21
2011	5,901,420	3,195,015	2,706,405	355,000	107,178	462,178	5.86

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

(1) Total revenue (including interest and impact fees). Amounts shown are for culinary water and secondary water combined.
(2) Total operating expenses exclusive of depreciation. Amounts shown are for culinary water and secondary water combined.
(3) Amounts shown are for culinary water and secondary water.

LEHI CITY CORPORATION
SCHEDULE 18
PLEDGED-REVENUE COVERAGE
SALES TAX REVENUE BONDS (LAST TEN FISCAL YEARS)

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2002	$ 2,446,381	$ -	$ -	$ -	-
2003	2,266,702	-	-	-	-
2004	2,212,632	-	305,112	305,112	7.25
2005	2,356,721	460,000	464,929	924,929	2.55
2006	3,946,970	480,000	432,750	912,750	4.32
2007	4,897,855	500,000	458,950	958,950	5.11
2008	5,670,821	500,000	439,450	939,450	6.04
2009	5,727,822	515,000	427,576	942,576	6.08
2010	5,741,667	525,000	414,058	939,058	6.11
2011	5,985,133	550,000	389,371	939,371	6.37

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

LEHI CITY CORPORATION
SCHEDULE 19
PLEDGED-REVENUE COVERAGE
EXCISE TAX ROAD BONDS (LAST TEN FISCAL YEARS)

Fiscal Year	Excise Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2002	$ 742,333	$ 215,000	$ 90,674	$ 305,674	2.43
2003	822,755	225,000	86,652	311,652	2.64
2004	963,466	425,000	163,526	588,526	1.64
2005	791,544	440,000	149,467	589,467	1.34
2006	1,019,426	455,000	134,420	589,420	1.73
2007	1,237,982	475,000	118,819	593,819	2.08
2008	1,399,065	490,000	102,821	592,821	2.36
2009	1,298,469	505,000	84,070	589,070	2.20
2010	1,446,611	525,000	64,525	589,525	2.45
2011	1,534,646	540,000	51,100	591,100	2.60

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

LEHI CITY CORPORATION
SCHEDULE 20
PLEDGED-REVENUE COVERAGE
ELECTRIC REVENUE BONDS (LAST TEN FISCAL YEARS)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2002	$ 15,539,866	$ 15,404,290	$ 135,576	$ 191,850	$ 172,154	$ 364,004	0.37
2003	16,896,727	14,912,552	1,984,175	210,000	174,654	384,654	5.16
2004	17,575,468	15,387,330	2,188,138	220,000	166,570	386,570	5.66
2005	16,188,046	13,302,032	2,886,014	230,000	157,880	387,880	7.44
2006	21,075,694	14,237,620	6,838,074	230,000	148,680	378,680	18.06
2007	19,328,569	14,093,103	5,235,466	495,000	268,685	763,685	6.86
2008	20,721,770	17,229,303	3,492,467	506,850	323,186	830,036	4.21
2009	20,144,969	18,942,731	1,202,238	540,000	296,110	836,110	1.44
2010	20,228,879	18,942,921	1,285,958	600,000	143,957	743,957	1.73
2011	20,907,913	19,138,670	1,769,243	600,000	159,750	759,750	2.33

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

(1) Total revenue (including interest and impact fees).
(2) Total operating expenses exclusive of depreciation.

LEHI CITY CORPORATION
SCHEDULE 21
PLEDGED-REVENUE COVERAGE
DRAINAGE REVENUE BONDS (LAST TEN FISCAL YEARS)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements Principal	Interest	Total	Coverage
2002	$ 432,424	$ 2,250	$ 430,174	$ 110,000	$ 113,002	$ 223,002	1.93
2003	461,452	31,166	430,286	115,000	107,722	222,722	1.93
2004	430,649	7,012	423,637	120,000	102,087	222,087	1.91
2005	399,467	33,387	366,080	125,000	96,087	221,087	1.66
2006	668,249	21,712	646,537	130,000	89,837	219,837	2.94
2007	893,418	13,208	880,210	135,000	83,207	218,207	4.03
2008	732,353	10,294	722,059	145,000	76,255	221,255	3.26
2009	984,694	242,283	742,411	150,000	68,715	218,715	3.39
2010	1,083,110	273,040	810,070	160,000	60,840	220,840	3.67
2011 (3)	1,225,501	457,221	768,280	145,000	62,156	207,156	3.71

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Drainage fund created in 2000.
(1) Total revenue (including interest and impact fees).
(2) Total operating expenses exclusive of depreciation.
(3) The 2000 drainage bond was refunded and an additional $1,500,000 was added to the debt to complete Murdock Canal when the City issued the 2010 drainage bonds.

