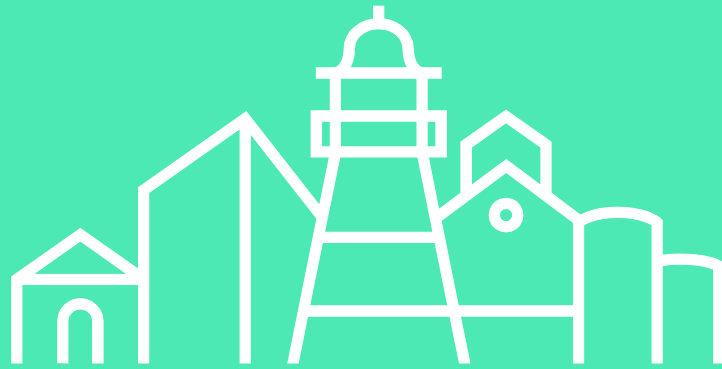


LEHI CITY CORPORATION

STATE OF UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



LEHI CITY

PREPARED BY:

FINANCE DEPARTMENT

LEHI CITY CORPORATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

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LEHI CITY CORPORATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2022

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INTRODUCTORY SECTION

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153 North 100 East
Lehi, Utah 84043-1895
801-768-7100

December 20, 2021

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 annual comprehensive financial report of Lehi City (the City) for the fiscal year ended June 30, 2022.

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, 2022, 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 unmodified opinion that the City's financial statements, for the fiscal year June 30, 2022, 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 provides 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 auditor.

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 Six Member 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 department 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, and 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 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, a swimming and recreation facility and emergency medical services. Solid waste collection is contracted through Waste Management. The City also began construction of a fiber-to-the-home network in September 2022. The first customers are anticipated to begin service during the second quarter of 2023, with full buildout completed in the 4th quarter of 2025.



Local Economy and Financial Information

The City has a great mix of traditional western feel and modern technology industries. The historic downtown maintains a western feel with many of the businesses operating in buildings built in the late 1800s. The Lehi Roundup is a five-day celebration with many different community events, including a stock parade, a grand parade, and a professional rodeo, which is one of the oldest rodeos in the state. Alternatively, Lehi is located in the heart of *Silicon Slopes*. The City is home to numerous technology companies such as: Adobe, Microsoft, Weave, Ancestry, Xactware, WeWork, Lumio, Texas Instruments, Young Living Essential Oils, and Podium. This mixture provides residents with strong community ties as well as positive economic potential.

Spurred by an expanding technology sector, the City continues to experience rapid growth. The population has increased from 51,173 to 79,978 over the past 10 years. With 50% of the City's land still available for development, build-out population, which is estimated to be reached in 2060, is projected at 155,000.

Lehi is continuing to experience rapid growth in both commercial and residential construction. This growth is reflected in both the City's revenues and expenditures. Governmental fund revenues

increased from \$57,105,797 to \$90,987,055 from 2017 to 2022, and expenditures decreased from \$71,075,264 to \$70,262,343. Operating revenues in enterprise funds grew from \$52,882,930 to \$70,490,483 over the same time frame, while operating expenses rose from \$51,610,548 to \$73,742,249.

Growth in commercial office and technology continues. Lehi currently has approximately 5,500,000 square feet of class A office space with 500,000 square feet under construction and an additional 3,000,000 planned. Other projects, including car dealerships, hotels and retail establishments are also moving forward. The City has some of the best undeveloped commercial frontage along the Wasatch Front.

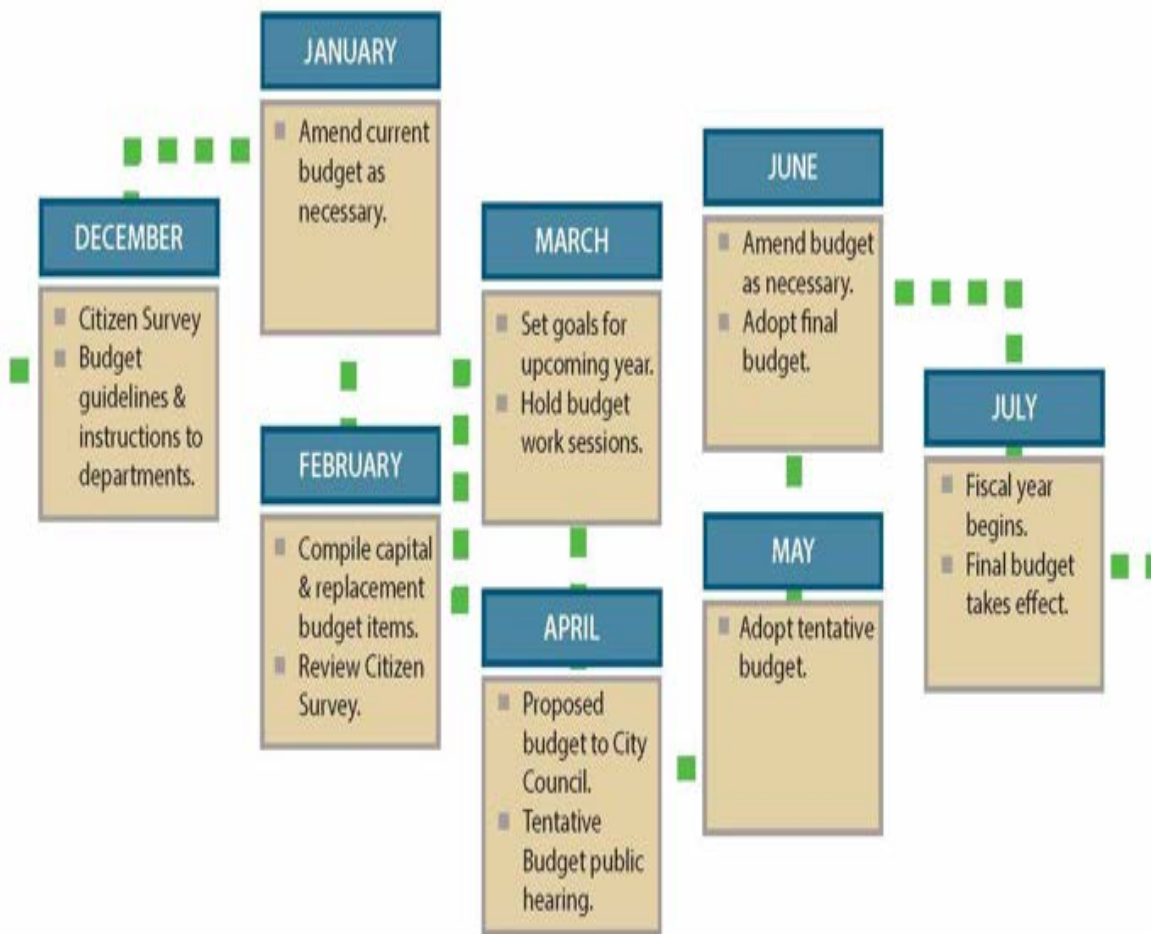
Brigham Young University, Utah Valley University (the largest University in the State) and the University of Utah campuses are within 25 minutes of the City center. These higher education facilities employ more than 3,000 people. These universities provide a strong educated work force for a large number 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 1.8%, Compared to a statewide rate of 2.0%.



The annual budget serves as the foundation for the City's financial planning and control. Annual budgets are adopted for the General fund, Redevelopment Agency Special Revenue Fund, Capital Projects fund, and Debt Service Fund. The City's budget process is well laid out, starting in December for a budget that will be adopted by June 30 and goes into effect July 1. By Utah State law, the City is required to adopt a tentative budget on or before the first council meeting in the

month of May. This is a working document which can be amended until the final adoption. State law requires the City to adopt a final budget on or before June 22, unless the City is proposing a property tax increase. A public hearing is required prior to final adoption and the budget must be available for public inspection for 10 days prior to the public hearing. If a property tax increase is proposed, a separate public hearing must be held, and the final budget must be approved by the end of August. For the fiscal 2022-23 year, Lehi City did propose and adopt a modest property tax increase of 3.38%. This year, the tentative budget was adopted on April 12 and the final budget was adopted on August 16.

The creation of the budget follows the time line shown below:



Within the existing budget, the level of the City’s budgetary control is established by activity and purpose within each 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 Redevelopment Agency, a major special revenue fund, the comparisons are presented on page 36. For capital projects and debt service funds, those comparisons are presented on pages 112 and 113.

Long-term Financial Planning

Lehi City continues to maintain rapid growth in commercial, retail, and residential development. This growth can put a strain on the City’s infrastructure resources. In an effort to look towards the future, the City maintains five-year and ten-year capital plans. Rate studies, which include future capital expenditures have been completed for utility funds. The purpose of these studies is to charge rates sufficient to maintain current infrastructure and plan for future needs.

The City recently engaged Curtis Miner Architecture to complete a needs analysis and long-term plan for future city campus facilities. Their analysis provides a roadmap for facilities at the downtown city campus. These facilities include: City Hall, Justice Court, Recreation Center, and Fire Station. Options are included to phase in the construction of these facilities depending upon needs and available funding. This campus master plan will be a valuable tool as city growth spurs future needs.

In December 2022, the City issued bonds to begin construction on the first phase of the updated City campus. Phase 1 will include the demolition of the old City Library building. In its place a new building housing the library and City hall will be constructed. This facility is anticipated to be completed by November 2024. The City will also begin construction on its fourth fire station. The new station is anticipated to be completed by the end of calendar year 2023.



The implementation of long-term planning has permitted the City to construct some of the finest park systems in our region. The City is home to more than fourteen major facilities. The community’s park system has been transformed to produce 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 the FY 2023 budget year, \$17 million is allocated towards the construction of a regional park located in the Northeast section of the City to be known as Family Park. The park will feature a state-of-the-art all abilities playground along with other amenities geared toward family leisure and recreation. A new City parks building is also budgeted to house the City's growing emphasis on parks and family recreation.

Construction and maintenance of City infrastructure assets is critical to the City's long-term financial health. The City's new fiber network will provide the opportunity for all city residents to access high-speed fiber internet. Lehi City will own the infrastructure, with internet access via third-party providers. Other projects replacing and expanding water infrastructure are also planned to provide and improve service to a continually expanding area.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the twenty-first 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 ACFR. 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 ACFR 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, 2021. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including its purpose 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, 2021. In order to qualify for the PAFR Award, the government must obtain the ACFR award. The PAFR document provides summary information from the ACFR to citizens and is judged by a panel of GFOA professionals.

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 departments 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 and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jason Walker
City Administrator



Dean Lundell
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

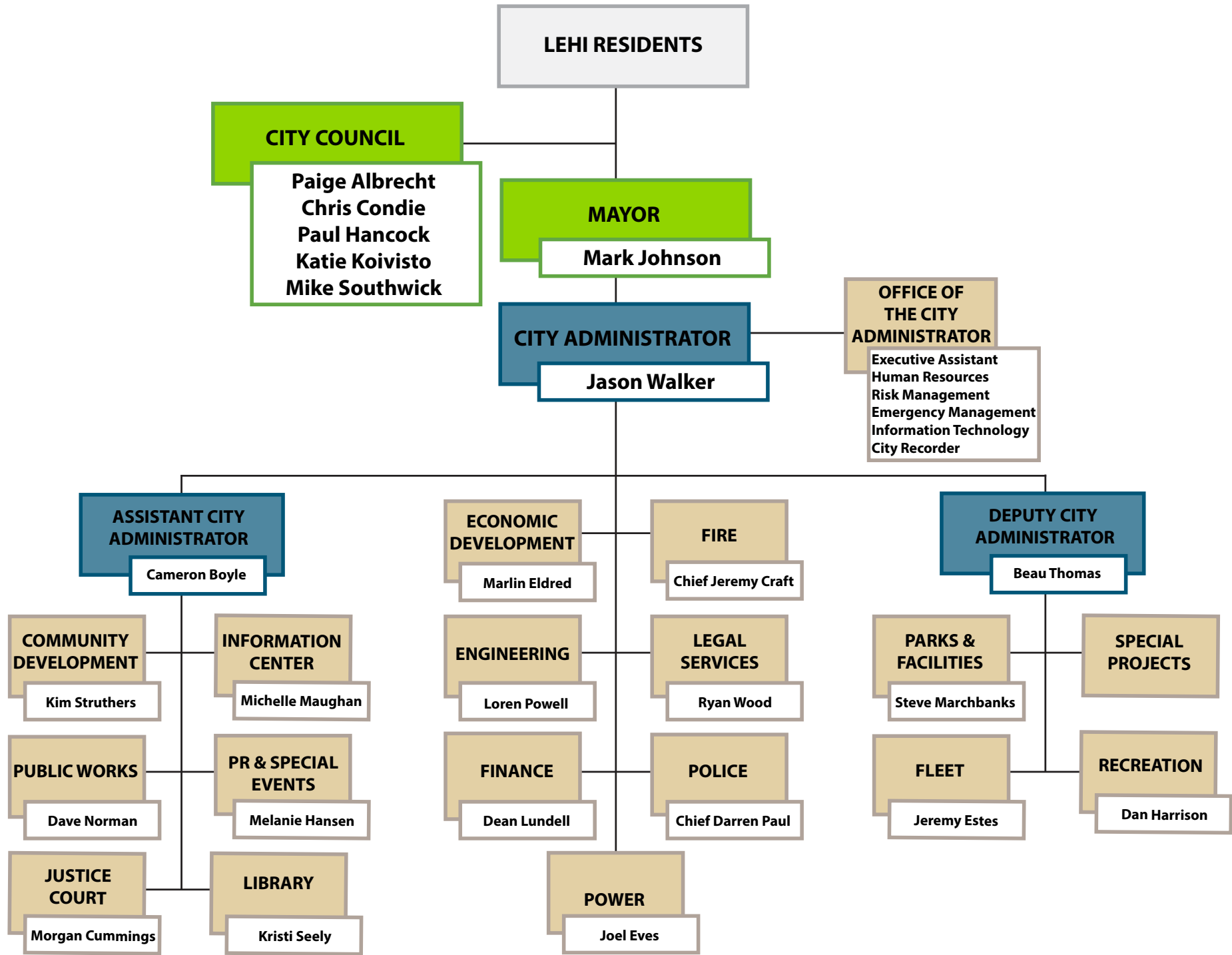
**Lehi City Corporation
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO





Elected Officials

For the Year Ended
June 30, 2022



Mayor
Mark Johnson



Councilperson
Paige Albrecht



Councilperson
Chris Condie



Councilperson
Paul Hancock



Councilperson
Katie Koivisto



Councilperson
Mike Southwick

APPOINTED OFFICIALS

City Administrator.....Jason Walker
 City Treasurer.....Alyson Alger
 City Recorder.....Teisha Wilson

FINANCIAL SECTION

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lehi City Corporation, Utah (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting

from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 29 and the Required Supplementary Information - Pensions on pages 101 through 106 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

We have audited the accompanying financial statements of the Utah Museum of Fine Arts (the Museum) as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the Museum's 2005 financial statements. In the report dated December 16, 2005, other auditors expressed an unqualified opinion on these financial statements.

records used to prepare the basic financial statements or to the basic financial statements themselves, and We conducted our audit in accordance with auditing standards generally accepted in the United States States of America. 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 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 opinion. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Other Information

As discussed in Note 1, the financial statements of the Museum are intended to present the financial position, the changes in financial position and cash flows of only that portion of the University of Utah that is attributable to the transactions of the Museum. They do not purport to

present the financial position, the changes in financial position and cash flows of the University of Utah as a whole. The other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

Osborne Robbins & Baker PLLC

December 12, 2022

LEHI CITY CORPORATION

Management's Discussion and Analysis

For the Year Ended June 30, 2022

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, 2022. 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 and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$809,580,638 (*net position*). This is an increase of 12.3% over the previous year. The majority of the City's net position consists of infrastructure assets. A significant portion of these infrastructure assets have been received as a result of required developer contributions.
- The City's governmental funds reported combined fund balances of \$77,772,679 which is an increase of \$20,267,446 in fund balance reported for 2021 of \$57,505,233. Increases in tax revenues, intergovernmental revenues and impact fees all contributed to the increase in fund balance.
- Growth in the City continues at a rapid pace with general fund tax revenues increasing 7.3% over the previous year and utility revenues increasing by 3.6%. No tax rates were increased during the year. Recent rate studies have resulted in moderate increases in rates for the Culinary, Pressurized Irrigation, and Storm Drain funds. During 2022, the City implemented the last of five scheduled annual increases in the Culinary and Pressurized Irrigation funds and the fourth of six scheduled annual increases for the Storm Drain fund.
- The City's total long-term obligations decreased by a net of approximately \$8.3 million during the current fiscal year.
 - Decreases to long-term debt were due primarily to regularly scheduled principal payments.
 - The City's net pension liability was reduced by \$1,988,813 in 2021 to zero as of June 30, 2022. The City recognized a net pension asset of \$10,211,768.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of 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.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

- The *statement of net position* presents information on all the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial state of the City is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of 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, garbage and fiber-optic service.

The government-wide financial statements include not only the City itself (known as the *primary government*), but one blended component unit. The Lehi Redevelopment Agency (Agency) is legally separate from the City. However, since the Agency's board of trustees is composed of the Lehi Mayor and City Council and City staff maintain operational responsibility for the Agency, it is presented as a special revenue fund of the City. The Redevelopment Agency Fund contains the financial balances and activities of the Agency.

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.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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 debt service fund is the only non-major governmental fund.

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 and internal service 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, fiber, 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 fiber funds, which are considered to be major funds of the City. The City's nonmajor proprietary funds consist of the drainage and garbage funds.

The City of Lehi uses four *internal service funds* to account for its fleet maintenance, risk management activities, building and grounds maintenance, 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 43-99 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. This required supplementary information can be found on pages 101-106 this report.

Individual fund schedules and combining statements and schedules can be found on pages 108-123 of this report.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial state. In the case of the City, net position was \$809,580,638 at the close of the most recent year.

The statement of net position shows the City's 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 is still outstanding separate from remaining net position. 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.

In governmental activities, the investment in capital assets is larger than total net position resulting in a deficit in unrestricted net position for governmental activities. This is in large part a result of potential tax abatement obligations included as part of long-term liabilities in governmental activities. These obligations can only be paid from tax increment revenues and not from general tax revenues. Of the City's \$809,580,638 in net position, \$26,676,315 is subject to external restrictions on how those resources may be used.

LEHI CITY CORPORATION
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 121,067,821	\$ 95,467,119	\$ 158,381,503	\$ 153,282,722	\$ 279,449,324	\$ 248,749,841
Capital assets	381,171,290	364,051,051	420,172,369	385,454,696	801,343,659	749,505,747
Total assets	<u>\$ 502,239,111</u>	<u>\$ 459,518,170</u>	<u>\$ 578,553,872</u>	<u>\$ 538,737,418</u>	<u>\$ 1,080,792,983</u>	<u>\$ 998,255,588</u>
Deferred outflows of resources	\$ 3,459,754	\$ 3,054,995	\$ 7,671,670	\$ 7,505,843	\$ 11,131,424	\$ 10,560,838
Long-term liabilities	\$ 122,328,136	\$ 128,685,648	\$ 99,969,825	\$ 101,973,534	\$ 222,297,961	\$ 230,659,182
Other liabilities	8,679,053	8,963,555	11,795,316	13,619,046	20,474,369	22,582,601
Interfund balances	916,378	729,018	(916,378)	(729,018)	-	-
Total liabilities	<u>\$ 131,923,567</u>	<u>\$ 138,378,221</u>	<u>\$ 110,848,763</u>	<u>\$ 114,863,562</u>	<u>\$ 242,772,330</u>	<u>\$ 253,241,783</u>
Deferred inflows of resources	\$ 36,536,133	\$ 33,413,562	\$ 3,035,306	\$ 1,415,463	\$ 39,571,439	\$ 34,829,025
Net position						
Net investment in capital assets	\$ 348,094,139	\$ 327,670,060	\$ 391,916,527	\$ 355,733,226	\$ 740,010,666	\$ 683,403,286
Restricted	14,058,585	7,486,352	12,617,730	9,965,009	26,676,315	17,451,361
Unrestricted	(24,913,559)	(44,375,030)	67,807,216	64,266,001	42,893,657	19,890,971
Total net position	<u>\$ 337,239,165</u>	<u>\$ 290,781,382</u>	<u>\$ 472,341,473</u>	<u>\$ 429,964,236</u>	<u>\$ 809,580,638</u>	<u>\$ 720,745,618</u>

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

LEHI CITY CORPORATION
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 15,000,162	\$ 13,666,806	\$ 69,596,712	\$ 67,069,850	\$ 84,596,874	\$ 80,736,656
Operating grants and contributions	8,214,996	9,901,485	2,867,704	3,338,726	11,082,700	13,240,211
Capital grants and contributions	37,883,897	34,122,734	48,217,884	31,170,218	86,101,781	65,292,952
General revenues:						
Property taxes	22,350,797	23,321,339	-	-	22,350,797	23,321,339
Sales and other taxes	27,779,419	23,397,161	-	-	27,779,419	23,397,161
Other	1,617,200	3,680,323	1,313,778	1,537,194	2,930,978	5,217,517
Total revenues	<u>112,846,471</u>	<u>108,089,848</u>	<u>121,996,078</u>	<u>103,115,988</u>	<u>234,842,549</u>	<u>211,205,836</u>
Expenses:						
General government	8,020,887	8,608,259	-	-	8,020,887	8,608,259
Public safety	17,507,791	17,095,653	-	-	17,507,791	17,095,653
Community development	5,729,311	5,280,007	-	-	5,729,311	5,280,007
Highways/streets	16,289,645	16,003,682	-	-	16,289,645	16,003,682
Parks, recreation, and culture	12,943,241	12,020,031	-	-	12,943,241	12,020,031
Cemetery	497,978	491,598	-	-	497,978	491,598
Interest on long-term debt	5,399,835	5,553,570	-	-	5,399,835	5,553,570
Culinary Water	-	-	10,624,141	10,165,480	10,624,141	10,165,480
Sewer	-	-	11,460,744	11,360,091	11,460,744	11,360,091
Pressurized Irrigation	-	-	5,728,480	5,469,142	5,728,480	5,469,142
Electric	-	-	42,720,326	40,214,545	42,720,326	40,214,545
Fiber	-	-	1,978,842	1,149,570	1,978,842	1,149,570
Nonmajor activities	-	-	7,106,308	6,981,785	7,106,308	6,981,785
Total expenses	<u>66,388,688</u>	<u>65,052,800</u>	<u>79,618,841</u>	<u>75,340,613</u>	<u>146,007,529</u>	<u>140,393,413</u>
Increase in net position before transfers	46,457,783	43,037,048	42,377,237	27,775,375	88,835,020	70,812,423
Transfers	-	-	-	-	-	-
Increase in net position	46,457,783	43,037,048	42,377,237	27,775,375	88,835,020	70,812,423
Net position, beginning	<u>290,781,382</u>	<u>247,744,334</u>	<u>429,964,236</u>	<u>402,188,861</u>	<u>720,745,618</u>	<u>649,933,195</u>
Net position, ending	<u>\$ 337,239,165</u>	<u>\$ 290,781,382</u>	<u>\$ 472,341,473</u>	<u>\$ 429,964,236</u>	<u>\$ 809,580,638</u>	<u>\$ 720,745,618</u>

As of June 30, 2022, the net position of the City's governmental activities totaled \$337,239,165 compared to \$290,781,382 in 2021. The governmental activities reported an increase in net position of \$46,457,783. Capital grants and contributions, including contributions of infrastructure totaled \$37,883,897. The City also received \$50,130,216 in property, sales, and other taxes.

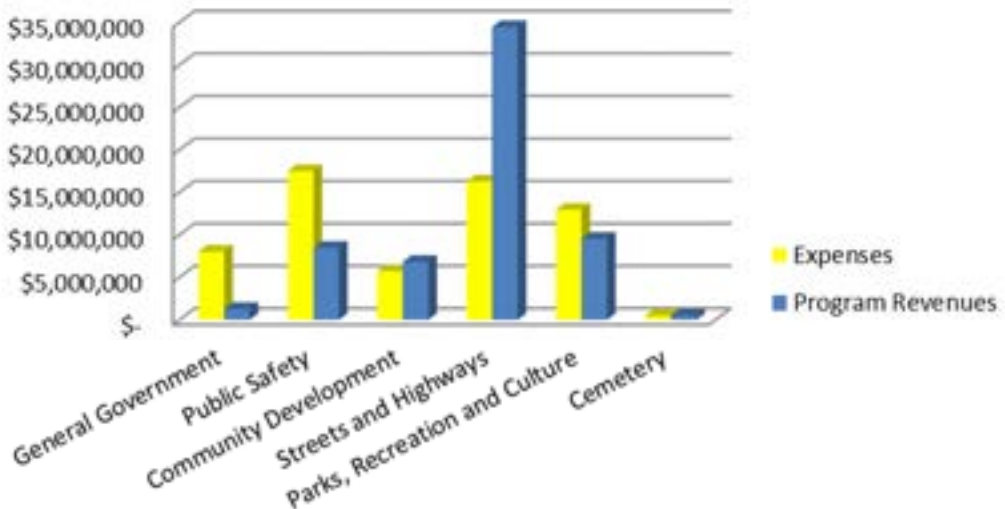
As of June 30, 2022, the net position of the City's business-type activities totaled \$472,341,473 compared to \$429,964,236 in 2021. The business-type activities reported an increase in net position of \$42,377,237. This increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

LEHI CITY CORPORATION
Management’s Discussion and Analysis
For the Year Ended June 30, 2022

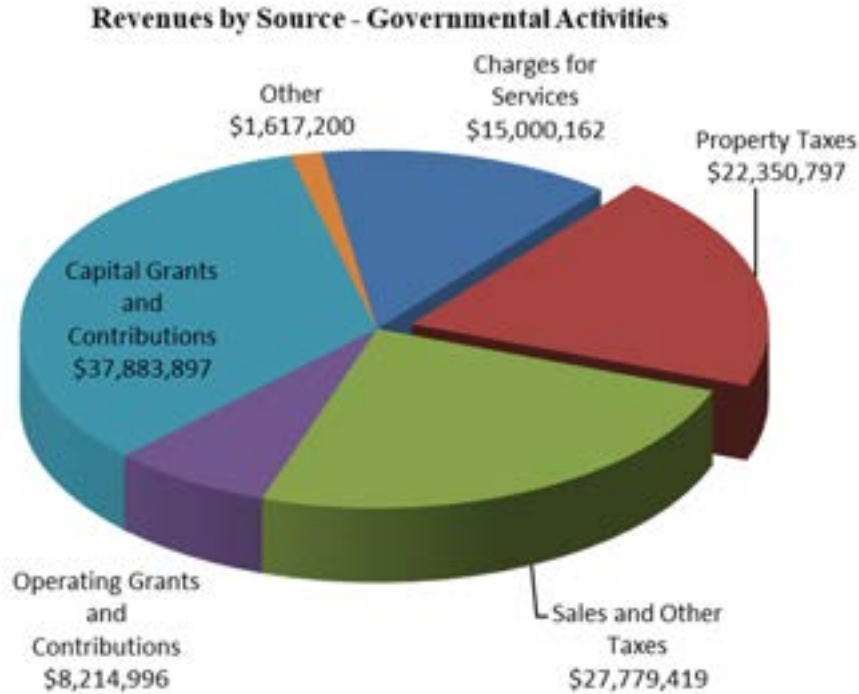
Governmental activities. During 2022 governmental activities increased the City’s net position by \$46,457,783. Some specific factors making up the change in net position during 2022 include:

- Charges for services increased in 2022 over the prior year by approximately \$1.3 million. These revenues include fees for development, such as building permits and plan reviews. Development fees as well as recreation revenues were lower in 2021 due in large part due to the Covid-19 shut downs that occurred in the last quarter of that fiscal year. These fees rebounded as the impact of Covid-19 eased during the year ended June 30, 2021 and continued to return to normal levels in 2022.
- Capital grants and contributions were higher than in 2021 by approximately \$3.7 million. The increase in revenue was primarily a result of increased developer-installed infrastructure as development returned to more typical levels following the Covid-19 related drop off. Developer-installed road infrastructure was \$7.8 million higher in 2022 than 2021.
- Expenses of the governmental activities increased from 2021 to 2022 by \$1,335.888 with the largest increases occurring in parks, recreation and culture expenditures, as well as community development operating expenses. Depreciation in governmental activities increased \$608,730 from 2021 to 2022.

