

LEHI CITY CORPORATION

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017



LEHI CITY

PREPARED BY:

FINANCE DEPARTMENT



LEHI CITY CORPORATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	3-9
GFOA Certificate of Achievement	10
Organizational Chart	11
List of Principal Officials	12
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	15-16
Management's Discussion and Analysis	17-29
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	34
Statement of Revenues, Expenditures and Changes in Fund Balances	35
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Redevelopment Agency	36
Proprietary Funds:	
Statement of Net Position	38-39
Statement of Revenues, Expenses and Changes in Net Position	40
Statement of Cash Flows	41-42
Notes to the Basic Financial Statements	43-81
Required Supplementary Information - Pensions	
Schedule of the Proportionate Share of the Net Pension Liability - Utah Retirement Systems	83-84
Schedule of Contributions - Utah Retirement Systems	85
Notes to Required Supplementary Information	86
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
General Fund	89-92
Capital Projects Fund	93
Combining Financial Statements-Internal Service Funds	
Combining Statement of Net Position-Internal Service Funds	95
Combining Statement of Revenues, Expenses and Changes in Net Position-Internal Service funds	96
Combining Statement of Cash Flows-Internal Service Funds	97

LEHI CITY CORPORATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION	
Financial Trends:	
Schedule 1 - Net Position by Component	100
Schedule 2 - Changes in Net Position	101-104
Schedule 3 - Fund Balances, Governmental Funds	105
Schedule 4 - Changes in Fund Balances, Governmental Funds	106-107
Schedule 5 - Tax Revenues by Source	108
Revenue Capacity:	
Schedule 6 - Assessed Value and Estimated Actual Value of Taxable Property	109
Schedule 7 - Property Tax Levies and Collections	110
Schedule 8 - Direct and Overlapping Property Tax Rates	111
Schedule 9 - Principal Property Tax Payers	112
Debt Capacity:	
Schedule 10 - Ratio of Outstanding Debt by Type	113
Schedule 11 - Ratio of General Bonded Debt Outstanding	114
Schedule 12 - Direct and Overlapping Governmental Activities Debt	115
Schedule 13 - Legal Debt Margin Information	116
Schedule 14 - Pledged Revenue Coverage Water Revenue Bonds	117
Schedule 15 - Pledged Revenue Coverage Sales Tax Revenue Bonds	118
Schedule 16 - Pledged Revenue Coverage Excise Tax Road Bonds	119
Schedule 17 - Pledged Revenue Coverage Electric Revenue Bonds	120
Schedule 18 - Pledged Revenue Coverage Drainage Revenue Bonds	121
Demographic and Economic Information:	
Schedule 19 - Demographic and Economic Statistics	122
Schedule 20 - Principal Employers	123
Operating Information	
Schedule 21 - Full-time Equivalent City Government Employees by Function / Program	124
Schedule 22 - Operating Indicators by Function / Program	125
Schedule 23 - Capital Asset Statistics by Function / Program	126

INTRODUCTORY SECTION





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

December 7, 2017

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Lehi City (the City) for the fiscal year ended June 30, 2017.

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, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements, for the fiscal year June 30, 2017, 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. The Transcontinental Telegraph line ran adjacent to the City.