LEHI CITY CORPORATION
SCHEDULE 22
DEMOGRAPHIC AND ECONOMIC STATISTICS
(LAST TEN FISCAL YEARS)

Fiscal Year	Population	Personal Income (1)	Per Capita Personal Income (2)	Unemployment Rate (3)
2002	24,122	$ 493,556,494	$ 18,583	% 3.2
2003	26,314	510,017,948	19,382	4.9
2004	30,000	586,530,000	19,551	4.0
2005	34,433	703,776,087	20,439	3.8
2006	37,558	793,224,960	21,120	3.6
2007	39,587	862,204,860	21,780	2.5
2008	43,566	917,344,440	21,056	2.3
2009	46,802	1,015,041,776	21,688	4.9
2010	49,646	1,167,376,044	23,514	7.2
2011	49,753	1,169,892,042	23,514	7.6

(1) Estimates of total personal income are derived by multiplying per capita personal income amounts by the corresponding population.

(2) Per capita personal income amounts are for Utah County. The amounts shown are for the calendar year that ended during the specified fiscal year, e.g., amounts for calendar year 2009 are shown in fiscal year 2011. Amounts for calendar year 2010 are estimated at 2 percent greater than calendar year 2009 amounts.

(3) Unemployment rates are for Utah County. The rates shown are for the calendar year that ended during the specified fiscal year, e.g., rates for calendar year 2010 are shown in fiscal year 2011.

Sources: Population information provided by the Lehi Planning Department. Per capita personal income information provided by the Governor's office of Planning & Budget. Unemployment rates provided by the U.S. Department of Labor, Bureau of Labor Statistics.

LEHI CITY CORPORATION
SCHEDULE 23
PRINCIPAL EMPLOYERS
(CURRENT YEAR AND TEN YEARS AGO)

	2011(1)			2001 (1)		
Employer	Estimated Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
IM Flash	1,668	1	N/A	N/A	1	N/A
Xango	710	2	N/A	N/A	2	N/A
Cabela's	413	3	N/A	N/A	3	N/A
Thanksgiving Point	375	4	N/A	N/A	4	N/A
Hadco	274	5	N/A	N/A	5	N/A
Jack B Parson Co.	250	6	N/A	N/A	6	N/A
Costco	213	7	N/A	N/A	N/A	N/A
Smiths	178	8	N/A	N/A	N/A	N/A
Young Living	123	9	N/A	N/A	9	N/A
Lowes	123	10	N/A	N/A	7	N/A
Fresh Market	95	-	N/A	N/A	8	N/A

(1) The City does not collect employee information as part of the business license or any other process.

N/A = Not Available

LEHI CITY CORPORATION
SCHEDULE 24
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
(LAST TEN FISCAL YEARS)

Function/Program	2007	2008	2009	2010	2011
General government					
Court	6	6	6	6	6
Administrative	5	4.5	4.5	4.5	4.5
Treasury	5	6	6	6	6
Finance	4.5	5	5	5	5
Legislative (1)	6	6	6	6	6
Public safety					
Police	39.5	40.5	41.5	41.5	41.5
Fire	27	27	39	39	39
Animal Control	1	1.5	1.5	1.5	1.5
Community development					
Public Works Administration	5	5	5	5	5
Planning and Zoning	7.5	7.5	7.5	6.5	6.5
Inspections	10	9	9	8	8
Streets and Highways					
Streets and Public Improvements	11	11	10	9	9
Park, recreation and culture					
Parks	18	19	18	19	19
Senior Citizens	3	3	3	3	3
Recreation	115.5	115.5	115.5	115.5	115.5
Library	13	13	13	13	13
Cemetery	3.5	3.5	3.5	2.5	2.5
Culinary Water	9	9	8	8	8
Sewer	3	3	3	3	3
Power	18	19	19	19	19
Garbage (2)	-	-	-	-	-
Secondary Water	3.5	3.5	3.5	3.5	3.5
Drainage (3)	-	-	-	-	-

Note: Full-time equivalent employees shown are based on authorized positions as determined by the salary schedule and the personnel budgets for the specified year.

(1) Legislative is made up of a part-time mayor and 5 part-time council members.

(2) Garbage service is contracted out to a private hauler.

(3) The public works director oversee drainage. The cleaning and necessary repairs are done by all three water departments.

CONTINUED

LEHI CITY CORPORATION
SCHEDULE 24
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
(LAST TEN FISCAL YEARS)

Function/Program	2002	2003	2004	2005	2006
General government					
Court	3	3	3.5	5	6
Administrative	4	5	5.5	6.5	7.5
Treasury	4	4	4	4.5	5.5
Finance	4	4	4	4.5	4.5
Legislative (1)	6	6	6	6	6
Public safety					
Police	29	30	32	35.5	37.5
Fire	22	22	22	22	27
Animal Control	1	1	1	1	1
Community development					
Public Works Administration	4	4.5	4.5	5	5
Planning and Zoning	6	6	6	7.5	7.5
Inspections	6.5	7.5	7.5	9	10
Streets and Highways					
Streets and Public Improvements	9	10	10	9.5	11
Park, recreation and culture					
Parks	5.5	5.5	5.5	12.5	17.5
Senior Citizens	3	3	3	3	3
Recreation	90	95.5	109.5	109.5	113.5
Library	11	12	13	13	13
Cemetery	3.5	3.5	3.5	3.5	3.5
Culinary Water	6	7	8.5	8.5	8.5
Sewer	3	3	3	3	3
Power	15	16	16	16	17
Garbage (2)	-	-	-	-	-
Secondary Water	2.5	2.5	2.5	2.5	3.5
Drainage (3)	-	-	-	-	-

Note: Full-time equivalent employees shown are based on authorized positions as determined by the salary schedule and the personnel budgets for the specified year.