Expenses and Program Revenues - Governmental Activities



LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

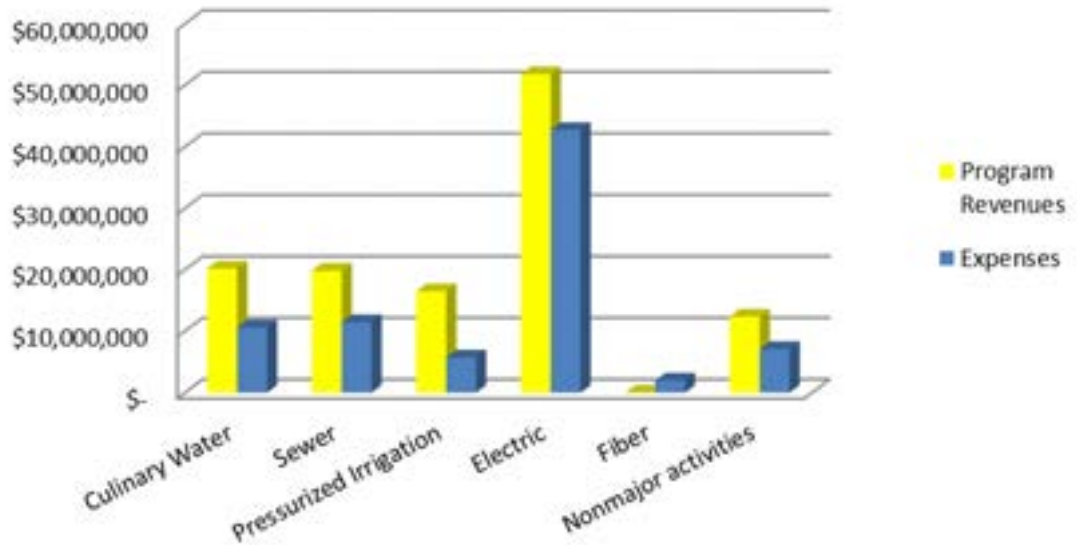


Business-type activities. Business-type activities increased the City's net position by \$43,037,048. At the end of the current fiscal year, all of the City's major business-type activities other than the fiber fund reported positive net position. The fiber fund was established in 2021 and will experience a deficit net position for the first few years until the fiber-optic network is installed and the City can begin to collect revenues generated from that system. Key elements of the increase in net position are as follows:

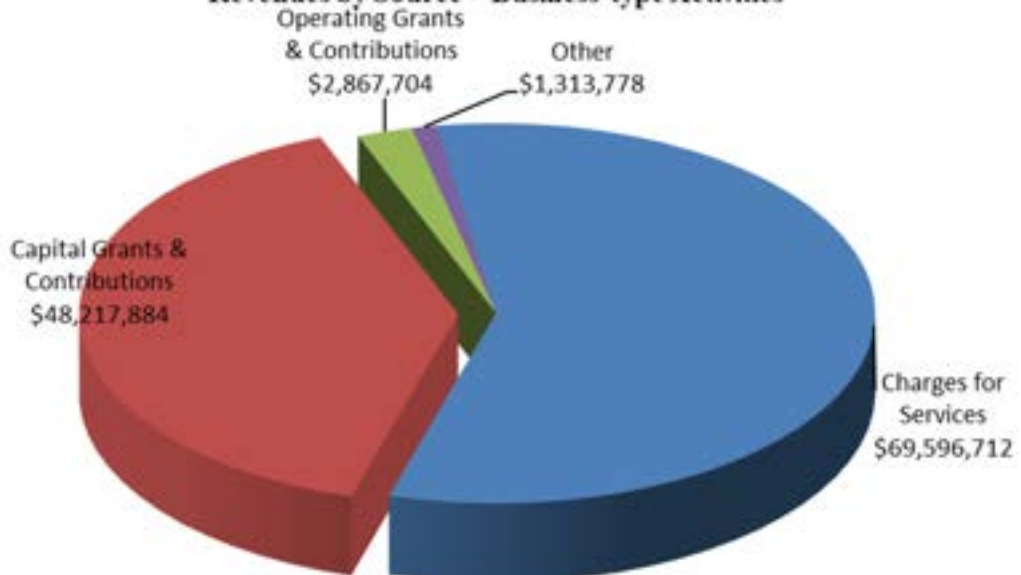
- Charges for services in the business-type activities increased over 2021 by \$2,526,862 (3.8%). Most of the enterprise funds experienced an increase in charges for services over 2021, a result of growth in the number of customers served as well as increase to the culinary water, pressurized irrigation, and storm water rates.
- Capital grants and contributions for the business-type activities added \$48,217,884 to the total revenues of the City. This amount was higher than in 2021 by \$17,047,666. Contributing causes were an increase in impact fees of \$1.8 million and higher developer contributions of \$15.2 million.
- Expenses of the business-type activities increased by \$4,278,228 from the prior year. The increase is primarily due to increases in system maintenance costs. Depreciation in business-type activities increased by \$855,571 from 2021 to 2022. Because the City's customer base has been expanding, the cost of providing services has also increased.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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 \$77,772,679. \$19,412,949 of this total amount (25.0%) 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 \$19,412,949, while total fund balance reached \$26,474,389. 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 40.5% of total general fund expenditures, while total fund balance represents 55.2% of that same amount. The fund balance of the City's general fund increased by \$5,053,661 during the current fiscal year, due largely to higher than anticipated tax revenues, and intergovernmental revenues, including Covid-19 related relief grant revenues.

The special revenue Redevelopment Agency Fund has an assigned fund balance of \$3,898,905. The project areas that received tax increment revenues in the current year were the Alpine Highway Project, the Alpine Highway West Project Area, the Thanksgiving Park Economic Development Project Area, the West Timpanogos Project Area, the Traverse Mountain Community Development Area and the Meadow Point Project Area. Overall, the fund experienced an increase in fund balance of \$10,733.

The capital projects fund had an increase in fund balance in the amount of \$15,195,601, which resulted in a fund balance of \$47,378,566. During the year, \$12,000,000 was transferred from the general fund to the capital projects fund to pay for future projects. The City also sold a parcel of real property, recognizing proceeds from that sale of \$492,385.

The City established the debt service fund to account for the debt service on its outstanding 2019, 2018 and 2014 sales tax revenue bonds. Sources of funds for the debt service fund come from transfers from the general fund. The debt service fund has an assigned fund balance of \$20,819.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

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 position of the proprietary funds at the end of the year totaled \$66,890,838. Individually, the electric fund's unrestricted net position totaled \$42,820,687, the water unrestricted net position totaled \$13,615,631, the pressurized irrigation unrestricted net position totaled \$1,628,456, the sewer unrestricted net position totaled \$6,974,961 and the non-major enterprise funds reported a positive unrestricted net position of \$4,657,879. The fiber fund reported a deficit net position of \$2,806,776. 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 general fund's budget was amended from budgeted expenditures totaling \$49,290,627 to a final budget of \$50,402,223, an increase of \$1,111,596, an increase of approximately 2.3%. Increased budget allocations were made to various departments based on changing conditions and emergency situations. These adjustments were funded primarily by appropriating fund balance. Significant variances between the final budget and actual results are shown below:

- Tax revenues recognized in 2022 were \$7,655,025 more than budgeted. Property taxes, sales taxes and franchise taxes were all higher than originally budgeted.
- Intergovernmental revenue was higher than budgeted by approximately \$5.7 million, due largely to Covid-19 relief grant funds that became available and were recognized during 2022.
- Total expenditures were less than the final budgeted amounts by \$2,438,337.

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, 2022 amounts to \$801,343,659 (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:

- Infrastructure, land, and water rights were donated to the City by developers. The estimated fair value of the infrastructure, land and water rights donated in the governmental and business-type activities was \$21,629,530 and \$36,678,690, respectively.
- Approximately \$8 million was spent on construction and improvements for Main Street from 2300 West to the crossroads prior to 2022. During 2022, another \$4.9 million was incurred as the project was completed. The majority of the funding for this project came via a grant from Utah County.
- In addition to the Main Street project, approximately \$4.8 million was incurred on various other road improvement projects.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

- Prior to 2022, in the water fund, approximately \$1.8 million was spent on the Sandpit Tank and Pump. During 2022 another \$1.8 million was spent to complete this project.
- In the electric fund, approximately \$3.1 million was spent on subdivision construction projects.

LEHI CITY CORPORATION
 CAPITAL ASSETS
 (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 169,778,933	\$159,563,386	\$ 3,962,304	\$ 3,426,304	\$ 173,741,237	\$162,989,690
Intangibles	-	-	61,120,555	60,386,565	61,120,555	60,386,565
Construction in progress	22,583,443	35,180,392	12,053,535	8,552,207	34,636,978	43,732,599
Buildings and structures	14,853,174	16,049,913	10,131,435	10,580,209	24,984,609	26,630,122
Improvements, including infrastructure	165,689,292	143,881,612	331,645,579	300,914,693	497,334,871	444,796,305
Machinery, equipment, and vehicles	8,236,703	9,339,474	1,249,840	1,582,823	9,486,543	10,922,297
Office furniture and equipment	29,745	36,274	9,121	11,895	38,866	48,169
Total	<u>\$ 381,171,290</u>	<u>\$364,051,051</u>	<u>\$420,172,369</u>	<u>\$ 385,454,696</u>	<u>\$ 801,343,659</u>	<u>\$749,505,747</u>

Additional information on the City's capital assets can be found in note H on pages 60-61 of this report.

Long-term obligations. At the end of the current fiscal year the City had total bonded debt outstanding of \$130,422,113, all of which represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

LEHI CITY CORPORATION
 LONG-TERM OBLIGATIONS

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Tax increment notes payable to developers	\$ 82,563,476	\$ 85,804,166	\$ -	\$ -	\$ 82,563,476	\$ 85,804,166
Other notes payable	2,703,620	3,247,827	1,042,658	1,114,588	3,746,278	4,362,415
Revenue bonds	32,611,418	33,681,473	97,810,695	99,534,198	130,422,113	133,215,671
Lease liabilities	46,330	-	-	-	46,330	-
Other liabilities	4,403,292	5,952,182	1,116,472	1,324,748	5,519,764	7,276,930
Total	<u>\$ 122,328,136</u>	<u>\$128,685,648</u>	<u>\$ 99,969,825</u>	<u>\$ 101,973,534</u>	<u>\$ 222,297,961</u>	<u>\$230,659,182</u>

The City's long-term obligations decreased during 2022 by a net of \$8,361,221 in fiscal year 2022 due primarily to regularly scheduled debt service requirements. In addition, at June 30, 2021, the City had reported, in accordance with the requirements of GAAP, net pension liability totaling \$1,988,813 whereas, at June 30, 2022 the City reported no net pension liability and instead reports a net pension asset of approximately \$10 million.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

The 2021 Franchise and Sales Tax Revenue Bonds were assigned an underlying rating of A+, with an Assured Guaranty insured rating of AA. The 2019 Sales Tax Revenue Bonds were assigned a municipal bond rating of AA- by Standard and Poor's. The 2019 Water Revenue Bonds were assigned a municipal bond rating of AA by Fitch and Aa3 by Moody's. Power Revenue Bonds are rated A+ by Standard and Poor's.

State statutes 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 \$524,464,531 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 debt limitation for business-type projects is \$1,048,929,062, which significantly exceeds the outstanding business-type debt the City currently has.

Additional information on the City's long-term obligations can be found in note J on pages 62-77 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City continues to grow rapidly. During the year, property values increased by 7.46% to an estimated market value of \$13,111,613,286.
- In accordance with a rate study for both culinary water and pressurized irrigation services, the City increased user rates in both funds by 3% in July 2022. Storm drain rates were increased at the same time from \$5.00 to \$5.25 per month. Also in July 2022, power rates were restructured. The changes affected the rate structure for both commercial and residential customers and added a \$2.50 per month customer charge, which will gradually increase to \$10.00 per month. Increased costs for power purchases will likely lead to additional rate increases in the future.
- Consistent with conditions throughout the State of Utah, the City's economic conditions continue to trend positively. Sales tax revenues increased 20% from fiscal year 2021 to fiscal year 2022. As of August 2022, the State of Utah reports an unemployment rate of 2.04% with a rate of 1.8% in Utah County. Results of the 2021 census increases the City's population from 75,907 to 79,978.
- The City issued bonds during the 2021 fiscal year to be used for the construction of a citywide fiber network. The construction of this network began during September 2022. The first customers are anticipated to come online in the spring of 2023 with full buildout during the 4th quarter of 2025.
- Impacting the fiscal 2023 budget is a tax increase adopted by the City Council. Utah property tax laws do not allow automatic increases in property tax revenue simply as a result of inflation. In order to prevent property tax revenues losing purchasing power due to inflation, legislative bodies would need to adopt property tax increases. In August 2022, the City Council adopted a modest 3.8% increase to the City's property taxes.

The above factors were considered in preparing the City's budget for the 2023 fiscal year. The 2023 budget includes a modest property tax increase as mentioned above. Budgeted revenues and expenditures for the upcoming year total \$280,700,620. This is an increase from the 2022 fiscal year opening budget

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2022

of \$211,602,214. Much of the increase in expenditures is related to one-time, capital expenditures such as construction of a new city hall and a large regional park. Increases to operating expenditures are the result of a growing population.

The City continues to expand with new residential and commercial development, with 826 residential and 167 commercial building permits issued. The City remains a prime area for commercial office space with approximately 5.5 million feet of class A office space available, 500,000 square feet under construction and an additional 3 million planned for future construction.

During the year, Texas Instruments purchased the facility formerly occupied by Micron Technologies. This semiconductor facility manufactures highly technical computer chips. Texas Instruments' purchase of this facility retains one of the City's leading employers and property tax payers.

New growth brings additional revenue, but it also brings increased costs. Infrastructure needs in roads, parks, and utilities will continue to consume additional City resources. Detailed focus must be maintained on capital planning and revenue to keep pace with the current pace of growth.

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.

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BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 41,436,391	\$ 57,573,631	\$ 99,010,022
INVESTMENTS	18,678,723	-	18,678,723
RECEIVABLES (NET)			
ACCOUNTS	-	6,440,128	6,440,128
UNBILLED	-	890,979	890,979
TAXES	27,928,510	-	27,928,510
INTERGOVERNMENTAL	5,669,757	-	5,669,757
LEASES	1,231,331	-	1,231,331
OTHER	933,108	-	933,108
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	552,238	552,238
INVENTORY	39,515	8,803,903	8,843,418
RESTRICTED CASH AND CASH EQUIVALENTS	15,639,825	81,963,453	97,603,278
RESTRICTED RECEIVABLES	1,410,688	-	1,410,688
NET PENSION ASSET	8,054,597	2,157,171	10,211,768
RIGHT TO USE LEASED ASSETS, NET OF AMORTIZATION	45,376	-	45,376
NON-DEPRECIABLE CAPITAL ASSETS	192,362,376	77,136,394	269,498,770
DEPRECIABLE CAPITAL ASSETS, NET	188,808,914	343,035,975	531,844,889
TOTAL ASSETS	<u>\$ 502,239,111</u>	<u>\$ 578,553,872</u>	<u>\$ 1,080,792,983</u>
DEFERRED OUTFLOWS OF RESOURCES			
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ 5,851,789	\$ 5,851,789
PREPAID BOND INSURANCE	-	616,816	616,816
DEFERRED OUTFLOWS RELATED TO PENSIONS	3,459,754	1,203,065	4,662,819
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,459,754</u>	<u>\$ 7,671,670</u>	<u>\$ 11,131,424</u>
LIABILITIES			
INTERFUND BALANCES	\$ 916,378	\$ (916,378)	\$ -
ACCOUNTS PAYABLE	1,178,836	10,154,921	11,333,757
LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
ACCOUNTS PAYABLE	1,019,747	484,578	1,504,325
ACCRUED INTEREST	124,243	909,703	1,033,946
WAGES PAYABLE	358,085	88,861	446,946
ACCRUED LIABILITIES	3,990,121	-	3,990,121
ACCRUED INTEREST PAYABLE	2,008,021	124,683	2,132,704
CUSTOMER DEPOSITS	-	32,570	32,570
NON-CURRENT LIABILITIES			
DUE WITHIN ONE YEAR	3,046,691	1,760,661	4,807,352
DUE IN MORE THAN ONE YEAR:			
COMPENSATED ABSENCES	2,233,524	618,807	2,852,331
LANDFILL POSTCLOSURE COSTS	512,372	-	512,372
LEASE LIABILITIES	36,438	-	36,438
TAX INCREMENT NOTE PAYABLE TO DEVELOPER	82,563,476	-	82,563,476
OTHER NOTES PAYABLE	2,284,217	969,662	3,253,879
BONDS PAYABLE	31,651,418	96,620,695	128,272,113
TOTAL LIABILITIES	<u>\$ 131,923,567</u>	<u>\$ 110,848,763</u>	<u>\$ 242,772,330</u>
DEFERRED INFLOWS OF RESOURCES			
PROPERTY TAXES	\$ 23,595,708	\$ -	\$ 23,595,708
LEASES	1,231,331	-	1,231,331
ADVANCE RECEIPT OF GRANT REVENUE	1,000,000	-	1,000,000
DEFERRED INFLOWS RELATED TO PENSIONS	10,709,094	3,035,306	13,744,400
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 36,536,133</u>	<u>\$ 3,035,306</u>	<u>\$ 39,571,439</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	\$ 348,094,139	\$ 391,916,527	\$ 740,010,666
RESTRICTED FOR			
CAPITAL IMPROVEMENTS	12,485,610	12,617,730	25,103,340
DEBT SERVICE	801,414	-	801,414
OTHER PURPOSES	771,561	-	771,561
UNRESTRICTED (DEFICIT)	(24,913,559)	67,807,216	42,893,657
TOTAL NET POSITION	<u>\$ 337,239,165</u>	<u>\$ 472,341,473</u>	<u>\$ 809,580,638</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES							
GENERAL GOVERNMENT	\$ 8,020,887	\$ 1,210,322	\$ -	\$ -	\$ (6,810,565)	\$ -	\$ (6,810,565)
PUBLIC SAFETY	17,507,791	2,473,877	5,021,400	997,138	(9,015,376)	-	(9,015,376)
COMMUNITY DEVELOPMENT	5,729,311	6,828,003	-	-	1,098,692	-	1,098,692
STREETS AND HIGHWAYS	16,289,645	-	3,107,669	31,362,438	18,180,462	-	18,180,462
PARKS, RECREATION AND CULTURE	12,943,241	3,951,817	85,927	5,524,321	(3,381,176)	-	(3,381,176)
CEMETERY	497,978	536,143	-	-	38,165	-	38,165
INTEREST ON LONG-TERM DEBT	5,399,835	-	-	-	(5,399,835)	-	(5,399,835)
TOTAL GOVERNMENTAL ACTIVITIES	66,388,688	15,000,162	8,214,996	37,883,897	(5,289,633)	-	(5,289,633)
BUSINESS-TYPE ACTIVITIES							
CULINARY WATER	10,624,141	7,953,784	2,867,704	9,365,912	-	9,563,259	9,563,259
SEWER	11,460,744	9,930,258	-	9,892,160	-	8,361,674	8,361,674
PRESSURIZED IRRIGATION	5,728,480	4,751,154	-	11,740,798	-	10,763,472	10,763,472
ELECTRIC	42,720,326	40,396,786	-	11,410,848	-	9,087,308	9,087,308
FIBER	1,978,842	-	-	-	-	(1,978,842)	(1,978,842)
NONMAJOR ACTIVITIES	7,106,308	6,564,730	-	5,808,166	-	5,266,588	5,266,588
TOTAL BUSINESS-TYPE ACTIVITIES	79,618,841	69,596,712	2,867,704	48,217,884	-	41,063,459	41,063,459
TOTAL PRIMARY GOVERNMENT	\$ 146,007,529	\$ 84,596,874	\$ 11,082,700	\$ 86,101,781	(5,289,633)	41,063,459	35,773,826
GENERAL REVENUES:							
PROPERTY TAXES					22,350,797	-	22,350,797
SALES TAXES					21,157,647	-	21,157,647
FRANCHISE AND OTHER TAXES					6,621,772	-	6,621,772
INVESTMENT EARNINGS					161,650	385,986	547,636
GAIN ON DISPOSAL OF CAPITAL ASSETS					228,274	34,021	262,295
OTHER					1,227,276	893,771	2,121,047
TOTAL GENERAL REVENUES					51,747,416	1,313,778	53,061,194
TRANSFERS					-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					51,747,416	1,313,778	53,061,194
CHANGE IN NET POSITION					46,457,783	42,377,237	88,835,020
NET POSITION AT BEGINNING OF YEAR					290,781,382	429,964,236	720,745,618
NET POSITION AT END OF YEAR					\$ 337,239,165	\$ 472,341,473	\$ 809,580,638

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

**LEHI CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2022**

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
CASH AND CASH EQUIVALENTS	\$ 13,712,987	\$ 2,383,733	\$ 22,109,887	\$ 22,569	\$ 38,229,176
INVESTMENTS	6,239,044	1,337,415	11,102,264	-	18,678,723
RECEIVABLES					
TAXES	16,290,485	11,638,025	-	-	27,928,510
INTERGOVERNMENTAL	-	-	5,669,757	-	5,669,757
LEASES	1,231,331	-	-	-	1,231,331
OTHER	753,696	179,412	-	-	933,108
RESTRICTED ASSETS					
CASH AND CASH EQUIVALENTS	5,424,279	-	10,215,546	-	15,639,825
RECEIVABLES	1,360,688	-	50,000	-	1,410,688
TOTAL ASSETS	<u>\$ 45,012,510</u>	<u>\$ 15,538,585</u>	<u>\$ 49,147,454</u>	<u>\$ 22,569</u>	<u>\$ 109,721,118</u>
LIABILITIES					
ACCOUNTS PAYABLE	\$ 628,685	\$ 1,655	\$ 143,342	\$ 1,750	\$ 775,432
LIABILITIES PAYABLE FROM					
RESTRICTED ASSETS	394,201	-	625,546	-	1,019,747
WAGES PAYABLE	336,100	-	-	-	336,100
ACCRUED LIABILITIES	3,990,121	-	-	-	3,990,121
TOTAL LIABILITIES	<u>5,349,107</u>	<u>1,655</u>	<u>768,888</u>	<u>1,750</u>	<u>6,121,400</u>
DEFERRED INFLOWS OF RESOURCES					
TAXES	11,957,683	11,638,025	-	-	23,595,708
LEASES	1,231,331	-	-	-	1,231,331
ADVANCE RECEIPT OF GRANT REVENUE	-	-	1,000,000	-	1,000,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>13,189,014</u>	<u>11,638,025</u>	<u>1,000,000</u>	<u>-</u>	<u>25,827,039</u>
FUND BALANCES					
RESTRICTED	6,390,766	-	9,640,000	-	16,030,766
COMMITTED	647,031	-	-	-	647,031
ASSIGNED	23,643	3,898,905	37,738,566	20,819	41,681,933
UNASSIGNED	19,412,949	-	-	-	19,412,949
TOTAL FUND BALANCE	<u>26,474,389</u>	<u>3,898,905</u>	<u>47,378,566</u>	<u>20,819</u>	<u>77,772,679</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 45,012,510</u>	<u>\$ 15,538,585</u>	<u>\$ 49,147,454</u>	<u>\$ 22,569</u>	<u>\$ 109,721,118</u>

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:	
TOTAL GOVERNMENTAL FUND BALANCES	\$ 77,772,679
CAPITAL AND RIGHT TO USE ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS	381,216,666
LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(122,328,136)
INTEREST PAYABLE ON LONG-TERM FINANCIAL RESOURCES IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(2,132,264)
THE CURRENT ASSETS, RESTRICTED CASH AND LIABILITIES OF THE INTERNAL SERVICE FUNDS ARE INCLUDED IN THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	2,821,341
DEFERRED OUTFLOWS AND INFLOWS RELATED TO PENSIONS AND THE NET PENSION ASSET WILL NEITHER REQUIRE THE USE OF NOR PROVIDE CURRENT PERIOD FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS	805,257
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 POSITION	(916,378)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 337,239,165</u>

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, 2022**

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
TAXES	\$ 39,221,842	\$ 10,402,258	\$ 506,116	\$ -	\$ 50,130,216
LICENSES, FEES AND PERMITS	4,017,240	-	8,636,762	-	12,654,002
INTERGOVERNMENTAL	10,124,912	-	5,707,689	-	15,832,601
CHARGES FOR SERVICES	9,788,903	-	-	-	9,788,903
FINES AND FORFEITURES	722,270	-	-	-	722,270
MISCELLANEOUS	1,699,551	-	-	-	1,699,551
INTEREST ON INVESTMENTS	97,362	2,615	59,535	-	159,512
TOTAL REVENUES	65,672,080	10,404,873	14,910,102	-	90,987,055
EXPENDITURES					
CURRENT					
GENERAL GOVERNMENT	8,539,977	-	-	-	8,539,977
PUBLIC SAFETY	18,385,423	-	-	-	18,385,423
COMMUNITY DEVELOPMENT	3,415,092	1,876,630	-	-	5,291,722
STREETS AND HIGHWAYS	5,781,174	-	-	-	5,781,174
PARKS, RECREATION AND CULTURE	11,363,509	-	-	-	11,363,509
CEMETERY	454,611	-	-	-	454,611
OTHER	-	-	48,966	5,350	54,316
CAPITAL OUTLAY	-	-	10,651,809	-	10,651,809
DEBT SERVICE					
PRINCIPAL	22,262	3,240,690	128,248	935,000	4,326,200
INTEREST AND FISCAL CHARGES	1,838	4,108,969	377,863	924,932	5,413,602
TOTAL EXPENDITURES	47,963,886	9,226,289	11,206,886	1,865,282	70,262,343
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,708,194	1,178,584	3,703,216	(1,865,282)	20,724,712
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	1,167,851	-	12,000,000	1,872,733	15,040,584
TRANSFERS OUT	(13,872,733)	(1,167,851)	(1,000,000)	-	(16,040,584)
PROCEEDS FROM LEASE LIABILITY	28,193	-	-	-	28,193
SALE OF CAPITAL ASSETS	22,156	-	492,385	-	514,541
TOTAL OTHER FINANCING SOURCES (USES)	(12,654,533)	(1,167,851)	11,492,385	1,872,733	(457,266)
NET CHANGE IN FUND BALANCE	5,053,661	10,733	15,195,601	7,451	20,267,446
FUND BALANCE AT BEGINNING OF YEAR	21,420,728	3,888,172	32,182,965	13,368	57,505,233
FUND BALANCE AT END OF YEAR	\$ 26,474,389	\$ 3,898,905	\$ 47,378,566	\$ 20,819	\$ 77,772,679