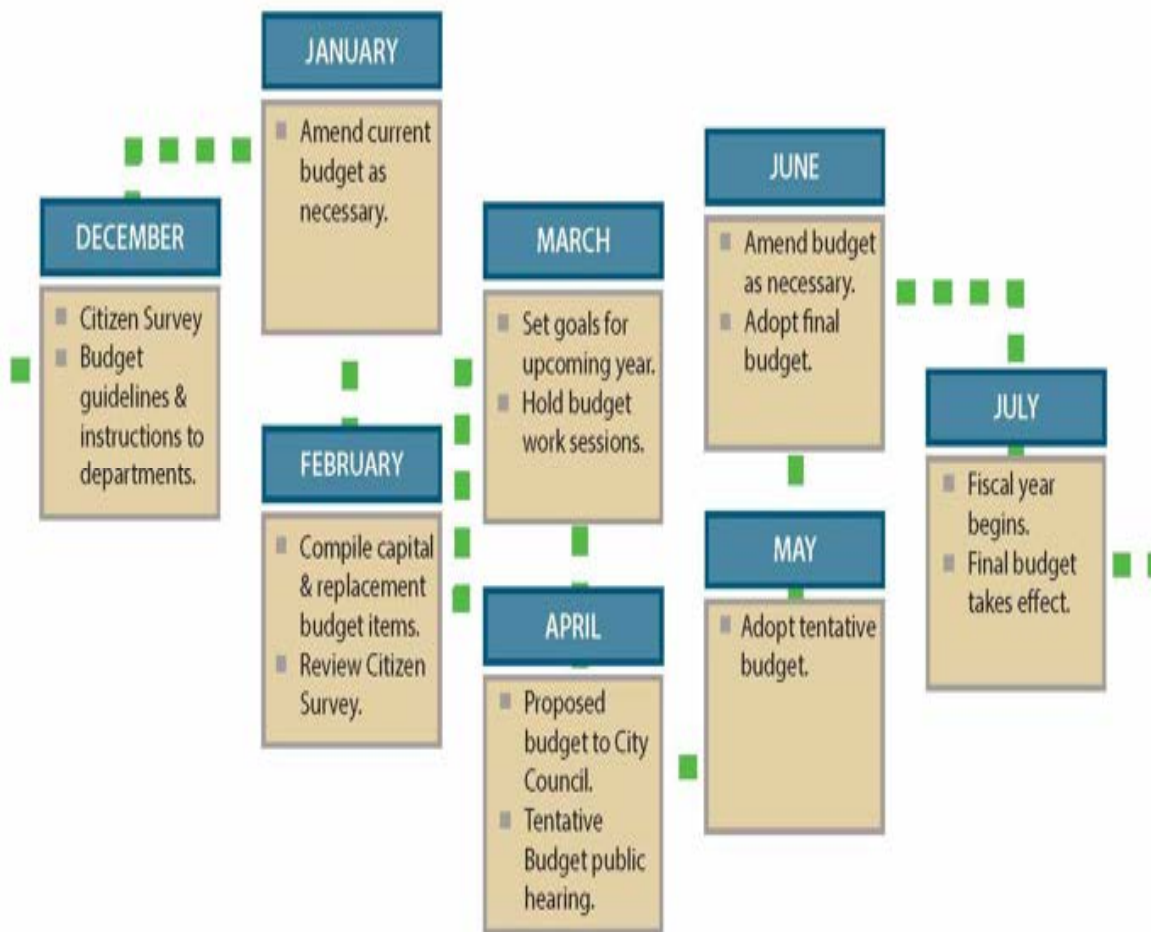
The City is a beautiful place to live. Just to the south is Utah Lake used for boating, fishing and hunting. The river that drains Utah Lake is the Jordan River, which runs through the City. To the east of the City are the beautiful Wasatch Mountains and to the west are the White Mountains and Oquirrh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

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



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

The annual budget serves as the foundation for the City's financial planning and control. The City's budget process is well laid out, starting in December for a budget that will be adopted by June 30 and goes into effect July 1. The creation of the budget follows the time line on the following page:



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

Within the existing budget, the level of the City’s budgetary control 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 the capital projects fund this comparison is presented on page 93.

Factors Affecting Financial Condition

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

Local Economy

The City enjoyed strong residential growth for the period of 2000 to 2008; however, the economy for the period from 2008 to 2011 declined due to difficult economic times. The years 2012-2017 have marked an economic recovery for Lehi City and projections for the next couple of years show promising growth. A new hospital was constructed in Lehi City and opened in the summer of 2016. A Harmon's grocery store has opened up in the Traverse Mountain Area. A mall with restaurants is planned adjacent to the existing Adobe building. The City has some of the best undeveloped commercial frontage along the Wasatch Front. Numerous office buildings are presently being constructed. Two new car dealerships, Audi and Porsche have located in Lehi in the past year. Another three are expected very shortly.



Brigham Young University, Utah Valley State College (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 3.1%, which is similar to the statewide rate.