(1) Legislative is made up of a part-time mayor and 5 part-time council members.

(2) Garbage service is contracted out to a private hauler.

(3) The public works director oversee drainage. The cleaning and necessary repairs are done by all three water departments.

LEHI CITY CORPORATION
SCHEDULE 25
OPERATING INDICATORS BY FUNCTION/PROGRAM
(LAST TEN FISCAL YEARS)

	Fiscal Year									
Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Community development										
Residential building permits issued	437	637	307	817	1,188	1,452	1,734	298	243	243
Commercial building permits issued	50	53	16	47	29	34	48	35	28	28
Court										
Traffic and Misdemeanor cases handled	3,718	3,914	4,120	8,706	9,482	12,776	13,585	14,354	15,351	15,785
Police										
Calls for service	7,130	7,665	8,240	15,000	11,453	12,252	13,575	14,041	14,326	14,326
Arrests	579	625	675	712	760	816	831	1,876	1,902	1,902
Violations cited	6,386	6,941	7,545	11,095	12,264	13,712	14,012	17,734	18,809	18,809
Fire										
Fire/Medical responses	1,158	1,272	1,398	1,576	1,690	2,213	2,415	2,201	2,322	2,322
Recreation										
Recreation programs	50	51	53	55	60	62	69	70	72	74
Participants in recreation programs	9,245	11,600	14,513	18,911	19,057	21,278	24,326	22,868	22,992	23,565
Library										
Books in collection	55,129	59,666	62,484	65,782	71,565	74,238	77,582	81,603	82,606	82,606
Books circulated	186,878	214,802	246,899	273,811	304,798	268,383	271,666	340,629	342,819	342,819
Cemetery										
Acres maintained	30	30	30	35	35	35	50	52	53	53
Total gravesites	21,288	21,408	21,528	21,648	21,768	21,888	40,852	42,853	42,965	42,965
Culinary Water										
Residential accounts serviced	5,108	5,769	6,271	6,985	8,548	9,605	10,023	10,555	10,826	10,826
Average daily consumption (thousands of gallons)	1,261	1,371	1,490	1,770	1,847	1,729	1,749	1,765	1,767	1,767
Sewer										
Sewer lines miles inspected	51	54	57	66	63	58	53	54	55	55
Power										
Accounts serviced	6,411	6,515	7,082	7,887	9,381	10,123	10,225	10,953	11,212	11,212
Megawatt hours sold	227	247	268	159	171	172	174	176	177	177
Secondary Water										
Accounts serviced	5,108	5,769	6,271	6,958	8,548	9,607	9,679	9,859	9,959	9,959

LEHI CITY CORPORATION
SCHEDULE 26
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
(LAST TEN FISCAL YEARS)

	Fiscal Year									
Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Streets and Highways										
Street lights	1,032	1,105	1,217	1,297	1,436	1,776	1,792	1,801	1,803	1,811
Street miles	110	123	144	169	195	203	206	209	210	213
Police										
Vehicles	21	23	25	27	30	32	34	35	36	37
Fire										
Fire stations	1	1	1	1	1	1	1	1	1	2
Fire vehicles	7	7	7	7	7	7	7	7	7	9
Ambulances	3	3	3	3	3	3	3	3	3	3
Public works										
Incorporated area in square miles	26	28	32	32	32	32	32	32	32	32
City building in square feet	N/A	N/A	N/A	212,000	220,000	220,000	220,000	221,000	235,000	235,000
Parks and recreation										
Park acreage	160	160	168	181	195	195	195	196	196	210
Baseball/softball diamonds	5	8	8	8	8	8	8	9	9	9
Soccer fields	3	4	4	4	4	4	4	4	4	4
Culinary water										
Water main line miles	148	151	163	178	201	202	202	204	206	207
Storage capacity (thousands of gallons)	4,300	5,000	5,000	7,000	10,000	10,000	10,000	10,000	10,000	10,000
Sewer										
Sewer line miles	108	114	132	134	141	142	142	142	144	144
Secondary water										
Secondary water main line miles	129	138	147	163	186	188	188	188	189	189
Power										
Power main feeder line miles	165	183	187	189	205	211	213	214	217	219

N/A = Not available