**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, 2022**

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 20,267,446
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 DEPRECIATION EXPENSE	13,185,712 (16,965,852)
SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES, SUCH AS COMPENSATED ABSENCES, ACCRUED INTEREST, LANDFILL POST-CLOSURE COSTS DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS	2,928,954
REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION	4,326,200
THE NET REVENUE OF INTERNAL SERVICES FUNDS IS ALLOCATED BETWEEN GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES. INTERNAL SERVICE FUND NET INCOME LESS AMOUNT ALLOCATED TO BUSINESS-TYPE ACTIVITIES	603,193 (187,360)
GOVERNMENTAL FUNDS REPORT THE DISPOSAL OF ASSETS TO THE EXTENT PROCEEDS ARE RECEIVED, IN THE STATEMENT OF NET POSITION, A GAIN OR LOSS IS REPORTED FOR EACH DISPOSAL	(301,847)
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 POSITION	(28,193)
TRANSFER TO INTERNAL SERVICE FUND NETS TO ZERO IN THE STATEMENT OF ACTIVITIES	1,000,000
DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS	21,629,530
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 46,457,783

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, 2022

	GENERAL FUND				REDEVELOPMENT AGENCY			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL			ORIGINAL	FINAL		
REVENUES								
TAXES	\$ 31,566,817	\$ 31,566,817	\$ 39,221,842	\$ 7,655,025	\$ 15,495,000	15,495,000	\$ 10,402,258	\$ (5,092,742)
LICENSES, FEES AND PERMITS	3,020,000	3,020,000	4,017,240	997,240	-	-	-	-
INTERGOVERNMENTAL REVENUE	4,323,568	4,400,984	10,124,912	5,723,928	-	-	-	-
CHARGES FOR SERVICE	7,881,068	7,886,598	9,788,903	1,902,305	-	-	-	-
FINES AND FORFEITURES	737,500	737,500	722,270	(15,230)	-	-	-	-
MISCELLANEOUS REVENUE	1,604,500	1,615,750	1,699,551	83,801	-	-	-	-
INTEREST ON INVESTMENTS	101,000	101,000	97,362	(3,638)	-	-	2,615	2,615
TOTAL REVENUES	49,234,453	49,328,649	65,672,080	16,343,431	15,495,000	15,495,000	10,404,873	(5,090,127)
EXPENDITURES								
GENERAL GOVERNMENT	8,938,782	9,190,782	8,539,977	650,805	-	-	-	-
PUBLIC SAFETY	18,358,216	19,042,337	18,385,423	656,914	-	-	-	-
COMMUNITY DEVELOPMENT	3,558,929	3,560,929	3,415,092	145,837	2,551,200	2,551,200	1,876,630	674,570
STREETS AND HIGHWAYS	5,998,153	6,057,453	5,781,174	276,279	-	-	-	-
PARKS, RECREATIONS AND CULTURE	11,895,020	11,985,095	11,363,509	621,586	-	-	-	-
CEMETERY	541,527	541,527	454,611	86,916	-	-	-	-
DEBT SERVICE	-	24,100	24,100	-	11,150,228	11,150,228	7,349,659	3,800,569
TOTAL EXPENDITURES	49,290,627	50,402,223	47,963,886	2,438,337	13,701,428	13,701,428	9,226,289	4,475,139
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,174)	(1,073,574)	17,708,194	18,781,768	1,793,572	1,793,572	1,178,584	(614,988)
OTHER FINANCING SOURCES (USES)								
TRANSFERS IN	1,600,000	1,600,000	1,167,851	(432,149)	-	-	-	-
TRANSFERS OUT	(1,682,733)	(1,682,733)	(13,872,733)	(12,190,000)	(1,793,572)	(1,793,572)	(1,167,851)	625,721
PROCEEDS FROM LEASE LIABILITY	-	-	28,193	28,193	-	-	-	-
SALE OF CAPITAL ASSETS	10,000	10,000	22,156	12,156	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(72,733)	(72,733)	(12,654,533)	(12,581,800)	(1,793,572)	(1,793,572)	(1,167,851)	625,721
NET CHANGE IN FUND BALANCE	(128,907)	(1,146,307)	5,053,661	6,199,968	-	-	10,733	10,733
FUND BALANCE AT BEGINNING OF YEAR	21,420,728	21,420,728	21,420,728	-	3,888,172	3,888,172	3,888,172	-
FUND BALANCE AT END OF YEAR	\$ 21,291,821	\$ 20,274,421	\$ 26,474,389	\$ 6,199,968	\$ 3,888,172	\$ 3,888,172	\$ 3,898,905	\$ 10,733

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTAL BUSINESS- TYPE FUNDS	
ASSETS								
CURRENT ASSETS								
CASH AND CASH EQUIVALENTS	\$ 15,291,575	6,208,934	\$ 667,211	\$ 30,912,316	\$ -	\$ 4,493,595	\$ 57,573,631	\$ 3,207,215
RECEIVABLES (NET):								
ACCOUNTS	698,338	967,083	380,107	3,762,726	-	631,874	6,440,128	-
UNBILLED	102,151	125,484	66,608	501,187	-	95,549	890,979	-
REFUND DUE FROM DEPOSIT WITH POWER SUPPLIER	-	-	-	552,238	-	-	552,238	-
INVENTORY	137,234	16,574	75,460	8,570,737	-	3,898	8,803,903	39,515
TOTAL CURRENT ASSETS	16,229,298	7,318,075	1,189,386	44,299,204	-	5,224,916	74,260,879	3,246,730
NON-CURRENT ASSETS								
RESTRICTED CASH AND CASH EQUIVALENTS	1,111,005	3,770,791	8,058,118	7,306,439	60,812,585	904,515	81,963,453	-
NET PENSION ASSET	414,210	168,403	111,213	1,272,009	-	191,336	2,157,171	469,079
NONDEPRECIABLE CAPITAL ASSETS	26,734,886	86,569	45,314,277	3,983,044	-	1,017,618	77,136,394	172,402
DEPRECIABLE CAPITAL ASSETS, NET	57,164,333	59,302,109	73,969,829	100,477,178	-	52,122,526	343,035,975	5,965,425
TOTAL NON-CURRENT ASSETS	85,424,434	63,327,872	127,453,437	113,038,670	60,812,585	54,235,995	504,292,993	6,606,906
TOTAL ASSETS	\$ 101,653,732	\$ 70,645,947	\$ 128,642,823	\$ 157,337,874	\$ 60,812,585	\$ 59,460,911	\$ 578,553,872	\$ 9,853,636
DEFERRED OUTFLOWS OF RESOURCES								
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ -	\$ -	\$ 5,851,789	\$ -	\$ -	\$ 5,851,789	\$ -
PREPAID BOND INSURANCE	-	-	-	-	616,816	-	616,816	-
DEFERRED OUTFLOWS RELATED TO PENSIONS	231,007	93,919	62,024	708,732	-	107,383	1,203,065	261,607
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 231,007	\$ 93,919	\$ 62,024	\$ 6,560,521	\$ 616,816	\$ 107,383	\$ 7,671,670	\$ 261,607

LEHI CITY CORPORATION
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTALS	
LIABILITIES								
CURRENT LIABILITIES								
ACCOUNTS PAYABLE	\$ 2,369,332	\$ 307,701	\$ 96,819	\$ 6,826,881	\$ 136,624	\$ 417,564	\$ 10,154,921	\$ 403,404
WAGES PAYABLE	19,229	5,283	5,002	50,675	-	8,672	88,861	21,985
ACCRUED INTEREST PAYABLE	14,951	-	54,976	53,900	-	856	124,683	-
PAYABLE FROM RESTRICTED ASSETS:								
ACCOUNTS PAYABLE	233,364	585	-	240,434	10,000	195	484,578	-
ACCRUED INTEREST	-	-	-	-	909,703	-	909,703	35,872
CUSTOMER DEPOSITS	26,350	-	-	6,220	-	-	32,570	-
CURRENT PORTION COMPENSATED ABSENCES	108,815	35,136	31,661	277,496	-	44,557	497,665	97,418
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	117,248	-	380,748	575,000	-	190,000	1,262,996	419,403
TOTAL CURRENT LIABILITIES	2,889,289	348,705	569,206	8,030,606	1,056,327	661,844	13,555,977	978,082
NON-CURRENT LIABILITIES								
COMPENSATED ABSENCES	137,381	20,360	29,681	383,826	-	47,559	618,807	80,564
NOTES PAYABLE	484,832	-	484,830	-	-	-	969,662	-
NOTES PAYABLE, LESS CURRENT MATURITIES	-	-	-	-	-	-	-	1,865,562
BONDS PAYABLE, LESS CURRENT MATURITIES	3,427,326	-	14,611,230	14,997,289	63,179,850	405,000	96,620,695	-
TOTAL NON-CURRENT LIABILITIES	4,049,539	20,360	15,125,741	15,381,115	63,179,850	452,559	98,209,164	1,946,126
TOTAL LIABILITIES	\$ 6,938,828	\$ 369,065	\$ 15,694,947	\$ 23,411,721	\$ 64,236,177	\$ 1,114,403	\$ 111,765,141	\$ 2,924,208
DEFERRED INFLOWS OF RESOURCES								
DEFERRED INFLOWS RELATED TO PENSIONS	\$ 582,826	\$ 236,956	\$ 156,485	\$ 1,712,425	\$ -	\$ 346,614	\$ 3,035,306	\$ 660,030
NET POSITION								
NET INVESTMENT IN CAPITAL ASSETS RESTRICTED FOR CAPITAL PROJECTS	\$ 79,869,813	\$ 59,388,678	\$ 111,224,959	\$ 88,887,933	\$ -	\$ 52,545,144	\$ 391,916,527	\$ 3,680,460
UNRESTRICTED (DEFICIT)	13,615,631	6,974,961	1,628,456	42,820,687	(2,806,776)	4,657,879	66,890,838	2,850,545
TOTAL NET POSITION (DEFICIT)	\$ 94,363,085	\$ 70,133,845	\$ 112,853,415	\$ 138,774,249	\$ (2,806,776)	\$ 58,107,277	471,425,095	\$ 6,531,005
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS								
CURRENT YEAR ADJUSTMENT							187,360	
CUMULATIVE ADJUSTMENT FROM PRIOR YEARS							729,018	
NET POSITION OF BUSINESS-TYPE ACTIVITIES							\$ 472,341,473	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS		
OPERATING REVENUES (PLEGGED AS SECURITY FOR REVENUE BONDS)								
CHARGES FOR SERVICES	\$ 7,265,357	\$ 9,930,258	\$ 4,383,516	\$ 39,693,039	\$ -	\$ 6,564,730	\$ 67,836,900	\$ 7,044,510
HOOK-UP AND SERVICING FEES	688,427	-	367,638	703,747	-	-	1,759,812	-
MISCELLANEOUS REVENUES	240,296	29,244	196,437	393,094	-	34,700	893,771	291,716
TOTAL OPERATING REVENUES	<u>8,194,080</u>	<u>9,959,502</u>	<u>4,947,591</u>	<u>40,789,880</u>	<u>-</u>	<u>6,599,430</u>	<u>70,490,483</u>	<u>7,336,226</u>
OPERATING EXPENSES								
PERSONNEL	1,591,262	529,026	408,140	3,360,431	-	841,083	6,729,942	1,854,424
GENERAL ADMINISTRATION	206,613	164,808	51,642	614,585	-	40,274	1,077,922	-
OPERATING AND MAINTENANCE	3,146,922	8,207,697	1,950,955	33,003,613	134,032	4,026,051	50,469,270	3,659,565
INTERFUND CHARGES	370,004	235,940	74,996	900,312	-	192,004	1,773,256	-
DEPRECIATION	2,297,031	2,323,273	2,642,321	4,449,450	-	1,979,784	13,691,859	1,197,147
TOTAL OPERATING EXPENSES	<u>7,611,832</u>	<u>11,460,744</u>	<u>5,128,054</u>	<u>42,328,391</u>	<u>134,032</u>	<u>7,079,196</u>	<u>73,742,249</u>	<u>6,711,136</u>
OPERATING INCOME (LOSS)	<u>582,248</u>	<u>(1,501,242)</u>	<u>(180,463)</u>	<u>(1,538,511)</u>	<u>(134,032)</u>	<u>(479,766)</u>	<u>(3,251,766)</u>	<u>625,090</u>
NON-OPERATING REVENUES (EXPENSES)								
DEVELOPER FEES	2,867,704	-	-	-	-	-	2,867,704	-
WATER ACCESS RIGHTS	(2,867,704)	-	-	-	-	-	(2,867,704)	-
INTEREST INCOME	21,464	12,118	35,310	42,909	268,441	5,744	385,986	2,138
INTEREST EXPENSE	(144,605)	-	(600,426)	(579,295)	(1,844,810)	(27,112)	(3,196,248)	(39,615)
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	4,655	29,366	-	-	34,021	15,580
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(123,141)</u>	<u>12,118</u>	<u>(560,461)</u>	<u>(507,020)</u>	<u>(1,576,369)</u>	<u>(21,368)</u>	<u>(2,776,241)</u>	<u>(21,897)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	459,107	(1,489,124)	(740,924)	(2,045,531)	(1,710,401)	(501,134)	(6,028,007)	603,193
CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER IMPACT FEE REVENUE (PLEGGED AS SECURITY FOR REVENUE BONDS)	2,512,346	1,813,215	1,193,938	5,528,192	-	491,503	11,539,194	-
CAPITAL CONTRIBUTIONS	6,853,566	8,078,945	10,546,860	5,882,656	-	5,316,663	36,678,690	-
INCOME (LOSS) BEFORE TRANSFERS	9,825,019	8,403,036	10,999,874	9,365,317	(1,710,401)	5,307,032	42,189,877	603,193
TRANSFERS IN	-	-	-	-	-	-	-	1,000,000
CHANGE IN NET POSITION	9,825,019	8,403,036	10,999,874	9,365,317	(1,710,401)	5,307,032	42,189,877	1,603,193
NET POSITION AT BEGINNING OF YEAR	84,538,066	61,730,809	101,853,541	129,408,932	(1,096,375)	52,800,245		4,927,812
NET POSITION (DEFICIT) AT END OF YEAR	<u>\$ 94,363,085</u>	<u>\$ 70,133,845</u>	<u>\$ 112,853,415</u>	<u>\$ 138,774,249</u>	<u>\$ (2,806,776)</u>	<u>\$ 58,107,277</u>		<u>\$ 6,531,005</u>
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS							187,360	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (page 35)							<u>\$ 42,377,237</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS		
CASH FLOWS FROM OPERATING ACTIVITIES								
CASH RECEIVED FROM CUSTOMERS	\$ 8,261,029	\$ 9,890,221	\$ 4,733,699	\$ 41,206,166	\$ -	\$ 6,535,538	\$ 70,626,653	\$ -
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	-	-	-	-	-	-	-	7,067,029
CASH PAID TO SUPPLIERS	(7,200,327)	(9,196,092)	(2,036,208)	(35,608,836)	(377)	(4,201,924)	(58,243,764)	(2,942,297)
CASH PAID TO EMPLOYEES	(1,895,051)	(630,890)	(475,061)	(4,176,781)	-	(903,022)	(8,080,805)	(2,833,636)
CASH PAID FOR INTERFUND SERVICES	(370,004)	(235,940)	(74,996)	(900,312)	-	(192,004)	(1,773,256)	-
OTHER RECEIPTS	240,296	29,244	196,437	393,094	-	34,700	893,771	298,707
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(964,057)	(143,457)	2,343,871	913,331	(377)	1,273,288	3,422,599	1,589,803
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
INTEREST PAID ON INTERFUND BORROWING	-	-	(905)	-	-	-	(905)	-
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	-	(905)	-	-	-	(905)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(4,764,288)	(1,140,658)	(2,521,212)	(7,237,218)	-	(485,032)	(16,148,408)	(774,820)
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	4,655	29,366	-	-	34,021	15,580
CONTRIBUTIONS FROM DEVELOPERS	3,195,754	-	-	4,037,832	-	51,684	7,285,270	-
PAYMENTS MADE FOR WATER ACCESS RIGHTS	(846,224)	-	-	-	-	-	(846,224)	-
PRINCIPAL PAID ON BONDS	(76,950)	-	(328,050)	(545,000)	-	(185,000)	(1,135,000)	-
INTEREST PAID	(164,097)	-	(682,016)	(707,500)	(1,927,741)	(27,378)	(3,508,732)	-
TRANSFERS IN	-	-	-	-	-	-	-	1,000,000
PRINCIPAL PAID ON NOTES PAYABLE	(35,965)	-	(35,965)	-	-	-	(71,930)	(455,574)
IMPACT FEES COLLECTED	2,512,346	1,813,215	1,196,608	5,528,192	-	491,503	11,541,864	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(179,424)	672,557	(2,365,980)	1,105,672	(1,927,741)	(154,223)	(2,849,139)	(214,814)
CASH FLOWS FROM INVESTING ACTIVITIES								
INTEREST INCOME COLLECTED	21,464	12,118	35,310	42,909	268,441	5,744	385,986	2,138
NET CASH PROVIDED BY INVESTING ACTIVITIES	21,464	12,118	35,310	42,909	268,441	5,744	385,986	2,138

CONTINUED

STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,122,017)	541,218	12,296	2,061,912	(1,659,677)	1,124,809	958,541	1,377,127
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,524,597	9,438,507	8,713,033	36,156,843	62,472,262	4,273,301	138,578,543	1,830,088
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 16,402,580</u>	<u>\$ 9,979,725</u>	<u>\$ 8,725,329</u>	<u>\$ 38,218,755</u>	<u>\$ 60,812,585</u>	<u>\$ 5,398,110</u>	<u>\$ 139,537,084</u>	<u>\$ 3,207,215</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:								
UNRESTRICTED CASH	\$ 15,291,575	\$ 6,208,934	\$ 667,211	\$ 30,912,316	\$ -	\$ 4,493,595	\$ 57,573,631	\$ 3,207,215
RESTRICTED CASH	1,111,005	3,770,791	8,058,118	7,306,439	60,812,585	904,515	81,963,453	-
	<u>\$ 16,402,580</u>	<u>\$ 9,979,725</u>	<u>\$ 8,725,329</u>	<u>\$ 38,218,755</u>	<u>\$ 60,812,585</u>	<u>\$ 5,398,110</u>	<u>\$ 139,537,084</u>	<u>\$ 3,207,215</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 6,525,516	\$ 8,078,945	\$ 10,546,860	\$ 1,844,824	\$ -	\$ 5,264,979	\$ 32,261,124	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
OPERATING INCOME (LOSS)	\$ 582,248	\$ (1,501,242)	\$ (180,463)	\$ (1,538,511)	\$ (134,032)	\$ (479,766)	\$ (3,251,766)	\$ 625,090
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES								
DEPRECIATION	2,297,031	2,323,273	2,642,321	4,449,450	-	1,979,784	13,691,859	1,197,147
CHANGES IN ASSETS AND LIABILITIES								
ACCOUNTS RECEIVABLE	318,665	(32,244)	(14,146)	803,176	-	(23,536)	1,051,915	29,510
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	(5,220)	(7,793)	(3,309)	6,954	-	(5,656)	(15,024)	-
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	-	-	(248,050)	-	-	(248,050)	-
INVENTORY	70,881	(3,781)	(30,064)	(2,814,031)	-	2,415	(2,774,580)	15,431
ACCOUNTS PAYABLE	(3,917,673)	(819,806)	(3,547)	827,618	109,624	(138,014)	(3,941,798)	17,070
WAGES PAYABLE	(30,649)	(12,156)	(8,718)	(104,498)	-	(15,555)	(171,576)	(39,945)
COMPENSATED ABSENCES	(49,328)	(246)	4,594	25,365	-	9,679	(9,936)	(535)
AMORTIZATION OF ADVANCE FUNDING OF UAMPS PROJECT	-	-	-	243,825	-	-	243,825	-
CHANGE IN PREPAID BOND INSURANCE	-	-	-	-	24,031	-	24,031	-
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS	(223,812)	(89,462)	(62,797)	(737,217)	-	(56,063)	(1,169,351)	(253,965)
CUSTOMER DEPOSITS	(6,200)	-	-	(750)	-	-	(6,950)	-
	<u>\$ (964,057)</u>	<u>\$ (143,457)</u>	<u>\$ 2,343,871</u>	<u>\$ 913,331</u>	<u>\$ (377)</u>	<u>\$ 1,273,288</u>	<u>\$ 3,422,599</u>	<u>\$ 1,589,803</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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). 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. Entities that were evaluated by the City for presentation in the City's financial statements consist of the following:

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. Additionally, City staff manage the activities of the RDA in essentially the same manner as it manages the activities of the City. 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. Separate financial statements are not issued for the RDA.

The Fox Hollow Golf Course - The Fox Hollow 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 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, fiber, drainage, and garbage services are classified as business-type activities.

In the government-wide Statement of Net Position, 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 position is reported in three parts – net investment in capital assets, restricted and unrestricted. 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 regard to interfund activities, payables and receivables. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements focus more on the sustainability of the City in its entirety and the change in the City's net position resulting from the current year's activities.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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 the determination of 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 property taxes levied on properties within each RDA or EDA project area.
- **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 only one capital projects fund and it is used to account for major road, sidewalk, parks and land improvements.
- **Debt service funds** are used to account for governmental debt service activities.

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. The City has one other, nonmajor governmental fund, the Debt Service Fund which is used to account for the debt service associated with the City's outstanding sales tax revenue bonds.

Proprietary Funds

The focus of proprietary fund measurement is upon the determination of net income, changes in net position, 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 Culinary Water Fund, the Sewer Fund, the Pressurized Irrigation Fund, the Electric Fund and the Fiber 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- The purpose of the Pressurized Irrigation Fund is to provide the citizens of the City with an adequate supply of clean irrigation water and adequate working water pressure for the City Fire Department.
- The Sewer Fund’s mission is to ensure the proper and healthy collection and transmission of the City’s sewage 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, operation and maintenance of the City’s power distribution system including underground and overhead lines, meters, and substations.
- The Fiber Fund will be used to account for the acquisition, construction and installation of a fiber-optic network and related facilities and improvements.

In addition to the major enterprise funds, the City also operates two nonmajor enterprise funds. The nonmajor enterprise funds are the Drainage Fund and the Garbage Fund.

- The Drainage Fund is responsible for improving storm water conveyance throughout the City. This includes 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 flooding.
 - The Garbage Fund provides refuse collection and recycling services for residences and businesses within the City.
- **Internal service funds** are used to account for the City’s fleet maintenance, risk management, information technology, and property management 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. GAAP 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

Investments

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. 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. Investments for the City are reported at fair value determined on quoted market prices. Changes in the fair value of investments are recognized as a component of investment income.

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 and prepaid items

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 cost on a weighted average basis. Supplies inventories, consisting principally of office supplies, are valued at cost on a first-in, first-out basis. Transformers are valued at cost on a specific identification basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Lease receivables

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Deferred inflows of resources are recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the terms of the leases.

Intangible assets

The City records donated intangible assets meeting the criteria under GAAP at fair value. The City records purchased intangible assets as capital assets. Water rights are the City's primary intangible asset.

Deferred outflows/inflows of resources

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

Right to use assets

The City has recorded right to use lease assets as a result of implementing GASB Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the asset into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

Capital assets

Capital assets, which include buildings 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 acquisition 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:

	<u>Years</u>
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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 \$890,979 at June 30, 2022. The accounts receivable are reported net of the allowance for doubtful accounts of \$460,769 at June 30, 2022.

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 240 hours at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination, 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.

Accumulated sick leave is earned at a rate of one day per month. Employees may accumulate unlimited sick leave. Upon retirement, employees may have 75% of outstanding sick pay deposited into a Retirement Health Savings Account in their name, which is administered by a third party. 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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. The City had no nonspendable fund balance as of June 30, 2022.

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 used to impose 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, as established by the city council with the recommendation of the city administrator. It also includes all remaining amounts that are reported in governmental funds other than the general fund that are not classified as nonspendable, restricted, or committed.

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

When both restricted and non-restricted fund balances are available for use, it is the City’s policy to use restricted fund balance first, then non-restricted 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 non-restricted 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Pensions

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to and deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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.

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, Capital Projects Fund, and Debt Service 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.

Utah State law prohibits the appropriation of unassigned General Fund balance until it exceeds 5% of the General Fund revenues. Until unassigned 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 unassigned fund balance is greater than 35% 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE B – DEPOSITS AND INVESTMENTS

The City's deposits and investments 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, 2022 the book value of cash on deposit was \$2,698,328 and the bank balance was \$4,639,610 (\$4,139,610 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 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 and the Utah State Public Treasurer's Investment Fund. (See Note C for additional information about the Utah State Public Treasurer's Investment Fund).

Fair Value of Investments

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

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the City has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail any significant degree of judgment. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE B – DEPOSITS AND INVESTMENTS - CONTINUED

- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and “brokered” or securitized certificates of deposit; and,
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At June 30, 2022, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurement Classification</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Utah Public Treasurer's Investment Fund	\$ 193,724,355	\$ -	\$ 193,724,355	\$ -
Corporate Debt Securities	8,517,727	-	8,517,727	-
Certificates of Deposit	8,827,070	-	8,827,070	-
U.S. Government Securities	1,208,760	1,208,760	-	-
Money Market Funds	315,783	315,783	-	-
	<u>\$ 212,593,695</u>	<u>\$ 1,524,543</u>	<u>\$ 211,069,152</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. For securities that generally have market prices from multiple sources, it can be difficult to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security. The City receives market prices for these securities from a variety of industry standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, the City uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries, Money Markets, U.S. Agencies: quoted prices for identical securities in markets that are active;

Debt securities classified in Level 2 are valued using the following approaches

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices;
- Bond Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers’ Investment Fund: application of the June 30, 2022 fair value factor, as calculated by the Utah State Treasurer, to Lehi City’s average daily balance in the Fund; and,
- Donated Real Estate: recent appraisals of the real estate’s value.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

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.