Long-term Financial Planning

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

The implementation of long term planning has permitted the City to construct some of the finest park systems in our region. From just three parks a few years ago to more than fourteen major facilities today, we have successfully transformed our community's park system and created

exceptional open spaces for our citizens' enjoyment. The strategic planning for parks has been expanded to include a trail system that will allow joggers, walkers, and bicyclists to enjoy the Dry Creek Basin which runs through the entire City. The City plans to purchase additional property for the purpose of developing a new regional sports park.

In our utilities department, the City has developed long term goals, including maintaining a high level of service, and advanced planning that will provide sufficient capacity to meet current and future demands. For example, the culinary water system planning process has required the City Engineer to prepare a capital facilities plan that provides for the provision, storage, and transmission of water resources that will keep up with the demands of our growing community. An example of success in long term planning has been made in the area of power. The long term strategic plan has allowed the City to anticipate power infrastructure needs in a timely manner, and allowed for growth without interruption of service.

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

A long term goal of the City is to maintain the current sense of safety so that citizens are able to enjoy the wide array of programs and activities provided in the community. Lehi's strategic plan has identified the need for a total of 6 fire stations, three on the north and three on the south at the City's build out. We just completed one new fire station in November of 2017. The City is also planning a new public safety building in the next few years.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the nineteenth consecutive year the government has received this prestigious award. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2016. 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, 2016. In order to qualify for the PAFR Award, the government must obtain the CAFR award. The PAFR document provides summary information from the CAFR 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 department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J Walker".

Jason Walker
City Administrator

A handwritten signature in black ink, appearing to read "David Sanderson".