The following table shows the maturities of the City’s investments as of June 30, 2022:

<u>Investment Type</u>	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Debt Securities					
Corporate Debt Securities	\$ 8,517,727	\$ 1,951,738	\$ 6,565,989	\$ -	\$ -
Certificates of Deposit	8,827,070	2,842,282	5,984,788	-	-
U.S Government Securities	1,208,760	-	1,208,760	-	-
Money Market Funds	315,783	315,783	-	-	-
	<u>18,869,340</u>	<u>\$ 5,109,803</u>	<u>\$ 13,759,537</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments					
Utah Public Treasurer's Investment Fund	<u>193,724,355</u>				
	<u>\$ 212,593,695</u>				

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

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 quality ratings for the City’s investments are presented below:

<u>Investment Type</u>	Fair Value	Quality Ratings				
		AAA	AA	A	BBB	Unrated
Utah Public Treasurer's Investment Fund	\$ 193,724,355	\$ -	\$ -	\$ -	\$ -	\$ 193,724,355
Corporate Debt Securities	8,517,727	-	1,650,495	6,283,583	-	583,649
Certificates of Deposit	8,827,070	-	1,165,164	2,046,147	461,990	5,153,769
U.S Government Securities	1,208,760	1,208,760	-	-	-	-
Money Market Funds	315,783	315,783	-	-	-	-
	<u>\$ 212,593,695</u>	<u>\$ 1,524,543</u>	<u>\$ 2,815,659</u>	<u>\$ 8,329,730</u>	<u>\$ 461,990</u>	<u>\$ 199,461,773</u>

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. All investments other than bank deposits or funds invested in the PTIF are to be held by a third party with securities delivered on a delivery vs. purchase basis.

As of June 30, 2022, the City kept all investments either in the PTIF or with custodian counterparty Moreton Asset Management and all investments which were held by the counterparty’s trust department or agent are registered in the City’s name. The City does not have a formal policy for custodial credit risk.

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, 2022, 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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 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, 2022) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2022, the City had \$193,724,355 invested in the PTIF which had a fair value of \$192,923,998 for an unrealized loss of \$800,357. Due to the insignificance of this amount in relation to the funds affected by the unrealized loss, 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:

<u>Investment Type</u>	<u>Investment Percentage</u>
Corporate bonds and notes	58.10%
Commercial paper	10.14%
Money market accounts	19.77%
U.S Treasury bills	11.99%
	<u>100.00%</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE D – RESTRICTED ASSETS

The City’s restricted assets consist of the following:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Restricted cash and cash equivalents			
Reserves for future debt service	\$ 1,261,223	\$ 2,844,069	\$ 4,105,292
Unexpended bond proceeds	-	66,027,077	66,027,077
Unexpended B & C Road funds	3,877,254	-	3,877,254
Utah County transportation funds	615,940	-	615,940
Unexpended State Grant funds	950,000	-	950,000
Unexpended Parc Tax funds	177,335	-	177,335
Unexpended CDBG funds	37,136	-	37,136
Funds restricted for landfill post-closure costs	519,045	-	519,045
Asset forfeiture account funds	57,840	-	57,840
Fund restricted for library	176,865	-	176,865
Unexpended impact fees	7,967,187	13,092,307	21,059,494
Total restricted cash and cash equivalents	15,639,825	81,963,453	97,603,278
Restricted taxes and intergovernmental receivables	1,410,688	-	1,410,688
Total restricted assets	<u>\$ 15,639,825</u>	<u>\$ 81,963,453</u>	<u>\$ 97,603,278</u>

NOTE E – LEASE RECEIVABLES

The City has entered into agreements for the lease of cell phone towers with four cellular service providers as summarized below:

	Receivable Balance June 30, 2022	Lease Term Expires	Payment terms
Verizon	\$ 605,074	2040	Monthly payments currently at \$2,600 and increasing annually to \$5,267 in the final year.
T Mobile	309,756	2033	Annual payments currently at \$24,933, increasing annually to \$38,382 in the final year.
Monarch	273,552	2032	Annual payments currently at \$25,929, increasing annually to \$38,382 in the final year.
American	42,949	2032	Monthly payments of \$415 through the end of the lease term.
	<u>\$ 1,231,331</u>		

In 2022, the City recognized \$46,621 of lease revenue and \$40,068 of interest revenue under the leases.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE F – FUND BALANCES

Fund balances are presented on the governmental fund balance sheet in compliance with the requirements of GAAP. The detail of the fund balance categories is presented below:

	Major Governmental Funds				Total
	General	Special Revenue Redevelopment Agency	Capital Projects	Other Governmental Fund	
Restricted:					
Externally imposed by creditors					
Debt reserves	\$ -	\$ -	\$ 1,261,223	\$ -	\$ 1,261,223
Externally imposed by grantors	176,865	-	1,037,136	-	1,214,001
Imposed by law or legislation					
C road funds	4,927,156	-	-	-	4,927,156
Less liabilities payable from C road funds	(336,361)	-	-	-	(336,361)
Utah County transportation funds	615,940	-	-	-	615,940
Parc tax funds	488,121	-	-	-	488,121
Landfill post-closure costs	519,045	-	-	-	519,045
Impact fees	-	-	7,967,187	-	7,967,187
Less liabilities payable from impact fees or bond proceeds	-	-	(625,546)	-	(625,546)
Total restricted	6,390,766	-	9,640,000	-	16,030,766
Committed:					
Library Fund	647,031	-	-	-	647,031
Total committed	647,031	-	-	-	647,031
Assigned:					
Hutchings Museum	23,643	-	-	-	23,643
Redevelopment	-	3,898,905	-	-	3,898,905
Capital Projects	-	-	37,738,566	-	37,738,566
Debt Service	-	-	-	20,819	20,819
Total assigned	23,643	3,898,905	37,738,566	20,819	41,681,933
Unassigned:	19,412,949	-	-	-	19,412,949
Total fund balance	<u>\$ 26,474,389</u>	<u>\$ 3,898,905</u>	<u>\$ 47,378,566</u>	<u>\$ 20,819</u>	<u>\$ 77,772,679</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE G – RIGHT TO USE LEASED ASSETS

The City has recorded right to use leased assets in connection with leases for certain pieces of equipment. The related leases are discussed in the Leases subsection of the Long-term Obligations note below. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

During the year ended June 30, 2022, the City adopted the provisions of GASB Statement No. 87 and recorded these assets as right to use leased assets. There was no impact on the City’s net assets as a result of adopting GASB Statement No. 87.

Right to use asset activity for the year ended June 30, 2022 was as follows:

	Balance			Balance
	July 1, 2021	Increases	Decreases	June 30, 2022
Right to use assets				
Leased machinery and equipment	\$ 53,163	\$ 28,193	\$ -	\$ 81,356
Total right to use assets	<u>53,163</u>	<u>28,193</u>	<u>-</u>	<u>81,356</u>
Less accumulated amortization				
Leased machinery and equipment	13,291	22,689	-	35,980
Total accumulated amortization	<u>13,291</u>	<u>22,689</u>	<u>-</u>	<u>35,980</u>
Right to use assets, net	<u>\$ 39,872</u>	<u>\$ 5,504</u>	<u>\$ -</u>	<u>\$ 45,376</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE H – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 is as follows:

	July 1, 2021	Increases	Decreases	June 30, 2022
Governmental Activities:				
Nondepreciable capital assets:				
Land	\$ 159,563,386	\$ 10,517,394	\$ 301,847	\$ 169,778,933
Construction in progress	35,180,392	3,093,844	15,690,793	22,583,443
Total nondepreciable capital assets	<u>\$ 194,743,778</u>	<u>\$ 13,611,238</u>	<u>\$ 15,992,640</u>	<u>\$ 192,362,376</u>
Depreciable capital assets:				
Buildings	\$ 31,319,471	\$ 79,085	\$ -	\$ 31,398,556
Improvements, including infrastructure	288,805,692	36,862,104	-	325,667,796
Machinery, equipment and vehicles	27,658,761	700,761	142,527	28,216,995
Office furniture and equipment	1,666,761	-	-	1,666,761
Total depreciable capital assets at historical cost	<u>349,450,685</u>	<u>37,641,950</u>	<u>142,527</u>	<u>386,950,108</u>
Less accumulated depreciation:				
Buildings	15,269,558	1,275,824	-	16,545,382
Improvements, including infrastructure	144,924,080	15,054,424	-	159,978,504
Machinery, equipment and vehicles	18,319,287	1,803,532	142,527	19,980,292
Office furniture and equipment	1,630,487	6,529	-	1,637,016
Total accumulated depreciation	<u>180,143,412</u>	<u>18,140,309</u>	<u>142,527</u>	<u>198,141,194</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 169,307,273</u>	<u>\$ 19,501,641</u>	<u>\$ -</u>	<u>\$ 188,808,914</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 2,043,238
Public safety	1,379,592
Community development	86,860
Streets and highways, including infrastructure	12,787,981
Parks, recreation and culture	1,799,271
Cemetery	43,367
	<u>\$ 18,140,309</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE H – CAPITAL ASSETS – CONTINUED

	July 1, 2021	Increases	Decreases	June 30, 2022
Business-type Activities				
Nondepreciable capital assets:				
Land	\$ 3,426,304	\$ 536,000	\$ -	\$ 3,962,304
Construction in progress	8,552,207	5,894,022	2,392,694	12,053,535
Intangibles	60,386,565	733,990	-	61,120,555
Total nondepreciable capital assets	<u>\$ 72,365,076</u>	<u>\$ 7,164,012</u>	<u>\$ 2,392,694</u>	<u>\$ 77,136,394</u>
Depreciable capital assets:				
Buildings	\$ 13,408,298	\$ -	\$ -	\$ 13,408,298
Improvements, including infrastructure	416,482,171	43,638,215	-	460,120,386
Machinery, equipment and vehicles	6,971,473	-	166,994	6,804,479
Office furniture and equipment	207,160	-	-	207,160
Total depreciable capital assets at historical cost	<u>437,069,102</u>	<u>43,638,215</u>	<u>166,994</u>	<u>480,540,323</u>
Less accumulated depreciation:				
Buildings	2,828,089	448,774	-	3,276,863
Improvements, including infrastructure	115,567,478	12,907,329	-	128,474,807
Machinery, equipment and vehicles	5,388,650	332,983	166,994	5,554,639
Office furniture and equipment	195,265	2,773	-	198,039
Total accumulated depreciation	<u>123,979,482</u>	<u>13,691,859</u>	<u>166,994</u>	<u>137,504,348</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 313,089,620</u>	<u>\$ 29,946,356</u>	<u>\$ -</u>	<u>\$ 343,035,975</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Culinary water	\$ 2,297,031
Sewer	2,323,273
Electric	4,449,450
Pressurized irrigation	2,642,321
Drainage	1,979,784
	<u>\$ 13,691,859</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE I – CUSTOMER DEPOSITS

Business-type activity deposits consist of deposits from developers for the use of a water meter on a hydrant while a project is in process. The developers are refunded their deposits upon completion of the project.

NOTE J – LONG-TERM OBLIGATIONS

A summary of long-term obligation activity for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Current Amounts Due
Governmental activities					
Direct Placements					
2014 Sales tax revenue and refunding bonds	\$ 2,340,000	\$ -	\$ 765,000	\$ 1,575,000	\$ 780,000
2004 Subordinated sales tax revenue bonds	7,955,000	-	-	7,955,000	-
Other bonds and notes payable					
2019 Sales tax revenue bonds	16,470,000	-	-	16,470,000	-
Unamortized premium	1,723,172	-	96,626	1,626,546	-
2018 Sales tax revenue bonds	4,540,000	-	170,000	4,370,000	180,000
Unamortized premium	653,301	-	38,429	614,872	-
Tax increment notes payable to developers	85,804,166	-	3,240,690	82,563,476	-
Other notes payable	3,247,827	-	544,207	2,703,620	419,403
Total bonds and notes payable	<u>122,733,466</u>	<u>-</u>	<u>4,854,952</u>	<u>117,878,514</u>	<u>1,379,403</u>
Other liabilities:					
Lease liabilities	-	28,193	(18,137)	46,330	9,892
Compensated absences	3,649,337	1,750,914	1,509,331	3,890,920	1,657,396
Net pension liability	1,790,473	-	1,790,473	-	-
Landfill closure and post-closure care liability	512,372	-	-	512,372	-
	<u>5,952,182</u>	<u>1,779,107</u>	<u>3,281,667</u>	<u>4,449,622</u>	<u>1,667,288</u>
Governmental activities long-term debt	<u>\$ 128,685,648</u>	<u>\$ 1,779,107</u>	<u>\$ 8,136,619</u>	<u>\$ 122,328,136</u>	<u>\$ 3,046,691</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Current Amounts Due
Business-type activities					
Direct Placements					
2010 Drainage refunding bonds	\$ 780,000	\$ -	\$ 185,000	\$ 595,000	\$ 190,000
Other bonds and notes payable					
2021 Franchise and sales tax revenue bonds	53,890,000	-	-	53,890,000	-
Unamortized premium	9,651,973	-	362,123	9,289,850	-
2019 Water revenue bonds	16,700,000	-	405,000	16,295,000	425,000
Unamortized premium	2,268,890	-	100,334	2,168,556	-
2018 Electric revenue bonds	14,150,000	-	545,000	13,605,000	575,000
Unamortized premium	2,093,335	-	126,046	1,967,289	-
Note payable to Provo Reservoir Water Users Company	355,200	-	22,265	332,935	22,706
Note payable to Provo River Water Users Association	759,388	-	49,665	709,723	50,290
Total bonds and notes payable	<u>100,648,786</u>	<u>-</u>	<u>1,795,433</u>	<u>98,853,353</u>	<u>1,262,996</u>
Compensated absences	1,126,408	502,412	512,348	1,116,472	497,665
Net pension liability	198,340	-	198,340	-	-
	<u>1,324,748</u>	<u>502,412</u>	<u>710,688</u>	<u>1,116,472</u>	<u>497,665</u>
Business-type activities long-term debt	<u>\$ 101,973,534</u>	<u>\$ 502,412</u>	<u>\$ 2,506,121</u>	<u>\$ 99,969,825</u>	<u>\$ 1,760,661</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Bonds and notes payable

The City has issued the following notes and bonds payable as of June 30, 2022:

Series	Original Issue	Interest Rate	Premium Paid on Issue	Maturity Date	Principal and Unamortized Premium Outstanding
Governmental Activities					
Bonds Payable					
2019 Sales tax revenue bonds	\$ 16,470,000	2.41% - 5.00%	\$ 1,932,528	2039	\$ 18,096,546
2018 Sales tax revenue bonds	5,000,000	4.00% - 5.25%	768,588	2038	4,984,872
2014 Sales tax revenue and refunding bonds	7,210,000	2.30%	-	2024	1,575,000
2004 Subordinated sales tax revenue bonds	9,000,000	4.75%	-	2024	7,955,000
Notes Payable					
Tax increment note payable to developer - Alpine Highway Project	75,744,432	6.50%	-	2028	43,040,344
Tax increment note payable to developer - West Timpanogos Community Development Project Area	19,557,363	-	-	2034	17,534,439
Tax increment note payable to developer - Thanksgiving Park Economic Development Project Area	2,500,000	-	-	2024	447,229
Tax increment note payable to developer - Traverse Mountain Community Development Project Area	13,612,053	-	-	2031	10,451,021
Tax increment note payable to developer - Alpine Highway West Economic Development Project Area	17,478,052	-	-	2031	11,090,443
Note payable to developer	1,000,000	-	-	2025	418,655
Note payable - equipment finance	810,000	1.348%	-	2027	696,170
Note payable - equipment finance	2,200,000	1.686%	-	2026	1,588,795
Total governmental activities					<u>\$ 117,878,514</u>
Bonds Payable					
2010 Storm Drain revenue and refunding bonds	\$ 2,500,000	3.51%	-	2025	\$ 595,000
2021 Franchise and sales tax revenue bonds	53,890,000	4.00% - 5.00%	9,777,323	2048	63,179,850
2019 Water revenue bonds	17,205,000	4.00% - 5.00%	2,508,353	2044	18,463,556
2018 Electric revenue bonds	15,640,000	4.00% - 5.00%	2,469,467	2038	15,572,289
Notes Payable					
Note payable to Provo Reservoir Water User Company	419,011	4.00%	-	2035	332,935
Note payable to Provo River Water Users Association	884,380	4.00%	-	2035	709,723
Total business-type activities					<u>\$ 98,853,353</u>

For the governmental activities, the sales tax revenue bonds, the net pension liability and compensated absences are generally liquidated by the general fund. Capital project funds provide debt service for the subordinated sales tax revenue bonds and the other notes payable. The debt service for the tax increments notes payable to developer is provided by the RDA.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

As of June 30, 2022 annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30,	Direct Placement		Other	
	Sales Tax		Sales Tax	
	Revenue Bonds		Revenue Bonds	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 780,000	\$ 36,224	\$ 180,000	\$ 881,913
2024	795,000	18,285	190,000	873,912
2025	-	-	1,025,000	865,413
2026	-	-	1,065,000	856,413
2027	-	-	1,100,000	846,912
2028-2032	-	-	6,280,000	3,321,975
2033-2037	-	-	7,790,000	2,287,800
2038-2039	-	-	3,210,000	8,845,926
	<u>\$ 1,575,000</u>	<u>\$ 54,509</u>	20,840,000	18,780,264
Unamortized Premium			<u>2,241,418</u>	<u>(2,241,418)</u>
			<u>\$ 23,081,418</u>	<u>\$ 16,538,846</u>

Year ending June 30,	Other Notes Payable	
	Equipment	
	Finance	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 419,403	\$ 36,171
2024	426,095	29,479
2025	432,894	22,680
2026	439,803	15,770
2027	446,816	8,750
2028	119,954	1,617
	<u>\$ 2,284,965</u>	<u>\$ 114,467</u>

The other notes payable consist of the following:

- Note payable with a balance at June 30, 2022 of \$1,588,788, payable in annual installments of \$334,010 through August of 2026 including interest at 1.686%, issued for the acquisition of a fire engine and ladder truck.
- Note payable with a balance at June 30, 2022 of \$696,177, payable in annual installments of \$121,564 through August 2027, including interest at 1.348%, issued for the acquisition of a vac truck, a bucket truck and a power line puller.
- Note payable to developer with a balance at June 30, 2022 of \$418,655, the amortization of which is unknown due to the uncertainty of the timing of the payments.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

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.

The amortization of compensated absences, net pension liability, subordinated sales tax revenues bonds, and the tax increment notes payable to developer have not been included in the above schedules due to the uncertainty of the timing of the payments.

As of June 30, 2022, annual debt service requirements of business-type activities to maturity are as follows:

Year ending June 30,	Direct Placements	
	Drainage	
	Revenue bonds	
	Principal	Interest
2023	\$ 190,000	\$ 22,706
2024	200,000	23,156
2025	205,000	23,614
	<u>\$ 595,000</u>	<u>\$ 69,476</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Other Bonds and Notes				
Year ending June 30,	Water		Electric	
	Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 425,000	\$ 814,750	\$ 575,000	\$ 680,250
2024	445,000	793,500	605,000	651,500
2025	465,000	771,250	635,000	621,250
2026	490,000	748,000	665,000	589,500
2027	515,000	723,500	700,000	556,250
2087-2032	2,980,000	3,205,250	4,055,000	2,220,250
2033-2037	3,810,000	2,381,000	5,175,000	1,100,500
2038-2042	4,865,000	1,328,500	1,195,000	59,750
2043-2044	2,300,000	174,000	-	-
	<u>16,295,000</u>	<u>10,939,750</u>	<u>13,605,000</u>	<u>6,479,250</u>
Unamortized				
Premium	2,168,556	(2,168,556)	1,967,289	(1,967,289)
	<u>\$ 18,463,556</u>	<u>\$ 8,771,194</u>	<u>\$ 15,572,289</u>	<u>\$ 4,511,961</u>
Franchise and Sales Tax				
Revenue Bonds				
Year ending June 30,	Principal	Interest		
2023	\$ -	\$ 2,210,150		
2024	875,000	2,210,150		
2025	915,000	2,175,150		
2026	950,000	2,138,550		
2027	985,000	2,100,550		
2087-2032	6,400,000	9,711,500		
2033-2037	10,860,000	7,918,200		
2038-2042	13,215,000	5,565,400		
2043-2047	16,080,000	2,702,200		
2048	3,610,000	144,400		
	<u>53,890,000</u>	<u>36,876,250</u>		
Unamortized				
Premium	9,289,850	(9,289,850)		
	<u>\$ 63,179,850</u>	<u>\$ 27,586,400</u>		

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Year ending June 30,	Note Payable to Provo River Water Users Association		Note Payable to Provo Reservoir Water Users Co.	
	Principal	Interest	Principal	Interest
	2023	\$ 50,290	\$ 9,605	\$ 22,706
2024	50,978	8,924	23,156	6,145
2025	51,691	8,235	23,614	5,686
2026	52,317	7,535	24,082	5,219
2027	53,078	6,827	24,559	4,742
2028-2032	276,423	23,162	130,289	16,215
2033-2036	174,946	4,753	84,529	3,368
	<u>\$ 709,723</u>	<u>\$ 69,041</u>	<u>\$ 332,935</u>	<u>\$ 47,970</u>

The amortization of compensated absences and the net pension liability has not been included in the above schedules due to the uncertainty of the timing of the payments.

Collateral and Events of Default:

All of the City's sales tax revenue bonds are payable from and secured solely by a pledge and assignment of the sales tax revenues collected by the City.

The outstanding electric, water and drainage revenue bonds in 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 than 125% of the aggregate annual debt service requirement for the upcoming fiscal year. The following summarizes the debt service coverage calculations for the various revenue bonds:

	Electric Revenues Bonds	Drainage Revenue Bonds	Water Revenue Bonds
Net revenues			
Operating revenues	\$ 40,789,880	\$ 2,508,517	\$ 13,141,671
Operating expenses (excluding depreciation)	(37,878,941)	(1,315,530)	(7,800,534)
Impact fee revenues	5,528,192	491,503	3,706,284
Interest income	42,909	5,353	56,774
Net revenues	<u>\$ 8,482,040</u>	<u>\$ 1,689,843</u>	<u>\$ 9,104,195</u>
Aggregate debt service for 2022	<u>\$ 1,255,250</u>	<u>\$ 212,706</u>	<u>\$ 1,239,750</u>
Ratio of net revenues to aggregate debt service	6.76	7.94	7.34
Minimum ratio	1.25	1.25	1.25

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

The outstanding bonds in the fiber fund are secured by revenue pledges from (i) revenues received from the imposition of a municipal energy sales and use tax, (ii) revenues received from the imposition of a local sales and use tax in the amount of 50% of the average annual debt service on the bonds, and (iii) net revenues from the operation of the City’s fiber-optic network. Construction of the fiber-optic network is anticipated to begin during the 2022 fiscal year with the receipt of the aforementioned revenues beginning during the 2023 fiscal year. The anticipated build-out period for the fiber-optic network is three years.

In the event of default on the City’s bonds, the trustee may pursue any available remedy by suit at law or in equity to enforce payment of the principal and interest then outstanding or to enforce any obligations of the City under its bond indentures.

See Note K – Pledged Revenues for further discussion about revenues pledged as collateral for long-term obligations.