David Sanderson
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

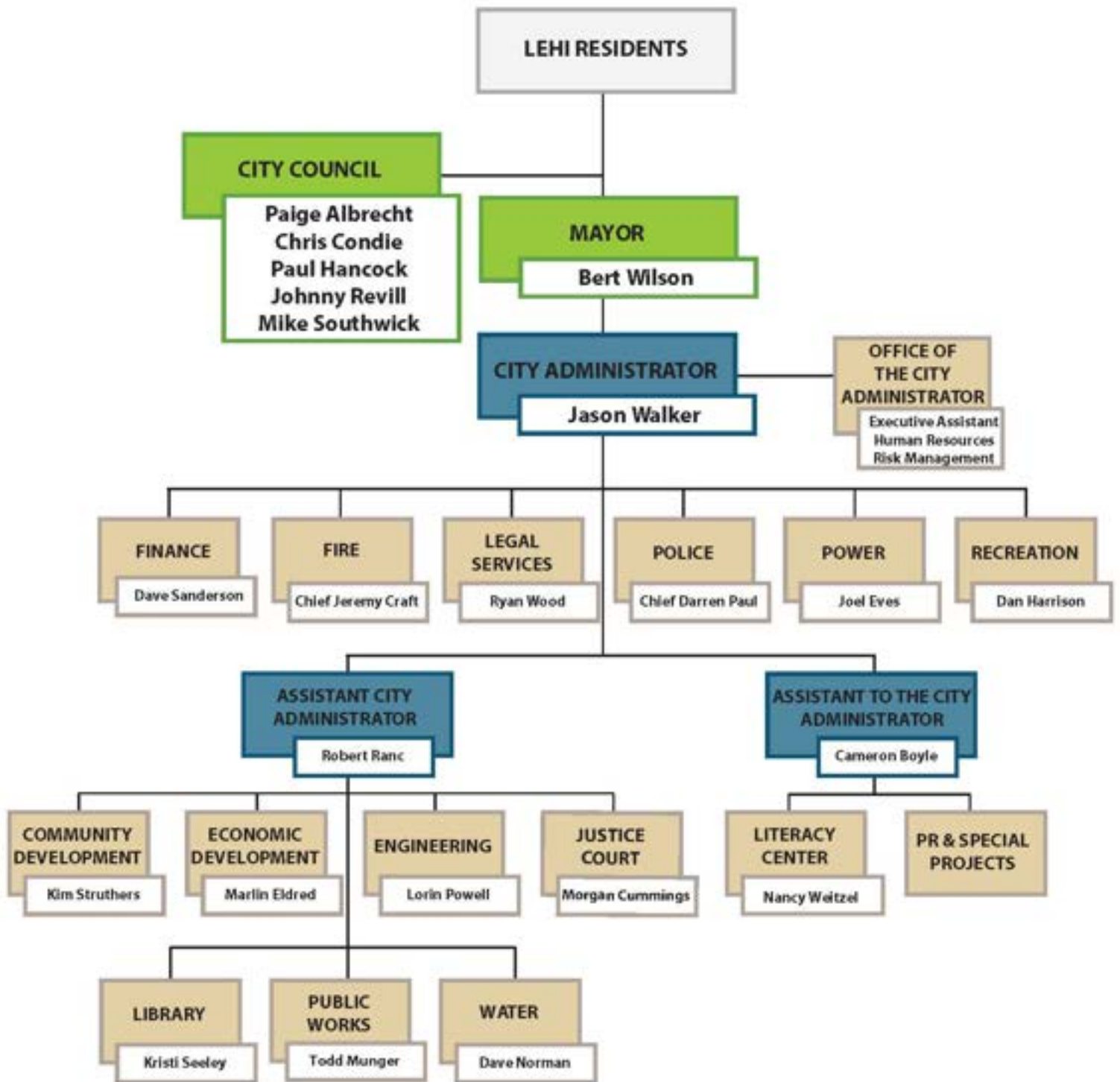
Presented to

**Lehi City Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO





Principal Officials
For the Year Ended
June 30, 2017

Bert Wilson
Mayor

Term Ends: December 2017



Paige Albrecht
City Council

Term Ends: December 2019



Chris Condie
City Council

Term Ends: December 2017



Paul Hancock
City Council

Term Ends: December 2017



Johnny Reville
City Council

Term Ends: December 2019



Michael Southwick
City Council

Term Ends: December 2019



Jason Walker
City Administrator
Appointed May 2015

FINANCIAL SECTION



REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lehi City Corporation, Utah (the City) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lehi City Corporation as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Redevelopment Agency for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 29 and the Required Supplementary Information – Pensions on pages 83 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be a part of the presentation of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods 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.

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

To the University of Utah Board of Trustees
Utah Museum of Fine Arts

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 their report dated December 16, 2005, the auditors expressed an unqualified opinion on these financial statements.

Other Information

The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional

We conducted our audit in accordance with auditing standards generally accepted in the United 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 involves 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 on the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and 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, and do not present the financial position of the University of Utah as of June 30, 2006, or the

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Osborne Robbins & Baker PLLC

November 28, 2017

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-9 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$468,227,786 (*net position*).
- The total net position of \$468,227,786 is comprised of \$538,195,533 in net investment in capital assets, \$717,172 restricted, and (\$70,684,919) unrestricted.
- The City's total net position increased during 2017 by \$54,275,587.
- The City's governmental funds reported combined fund balances of \$8,408,267 which is a decrease of \$9,786,698 from fund balance reported in 2016 of \$18,194,965.
- The City's total long term debt decreased by a net of \$654,134 during the current fiscal year.
 - Decreases to debt were due to regularly scheduled principal payments.
 - Notes payable totaling \$4,169,192 were issued during the year.
 - In accordance with GASB Statement No. 68, the City reported net pension obligation totaling \$8,374,051 as of June 30, 2017.

Overview of the Financial Statements

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

- The *statement of net position* presents information on all the City's assets and liabilities, with the difference between the two 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).

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate entity, the Hutchings Museum, for which the City is financially accountable. Financial information for this entity has been included as a department within the general fund. The Redevelopment Agency, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains three 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 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.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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, drainage, and garbage operations.

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

The City of Lehi uses 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 43-81 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 83-86 of this report.

Individual fund schedules and combining statements and schedules can be found on pages 89-97 of this report.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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 \$468,227,786 at the close of the most recent year.

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

An additional \$717,172 of the City's net position represents resources that are subject to external restrictions on how they may be used.