Details of Direct Placement Bonds – Governmental Activities

Series 2014 Sales Tax Revenue and Refunding Bonds

Type:	Direct Placement
Purpose:	Refunding Series 2003 and 2004 Sales Tax Revenue Bonds
Date of issuance:	March 6, 2014
Term:	20 years
Interest rate:	2.30%
Original Issue:	\$7,210,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2023	\$ 780,000	\$ 36,224	\$ 816,224
2024	795,000	18,285	813,285
	<u>\$ 1,575,000</u>	<u>\$ 54,509</u>	<u>\$ 1,629,509</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

Series 2004 Subordinated Sales Tax Revenue Bonds

Type:	Direct Placement
Purpose:	Street and parking improvements around Cabella's store and construction of museum within the store
Date of issuance:	2004
Term:	20 years
Interest rate:	4.75%
Original Issue:	\$9,000,000

Debt service requirements, including interest are based on 87.5% of sales tax collections from the Cabela's store located within the City. Timing of the payments is uncertain. If the bonds are not paid in full by 2024, the outstanding balance will be forgiven by the owners of the bonds.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Details of Other Bonds – Governmental Activities

Series 2019 Sales Tax Revenue Bonds

Type:	Public Offering
Purpose:	Construction of public safety building
Date of issuance:	May 30, 2019
Term:	20 years
Interest rate:	2.41% - 5.00%
Original Issue:	\$16,470,000

Debt service requirements, including interest:

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 653,600	653,600
2024	-	653,600	653,600
2025	830,000	653,600	1,483,600
2026	860,000	623,200	1,483,200
2027	880,000	602,550	1,482,550
2028	925,000	558,550	1,483,550
2029	960,000	521,550	1,481,550
2030	985,000	499,950	1,484,950
2031	1,030,000	450,700	1,480,700
2032	1,085,000	399,200	1,484,200
2033	1,125,000	355,800	1,480,800
2034	1,170,000	310,800	1,480,800
2035	1,220,000	264,000	1,484,000
2036	1,265,000	215,200	1,480,200
2037	1,320,000	164,600	1,484,600
2038	1,370,000	111,800	1,481,800
2039	1,445,000	57,000	1,502,000
	<u>\$ 16,470,000</u>	<u>\$ 7,095,700</u>	<u>\$ 23,565,700</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Series 2018 Sales Tax Revenue Bonds

Type: Public Offering
Purpose: Construction of fire station
Date of issuance: February 8, 2018
Term: 20 years
Interest rate: 4.00% - 5.25%
Original Issue: \$5,000,000

Debt service requirements, including interest:

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 180,000	\$ 211,813	\$ 391,813
2024	190,000	202,813	392,813
2025	195,000	193,312	388,312
2026	205,000	183,563	388,563
2027	220,000	173,312	393,312
2028	230,000	162,313	392,313
2029	245,000	150,812	395,812
2030	260,000	137,950	397,950
2031	275,000	124,300	399,300
2032	285,000	113,300	398,300
2033	295,000	101,900	396,900
2034	310,000	90,100	400,100
2035	345,000	77,700	422,700
2036	360,000	59,587	419,587
2037	380,000	40,687	420,687
2038	395,000	20,737	415,737
	<u>\$ 4,370,000</u>	<u>\$2,044,199</u>	<u>\$ 6,414,199</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Details of Direct Placement Bonds – Business-type Activities

Series 2010 Drainage Refunding Bonds

Type:	Direct Placement
Purpose:	Refund Series 2000 Drainage Revenue bonds and finance drainage system improvements
Date of issuance:	September 30, 2010
Term:	15 years
Interest rate:	3.51%
Original Issue:	\$2,500,000

Debt service requirements, including interest:

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 190,000	\$ 22,706	\$ 212,706
2024	200,000	23,156	223,156
2025	205,000	23,614	228,614
	<u>\$ 595,000</u>	<u>\$ 69,476</u>	<u>\$ 664,476</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Details of Other Bonds – Business-type Activities

Series 2021 Franchise and Sales Tax Revenue Bonds

Type:	Public Offering
Purpose:	Construction and installation of fiber-optic network
Date of issuance:	March 17, 2021
Term:	27 years
Interest rate:	4.00% - 5.00%
Original Issue:	\$53,890,000

Debt service requirements, including interest:

Year ending June 30:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 2,210,150	\$ 2,210,150
2024	875,000	2,210,150	3,085,150
2025	915,000	2,175,150	3,090,150
2026	950,000	2,138,550	3,088,550
2027	985,000	2,100,550	3,085,550
2028	1,035,000	2,051,300	3,086,300
2029	1,090,000	1,999,550	3,089,550
2030	1,145,000	1,945,050	3,090,050
2031	1,200,000	1,887,800	3,087,800
2032	1,930,000	1,827,800	3,757,800
2033	2,005,000	1,750,600	3,755,600
2034	2,085,000	1,670,400	3,755,400
2035	2,170,000	1,587,000	3,757,000
2036	2,255,000	1,500,200	3,755,200
2037	2,345,000	1,410,000	3,755,000
2038	2,440,000	1,316,200	3,756,200
2039	2,535,000	1,218,600	3,753,600
2040	2,640,000	1,117,200	3,757,200
2041	2,745,000	1,011,600	3,756,600
2042	2,855,000	901,800	3,756,800
2043	2,970,000	787,600	3,757,600
2044	3,085,000	668,800	3,753,800
2045	3,210,000	545,400	3,755,400
2046	3,340,000	417,000	3,757,000
2047	3,475,000	283,400	3,758,400
2048	3,610,000	144,400	3,754,400
2049	-	-	-
	<u>\$ 53,890,000</u>	<u>\$ 36,876,250</u>	<u>\$ 90,766,250</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Series 2019 Water Revenue Bonds

Type: Public Offering
Purpose: Construction of detention reservoir and related improvements
Date of issuance: February 7, 2019
Term: 25 years
Interest rate: 4.00% - 5.00%
Original Issue: \$17,205,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2023	\$ 425,000	\$ 814,750	\$ 1,239,750
2024	445,000	793,500	1,238,500
2025	465,000	771,250	1,236,250
2026	490,000	748,000	1,238,000
2027	515,000	723,500	1,238,500
2028	540,000	697,750	1,237,750
2029	565,000	670,750	1,235,750
2030	595,000	642,500	1,237,500
2031	625,000	612,750	1,237,750
2032	655,000	581,500	1,236,500
2033	690,000	548,750	1,238,750
2034	725,000	514,250	1,239,250
2035	760,000	478,000	1,238,000
2036	800,000	440,000	1,240,000
2037	835,000	400,000	1,235,000
2038	880,000	358,250	1,238,250
2039	925,000	314,250	1,239,250
2040	970,000	268,000	1,238,000
2041	1,020,000	219,500	1,239,500
2042	1,070,000	168,500	1,238,500
2043	1,120,000	115,000	1,235,000
2044	1,180,000	59,000	1,239,000
	<u>\$ 16,295,000</u>	<u>\$ 10,939,750</u>	<u>\$ 27,234,750</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Series 2018 Electric Revenue Bonds

Type:	Public Offering
Purpose:	Construction of power generation plant
Date of issuance:	February 8, 2018
Term:	20 years
Interest rate:	4.00% - 5.00%
Original Issue:	\$15,640,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2023	\$ 575,000	\$ 680,250	\$ 1,255,250
2024	605,000	651,500	1,256,500
2025	635,000	621,250	1,256,250
2026	665,000	589,500	1,254,500
2027	700,000	556,250	1,256,250
2028	735,000	521,250	1,256,250
2029	770,000	484,500	1,254,500
2030	810,000	446,000	1,256,000
2031	850,000	405,500	1,255,500
2032	890,000	363,000	1,253,000
2033	935,000	318,500	1,253,500
2034	985,000	271,750	1,256,750
2035	1,030,000	222,500	1,252,500
2036	1,085,000	171,000	1,256,000
2037	1,140,000	116,750	1,256,750
2038	1,195,000	59,750	1,254,750
	<u>\$ 13,605,000</u>	<u>\$ 6,479,250</u>	<u>\$ 20,084,250</u>

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, 2022 the following bonds are considered defeased:

	<u>Bond Series</u>	<u>Defeased Balance</u>
Governmental Activities:	2000 Lease Revenue Bonds	\$1,350,000

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Lease liabilities – government activities

The City has entered into four agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The agreements consist of the following as of June 30, 2022:

Net Book Value of Right To Use Asset	Type of Right to Use Asset	Discount Rate	Lease Terms
\$ 26,581	Backhoe	2.85%	Lease executed in September 2020 and requires four annual payments of \$14,200. No variable payment components. Discount rate calculated using the City's incremental borrowing rate.
18,795	Track Loader	2.80%	Lease executed in March 2022 and requires three annual payments of \$9,900. No variable payment components. Discount rate calculated using the City's incremental borrowing rate.
<u>\$ 45,376</u>			

The right to use assets are discussed in more detail at Note G.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year ending June 30:	Principal Payments	Interest Payments	Total
2023	\$ 9,892	\$ 1,303	\$ 11,195
2024	23,533	567	24,100
2025	12,905	-	12,905
	<u>\$ 46,330</u>	<u>\$ 1,870</u>	<u>\$ 48,200</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE K – PLEDGED REVENUES

The City has pledged sales tax revenues in the amount of \$41,249,773 to fund debt service payments on the sales tax revenue bonds. The 2014 bonds were used to refund the 2003 and 2004 sales tax revenue and to finance infrastructure improvements. The 2018 bonds were used primarily to finance the construction of a new fire station within the City, and the 2019 bonds were used primarily to finance the construction of a new police station within the City. Sales tax revenue has been pledged for debt service payments through the year 2039. Total sales tax collections through 2039 have not been estimated. Sales tax revenue in the current year was \$21,475,897 and debt service for the sales tax bonds was \$2,366,043.

The City has pledged tax increment revenues to fund debt service payments on the tax increment note payable to developer in the Alpine Highway Project Area. The principal portion of the note is \$43,040,344. 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 \$8,012,408. 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 of the Thanksgiving Park Project Area in the amount of \$447,229. 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 \$240,216. 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 property and sales tax increment revenues to fund debt service payments on a tax increment note payable to developer of the Traverse Mountain Project Area in the amount of \$10,451,021. 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 \$436,294. 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 property tax increment revenues to fund debt service payments on a tax increment note payable to developer of the Alpine Highway West Project Area in the amount of \$11,090,443. 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 2034. Tax increment revenue available for debt service in the current year was \$1,231,875. 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE K – PLEDGED REVENUES – CONTINUED

The City has pledged property tax increment revenues to fund debt service payments on a tax increment note payable to developer of the West Timpanogos Community Development Project Area in the amount of \$17,534,439. 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 2035. Tax increment revenue available for debt service in the current year was \$374,288. 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 electric revenues in the amount of \$20,084,250 to fund debt service payments on the electric revenue 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 2038. Electric revenues are projected to produce 500 percent of the debt service requirements over the life of the bonds. In the current year, net electric revenues were \$8,482,040 and electric revenue bond debt service payments were \$1,252,500.

The City has pledged drainage revenues in the amount of \$664,476 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 \$1,689,843 and drainage revenue bond debt service payments were \$212,378.

The City has pledged water and pressurized irrigation revenues in the amount of \$27,234,750 to fund debt service payments on the water revenue bonds. The bonds were issued to fund water and pressurized irrigation system improvements within the City. Water and pressurized irrigation revenues have been pledged to fund debt service payments through the year 2044. Water and pressurized irrigation revenues are expected to produce approximately 400 percent of the debt service requirements over the life of the bonds. In the current year, net water and pressurized irrigation revenues were \$9,104,195 and water revenue bond debt service payments were \$1,235,950.

The City has pledged municipal energy sales and use tax revenues in the amount of \$90,766,250 to fund debt service payments on the 2021 franchise and sales tax revenue bonds. The bonds were issued to fund the acquisition, construction and installation of a fiber-optic network within the City. The franchise and sales tax revenues have been pledged to fund debt service payments through the year 2048. The franchise and sales tax revenues are expected to produce approximately 205 percent of the debt service requirements over the life of the bonds. Debt service payments on these bonds during the year ended June 30, 2022, were \$1,927,742. The City began construction of the fiber-optic network during September 2022. The City anticipates beginning to receive revenues from the system during the year ended June 30, 2023.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

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

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

The Utah Retirement Systems (URS) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the URS under the direction of the Board, whose members are appointed by the Governor. The URS are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

Benefits provided: URS provides retirement, disability, and death benefits.
 Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory system	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS - CONTINUED

Contribution Rate Summary

As a condition of participation in the URS, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022 are as follows:

	<u>Employee Paid</u>	<u>Employer Contribution Rates</u>	<u>Employer Rate for 401(k) Plan</u>
Contributory System			
111 - Local Governmental Division Tier 2	N/A	16.07%	0.62%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
23 - Other Division A with 2.5% COLA	12.29%	22.79%	N/A
122 - Tier 2DB Hyebrid Public Safety	2.27%	25.83%	N/A
Noncontributory			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
Firefighters System			
31 - Other Division A	15.05%	4.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	2.27%	14.08%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	14.00%
232 - Firefighters	N/A	0.08%	14.00%

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

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory	\$ 1,433,309	N/A
Public Safety	713,658	26,302
Firefighters	76,928	251,143
Tier 2 Public Employees	968,641	-
Tier 2 Public Safety and Firefighter	841,124	93,321
Tier 2 DC Only	72,284	N/A
Tier 2 DC Public Safety and Firefighter	299	N/A
Total Contributions	<u>\$ 4,106,243</u>	<u>\$ 370,766</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

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

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

At June 30, 2022, the City reported a net pension asset of \$10,211,767 and no net pension liability.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory system	0.9952875%	\$ 5,700,118	\$ -
Public Safety System	1.6120417%	1,309,208	-
Firefighters System	5.1424352%	2,999,152	-
Tier 2 Public Employees System	0.2906501%	123,014	-
Tier 2 Public Safety and Firefighter System	1.5882625%	80,275	-
		<u>\$ 10,211,767</u>	<u>\$ -</u>

The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2022, the City recognized pension benefit of \$435,672.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,047,699	\$ 55,865
Changes in assumptions	1,264,125	65,841
Net difference between projected and actual earnings on pension plan investments	-	13,614,022
Changes in proportion and differences between contributions and proportionate share of contributions	257,559	8,671
Contributions subsequent to the measurement date	2,093,436	-
Total	<u>\$ 4,662,819</u>	<u>\$ 13,744,399</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

\$2,093,436 reported as deferred outflows of resources was related to contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

Year Ended June 30,	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (2,138,411)
2024	(3,933,811)
2025	(3,196,658)
2026	(2,160,478)
2027	45,099
Thereafter	209,243

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

For the year ended June 30, 2022, the City recognized pension benefit of \$768,831.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 597,026	\$ -
Changes in assumptions	534,977	36,793
Net difference between projected and actual earnings on pension plan investments	-	7,674,444
Changes in proportion and differences between contributions and proportionate share of contributions	52,431	-
Contributions subsequent to the measurement date	713,466	-
Total	<u>\$ 1,897,900</u>	<u>\$ 7,711,237</u>

\$713,466 reported as deferred outflows of resources was related to contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2021.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

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

Year Ended June 30,	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (1,217,622)
2024	(2,176,917)
2025	(1,857,128)
2026	(1,275,136)
2027	-
Thereafter	-

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

For the year ended June 30, 2022, the City recognized pension expense of \$91,503.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 111,428	\$ -
Changes in assumptions	229,532	13,618
Net difference between projected and actual earnings on pension plan investments	-	3,538,738
Changes in proportion and differences between contributions and proportionate share of contributions	84,950	-
Contributions subsequent to the measurement date	370,679	-
Total	<u>\$ 796,589</u>	<u>\$ 3,552,356</u>

\$370,679 reported as deferred outflows of resources was related to contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2021.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

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

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2023	\$ (533,540)
2024	(1,132,849)
2025	(873,367)
2026	(586,690)
2027	-
Thereafter	-

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

For the year ended June 30, 2022, the City recognized pension benefit of \$609,154.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 210,694	\$ 26,828
Changes in assumptions	294,833	-
Net difference between projected and actual earnings on pension plan investments	-	1,851,523
Changes in proportion and differences between contributions and proportionate share of contributions	30,537	7,101
Contributions subsequent to the measurement date	37,806	-
Total	<u>\$ 573,870</u>	<u>\$ 1,885,452</u>

\$37,806 reported as deferred outflows of resources was related to contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2021.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

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

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2023	\$ (276,599)
2024	(486,265)
2025	(362,949)
2026	(233,980)
2027	10,405
Thereafter	-

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

For the year ended June 30, 2022, the City recognized pension expense of \$427,606.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,763	\$ 15,849
Changes in assumptions	114,701	1,163
Net difference between projected and actual earnings on pension plan investments	-	303,952
Changes in proportion and differences between contributions and proportionate share of contributions	73,192	-
Contributions subsequent to the measurement date	539,232	-
Total	<u>\$ 786,888</u>	<u>\$ 320,964</u>

\$539,232 reported as deferred outflows of resources was related to contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2021.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

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

Year Ended June 30,	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (56,658)
2024	(72,763)
2025	(52,659)
2026	(30,128)
2027	24,378
Thereafter	114,522

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

For the year ended June 30, 2022, the City recognized pension expense of \$423,205.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68,788	\$ 13,188
Changes in assumptions	90,082	14,267
Net difference between projected and actual earnings on pension plan investments	-	245,365
Changes in proportion and differences between contributions and proportionate share of contributions	16,449	1,570
Contributions subsequent to the measurement date	432,253	-
Total	<u>\$ 607,572</u>	<u>\$ 274,390</u>

\$432,253 reported as deferred outflows of resources was related to contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

Year Ended June 30,	Deferred Outflows (Inflows) <u>of Resources</u>
2023	\$ (53,992)
2024	(65,017)
2025	(50,554)
2026	(34,542)
2027	10,315
Thereafter	94,719

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	37%	6.58 %	2.43 %
Debt securities	20%	(0.28) %	(0.06) %
Real assets	15%	5.77 %	0.87 %
Private equity	12%	9.85 %	1.18 %
Absolute return	16%	2.91 %	0.47 %
Cash and cash equivalents	-	(1.01) %	- %
Totals	<u>100%</u>		<u>4.89 %</u>
Inflation			<u>2.50 %</u>
Expected arithmetic nominal return			<u>7.39 %</u>

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount was reduced to 6.85% from the 6.95% in the prior measurement period.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE L - RETIREMENT PLANS – CONTINUED

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
System			
Noncontributory	\$ 3,065,126	\$ (5,700,118)	\$(13,013,005)
Public Safety	3,228,937	(1,309,208)	(4,994,495)
Firefighters	(734,425)	(2,999,152)	(4,834,790)
Tier 2 Public Employees	732,944	(123,014)	(780,212)
Tier 2 Public Safety and Firefighter	644,003	(80,275)	(655,252)
Total	<u>\$ 6,936,585</u>	<u>\$ (10,211,767)</u>	<u>\$(24,277,754)</u>

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

NOTE M – DEFERRED COMPENSATION PLANS

The City sponsors a defined contribution deferred compensation plan administered by either URS 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, 2022, was approximately \$26,000,000. Employees with proof of other health insurance may choose to opt out of the City's health insurance plan and in lieu of those benefits, receive a contribution to a deferred compensation plan. During the year ended June 30, 2022, contributions totaling \$356,425 were made to the plan by employees and \$610,587 by the City.

The City sponsors another deferred compensation plan through either URS or 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. During the year ended June 30, 2022 contributions totaling \$156,517 were made to the plan by employees and \$5,967 by the City.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE N – 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, 2022, had an outstanding balance of \$108,770,000, of which the City's portion was \$12,282,996. During the year ended June 30, 2022, the City purchased power totaling \$30,685,678.

The City has entered into two power purchase agreements with UAMPS wherein UAMPS is required to provide a minimum amount of power to the City and the City is required to purchase that minimum amount of power. In each case, the purchase price is cheaper than other power sources available to the City. The minimum amounts and price per MW are as noted:

- The Red Mesa project is anticipated to be operational in March of 2023. The agreement obligates Red Mesa to provide a minimum amount of power to sell at a rate of \$37 per MWh over a 25 year period, and the City is obligated to purchase that quantity. In the first year, the minimum required output is 195,337 MWh with an annual decrease each year of .5%. The total power purchase requirement for all 25 years is estimated to be approximately \$170,249,908.
- The Steel Solar project is anticipated to be operational in March of 2023. The agreement obligates Steel Solar to provide a minimum amount of power to sell at a rate of \$34.66 per MWh over a 25 year period, and the City is obligated to purchase that quantity. In the first year, the minimum required output is 100,197 MWh with an annual decrease each year of .5%. The total power purchase requirement for all 25 years is estimated to be approximately \$81,805,768.

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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE O – 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 self-insures for claims under \$100,000 and carries commercial insurance for risks in excess of that amount, except for risks associated with natural disasters. There were no decreases in coverage during 2022. 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:

	<u>2022</u>	<u>2021</u>
Claims liability, July 1	\$ 62,396	\$ 38,562
Claims incurred during the year and changes in estimates	622,220	118,785
Payments on claims during the year		
Payments made by insurance	348,208	3,723
Coinsurance and deductible insurance payments made by the City	<u>206,695</u>	<u>91,228</u>
Claims liability, June 30	<u>\$ 129,713</u>	<u>\$ 62,396</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE P - INTERFUND TRANSFERS

The City has transfers from the Redevelopment Agency to the general fund pursuant to the City's participation in various redevelopment projects. The transfer to the Capital Projects fund from the General fund is to fund projects identified by the Council. These projects will be completed in the coming fiscal year.

A summary of interfund transfers by fund is as follows:

	Transfers in to:				Total
	General	Capital Projects	Other Governmental Fund	Internal Service Fund	
<u>Transfers out from:</u>					
General Fund	\$ -	\$ 12,000,000	\$ 1,872,733	\$ -	\$ 13,872,733
Capital Projects Fund	-	-	-	1,000,000	1,000,000
Redevelopment Agency	1,167,851	-	-	-	1,167,851
	<u>\$ 1,167,851</u>	<u>\$ 12,000,000</u>	<u>\$ 1,872,733</u>	<u>\$ 1,000,000</u>	<u>\$ 16,040,584</u>

NOTE Q – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City has issued revenue bonds to finance certain improvements to its culinary water distribution system, pressurized irrigation system, electric power distribution system and 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 R – EXPENDITURES EXCEEDING APPROPRIATIONS

During the year ended June 30, 2022, the City incurred expenditures in excess of appropriations in the General Fund as follows:

General Fund	Expenditures
Transfers Out	In Excess of
	<u>Appropriations</u>
	\$ 12,190,000

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE S - 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 investment in capital assets 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 \$17,953,052, with the Agency electing to receive 93.33% of the tax increment from the project area.

During 2012, the Redevelopment Agency approved a community development project area known as the Traverse Mountain Community 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 \$7,895,934 of property tax increment and \$5,716,119 of sales tax increment. The Agency will receive 100% of the property tax and sales tax increment from the project area.

In August 2014, the Redevelopment Agency passed a resolution adopting an economic development project area known as the West Timpanogos Community 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 \$19,557,363, with the Agency distributing 97% of the tax increment from the project area to the developer and keeping the remaining 3% for administrative services.

In January 2020, the Redevelopment Agency passed a resolution adopting a community reinvestment project area known as the Meadow Pointe Community Reinvestment Project Area. Tax increment generated within the area will be distributed 50% to the Agency and 50% to the City. If the project area generates more than \$100,000 of annual funds in any year, 10% of the funds generated for the area will be set aside for affordable housing. The project life will be a maximum of twenty years or until \$6,019,890 has been generated.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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

For the year ended June 30, 2022 the following activity occurred in the City’s Redevelopment Agency:

Tax increment collected from other taxing agencies for the project area	
Millpond Project Area	\$ -
Alpine Highway Project Area	8,012,408
Alpine Highway West Project Area	1,231,875
West Timpanogos Project Area	374,288
Traverse Mountain Project Area	436,294
Thanksgiving Park Project Area	240,216
Meadow Pointe Project Area	107,177
	<u>\$ 10,402,258</u>
Outstanding loans to finance RDA projects	<u>\$ 82,563,476</u>
Expenditures:	
Tax increments paid to other taxing agencies	\$ 1,341,277
Principal	3,240,690
Interest	4,108,969
Redevelopment costs	535,353
	<u>\$ 9,226,289</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE T – TAX ABATEMENTS

The City negotiates property and sales tax abatement agreements with local businesses through its RDA and under the state Limited Purpose Local Government Entities Act. Under the Act, localities may grant property and sales tax abatements for the purpose of promoting economic growth.

For the fiscal year ended June 30, 2022, the City abated the following taxes:

	Property Taxes	Sales Taxes
<u>RDA Project Area tax abatements</u>		
Alpine Highway Project Area	\$ 1,233,276	-
Alpine Highway West Project Area	189,611	-
West Timpanogos Project Area	112,250	-
Traverse Mountain Project Area	116,181	245,139
Thanksgiving Park Project Area	44,972	-
Meadow Pointe Project Area	-	107,177
	<u>1,696,290</u>	<u>352,316</u>
Other relocation incentive projects	-	235,425
	<u>\$ 1,696,290</u>	<u>\$ 587,741</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE U – 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 is evaluated every three years and as of June 30, 2022, the balance of the liability is as follows based on the cumulative use of 77% of the estimated capacity of the landfill:

Total estimated closure and postclosure care costs	\$ 665,418
Capacity used as of June 30, 2021	<u>77%</u>
Cumulative closure and postclosure care liability, as revised during 2022	512,372
Amounts previously recognized	<u>250,917</u>
Amount to be recognized as of June 30, 2022	261,455
Amount reported as a long-term liability in the governmental activities statement of net position	<u>\$ 512,372</u>

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 2022. The City has a capacity of 230,000 cubic yards. The landfill is only used for City purposes. The City anticipates the landfill not reaching full capacity until at least 2035. 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 V – SUBSEQUENT EVENTS

As noted in Note L, the net pension asset and deferred inflows and outflows related to pensions were based on an actuarial valuation dated December 31, 2021. Subsequent to that valuation date, the Consumer Price Index has remained steady at over 8% and the S & P 500 has declined by approximately 23%. These and other economic indicators would have an impact on that valuation.

In September 2022, the City entered into a note payable for the purchase of equipment. The note is for \$1,725,000 with seven annual payments of \$277,018, including interest at 2.864%.

In November 2022, the City issued bonds in the amount of \$3,643,000 in connection with a project to install secondary water meters. The bonds were purchased by the State of Utah as part of a program wherein the State also granted the City \$10,000,000 to fund the project.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE V – SUBSEQUENT EVENTS - CONTINUED

In September 2022, the City created a Local Building Authority for the purpose of issuing bonds to fund the construction of a new city hall and library. The bonds were issued in December 2022 with a part amount of \$29,000,000 and a premium of \$2,763,115. The true interest cost (TIC) of the bonds is 4.49% with a weighted average maturity of 17.541 years.

REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS

LEHI CITY CORPORATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
UTAH RETIREMENT SYSTEMS
For the fiscal Year Ended June 30, 2022
With a Measurement Date of December 31, 2021
Last Ten Fiscal Years*

Noncontributory System for the Fiscal Years Ended June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	0.9952875%	0.9920669%	0.9715484%	0.9518516%	0.9004162%	0.8609147%	0.8368340%
Proportionate share of the net pension liability (asset)	\$ (5,700,118)	\$ 508,873	\$ 3,661,638	\$ 7,009,172	\$ 3,944,993	\$ 5,528,126	\$ 4,735,214
Covered payroll	\$ 7,914,859	\$ 7,970,442	\$ 7,934,823	\$ 7,802,584	\$ 7,400,491	\$ 7,264,143	\$ 7,048,506
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-72.0%	6.4%	46.1%	89.8%	53.3%	76.1%	67.2%
Plan fiduciary net position as a percentage of the total pension liability	108.7%	99.2%	93.7%	87.0%	91.9%	87.3%	87.8%

Public Safety System for the Fiscal Years Ended June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	1.6120417%	1.5591159%	1.4913241%	1.4826790%	1.3389936%	1.3909834%	1.3094092%
Proportionate share of the net pension liability (asset)	\$ (1,309,208)	\$ 1,294,442	\$ 2,394,496	\$ 3,674,341	\$ 2,100,423	\$ 2,822,689	\$ 2,345,629
Covered payroll	\$ 2,065,104	\$ 2,075,541	\$ 1,983,001	\$ 1,922,593	\$ 1,857,970	\$ 2,050,939	\$ 1,983,624
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-63.4%	62.4%	120.8%	191.1%	113.0%	137.6%	118.2%
Plan fiduciary net position as a percentage of the total pension liability	104.2%	95.5%	90.9%	84.7%	90.2%	86.5%	87.1%

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
UTAH RETIREMENT SYSTEMS
For the fiscal Year Ended June 30, 2022
With a Measurement Date of December 31, 2021
Last Ten Fiscal Years*

Firefighters Retirement System for the Fiscal Years Ended June 30,

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	5.1424352%	5.3271683%	5.2407494%	5.2830772%	5.4021529%	5.6106342%	5.4181698%
Proportionate share of the net pension liability (asset)	\$ (2,999,152)	\$ (1,489,583)	\$ (649,957)	\$ 685,993	\$ (337,393)	\$ (44,231)	\$ (98,134)
Covered payroll	\$ 1,738,315	\$ 1,880,232	\$ 1,805,883	\$ 1,716,828	\$ 1,698,209	\$ 1,704,194	\$ 1,573,859
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-172.5%	-79.2%	-36.0%	40.0%	-19.9%	-2.6%	-6.2%
Plan fiduciary net position as a percentage of the total pension liability	120.1%	110.5%	105.0%	94.3%	103.0%	100.4%	101.0%

Tier 2 Public Employees System for the Fiscal Years ended June 30,

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (asset)	0.2906501%	0.2818694%	0.2766880%	0.2619050%	0.2458871%	0.2829680%	0.1455133%
Proportionate share of the net pension liability (asset)	\$ (123,014)	\$ 40,541	\$ 62,229	\$ 112,168	\$ 21,679	\$ 23,236	\$ (318)
Covered payroll	\$ 5,392,887	\$ 4,506,077	\$ 3,844,219	\$ 3,057,042	\$ 2,404,504	\$ 1,708,206	\$ 940,334
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.3%	0.9%	1.6%	3.7%	0.9%	1.4%	-0.03%
Plan fiduciary net position as a percentage of the total pension liability	103.8%	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
UTAH RETIREMENT SYSTEMS - CONTINUED
For the fiscal Year Ended June 30, 2022
With a Measurement Date of December 31, 2021
Last Ten Fiscal Years*

Tier 2 Public Safety and Firefighters Retirement System for the Fiscal Years Ended June 30,

	2021	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.5882625%	1.6160907%	1.6037989%	1.6711253%	1.3301614%	1.1522095%	0.1455133%
Proportionate share of the net pension liability (asset)	\$ (80,275)	\$ 144,957	\$ 150,860	\$ 41,871	\$ (15,391)	\$ (10,003)	\$ (318)
Covered payroll	\$ 3,798,141	\$ 3,213,228	\$ 2,643,299	\$ 2,236,149	\$ 1,403,195	\$ 951,984	\$ 940,334
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-2.1%	4.5%	5.7%	1.9%	-1.1%	-1.1%	-0.03%
Plan fiduciary net position as a percentage of the total pension liability	102.8%	93.1%	89.6%	95.6%	103.0%	103.6%	100.2%

*In accordance with GAAP, the City will need to disclose a 10 year history of its proportionate share of the net pension liability (asset) in its RSI. The City will continue to present information for available years until a full 10 year trend is compiled.

LEHI CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS
June 30, 2022
Last Ten Fiscal Years**

	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contribution as a percentage of covered payroll**
Noncontributory System	2014	\$ 1,165,022	\$ 1,165,022	\$ -	\$ 6,864,580	16.97%
	2015	1,282,664	1,282,664	-	7,052,771	18.19%
	2016	1,268,549	1,268,549	-	6,981,779	18.17%
	2017	1,309,056	1,309,056	-	7,475,118	17.51%
	2018	1,424,802	1,424,802	-	8,093,782	17.60%
	2019	1,438,487	1,438,487	-	7,923,875	18.15%
	2020	1,449,852	1,449,852	-	7,939,103	18.26%
	2021	1,472,430	1,472,430	-	8,045,902	18.30%
	2022	1,433,309	1,433,309	-	7,847,242	18.27%
Public Safety System	2014	559,089	559,089	-	2,134,344	26.19%
	2015	625,298	625,298	-	2,036,078	30.71%
	2016	629,374	629,374	-	1,983,967	31.72%
	2017	620,098	620,098	-	2,025,956	30.61%
	2018	611,262	611,262	-	1,948,987	31.36%
	2019	653,299	653,299	-	1,991,955	32.80%
	2020	669,305	669,305	-	2,028,984	32.99%
	2021	682,709	682,709	-	2,077,707	32.86%
	2022	713,658	713,658	-	2,224,234	32.09%
Firefighters System	2014	41,630	41,630	-	1,559,356	2.67%
	2015	54,021	54,021	-	1,527,355	3.54%
	2016	58,367	58,367	-	1,581,637	3.69%
	2017	62,382	62,382	-	1,795,409	3.47%
	2018	64,687	64,687	-	1,795,471	3.60%
	2019	75,547	75,547	-	1,737,870	4.35%
	2020	79,145	79,145	-	1,855,490	4.27%
	2021	81,024	81,024	-	1,854,359	4.37%
	2022	76,928	76,928	-	1,668,726	4.61%
Tier 2 Public Employees System*	2014	102,833	102,833	-	735,043	13.99%
	2015	113,924	113,924	-	762,543	14.94%
	2016	191,737	191,737	-	1,285,962	14.91%
	2017	302,455	302,455	-	2,107,941	14.35%
	2018	426,116	426,116	-	2,918,623	14.60%
	2019	526,354	526,354	-	3,387,092	15.54%
	2020	667,703	667,703	-	4,264,085	15.66%
	2021	763,792	763,792	-	4,835,021	15.80%
	2022	968,641	968,641	-	6,028,021	16.07%

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS - CONTINUED
June 30, 2022
Last Ten Fiscal Years**

	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contribution as a percentage of covered payroll**
Tier 2 Public Safety and Firefighter System*	2014	48,582	48,582	-	275,951	17.61%
	2015	73,202	73,202	-	393,710	18.59%
	2016	139,579	139,579	-	745,270	18.73%
	2017	205,341	205,341	-	1,119,520	18.34%
	2018	340,795	340,795	-	2,021,465	16.86%
	2019	420,325	420,325	-	2,391,478	17.58%
	2020	520,464	520,464	-	2,984,517	17.44%
	2021	702,948	702,948	-	3,469,463	20.26%
2022	841,124	841,124	-	4,111,028	20.46%	
Tier 2 Public Employees DC Only System*	2014	17,563	17,563	-	303,986	5.78%
	2015	33,416	33,416	-	506,307	6.60%
	2016	33,262	33,262	-	497,195	6.69%
	2017	34,392	34,392	-	530,379	6.48%
	2018	39,190	39,190	-	609,291	6.43%
	2019	52,248	52,248	-	780,986	6.69%
	2020	57,441	57,441	-	858,607	6.69%
	2021	69,086	69,086	-	1,032,684	6.69%
2022	72,284	72,284	-	1,080,486	6.69%	
Tier 2 Public Safety and Firefighter DC Only System*	2014	-	-	-	-	0.00%
	2015	55	55	-	38,946	0.14%
	2016	36	36	-	45,001	0.08%
	2017	39	39	-	50,870	0.08%
	2018	63	63	-	82,150	0.08%
	2019	110	110	-	137,353	0.08%
	2020	181	181	-	225,335	0.08%
	2021	234	234	-	293,132	0.08%
2022	299	299	-	373,360	0.08%	

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

**In accordance with GAAP, the City will need to disclose a 10 year history of its proportionate share of the net pension liability (asset) in its RSI. The City will continue to present information for available years until a full 10 year trend is compiled.

LEHI CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022
WITH A MEASUREMENT DATE OF DECEMBER 31, 2021

Changes in assumptions

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These updated assumptions were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those updated assumptions and it may be accessed online at newsroom.urs.org under the “Retirement Office” column using the “Reports and Stats” tab.

**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, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
TAXES				
PROPERTY TAXES	\$ 11,650,000	\$ 11,650,000	\$ 12,294,991	\$ 644,991
GENERAL SALES TAX	14,466,817	14,466,817	20,623,329	6,156,512
PARC TAX	-	-	488,102	488,102
FRANCHISE TAX	5,450,000	5,450,000	5,815,420	365,420
TOTAL	31,566,817	31,566,817	39,221,842	7,655,025
LICENSES, FEES AND PERMITS				
BUSINESS LICENSES	115,000	115,000	111,357	(3,643)
BUILDING PERMITS	2,905,000	2,905,000	3,905,883	1,000,883
TOTAL	3,020,000	3,020,000	4,017,240	997,240
INTERGOVERNMENTAL REVENUE				
CLASS "C" ROAD FUNDS	3,700,000	3,700,000	3,107,669	(592,331)
UTAH COUNTY TRANSPORTATION TAX	-	-	1,909,916	1,909,916
FIRE DEPARTMENT GRANT	268,568	268,568	81,957	(186,611)
POLICE SALARY REIMBURSEMENT	103,000	103,000	119,500	16,500
STATE LIQUOR FUNDS ALLOTMENT	60,000	60,000	76,498	16,498
COUNTY FIRE ALLOCATION	15,000	15,000	8,137	(6,863)
STATE GRANTS	75,000	75,000	85,927	10,927
OTHER GRANTS	102,000	179,416	4,735,308	4,555,892
TOTAL	4,323,568	4,400,984	10,124,912	5,723,928
CHARGES FOR SERVICE				
PLANNING/INSPECTION FEES	2,420,000	2,420,000	2,810,763	390,763
AMBULANCE FEES	1,224,000	1,224,000	2,107,884	883,884
FIRE FEES	195,600	201,130	259,876	58,746
CEMETERY FEES	186,500	186,500	536,143	349,643
RECREATION FEES	3,604,968	3,604,968	3,866,246	261,278
LIBRARY FEES	95,000	95,000	27,042	(67,958)
LEASE REVENUES	-	-	46,621	46,621
OTHER SERVICE REVENUE	155,000	155,000	134,328	(20,672)
TOTAL	7,881,068	7,886,598	9,788,903	1,902,305
FINES AND FORFEITURES				
COURTS FINES AND FORFEITURES	737,500	737,500	722,270	(15,230)
MISCELLANEOUS				
	1,604,500	1,615,750	1,699,551	83,801
INTEREST ON INVESTMENTS				
	101,000	101,000	97,362	(3,638)
TOTAL REVENUES	49,234,453	49,328,649	65,672,080	16,343,431
EXPENDITURES				
GENERAL GOVERNMENT				
COURT				
PERSONNEL	486,880	486,880	479,147	7,733
OPERATIONS AND MAINTENANCE	124,935	124,935	114,670	10,265
TOTAL	611,815	611,815	593,817	17,998
ADMINISTRATIVE				
PERSONNEL	1,035,095	1,035,095	976,058	59,037
OPERATIONS AND MAINTENANCE	257,462	257,462	188,104	69,358
TOTAL	1,292,557	1,292,557	1,164,162	128,395
TREASURY				
PERSONNEL	470,919	470,919	478,946	(8,027)
OPERATIONS AND MAINTENANCE	46,700	46,700	47,579	(879)
TOTAL	517,619	517,619	526,525	(8,906)

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2022

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
FINANCE				
PERSONNEL	541,294	541,294	557,588	(16,294)
OPERATIONS AND MAINTENANCE	111,796	111,796	87,644	24,152
TOTAL	<u>653,090</u>	<u>653,090</u>	<u>645,232</u>	<u>7,858</u>
HUMAN RESOURCES				
PERSONNEL	283,070	283,070	283,757	(687)
OPERATIONS AND MAINTENANCE	47,805	47,805	45,774	2,031
TOTAL	<u>330,875</u>	<u>330,875</u>	<u>329,531</u>	<u>1,344</u>
CITY RECORDER				
PERSONNEL	123,653	123,653	121,462	2,191
OPERATIONS AND MAINTENANCE	153,919	153,919	141,980	11,939
TOTAL	<u>277,572</u>	<u>277,572</u>	<u>263,442</u>	<u>14,130</u>
LEGAL SERVICES				
PERSONNEL	629,605	629,605	550,811	78,794
OPERATIONS AND MAINTENANCE	107,000	107,000	74,883	32,117
TOTAL	<u>736,605</u>	<u>736,605</u>	<u>625,694</u>	<u>110,911</u>
LEGISLATIVE				
PERSONNEL	258,180	258,180	268,899	(10,719)
OPERATIONS AND MAINTENANCE	107,000	107,000	152,031	(45,031)
TOTAL	<u>365,180</u>	<u>365,180</u>	<u>420,930</u>	<u>(55,750)</u>
NONDEPARTMENTAL				
OPERATIONS AND MAINTENANCE	3,196,093	3,448,093	3,145,812	302,281
CAPITAL	275,000	275,000	235,133	39,867
TOTAL	<u>3,471,093</u>	<u>3,723,093</u>	<u>3,380,945</u>	<u>342,148</u>
EMERGENCY MANAGEMENT				
PERSONNEL	105,678	105,678	103,094	2,584
OPERATIONS AND MAINTENANCE	54,700	54,700	7,400	47,300
TOTAL	<u>160,378</u>	<u>160,378</u>	<u>110,494</u>	<u>49,884</u>
INFORMATION CENTER				
PERSONNEL	496,398	496,398	457,245	39,153
OPERATIONS AND MAINTENANCE	25,600	25,600	21,960	3,640
TOTAL	<u>521,998</u>	<u>521,998</u>	<u>479,205</u>	<u>42,793</u>
TOTAL GENERAL GOVERNMENT	<u>8,938,782</u>	<u>9,190,782</u>	<u>8,539,977</u>	<u>650,805</u>
PUBLIC SAFETY				
POLICE				
PERSONNEL	8,090,055	8,740,055	8,422,468	317,587
OPERATIONS AND MAINTENANCE	1,251,577	1,280,168	1,281,092	(924)
TOTAL	<u>9,341,632</u>	<u>10,020,223</u>	<u>9,703,560</u>	<u>316,663</u>
CODE ENFORCEMENT				
PERSONNEL	291,145	291,145	344,702	(53,557)
OPERATIONS AND MAINTENANCE	22,294	22,294	16,000	6,294
TOTAL	<u>313,439</u>	<u>313,439</u>	<u>360,702</u>	<u>(47,263)</u>
FIRE				
PERSONNEL	6,667,815	6,667,815	6,506,655	161,160
OPERATIONS AND MAINTENANCE	1,725,074	1,730,604	1,577,901	152,703
TOTAL	<u>8,392,889</u>	<u>8,398,419</u>	<u>8,084,556</u>	<u>313,863</u>
ANIMAL CONTROL				
PERSONNEL	183,289	183,289	140,598	42,691
OPERATIONS AND MAINTENANCE	126,967	126,967	96,007	30,960
TOTAL	<u>310,256</u>	<u>310,256</u>	<u>236,605</u>	<u>73,651</u>
TOTAL PUBLIC SAFETY	<u>18,358,216</u>	<u>19,042,337</u>	<u>18,385,423</u>	<u>656,914</u>

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
COMMUNITY DEVELOPMENT				
ENGINEERING				
PERSONNEL	856,511	856,511	862,383	(5,872)
OPERATIONS AND MAINTENANCE	76,300	76,300	48,669	27,631
TOTAL	932,811	932,811	911,052	21,759
PLANNING AND ZONING				
PERSONNEL	869,667	869,667	851,553	18,114
OPERATIONS AND MAINTENANCE	118,915	118,915	87,222	31,693
CAPITAL OUTLAY	11,232	11,232	-	11,232
TOTAL	999,814	999,814	938,775	61,039
INSPECTIONS				
PERSONNEL	1,298,017	1,298,017	1,263,958	34,059
OPERATIONS AND MAINTENANCE	94,611	96,611	85,367	11,244
TOTAL	1,392,628	1,394,628	1,349,325	45,303
ECONOMIC DEVELOPMENT				
PERSONNEL	181,401	181,401	183,034	(1,633)
OPERATIONS AND MAINTENANCE	52,275	52,275	32,906	19,369
TOTAL	233,676	233,676	215,940	17,736
TOTAL COMMUNITY DEVELOPMENT	3,558,929	3,560,929	3,415,092	145,837
STREETS AND HIGHWAYS				
STREETS AND PUBLIC IMPROVEMENTS				
PERSONNEL	1,549,823	1,549,823	1,293,332	256,491
OPERATIONS AND MAINTENANCE	549,530	549,530	565,584	(16,054)
CAPITAL	8,800	8,800	-	8,800
TOTAL	2,108,153	2,108,153	1,858,916	249,237
C ROAD				
OPERATIONS AND MAINTENANCE	1,910,000	1,910,000	1,572,144	337,856
CAPITAL	1,980,000	2,039,300	2,350,114	(310,814)
TOTAL	3,890,000	3,949,300	3,922,258	27,042
TOTAL STREETS AND HIGHWAYS	5,998,153	6,057,453	5,781,174	276,279
PARKS, RECREATION AND CULTURE				
PARKS				
PERSONNEL	2,123,432	2,123,432	1,790,774	332,658
OPERATIONS AND MAINTENANCE	1,127,437	1,132,437	1,063,111	69,326
CAPITAL	162,500	162,500	79,464	83,036
TOTAL	3,413,369	3,418,369	2,933,349	485,020
COMMUNITY ARTS AND EVENTS				
OPERATIONS AND MAINTENANCE	490,700	490,700	461,883	28,817
TOTAL	490,700	490,700	461,883	28,817
SENIOR CITIZENS				
PERSONNEL	218,827	218,827	182,130	36,697
OPERATIONS AND MAINTENANCE	126,150	126,150	51,670	74,480
CAPITAL	-	-	-	-
TOTAL	344,977	344,977	233,800	111,177

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
RECREATION				
PERSONNEL	3,480,764	3,480,764	3,413,525	67,239
OPERATIONS AND MAINTENANCE	1,887,600	1,887,600	1,879,193	8,407
CAPITAL	110,000	135,000	320,027	(185,027)
TOTAL	5,478,364	5,503,364	5,612,745	(109,381)
MUSEUM				
PERSONNEL	-	-	-	-
OPERATIONS AND MAINTENANCE	299,750	299,750	297,000	2,750
TOTAL	299,750	299,750	297,000	2,750
LITERACY CENTER				
PERSONNEL	347,551	347,551	263,222	84,329
OPERATIONS AND MAINTENANCE	49,750	49,750	48,503	1,247
TOTAL	397,301	397,301	311,725	85,576
LIBRARY				
PERSONNEL	1,021,152	1,021,152	1,014,781	6,371
OPERATIONS AND MAINTENANCE	449,407	509,482	498,226	11,256
TOTAL	1,470,559	1,530,634	1,513,007	17,627
TOTAL PARKS, RECREATION AND CULTURE	11,895,020	11,985,095	11,363,509	621,586
CEMETERY				
PERSONNEL	405,170	405,170	354,229	50,941
OPERATIONS AND MAINTENANCE	96,857	96,857	100,382	(3,525)
OPERATIONS AND MAINTENANCE	39,500	39,500	-	39,500
TOTAL	541,527	541,527	454,611	86,916
DEBT SERVICE				
CAPITAL LEASE PAYMENTS - PRINCIPAL	-	22,262	22,262	-
CAPITAL LEASE PAYMENTS - INTEREST	-	1,838	1,838	-
TOTAL	-	24,100	24,100	-
TOTAL EXPENDITURES	49,290,627	50,402,223	47,963,886	2,438,337
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,174)	(1,073,574)	17,708,194	18,781,768
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,600,000	1,600,000	1,167,851	(432,149)
TRANSFERS OUT	(1,682,733)	(1,682,733)	(13,872,733)	(12,190,000)
PROCEEDS FROM LEASE LIABILITY	-	-	28,193	28,193
SALE OF CAPITAL ASSETS	10,000	10,000	22,156	12,156
TOTAL OTHER FINANCING SOURCES	(72,733)	(72,733)	(12,654,533)	(12,581,800)
NET CHANGE IN FUND BALANCE	(128,907)	(1,146,307)	5,053,661	6,199,968
FUND BALANCE AT BEGINNING OF YEAR	21,420,728	21,420,728	21,420,728	-
FUND BALANCE AT END OF YEAR	\$ 21,291,821	\$ 20,274,421	\$ 26,474,389	\$ 6,199,968

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
JUNE 30, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
IMPACT FEE REVENUE	\$ 7,150,183	\$ 7,150,183	\$ 8,636,762	\$ 1,486,579
SALES TAX REVENUE	432,500	432,500	506,116	73,616
INTERGOVERNMENTAL REVENUES	16,855,000	19,525,000	5,707,689	(13,817,311)
INTEREST ON INVESTMENTS	32,000	32,000	59,535	27,535
TOTAL REVENUES	<u>24,469,683</u>	<u>27,139,683</u>	<u>14,910,102</u>	<u>(12,229,581)</u>
EXPENDITURES				
CURRENT				
OTHER	255,500	255,500	48,966	206,534
CAPITAL OUTLAY	37,322,556	46,151,606	10,651,809	35,499,797
DEBT SERVICE				
PRINCIPAL	109,000	109,000	128,248	(19,248)
INTEREST AND FISCAL CHARGES	318,500	318,500	377,863	(59,363)
TOTAL EXPENDITURES	<u>38,005,556</u>	<u>46,834,606</u>	<u>11,206,886</u>	<u>35,627,720</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(13,535,873)</u>	<u>(19,694,923)</u>	<u>3,703,216</u>	<u>23,398,139</u>
OTHER FINANCING SOURCES				
TRANSFERS IN	-	-	12,000,000	12,000,000
TRANSFERS OUT	(1,000,000)	(1,000,000)	(1,000,000)	-
SALE OF CAPITAL ASSETS	-	-	492,385	492,385
TOTAL OTHER FINANCING SOURCES	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>11,492,385</u>	<u>12,492,385</u>
NET CHANGE IN FUND BALANCE	(14,535,873)	(20,694,923)	15,195,601	35,890,524
FUND BALANCE AT BEGINNING OF YEAR	<u>32,182,965</u>	<u>32,182,965</u>	<u>32,182,965</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 17,647,092</u>	<u>\$ 11,488,042</u>	<u>\$ 47,378,566</u>	<u>\$ 35,890,524</u>

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
OTHER GOVERNMENTAL FUND – DEBT SERVICE
JUNE 30, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
INTEREST ON INVESTMENTS	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
CURRENT				
OTHER	10,000	10,000	5,350	4,650
DEBT SERVICE				
PRINCIPAL	935,000	935,000	935,000	-
INTEREST AND FISCAL CHARGES	927,733	927,733	924,932	2,801
TOTAL EXPENDITURES	<u>1,872,733</u>	<u>1,872,733</u>	<u>1,865,282</u>	<u>7,451</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,872,733)</u>	<u>(1,872,733)</u>	<u>(1,865,282)</u>	<u>7,451</u>
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>1,872,733</u>	<u>1,872,733</u>	<u>1,872,733</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>1,872,733</u>	<u>1,872,733</u>	<u>1,872,733</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	7,451	7,451
FUND BALANCE AT BEGINNING OF YEAR	<u>13,368</u>	<u>13,368</u>	<u>13,368</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 13,368</u>	<u>\$ 13,368</u>	<u>\$ 20,819</u>	<u>\$ 7,451</u>

**COMBINING FINANCIAL STATEMENTS
NONMAJOR PROPRIETARY FUNDS**

Drainage – This fund is used to account for constructing, improving and maintaining storm water conveyance systems throughout the City.

Garbage – This fund is used to account for the operations and activities related to garbage collection and disposal.

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
ASSETS			
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	\$ 3,971,482	\$ 522,113	\$ 4,493,595
RECEIVABLES (NET):			
ACCOUNTS	240,342	391,532	631,874
UNBILLED	24,534	71,015	95,549
INVENTORY	3,898	-	3,898
TOTAL CURRENT ASSETS	4,240,256	984,660	5,224,916
NON-CURRENT ASSETS			
RESTRICTED CASH AND CASH EQUIVALENTS	904,515	-	904,515
NET PENSION ASSET	191,336	-	191,336
NONDEPRECIABLE CAPITAL ASSETS	1,017,618	-	1,017,618
DEPRECIABLE CAPITAL ASSETS, NET	52,122,526	-	52,122,526
TOTAL NON-CURRENT ASSETS	54,235,995	-	54,235,995
TOTAL ASSETS	\$ 58,476,251	\$ 984,660	\$ 59,460,911
DEFERRED OUTFLOWS OF RESOURCES			
DEFERRED OUTFLOWS RELATED TO PENSIONS	\$ 107,383	\$ -	\$ 107,383
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 107,383	\$ -	\$ 107,383

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION - CONTINUED
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
LIABILITIES			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	\$ 39,995	\$ 377,569	\$ 417,564
WAGES PAYABLE	8,672	-	8,672
ACCRUED INTEREST PAYABLE	856	-	856
PAYABLE FROM RESTRICTED ASSETS:			
ACCOUNTS PAYABLE	195	-	195
CURRENT PORTION COMPENSATED ABSENCES	44,557	-	44,557
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	190,000	-	190,000
TOTAL CURRENT LIABILITIES	<u>284,275</u>	<u>377,569</u>	<u>661,844</u>
NON-CURRENT LIABILITIES			
COMPENSATED ABSENCES	47,559	-	47,559
BONDS PAYABLE, LESS CURRENT MATURITIES	405,000	-	405,000
TOTAL NON-CURRENT LIABILITIES	<u>452,559</u>	<u>-</u>	<u>452,559</u>
TOTAL LIABILITIES	<u>\$ 736,834</u>	<u>\$ 377,569</u>	<u>\$ 1,114,403</u>
DEFERRED INFLOWS OF RESOURCES			
DEFERRED INFLOWS RELATED TO PENSIONS	<u>\$ 346,614</u>	<u>\$ -</u>	<u>\$ 346,614</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	\$ 52,545,144	\$ -	\$ 52,545,144
RESTRICTED FOR			
CAPITAL PROJECTS	904,254	-	904,254
UNRESTRICTED	4,050,788	607,091	4,657,879
TOTAL NET POSITION	<u>\$ 57,500,186</u>	<u>\$ 607,091</u>	<u>\$ 58,107,277</u>

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS)			
CHARGES FOR SERVICES	\$ 2,508,517	\$ 4,056,213	\$ 6,564,730
MISCELLANEOUS REVENUES	-	34,700	34,700
TOTAL OPERATING REVENUES	<u>2,508,517</u>	<u>4,090,913</u>	<u>6,599,430</u>
OPERATING EXPENSES			
PERSONNEL	841,083	-	841,083
GENERAL ADMINISTRATION	28,125	12,149	40,274
OPERATING AND MAINTENANCE	254,318	3,771,733	4,026,051
INTERFUND CHARGES	192,004	-	192,004
DEPRECIATION	1,979,784	-	1,979,784
TOTAL OPERATING EXPENSES	<u>3,295,314</u>	<u>3,783,882</u>	<u>7,079,196</u>
OPERATING INCOME (LOSS)	<u>(786,797)</u>	<u>307,031</u>	<u>(479,766)</u>
NON-OPERATING REVENUES (EXPENSES)			
INTEREST INCOME	5,353	391	5,744
INTEREST EXPENSE	(27,112)	-	(27,112)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(21,759)</u>	<u>391</u>	<u>(21,368)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(808,556)</u>	<u>307,422</u>	<u>(501,134)</u>
CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	491,503	-	491,503
CAPITAL CONTRIBUTIONS	5,316,663	-	5,316,663
CHANGE IN NET POSITION	<u>4,999,610</u>	<u>307,422</u>	<u>5,307,032</u>
NET POSITION AT BEGINNING OF YEAR	<u>52,500,576</u>	<u>299,669</u>	<u>52,800,245</u>
NET POSITION AT END OF YEAR	<u>\$ 57,500,186</u>	<u>\$ 607,091</u>	<u>\$ 58,107,277</u>

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS - CONTINUED
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH RECEIVED FROM CUSTOMERS	\$ 2,481,870	\$ 4,053,668	\$ 6,535,538
CASH PAID TO SUPPLIERS	(460,213)	(3,741,711)	(4,201,924)
CASH PAID TO EMPLOYEES	(903,022)	-	(903,022)
CASH PAID FOR INTERFUND SERVICES	(192,004)	-	(192,004)
OTHER RECEIPTS	-	34,700	34,700
NET CASH PROVIDED BY OPERATING ACTIVITIES	926,631	346,657	1,273,288
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
OTHER RECEIPTS (PAYMENTS)	-	-	-
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(485,032)	-	(485,032)
CONTRIBUTIONS FROM DEVELOPERS	51,684	-	51,684
PRINCIPAL PAID ON BONDS	(185,000)	-	(185,000)
INTEREST PAID	(27,378)	-	(27,378)
IMPACT FEES COLLECTED	491,503	-	491,503
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(154,223)	-	(154,223)
CASH FLOWS FROM INVESTING ACTIVITIES			
INTEREST INCOME COLLECTED	5,353	391	5,744
NET CASH PROVIDED BY INVESTING ACTIVITIES	5,353	391	5,744
NET INCREASE IN CASH AND CASH EQUIVALENTS	777,761	347,048	1,124,809
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,098,236	175,065	4,273,301
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,875,997	\$ 522,113	\$ 5,398,110
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:			
UNRESTRICTED CASH	\$ 3,971,482	\$ 522,113	\$ 4,493,595
RESTRICTED CASH	904,515	-	904,515
	\$ 4,875,997	\$ 522,113	\$ 5,398,110

CONTINUED

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS - CONTINUED
JUNE 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 5,264,979	\$ -	\$ 5,264,979
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (786,797)	\$ 307,031	\$ (479,766)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
DEPRECIATION	1,979,784	-	1,979,784
CHANGES IN ASSETS AND LIABILITIES			
ACCOUNTS RECEIVABLE	(23,518)	(18)	(23,536)
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	(3,129)	(2,527)	(5,656)
INVENTORY	2,415	-	2,415
ACCOUNTS PAYABLE	(180,185)	42,171	(138,014)
ACCOUNTS PAYABLE FROM RESTRICTED WAGES PAYABLE	(15,555)	-	(15,555)
COMPENSATED ABSENCES	9,679	-	9,679
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS			
	(56,063)	-	(56,063)
	<u>\$ 926,631</u>	<u>\$ 346,657</u>	<u>\$ 1,273,288</u>

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 whose salary and benefits are recorded in this fund.