As of June 30, 2017, the net position of the City's governmental activities totaled \$169,997,769 compared to \$145,775,925 in 2016. The governmental activities reported an increase in net position of \$24,221,844. \$21,055,729 of this increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

As of June 30, 2017, the net position of the City's business-type activities totaled \$298,230,017 compared to \$268,176,274 in 2016. The business-type activities reported an increase in net position of \$30,053,743. \$23,080,154 of this increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

LEHI CITY CORPORATION
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 36,733,741	\$ 43,237,474	\$ 32,434,353	\$ 29,234,077	\$ 69,168,094	\$ 72,471,551
Capital assets	287,999,878	256,413,256	272,717,385	244,857,138	560,717,263	501,270,394
Total assets	<u>\$ 324,733,619</u>	<u>\$ 299,650,730</u>	<u>\$ 305,151,738</u>	<u>\$ 274,091,215</u>	<u>\$ 629,885,357</u>	<u>\$ 573,741,945</u>
Deferred outflows of resources	\$ 3,648,334	\$ 2,841,910	\$ 9,168,154	\$ 9,109,645	\$ 12,816,488	\$ 11,951,555
Long-term liabilities	\$ 128,645,662	\$ 128,807,127	\$ 8,471,587	\$ 8,964,256	\$ 137,117,249	\$ 137,771,383
Other liabilities	7,235,838	8,200,032	8,179,475	6,469,745	15,415,313	14,669,777
Interfund balances	1,035,241	754,757	(1,035,241)	(754,757)	-	-
Total liabilities	<u>\$ 136,916,741</u>	<u>\$ 137,761,916</u>	<u>\$ 15,615,821</u>	<u>\$ 14,679,244</u>	<u>\$ 152,532,562</u>	<u>\$ 152,441,160</u>
Deferred inflows of resources	\$ 21,467,443	\$ 18,954,799	\$ 474,054	\$ 345,342	\$ 21,941,497	\$ 19,300,141
Net position						
Net investment in capital assets	\$ 270,733,436	\$ 242,558,256	\$ 267,462,097	\$ 238,650,352	\$ 538,195,533	\$ 481,208,608
Restricted	590,207	4,262,799	126,965	4,555,304	717,172	8,818,103
Unrestricted	(101,325,874)	(101,045,130)	30,640,955	24,970,618	(70,684,919)	(76,074,512)
Total net position	<u>\$ 169,997,769</u>	<u>\$ 145,775,925</u>	<u>\$ 298,230,017</u>	<u>\$ 268,176,274</u>	<u>\$ 468,227,786</u>	<u>\$ 413,952,199</u>

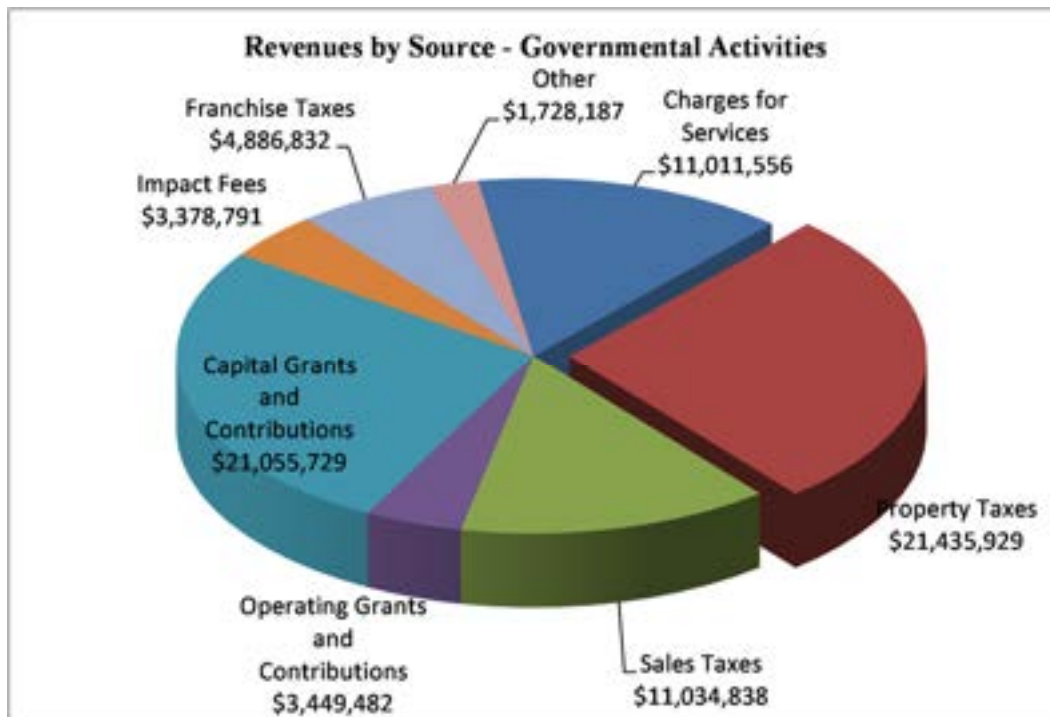
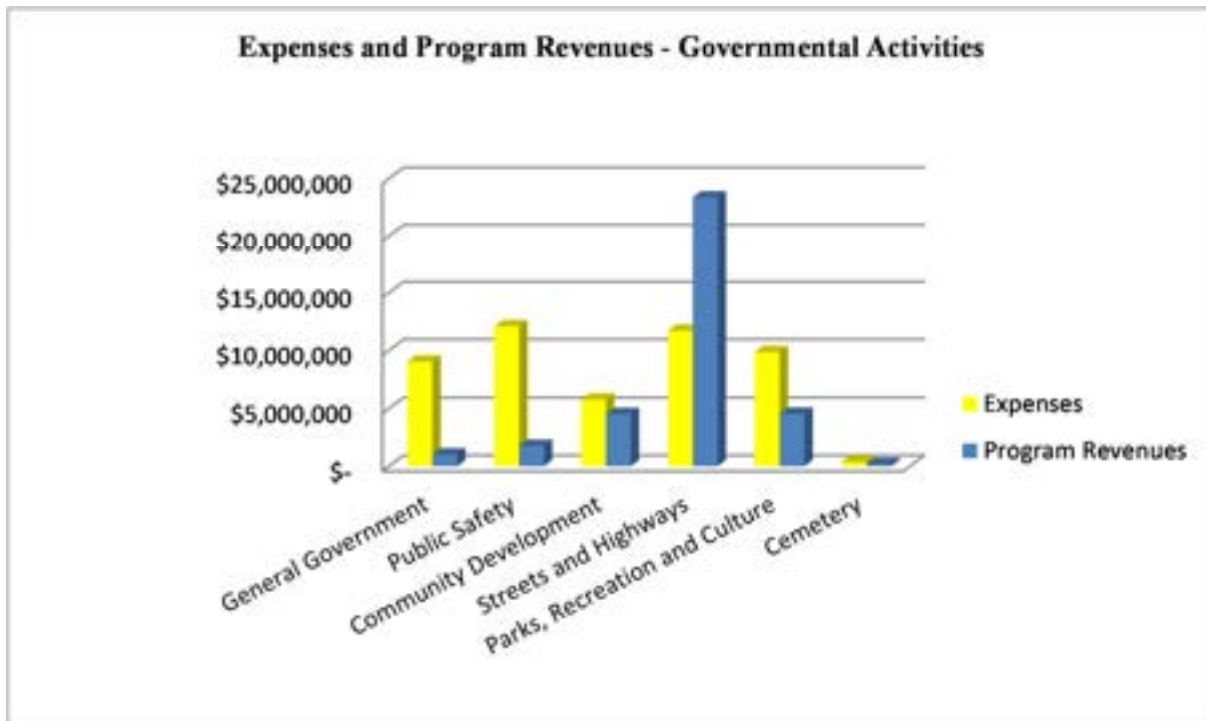
LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

Governmental activities. During 2017 governmental activities increased the City's net position by \$24,221,844. Some specific factors making up the change in net position during 2017 include:

- Expenses of the governmental activities increased from 2016 to 2017 by \$5,872,183 with the largest increases occurring in the general government and community development expenses due primarily to increases in salaries and benefits as well as to development expenditures in various project areas.
- Capital grants and contributions were higher than in 2016 by approximately \$7.2 million. In 2017 the City recognized over \$20 million in capital grant revenues related to infrastructure installed by developers during the year as well as another \$840,000 in federal grants for infrastructure improvements.