Building and Grounds – This fund is used to account for the costs of maintaining the buildings and grounds of the City's physical facilities. A service fee is charged to the relevant departments of the City on a monthly basis.

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	\$ 348,386	\$ 1,774,442	\$ 613,973	\$ 470,414	\$ 3,207,215
ACCOUNTS RECEIVABLE	-	-	-	-	-
INVENTORY	-	39,515	-	-	39,515
TOTAL CURRENT ASSETS	348,386	1,813,957	613,973	470,414	3,246,730
NON-CURRENT ASSETS					
NET PENSION ASSET	106,587	99,860	36,426	226,206	469,079
NONDEPRECIABLE CAPITAL ASSETS	-	172,402	-	-	172,402
DEPRECIABLE CAPITAL ASSETS, NET	189,404	5,407,194	-	368,827	5,965,425
TOTAL NON-CURRENT ASSETS	295,991	5,679,456	36,426	595,033	6,606,906
TOTAL ASSETS	\$ 644,377	\$ 7,493,413	\$ 650,399	\$ 1,065,447	\$ 9,853,636
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	\$ 59,444	\$ 55,692	\$ 20,315	\$ 126,156	\$ 261,607
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	\$ 60,440	\$ 220,653	\$ 80,806	\$ 41,505	\$ 403,404
WAGES PAYABLE	4,193	4,881	1,433	11,478	21,985
PAYABLE FROM RESTRICTED ASSETS:					
ACCRUED INTEREST	-	35,872	-	-	35,872
CURRENT PORTION NOTES PAYABLE	-	419,403	-	-	419,403
CURRENT PORTION COMPENSATED ABSENCES	21,501	25,979	10,759	39,179	97,418
TOTAL CURRENT LIABILITIES	86,134	706,788	92,998	92,162	978,082
NON-CURRENT LIABILITIES					
COMPENSATED ABSENCES	12,768	32,377	20,668	14,751	80,564
NOTES PAYABLE, LESS CURRENT MATURITIES	-	1,865,562	-	-	1,865,562
TOTAL NON-CURRENT LIABILITIES	12,768	1,897,939	20,668	14,751	1,946,126
TOTAL LIABILITIES	\$ 98,902	\$ 2,604,727	\$ 113,666	\$ 106,913	\$ 2,924,208
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	\$ 149,976	\$ 140,511	\$ 51,254	\$ 318,289	\$ 660,030
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS UNRESTRICTED	189,404 265,539	3,122,229 1,681,638	- 505,794	368,827 397,574	3,680,460 2,850,545
TOTAL NET POSITION	\$ 454,943	\$ 4,803,867	\$ 505,794	\$ 766,401	\$ 6,531,005

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2022

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
OPERATING REVENUES					
CHARGES FOR SERVICES - INTERNAL	\$ 1,037,451	\$ 3,260,774	\$ 1,167,013	\$ 1,579,272	\$ 7,044,510
MISCELLANEOUS REVENUES	4,353	457	286,906	-	291,716
TOTAL OPERATING REVENUES	<u>1,041,804</u>	<u>3,261,231</u>	<u>1,453,919</u>	<u>1,579,272</u>	<u>7,336,226</u>
OPERATING EXPENSES					
PERSONNEL	366,697	380,718	120,634	986,375	1,854,424
OPERATING AND MAINTENANCE	696,109	1,542,817	863,260	557,379	3,659,565
DEPRECIATION AND AMORTIZATION	53,152	1,069,704	-	74,291	1,197,147
TOTAL OPERATING EXPENSES	<u>1,115,958</u>	<u>2,993,239</u>	<u>983,894</u>	<u>1,618,045</u>	<u>6,711,136</u>
OPERATING INCOME (LOSS)	<u>(74,154)</u>	<u>267,992</u>	<u>470,025</u>	<u>(38,773)</u>	<u>625,090</u>
NON-OPERATING REVENUES (EXPENSES)					
LOSS ON DISPOSAL OF CAPITAL ASSETS	-	15,580	-	-	15,580
INTEREST INCOME	334	1,077	147	580	2,138
INTEREST EXPENSE	-	(39,615)	-	-	(39,615)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>334</u>	<u>(22,958)</u>	<u>147</u>	<u>580</u>	<u>(21,897)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(73,820)</u>	<u>245,034</u>	<u>470,172</u>	<u>(38,193)</u>	<u>603,193</u>
TRANSFERS IN	-	1,000,000	-	-	1,000,000
CHANGE IN NET POSITION	<u>(73,820)</u>	<u>1,245,034</u>	<u>470,172</u>	<u>(38,193)</u>	<u>1,603,193</u>
NET POSITION AT BEGINNING OF YEAR	<u>528,763</u>	<u>3,558,833</u>	<u>35,622</u>	<u>804,594</u>	<u>4,927,812</u>
NET POSITION AT END OF YEAR	<u>\$ 454,943</u>	<u>\$ 4,803,867</u>	<u>\$ 505,794</u>	<u>\$ 766,401</u>	<u>\$ 6,531,005</u>

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2022

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	\$ 1,037,451	\$ 3,283,293	\$ 1,167,013	\$ 1,579,272	\$ 7,067,029
CASH PAID TO SUPPLIERS	(677,946)	(1,570,044)	(144,512)	(549,795)	(2,942,297)
CASH PAID TO EMPLOYEES	(428,408)	(445,701)	(829,279)	(1,130,248)	(2,833,636)
OTHER RECEIPTS	6,346	457	291,904	-	298,707
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(62,557)	1,268,005	485,126	(100,771)	1,589,803
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
INTEREST PAID ON INTERFUND BORROWING	-	-	-	-	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
TRANSFERS IN	-	1,000,000	-	-	1,000,000
PAYMENTS MADE ON NOTES PAYABLE	-	(455,574)	-	-	(455,574)
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	15,580	-	-	15,580
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(25,326)	(670,408)	-	(79,086)	(774,820)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(25,326)	(110,402)	-	(79,086)	(214,814)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST INCOME COLLECTED	334	1,077	147	580	2,138
NET CASH PROVIDED BY INVESTING ACTIVITIES	334	1,077	147	580	2,138
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	435,935	615,762	128,700	649,691	1,830,088
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 348,386	\$ 1,774,442	\$ 613,973	\$ 470,414	\$ 3,207,215
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:					
UNRESTRICTED CASH	\$ 348,386	\$ 1,774,442	\$ 613,973	\$ 470,414	\$ 3,207,215
RESTRICTED CASH	-	-	-	-	-
	\$ 348,386	\$ 1,774,442	\$ 613,973	\$ 470,414	\$ 3,207,215
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ (74,154)	\$ 267,992	\$ 470,025	\$ (38,773)	\$ 625,090
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
DEPRECIATION	53,152	1,069,704	-	74,291	1,197,147
CHANGES IN ASSETS AND LIABILITIES					
ACCOUNTS RECEIVABLE	1,993	22,519	4,998	-	29,510
INVENTORY	-	15,431	-	-	15,431
ACCOUNTS PAYABLE	18,163	(42,658)	33,981	7,584	17,070
WAGES PAYABLE	(7,187)	(7,334)	(2,660)	(22,764)	(39,945)
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS					
COMPENSATED ABSENCES	(58,215)	(55,409)	(20,690)	(119,651)	(253,965)
	3,691	(2,240)	(528)	(1,458)	(535)
	\$ (62,557)	\$ 1,268,005	\$ 485,126	\$ (100,771)	\$ 1,589,803

**LEHI CITY CORPORATION
STATISTICAL SECTION
TABLE OF CONTENTS**

This part of the Lehi City Corporation annual comprehensive 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.

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FINANCIAL TRENDS	125 - 132
These schedules provide trend information to help the reader understand how the City's financial performance and economic conditions have changed over time.	
REVENUE CAPACITY	133 - 136
These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues.	
DEBT CAPACITY	137 - 146
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.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	147 - 148
These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
OPERATING INFORMATION	149 - 151
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.	

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

LEHI CITY CORPORATION
SCHEDULE 1
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2018	2019	2020	2021	2022
Governmental activities					
Net investment in capital assets	\$ 288,966,135	\$ 302,586,651	\$ 310,508,319	\$ 327,670,060	\$ 348,094,139
Restricted	349,363	1,480,415	1,330,917	7,486,352	14,058,585
Unrestricted	(90,089,047)	(78,585,842)	(64,094,902)	(44,375,030)	(24,913,559)
Total governmental activities net position	199,226,451	225,481,224	247,744,334	290,781,382	337,239,165
Business-type activities					
Net investment in capital assets	299,404,845	325,775,552	341,429,283	355,733,226	391,916,527
Restricted	547,651	2,528,731	2,711,961	9,965,009	12,617,730
Unrestricted	35,236,748	49,624,578	58,047,617	64,266,001	67,807,216
Total business-type activities net position	335,189,244	377,928,861	402,188,861	429,964,236	472,341,473
Primary government					
Net investment in capital assets	588,370,980	628,362,203	651,937,602	683,403,286	740,010,666
Restricted	897,014	4,009,146	4,042,878	17,451,361	26,676,315
Unrestricted	(54,852,299)	(28,961,264)	(6,047,285)	19,890,971	42,893,657
Total primary government net position	\$ 534,415,695	\$ 603,410,085	\$ 649,933,195	\$ 720,745,618	\$ 809,580,638

	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets	\$ 214,537,806	\$ 219,129,389	\$ 229,907,904	\$ 242,558,256	\$ 270,733,436
Restricted	6,470,224	8,560,047	6,565,677	4,262,799	590,207
Unrestricted	(73,872,812)	(88,715,100)	(108,048,049)	(101,045,130)	(101,325,874)
Total governmental activities net position	147,135,218	138,974,336	128,425,532	145,775,925	169,997,769
Business-type activities					
Net investment in capital assets	184,918,965	202,621,488	224,324,128	238,650,352	267,462,097
Restricted	8,545,937	9,063,049	4,293,339	4,555,304	126,965
Unrestricted	13,515,909	16,429,759	19,502,118	24,970,618	30,640,955
Total business-type activities net position	206,980,811	228,114,296	248,119,585	268,176,274	298,230,017
Primary government					
Net investment in capital assets	399,456,771	421,750,877	454,232,032	481,208,608	538,195,533
Restricted	15,016,161	17,623,096	10,859,016	8,818,103	717,172
Unrestricted	(60,356,903)	(72,285,341)	(88,545,931)	(76,074,512)	(70,684,919)
Total primary government net position	\$ 354,116,029	\$ 367,088,632	\$ 376,545,117	\$ 413,952,199	\$ 468,227,786

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

Expenses	Fiscal Year				
	2013	2014	2015	2016	2017
Governmental activities					
General government	\$ 5,602,138	\$ 6,608,885	\$ 7,536,526	\$ 6,904,634	\$ 9,041,919
Public Safety	9,487,082	10,046,876	10,178,031	11,170,823	12,096,387
Community Development	17,364,548	21,231,389	23,302,007	4,079,029	5,796,634
Streets and Highways	8,696,026	9,473,624	9,676,339	10,632,298	11,727,234
Parks, recreation, and culture	7,585,566	8,023,291	8,503,024	9,251,152	9,856,045
Cemetery	315,796	362,172	386,084	443,058	406,824
Interest on long-term debt	4,498,839	4,520,957	4,437,878	4,832,597	4,834,457
Total governmental activities	53,549,995	60,267,194	64,019,889	47,313,591	53,759,500
Business-type activities					
Culinary Water	2,848,555	3,409,071	3,935,066	4,110,256	6,233,288
Sewer	6,218,600	6,248,401	7,415,879	8,188,182	9,525,964
Pressurized Irrigation	2,604,120	2,747,577	2,811,392	2,933,070	3,412,437
Electric	23,776,549	24,328,858	25,550,168	26,793,013	28,132,875
Fiber	-	-	-	-	-
Nonmajor activities	3,543,327	3,728,903	3,732,107	3,734,136	4,279,107
Total business-type activities	38,991,151	40,462,810	43,444,612	45,758,657	51,583,671
Total primary government expenses	\$ 92,541,146	\$ 100,730,004	\$ 107,464,501	\$ 93,072,248	\$ 105,343,171
Revenues					
Governmental activities					
Charges for services					
General government	\$ 852,069	\$ 1,280,770	\$ 922,395	\$ 1,225,124	\$ 1,035,384
Public Safety	639,389	735,826	713,288	772,926	1,515,823
Community Development	3,697,018	3,380,948	3,996,282	4,122,688	4,539,888
Parks, recreation, and culture	3,261,742	3,442,123	3,538,275	3,669,216	3,701,396
Cemetery	170,515	200,865	235,200	240,285	219,065
Operating grants and contributions	1,990,385	1,652,937	1,879,304	1,921,433	3,449,482
Capital grants and contributions	2,693,363	6,669,536	15,157,512	17,731,567	24,434,520
Total governmental activities	13,304,481	17,363,005	26,442,256	29,683,239	38,895,558
Business-type activities					
Charges for services					
Culinary Water	3,353,732	3,387,526	3,606,036	4,282,274	6,623,580
Sewer	7,329,883	7,518,893	8,561,592	8,632,614	8,515,717
Pressurized Irrigation	2,160,964	2,236,370	2,678,561	2,697,436	2,649,309
Electric	23,493,768	24,730,251	26,168,996	28,967,401	31,303,180
Fiber	-	-	-	-	-
Nonmajor activities	3,179,708	3,098,067	3,034,091	3,215,374	3,399,318
Capital grants and contributions	9,991,274	13,031,629	20,541,414	17,914,832	28,411,382
Total business-type activities	49,509,329	54,002,736	64,590,690	65,709,931	80,902,486
Total primary government revenues	\$ 62,813,810	\$ 71,365,741	\$ 91,032,946	\$ 95,393,170	\$ 119,798,044
Net (Expense)/Revenue					
Governmental activities	\$ (40,303,264)	\$ (42,927,489)	\$ (42,542,388)	\$ (22,076,340)	\$ (18,242,733)
Business-type activities	10,518,178	13,539,926	13,906,694	14,853,433	23,987,587
Total primary government net (expense)/revenue	\$ (29,785,086)	\$ (29,387,563)	\$ (28,635,694)	\$ (7,222,907)	\$ 5,744,854
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 14,564,416	\$ 16,373,300	\$ 17,134,391	\$ 18,943,311	\$ 21,435,929
Sales taxes	7,361,030	7,904,519	9,060,843	9,830,594	11,034,838
Franchise taxes	3,733,118	4,285,907	4,626,674	5,221,608	4,886,832
Impact Fees	4,727,508	4,899,084	-	-	-
Investment Earnings	108,596	98,028	81,658	153,854	193,325
Gain on disposal of assets	57,750	-	-	-	-
Other	47,656	18,862	75,314	100,458	1,534,862
Transfers	730,920	730,920	485,920	730,920	-
Total governmental activities	31,330,994	34,310,620	31,464,800	34,980,745	39,085,786
Business-type activities					
Investment Earnings	99,922	106,836	114,557	151,462	304,489
Impact fees	4,273,216	7,617,749	-	-	-
Gain on disposal of assets	1,800	68,690	6,164	67,014	38,613
Other	286,009	531,204	411,696	617,859	391,826
Transfers	(730,920)	(730,920)	(485,920)	(730,920)	-
Total business-type activities	3,930,027	7,593,559	46,497	105,415	734,928
Total primary government	\$ 35,261,021	\$ 41,904,179	\$ 31,511,297	\$ 35,086,160	\$ 39,820,714
Change in Net Position					
Governmental activities	\$ (8,972,270)	\$ (8,593,569)	\$ (6,112,833)	\$ 17,350,393	\$ 24,221,844
Business-type activities	14,448,205	21,133,485	21,192,575	20,056,689	30,053,743
Total primary government	\$ 5,475,935	\$ 12,539,916	\$ 15,079,742	\$ 37,407,082	\$ 54,275,587

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

	Fiscal Year				
	2018	2019	2020	2021	2022
Expenses					
Governmental activities					
General government	\$ 8,274,466	\$ 8,961,845	\$ 8,959,799	\$ 8,608,259	\$ 8,020,887
Public Safety	13,656,195	15,513,181	16,559,907	17,095,653	17,507,791
Community Development	4,928,368	4,836,058	5,777,381	5,280,007	5,729,311
Streets and Highways	12,764,811	13,522,976	14,920,711	16,003,682	16,289,645
Parks, recreation, and culture	10,486,576	11,220,816	11,186,187	12,020,031	12,943,241
Cemetery	414,906	430,339	473,663	491,598	497,978
Interest on long-term debt	4,906,081	4,877,481	5,824,032	5,553,570	5,399,835
Total governmental activities	55,431,403	59,362,696	63,701,680	65,052,800	66,388,688
Business-type activities					
Culinary Water	12,102,087	10,336,143	6,969,504	10,165,480	10,624,141
Sewer	9,865,657	11,111,407	12,142,499	11,360,091	11,460,744
Pressurized Irrigation	3,637,826	5,425,243	5,808,312	5,469,142	5,728,480
Electric	30,707,792	33,073,473	33,265,006	40,214,545	42,720,326
Fiber	-	-	-	1,149,570	1,978,842
Nonmajor activities	4,677,412	5,200,680	6,173,225	6,981,785	7,106,308
Total business-type activities	60,990,774	65,146,946	64,358,546	75,340,613	79,618,841
Total primary government expenses	\$ 116,422,177	\$ 124,509,642	\$ 128,060,226	\$ 140,393,413	\$ 146,007,529
Revenues					
Governmental activities					
Charges for services					
General government	\$ 1,270,675	\$ 1,431,761	\$ 1,343,004	\$ 1,410,528	\$ 1,210,322
Public Safety	1,510,422	1,897,103	1,685,241	1,755,288	2,473,877
Community Development	6,753,793	6,115,690	5,093,446	7,175,492	6,828,003
Parks, recreation, and culture	3,989,072	4,035,165	2,855,378	2,890,148	3,951,817
Cemetery	232,520	256,950	322,605	435,350	536,143
Operating grants and contributions	2,687,038	2,734,035	7,488,372	9,901,485	8,214,996
Capital grants and contributions	28,063,535	28,364,171	17,986,306	34,122,734	37,883,897
Total governmental activities	44,507,055	44,834,875	36,774,352	57,691,025	61,099,055
Business-type activities					
Charges for services					
Culinary Water	5,671,068	6,324,393	6,726,762	7,466,508	7,953,784
Sewer	8,560,318	9,213,563	9,399,488	9,553,148	9,930,258
Pressurized Irrigation	3,002,057	3,716,615	4,148,148	4,519,801	4,751,154
Electric	33,458,042	35,473,772	36,526,512	39,460,193	40,396,786
Fiber	-	-	-	-	-
Nonmajor activities	3,575,009	3,889,510	4,836,172	6,070,200	6,564,730
Operating grants and contributions	7,294,687	5,250,596	-	3,338,726	2,867,704
Capital grants and contributions	35,292,708	41,980,410	24,840,140	31,170,218	48,217,884
Total business-type activities	96,853,889	105,848,859	86,477,222	101,578,794	120,682,300
Total primary government program revenues	\$ 141,360,944	\$ 150,683,734	\$ 123,251,574	\$ 159,269,819	\$ 181,781,355
Net (Expense)/Revenue					
Governmental activities	\$ (15,349,057)	\$ (14,527,821)	\$ (26,927,328)	\$ (7,361,775)	\$ (5,289,633)
Business-type activities	25,912,376	40,701,913	22,118,676	26,238,181	41,063,459
Total primary government net (expense)/revenue	\$ 10,563,319	\$ 26,174,092	\$ (4,808,652)	\$ 18,876,406	\$ 35,773,826
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 21,124,631	\$ 20,483,605	\$ 26,503,325	\$ 23,321,339	\$ 22,350,797
Sales taxes	12,222,987	13,156,245	14,634,703	17,659,174	21,157,647
Franchise taxes	5,287,987	5,510,813	5,670,790	5,737,987	6,621,772
Investment Earnings	337,123	756,650	1,137,458	269,757	161,650
Gain on disposal of capital assets	256,152	-	16,461	1,196,294	228,274
Other	924,150	875,281	1,227,701	2,214,272	1,227,276
Transfers	-	-	-	-	-
Total governmental activities	40,153,030	40,782,594	49,190,438	50,398,823	51,747,416
Business-type activities					
Investment Earnings	560,760	1,357,423	1,483,453	415,605	385,986
Gain on disposal of capital assets	29,501	41,107	-	9,625	34,021
Other	505,851	639,174	657,871	1,111,964	893,771
Transfers	-	-	-	-	-
Total business-type activities	1,096,112	2,037,704	2,141,324	1,537,194	1,313,778
Total primary government	\$ 41,249,142	\$ 42,820,298	\$ 51,331,762	\$ 51,936,017	\$ 53,061,194
Change in Net Position					
Governmental activities	\$ 29,228,682	\$ 26,254,773	\$ 22,263,110	\$ 43,037,048	\$ 46,457,783
Business-type activities	36,959,227	42,739,617	24,260,000	27,775,375	42,377,237
Total primary government	\$ 66,187,909	\$ 68,994,390	\$ 46,523,110	\$ 70,812,423	\$ 88,835,020

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LEHI CITY CORPORATION
SCHEDULE 3
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2018	2019	2020	2021	2022
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	458,007	893,511	2,554,024	4,639,096	6,390,766
Committed	552,705	568,378	640,659	643,812	647,031
Assigned	22,295	22,927	23,411	23,526	23,643
Unassigned	10,887,280	10,684,725	11,968,763	16,114,294	19,412,949
Total General Fund	<u>12,169,541</u>	<u>15,186,857</u>	<u>15,186,857</u>	<u>21,420,728</u>	<u>26,474,389</u>
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	1,017,852	18,980,465	6,730,618	4,340,039	9,640,000
Assigned	5,097,302	13,995,418	22,430,303	31,744,466	41,658,290
Total all other governmental funds	<u>6,115,154</u>	<u>32,975,883</u>	<u>29,160,921</u>	<u>36,084,505</u>	<u>51,298,290</u>
Total governmental funds	<u>\$ 18,284,695</u>	<u>\$ 48,162,740</u>	<u>\$ 44,347,778</u>	<u>\$ 57,505,233</u>	<u>\$ 77,772,679</u>

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 25,858	\$ 29,902	\$ 24,000	\$ 103,000	\$ 197,599
Restricted	652,048	1,028,085	799,082	574,992	306,630
Committed	448,237	466,584	496,802	624,936	542,731
Assigned	184,415	190,349	191,324	192,026	194,253
Unassigned	6,439,616	6,645,733	6,758,479	6,918,012	5,052,340
Total General Fund	<u>7,750,174</u>	<u>8,360,653</u>	<u>8,269,687</u>	<u>8,412,966</u>	<u>6,293,553</u>
All Other Governmental Funds					
Nonspendable	-	-	24,877	-	-
Restricted	6,195,047	8,274,991	6,245,868	4,738,086	711,561
Assigned	2,690,851	2,617,559	2,536,176	5,043,913	1,403,153
Total all other governmental funds	<u>8,885,898</u>	<u>10,892,550</u>	<u>8,806,921</u>	<u>9,781,999</u>	<u>2,114,714</u>
Total governmental funds	<u>\$ 16,636,072</u>	<u>\$ 19,253,203</u>	<u>\$ 17,076,608</u>	<u>\$ 18,194,965</u>	<u>\$ 8,408,267</u>

LEHI CITY CORPORATION
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues					
Taxes	\$ 25,658,564	\$ 28,563,726	\$ 30,821,908	\$ 33,995,513	\$ 37,357,599
Licenses, fees and permits	6,695,905	6,444,720	7,372,672	6,533,438	6,533,438
Intergovernmental	2,015,152	1,671,598	2,056,379	3,539,749	3,539,749
Charges for services	5,668,980	5,762,720	6,081,697	6,519,088	6,519,088
Fines and forfeitures	593,424	547,825	554,622	668,151	668,151
Miscellaneous	357,656	806,898	433,344	649,434	649,434
Interest on investments	96,393	88,992	72,298	145,662	145,662
Total revenues	41,086,074	43,886,479	47,392,920	52,051,035	55,413,121
Expenditures					
General government	4,756,942	5,512,993	7,432,107	6,804,485	6,804,485
Public Safety	9,108,300	9,830,309	9,745,736	10,602,138	10,602,138
Community development	17,383,350	21,215,648	23,120,657	3,820,164	3,820,164
Streets and highways	2,094,633	2,462,221	2,790,957	3,114,886	3,114,886
Parks, recreation and culture	6,805,808	8,295,691	7,656,136	8,279,958	8,279,958
Cemetery	291,914	334,730	358,145	415,615	415,615
Other	13,780	77,920	12,476	3,600	3,600
Capital outlay	3,569,430	4,245,051	10,087,085	9,752,734	9,752,734
Debt Service					
Principal	3,136,951	10,722,440	4,353,681	4,764,670	4,764,670
Interest and fiscal charges	4,405,021	4,636,091	4,246,198	4,732,577	4,732,577
Total expenditures	51,566,129	67,333,094	69,803,178	52,290,827	52,290,827
Excess (deficiency) of revenues over (under) expenditures	(10,480,055)	(23,446,615)	(22,410,258)	(239,792)	3,122,294
Other Financing Sources (Uses)					
Transfers in	3,708,947	4,408,662	3,917,960	5,818,343	5,818,343
Transfers out	(2,978,027)	(3,677,742)	(3,432,040)	(5,087,423)	(5,087,423)
Sale of capital assets	82,760	52,930	190,380	627,229	627,229
Bond and note proceeds	14,087,053	25,163,052	19,557,363	-	-
Total other financing sources (uses)	14,900,733	25,946,902	20,233,663	1,358,149	1,358,149
Net change in fund balances	\$ 4,420,678	\$ 2,500,287	\$ (2,176,595)	\$ 1,118,357	\$ 4,480,443
Debt service as a percentage of noncapital expenditures	15.71%	24.34%	14.40%	22.33%	22.33%