LEHI CITY CORPORATION CHANGES IN NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 11,011,556	\$ 10,030,239	\$ 52,491,104	\$ 47,795,099	\$ 63,502,660	\$ 57,825,338
Operating grants and contributions	3,449,482	1,921,433	-	-	3,449,482	1,921,433
Capital grants and contributions	21,055,729	13,859,305	23,080,154	12,816,991	44,135,883	26,676,296
General revenues:						
Property taxes	21,435,929	18,943,311	-	-	21,435,929	18,943,311
Sales and other taxes	15,921,670	15,052,202	-	-	15,921,670	15,052,202
Impact fees	3,378,791	3,872,262	5,331,228	5,097,841	8,710,019	8,970,103
Other	1,728,187	828,038	734,928	836,335	2,463,115	1,664,373
Total revenues	<u>77,981,344</u>	<u>64,506,790</u>	<u>81,637,414</u>	<u>66,546,266</u>	<u>159,618,758</u>	<u>131,053,056</u>
Expenses:						
General government	9,041,919	6,904,634	-	-	9,041,919	6,904,634
Public safety	12,096,387	11,170,823	-	-	12,096,387	11,170,823
Community development	5,796,634	4,079,029	-	-	5,796,634	4,079,029
Highways/streets	11,727,234	11,206,024	-	-	11,727,234	11,206,024
Parks, recreation, and culture	9,856,045	9,251,152	-	-	9,856,045	9,251,152
Cemetery	406,824	443,058	-	-	406,824	443,058
Interest on long-term debt	4,834,457	4,832,597	-	-	4,834,457	4,832,597
Culinary Water	-	-	6,233,288	4,110,256	6,233,288	4,110,256
Sewer	-	-	9,525,964	8,188,182	9,525,964	8,188,182
Pressurized Irrigation	-	-	3,412,437	2,933,070	3,412,437	2,933,070
Electric	-	-	28,132,875	26,793,013	28,132,875	26,793,013
Drainage	-	-	1,968,846	1,610,648	1,968,846	1,610,648
Garbage	-	-	2,310,261	2,123,488	2,310,261	2,123,488
Total expenses	<u>53,759,500</u>	<u>47,887,317</u>	<u>51,583,671</u>	<u>45,758,657</u>	<u>105,343,171</u>	<u>93,645,974</u>
Increase (decrease) in net position before transfers	24,221,844	16,619,473	30,053,743	20,787,609	54,275,587	37,407,082
Transfers	-	730,920	-	(730,920)	-	-
Increase in net position	24,221,844	17,350,393	30,053,743	20,056,689	54,275,587	37,407,082
Net position, beginning	<u>145,775,925</u>	<u>128,425,532</u>	<u>268,176,274</u>	<u>248,119,585</u>	<u>413,952,199</u>	<u>376,545,117</u>
Net position, ending	<u>\$ 169,997,769</u>	<u>\$ 145,775,925</u>	<u>\$ 298,230,017</u>	<u>\$ 268,176,274</u>	<u>\$ 468,227,786</u>	<u>\$ 413,952,199</u>