LEHI CITY CORPORATION
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2018	2019	2020	2021	2022
Revenues					
Taxes	\$ 38,635,605	\$ 39,150,663	\$ 46,808,818	\$ 46,718,500	\$ 50,130,216
Licenses, fees and permits	8,000,076	9,613,360	8,168,866	10,640,635	12,654,002
Intergovernmental	6,253,575	8,648,408	11,441,497	23,893,064	15,832,601
Charges for services	8,636,679	8,739,191	7,058,720	8,113,532	9,788,903
Fines and forfeitures	799,079	844,289	790,458	710,682	722,270
Miscellaneous	1,818,819	1,451,781	1,648,639	2,678,250	1,699,551
Interest on investments	300,658	692,189	1,099,329	263,761	159,512
Total revenues	64,444,491	69,139,881	77,016,327	93,018,424	90,987,055
Expenditures					
General government	6,856,047	7,112,048	7,538,498	8,259,035	8,539,977
Public Safety	12,622,099	13,821,781	15,404,388	17,120,953	18,385,423
Community development	5,121,202	4,556,038	5,447,678	4,927,696	5,291,722
Streets and highways	3,372,051	3,455,349	3,789,510	5,620,679	5,781,174
Parks, recreation and culture	9,675,126	9,750,314	9,541,822	10,341,966	11,363,509
Cemetery	390,147	403,066	433,261	482,707	454,611
Other	63,900	8,250	10,775	5,250	54,316
Capital outlay	9,962,532	12,490,153	22,420,051	24,345,627	10,651,809
Debt Service					
Principal	7,683,967	4,319,419	7,429,705	4,724,910	4,326,200
Interest and fiscal charges	4,890,766	4,904,070	5,827,154	5,734,224	5,413,602
Total expenditures	60,637,837	60,820,488	77,842,842	81,563,047	70,262,343
Excess (deficiency) of revenues over (under) expenditures	3,806,654	8,319,393	(826,515)	11,455,377	20,724,712
Other Financing Sources (Uses)					
Transfers in	4,098,769	9,572,504	11,836,317	11,521,047	15,040,584
Transfers out	(4,098,769)	(9,572,504)	(11,836,317)	(11,521,047)	(16,040,584)
Proceeds from lease liability	-	-	-	-	28,193
Sale of capital assets	51,932	388,062	28,869	1,702,078	514,541
Bond and note proceeds	5,768,588	18,402,528	-	-	-
Total other financing sources (uses)	5,820,520	18,790,590	28,869	1,702,078	(457,266)
Net change in fund balances	\$ 9,627,174	\$ 27,109,983	\$ (797,646)	\$ 13,157,455	\$ 20,267,446
Debt service as a percentage of noncapital expenditures	24.81%	19.08%	23.92%	18.28%	16.34%

LEHI CITY CORPORATION
SCHEDULE 5
TAX REVENUES BY SOURCE
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>General Use and Sales Tax</u>	<u>Franchise Tax</u>	<u>Fees in Lieu of Personal Property Tax</u>	<u>Total</u>
2013	\$ 14,014,696	\$ 7,361,030	\$ 3,733,118	\$ 549,720	\$ 25,658,564
2014	15,812,205	7,904,519	4,285,907	561,095	28,563,726
2015	16,576,423	9,060,843	4,626,674	557,968	30,821,908
2016	18,985,237	9,377,782	5,067,062	581,027	34,011,108
2017	21,295,398	10,757,971	4,698,705	605,525	37,357,599
2018	20,843,539	12,062,139	5,073,080	656,847	38,635,605
2019	19,787,689	13,381,416	5,285,642	695,916	39,150,663
2020	26,181,863	14,449,857	5,483,232	693,866	46,808,818
2021	22,796,311	17,724,868	5,531,382	665,939	46,718,500
2022	22,119,880	21,475,897	5,815,420	719,019	50,130,216
Growth 2013-2022	57.8%	191.8%	55.8%	30.8%	95.4%

LEHI CITY CORPORATION
SCHEDULE 6
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property (1)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2013	\$ 2,471,989,979	\$ 552,044,117	\$ 3,024,034,096	0.002432	\$ 4,207,485,475	71.9%
2014	2,781,443,616	636,160,403	3,417,604,019	0.002172	4,740,895,420	72.1%
2015	3,260,372,368	679,951,110	3,940,323,478	0.002090	5,515,472,867	71.4%
2016	3,659,970,869	841,344,071	4,501,314,940	0.002005	6,273,725,606	71.7%
2017	4,179,645,929	1,001,269,708	5,180,915,637	0.001830	7,122,345,588	72.7%
2018	4,694,115,192	1,049,063,478	5,743,178,670	0.001678	7,936,815,060	72.4%
2019	5,435,544,143	999,783,768	6,435,327,911	0.001538	8,975,243,406	71.7%
2020	6,664,194,033	1,580,861,282	8,245,055,315	0.001451	11,230,420,097	73.4%
2021	7,487,828,024	1,290,653,716	8,778,481,740	0.001429	12,201,577,217	71.9%
2022	8,122,163,455	1,105,949,762	9,228,113,217	0.001189	13,111,613,286	70.4%

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

Source: Values obtained from the Utah County Treasurer and do not include RDA values.

LEHI CITY CORPORATION
SCHEDULE 7
PROPERTY TAX LEVIED AND COLLECTIONS
Last Ten Calendar Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 6,149,530	\$ 5,660,924	92.05%	\$ 455,422	\$ 6,116,346	99.46%
2014	6,343,087	6,020,853	94.92%	218,213	6,239,066	98.36%
2015	8,631,183	8,222,670	95.27%	303,443	8,526,113	98.78%
2016	9,388,153	8,960,710	95.45%	349,731	9,310,441	99.17%
2017	10,467,968	10,028,134	95.80%	370,879	10,399,013	99.34%
2018	10,682,184	10,215,281	95.63%	448,752	10,664,033	99.83%
2019	10,934,267	10,244,566	93.69%	503,735	10,748,301	98.30%
2020	12,883,259	12,306,550	95.52%	533,879	12,840,429	99.67%
2021	12,837,163	12,108,856	94.33%	470,770	12,579,627	97.99%
2022	13,207,667	12,627,949	95.61%	-	12,627,949	95.61%

Source: Utah County Treasurer

LEHI CITY CORPORATION
SCHEDULE 8
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years

Tax Year	Lehi City Direct Rates			Overlapping Rates					
	General Fund	Debt Service Fund	Total Direct Rate	Alpine School District	Utah County	Central Utah Water Conservancy District	North Utah County Water Conservancy District	Lehi Metropolitan Water District	Total
2013	0.002432	-	0.002432	0.008699	0.001342	0.000500	0.000028	0.000013	0.013014
2014	0.002172	-	0.002172	0.008096	0.001259	0.000446	0.000025	0.000012	0.012010
2015	0.002090	-	0.002090	0.008177	0.001149	0.000422	0.000024	0.000011	0.011873
2016	0.002005	-	0.002005	0.007718	0.001098	0.000405	0.000023	0.000011	0.011260
2017	0.001830	-	0.001830	0.007167	0.000969	0.000400	0.000021	0.000010	0.010397
2018	0.001678	-	0.001678	0.007033	0.000911	0.000400	0.000019	0.000009	0.010050
2019	0.001538	-	0.001538	0.006699	0.000839	0.000400	0.000017	0.000008	0.009501
2020	0.001451	-	0.001451	0.006800	0.001202	0.000400	0.000016	0.000008	0.009877
2021	0.001429	-	0.001429	0.006904	0.001007	0.000400	0.000015	0.000008	0.009763
2022	0.001189	-	0.001189	0.005724	0.000787	0.000400	0.000012	0.000006	0.008118

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, Utah County Treasurer

LEHI CITY CORPORATION
SCHEDULE 9
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Ten Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Texas Instruments	\$ 363,486,700	1	3.94%	\$ -		
Adobe Systems Inc.	128,333,100	2	1.39%	-		
Young Living Warm Springs	75,125,800	3	0.81%	-		
Geneva Rock Products Inc.	71,026,076	4	0.77%	-		
DR Horton	65,556,600	5	0.71%	-		
MPT of Lehi - Steward	63,517,900	6	0.69%	-		
Outlets at Traverse Mountain	55,588,700	7	0.60%	-		
Traverse Ridge Center III	51,545,200	8	0.56%	-		
RE Plus 1300WTP	50,485,800	9	0.55%	-		
TMCV #1 LLC	46,662,500	10	0.51%	-		
Micron Technology				531,355,544	1	17.57%
Thanksgiving Point LC				68,578,465	2	2.27%
Cabela's				28,913,350	3	0.96%
Fox Ridge Investments				23,545,315	4	0.78%
Thai Properties				17,576,575	5	0.58%
Point Development				11,235,567	6	0.37%
Whistle Stop Development				7,258,987	7	0.24%
Smiths				7,011,554	8	0.23%
Century Link				6,759,501	9	0.22%
Museum of Ancient History				5,879,554	10	0.19%
Total	<u>\$ 971,328,376</u>		<u>10.53%</u>	<u>\$708,114,412</u>		<u>23.42%</u>

Source: Utah County Treasurer's Office

LEHI CITY CORPORATION
SCHEDULE 10
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities							Total Primary Government	Percentage of Personal Income	Per Capita
	Sales Tax Revenue	Leases	Notes Payable	Water Revenue	Electric Revenue	Storm Drain Revenue	Franchise & Sales Tax Revenue	Notes Payable					
2013	\$ 15,570,000	\$ -	\$ 80,926,594	\$ 1,739,319	\$ 5,200,000	\$ 2,070,000	\$ -	\$ 1,636,904	\$ 107,142,817	8.90%	2,094		
2014	15,165,000	-	95,772,209	140,000	4,560,000	1,920,000	-	1,600,010	119,157,219	9.19%	2,191		
2015	14,515,000	-	111,625,886	-	3,820,000	1,760,000	-	1,561,666	133,282,552	9.92%	2,368		
2016	13,855,000	-	107,521,217	-	3,075,000	1,610,000	-	1,521,786	127,583,003	8.78%	2,238		
2017	13,175,000	-	107,169,069	-	2,320,000	1,455,000	-	1,480,286	125,599,355	8.09%	2,055		
2018	18,243,588	-	100,185,102	-	19,669,467	1,295,000	-	1,291,636	140,684,793	8.20%	2,243		
2019	35,736,583	-	96,720,683	19,674,558	18,295,426	1,130,000	-	1,226,142	172,783,392	8.91%	2,616		
2020	34,721,528	-	92,370,979	19,459,224	16,889,380	960,000	-	1,185,284	165,586,395	8.10%	2,375		
2021	33,681,473	-	89,051,993	18,968,890	16,243,335	780,000	63,541,973	1,114,588	223,382,252	9.18%	2,943		
2022	32,611,418	46,330	85,267,096	18,463,556	15,572,289	595,000	63,179,850	1,042,658	216,778,197	7.46%	2,710		

Note: See Schedule 20 for personal income and population data.

LEHI CITY CORPORATION
SCHEDULE 11
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Other Bonds</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2013	\$ -	\$ -	\$ -	- %	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-

Note: Lehi City has no general obligation debt outstanding or any other bonds that would commit property taxes for payment.

LEHI CITY CORPORATION
SCHEDULE 12
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Lehi (1)</u>	<u>Estimated Amount Applicable to Lehi</u>
Overlapping Debt:			
Central Utah Water Conservancy District	\$ 161,310,372	14.79%	\$ 23,851,213
Alpine School District	<u>491,560,456</u>	22.48%	<u>110,515,332</u>
Subtotal, overlapping debt	652,870,828		134,366,545
Direct Debt:			
Lehi City	<u>117,924,844</u>	100.00%	<u>117,924,844</u>
Total direct and overlapping debt	<u>\$ 770,795,672</u>		<u>\$ 252,291,389</u>

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 City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden born 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; Central Utah Water Conservancy District

LEHI CITY CORPORATION
SCHEDULE 13
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
2013	\$ 168,299,419	\$ -	\$ 168,299,419
2014	189,635,817	-	189,635,817
2015	220,618,915	-	220,618,915
2016	250,949,024	-	250,949,024
2017	284,893,824	-	284,893,824
2018	317,472,602	-	317,472,602
2019	359,009,736	-	359,009,736
2020	449,216,804	-	449,216,804
2021	488,063,089	-	488,063,089
2022	524,464,531	-	524,464,531

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

Legal Debt Margin Calculation for Fiscal Year 2022

Estimated market value	\$ 13,111,613,286
Debt limit (4% of market value)	524,464,531
Debt applicable to limit	-
Legal debt margin	<u>\$ 524,464,531</u>

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

LEHI CITY CORPORATION
SCHEDULE 14
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)			Coverage
				Principal	Interest	Total	
2013	\$ 6,956,808	\$ 3,215,600	\$ 3,741,208	\$ 385,000	\$ 73,148	\$ 458,148	8.17
2014	8,692,057	3,926,658	4,765,399	400,000	66,428	466,428	10.22
2015	9,113,818	4,447,560	4,666,258	140,000	6,860	146,860	31.77
2016	8,561,431	4,448,967	4,112,464	-	-	-	-
2017	11,583,625	6,744,977	4,838,648	-	-	-	-
2018	13,029,446	5,207,971	7,821,475	-	-	-	-
2019 (4)	13,377,347	6,569,152	6,808,195	-	-	-	-
2020	14,111,393	7,410,585	6,700,808	115,000	1,120,679	1,235,679	5.42
2021	15,610,114	7,027,185	8,582,929	390,000	846,550	1,236,550	6.94
2022	16,904,729	7,800,534	9,104,195	405,000	846,113	1,251,113	7.28

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

- (1) Total revenue (including interest income and impact fees) for culinary water and secondary water combined. Amounts are exclusive of any developer fees that are passed through to the Central Valley Water Conservancy District.
- (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 combined.
- (4) The City issued \$17,205,000 in water revenue bonds to finance improvements to the culinary water distribution system and pressurized irrigation system.

LEHI CITY CORPORATION
SCHEDULE 15
PLEDGED REVENUE COVERAGE
SALES TAX REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	\$ 7,361,030	\$ 540,000	\$ 358,034	\$ 898,034	8.20
2014	7,904,519	560,000	337,473	897,473	8.81
2015	9,060,843	650,000	165,824	815,824	11.11
2016	9,377,782	660,000	150,880	810,880	11.56
2017	10,757,971	680,000	135,700	815,700	13.19
2018	(1) 12,062,139	700,000	196,433	896,433	13.46
2019	(2) 13,381,416	855,000	725,135	1,580,135	8.47
2020	14,449,857	880,000	976,300	1,856,300	7.78
2021	17,724,868	905,000	950,068	1,855,068	9.55
2022	21,475,897	935,000	924,932	1,859,932	11.55

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

(1) The City issued \$5,768,588 in sales tax revenue bonds in fiscal year 2018 to finance the construction of a new fire station.

(2) The City issued \$18,402,528 in sales tax revenue bonds in fiscal year 2019 to finance the construction of a new public safety building.

LEHI CITY CORPORATION
SCHEDULE 16
PLEDGED REVENUE COVERAGE
EXCISE TAX ROAD BONDS
Last Ten Fiscal Years

Fiscal Year	Excise Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2013	\$ 1,586,980	\$ 575,000	\$ 18,400	\$ 593,400	2.56
2014	1,513,953	-	-	-	-
2015	1,592,893	-	-	-	-
2016	1,785,860	-	-	-	-
2017	2,169,616	-	-	-	-
2018	2,229,760	-	-	-	-
2019	2,511,008	-	-	-	-
2020	3,809,524	-	-	-	-
2021	4,458,718	-	-	-	-
2022	3,107,669	-	-	-	-

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

LEHI CITY CORPORATION
SCHEDULE 17
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	
2013	\$ 25,857,917	\$ 21,786,781	\$ 4,071,136	\$ 630,000	\$ 119,249	\$ 749,249	5.43
2014	28,948,402	22,324,365	6,624,037	700,000	94,032	794,032	8.34
2015	29,919,796	23,489,726	6,430,070	740,000	64,703	804,703	7.99
2016	32,413,055	24,643,464	7,769,591	745,000	58,782	803,782	9.67
2017	34,068,518	26,050,071	8,018,447	755,000	52,078	807,078	9.94
2018	38,653,790	27,683,496	10,970,294	760,000	287,365	1,047,365	10.47
2019	40,759,383	28,965,807	11,793,576	1,250,000	819,648	2,069,648	5.70
2020	40,964,919	28,699,649	12,265,270	1,280,000	775,520	2,055,520	5.97
2021	45,286,653	35,549,153	9,737,500	520,000	733,500	1,253,500	7.77
2022	46,360,981	37,878,941	8,482,040	545,000	707,500	1,252,500	6.77

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 and amortization.

LEHI CITY CORPORATION
SCHEDULE 18
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			Coverage
				Principal	Interest	Total	
2013	\$ 1,334,947	\$ 394,904	\$ 940,043	\$ 145,000	\$ 77,747	\$ 222,747	4.22
2014	1,480,016	363,271	1,116,745	150,000	72,657	222,657	5.02
2015	1,394,965	368,077	1,026,888	160,000	67,393	227,393	4.52
2016	1,427,089	457,652	969,437	150,000	61,776	211,776	4.58
2017	1,491,237	696,897	794,340	155,000	56,511	211,511	3.76
2018	1,711,571	734,418	977,153	160,000	51,986	211,986	4.61
2019	1,739,673	874,651	865,022	165,000	51,873	216,873	3.99
2020	1,959,651	997,399	962,252	170,000	39,663	209,663	4.59
2021	2,563,785	1,262,128	1,301,657	180,000	33,696	213,696	6.09
2022	3,005,373	1,315,530	1,689,843	185,000	27,378	212,378	7.96

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 19
PLEDGED REVENUE COVERAGE
FRANCHISE AND SALES TAX REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Limited Sales Tax Revenue	Gas & Electric Franchise Fee Revenue	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
						Principal	Interest	Total	
2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2014	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022 (3)	1,662,673	4,818,503	268,441	134,032	6,615,585	-	1,927,741	1,927,741	3.43

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

(1) Total revenue including interest.

(2) Total operating expenses exclusive of depreciation and amortization.

(3) The City issued \$53,890,000 in franchise and sales tax revenue bonds to fund the acquisition, construction and installation of a fiber-optic network within the City. The Fiber fund will experience a deficit net position for the first few years until the fiber-optic network is installed and the City can begin to collect revenues generated from that system.

LEHI CITY CORPORATION
SCHEDULE 20
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population Estimate</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>
2013	51,173	\$ 1,203,281,922	\$ 23,514	4.9%
2014	54,382	1,296,640,685	23,843	3.5%
2015	56,275	1,343,453,075	23,873	3.4%
2016	57,000	1,453,767,554	25,505	3.4%
2017	61,130	1,552,978,545	25,405	3.3%
2018	62,712	1,715,886,931	27,361	3.1%
2019	66,037	1,939,815,006	29,375	2.7%
2020	69,724	2,045,205,540	29,333	2.7%
2021	75,907	2,433,095,665	32,054	2.2%
2022	79,978	2,906,113,225	36,336	1.8%

(1) Per capita personal income amounts shown are for the tax calendar year that ended during the specified fiscal year.

(2) Unemployment rates are for Utah County, Utah provided by the U.S. Department of Labor, Bureau of Labor Statistics.

Source: Utah State Tax Commission

LEHI CITY CORPORATION
SCHEDULE 21
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago

Employer	2022	2013	
	Range of Employees	Estimated Employees	Rank
Micron Technology (IM Flash)	1000-1999	2,476	1
Adobe	1000-1999		
Vivint Solar	1000-1999		
Young Living Essential Oils	1000-1999	123	9
Alpine School District	1000-1999		
Hadco Construction	500-999	235	5
Entrata	500-999		
Ancestry.com	500-999		
Reprdrive	500-999		
Weave Communications	500-999		
Workfront	500-999		
Xactware	500-999		
Thanksgiving Point Institute	250-499	420	4
Costco	250-499	211	7
Smiths Marketplace	250-499	165	8
Digicert	250-499		
Essential Botanical Farms	250-499		
Moneydesktop MX	250-499		
Mountain Point Medical Center	250-499		
Pure Storage	250-499		
Solutionreach	250-499		
Youngique	250-499		
Cabela's	100-249	425	3
Lowe's	100-249	120	10
Jack B Parson Co.	10-19	215	6
Xango	-	630	2

Source: Utah Department of Workforce Services

Note: The State of Utah only tracks employees by range of employees. The City does not collect employee information as part of the business license or any other process.

LEHI CITY CORPORATION
SCHEDULE 22
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Court	6	6	6	6	6	6	6	6	6	6
Administrative	6.5	9.5	11.5	11.5	11.5	15	15	15	16	14
Treasury	6	5	5	6	6	6	6.5	5	5	5
Finance	5	7	7	7	7	4	4	4	4	4
Information Center	-	-	-	-	-	-	-	7	7	7
Legal	4.5	4.5	5.3	5.3	5.3	5	5	5	5	5
Legislative (1)	6	6	6	6	6	6	6	6	6	6
Public Safety										
Police	45	48	51	54	59	59	59	59	62	65
Fire	40	42	43	46	50	66	66	67	67	68
Animal Control	2	2	2	2	2	1	1	1	1	2
Community Development										
Public Works Administration	5	5	5	5	5	5	7	8	8	8
Planning and Zoning	6	6	6	6	6	6	6	7	7	7
Building Inspections	8	9	9	9	9	9	9	12	12	13
Streets and Highways										
Streets and Public Improvements	12	12	14	15	15	15	16	16	16	17
Parks, Recreation and Culture										
Parks	22	27	27	29	29	29	31	30	25	28
Senior Citizens	3	2	2	2	2.5	3	4	3	3	3
Recreation	75.5	84.5	84.5	87.5	82	91	84	64	73	87
Library	20	20	20	21	21	21	21	16	16	16
Literacy Center	5.5	6.5	6.5	6.5	6	6	6	6	6	6
Cemetery	3	3.5	3.5	4	4	6	6	6	6	6
Culinary Water	8	9	9	10	10	12	12	13	15	16
Sewer	3	3	3	4	8	8	8	7	7	8
Power	24.5	23.5	25.5	27.5	29	32	33	33	33	36
Secondary Water	3.5	6.5	5.5	6.5	6.5	5	5	5	5	5
Storm Drain	3	3	3.65	4.65	5.65	5	7	12	12	12

Source: City payroll records

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

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

LEHI CITY CORPORATION
SCHEDULE 23
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Community development										
Residential building permits issued	569	340	464	548	489	781	871	707	907	826
Commercial building permits issued	25	26	165	195	195	183	172	148	161	167
Court										
Traffic and Misdemeanor cases handled	5,896	5,845	4,705	6,387	5,547	7,321	7,349	6,988	6,281	5,689
Police										
Calls for service	15,575	27,087	32,130	32,534	28,602	29,832	22,770	25,438	30,175	29,566
Arrests	1,089	1,261	1,188	1,179	1,436	1,414	1,443	1,173	1,121	1,243
Fire										
Fire/Medical responses	2,232	2,200	2,480	2,708	2,946	3,162	3,717	3,866	3,982	4,706
Recreation										
Recreation programs	71	70	69	72	80	74	78	62	69	77
Participants in recreation programs	24,555	25,983	27,445	28,396	27,999	28,549	28,324	20,777	23,600	29,614
Library										
Books in collection	121,168	125,220	114,442	150,158	115,022	122,055	129,002	129,826	127,054	125,469
Books circulated	511,130	529,218	532,094	597,433	474,778	486,687	502,167	402,543	343,828	488,264
Cemetery										
Acres maintained	55	55	55	55	55	55	55	55	55	55
Total gravesites	26,428	26,485	27,645	27,955	27,966	29,528	29,543	29,713	29,729	29,766
Culinary Water										
Residential accounts serviced	13,152	14,419	14,987	15,691	16,043	16,562	17,872	18,811	19,712	20,589
Average daily consumption (thousands of gallons)	2,630	2,740	3,210	3,490	4,210	3,840	4,490	4,638	4,987	4,364
Sewer										
Sewer lines miles inspected	78	78	47	47	58	62	54	52	53	55
Power										
Accounts serviced	16,279	16,764	17,873	18,879	19,656	20,693	22,193	23,611	24,800	26,094
Energy sold (megawatts in thousands)	259	270	286	315	342	364	383	402	462	433
Secondary Water										
Accounts serviced	12,574	13,019	13,247	15,584	14,119	14,799	15,669	16,314	16,579	17,129

Source: City records

LEHI CITY CORPORATION
SCHEDULE 24
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Streets and Highways										
Street lights	2,446	2,506	2,600	2,689	2,910	3,027	3,359	3,495	3,671	3,796
Street miles	206	221	224	233	244	246	256	262	270	278
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	51	57	59	60	65	63	63	66	72	76
Fire										
Fire stations	2	2	2		2	3	3	3	3	3
Fire vehicles	12	12	15	16	17	17	17	20	21	21
Ambulances	3	4	5	4	5	5	5	5	5	5
Public works										
Incorporated area in square miles	32	32	28	28	29	29	29	29	29	29
City buildings in square feet	235,000	235,000	235,000	235,000	321,600	321,600	321,600	321,600	362,044	348,089
Parks and recreation										
Park acreage	333	333	339	339	522	522	531	592	600	630
Baseball/softball diamonds	8	8	8	8	8	8	8	8	12	12
Public libraries	1	1	1	1	1	1	1	1	1	1
Soccer fields	9	9	9	9	9	9	9	9	9	9
Outdoor municipal swimming pools	2	2	2	2	2	2	2	2	2	2
Recreation centers	1	1	1	1	1	1	1	1	1	1
Culinary water										
Water main line miles	256	271	281	297	310	322	339	355	372	387
Storage capacity (thousands of gallons)	9,800	8,400	10,400	10,400	10,400	10,400	12,600	12,700	13,300	16,900
Sewer										
Sewer line miles	212	223	226	241	253	262	271	279	290	300
Secondary water										
Secondary water main line miles	258	272	282	298	312	325	343	360	375	390
Power										
Power main feeder line miles	240	248	258	275	515	680	756	795	816	894
Overhead line miles	64	64	67	65	147	117	117	116	116	116

Source: City records