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017



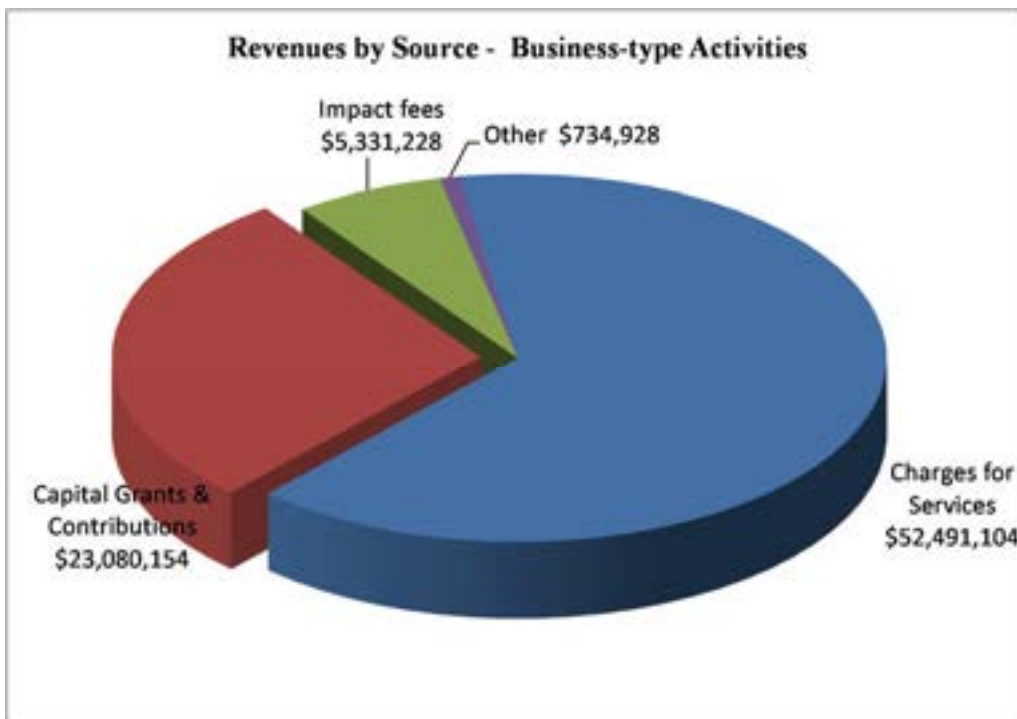
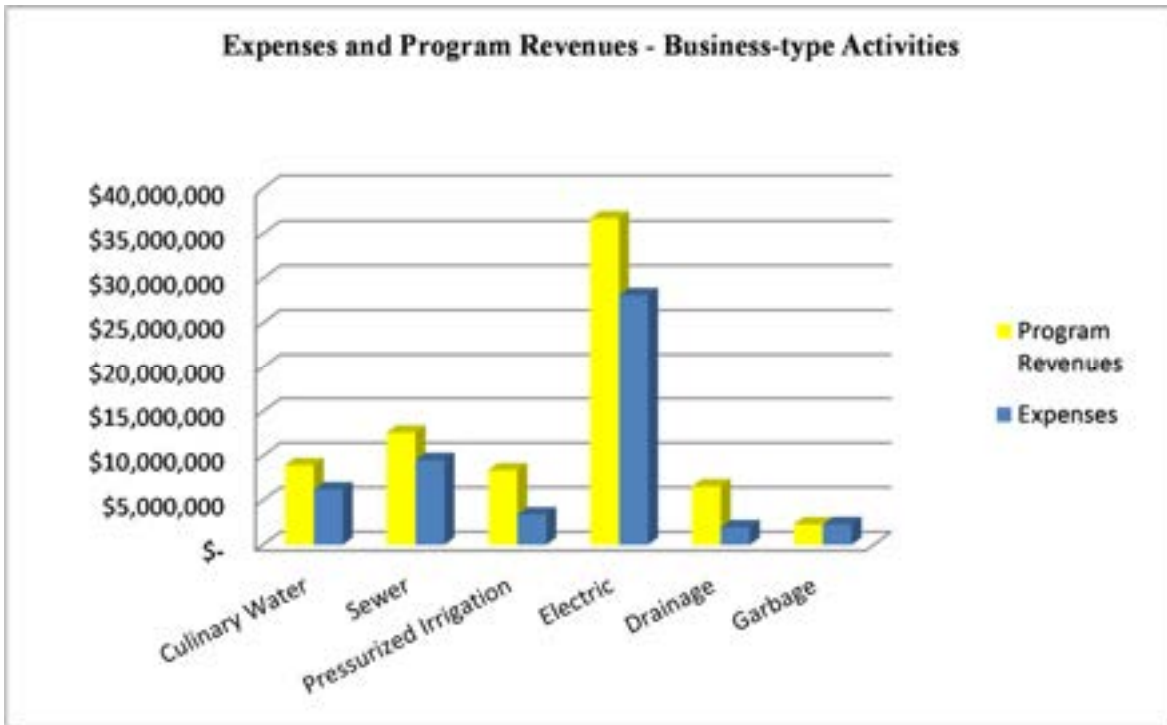
LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

In other areas such as public safety, highways and streets, parks and recreation and culture, the City experienced increases in expenses and those increases closely followed growth in demand for services. Additional personnel and higher health care costs also combined to contribute to increased governmental activity expenses in those areas.

Business-type activities. Business-type activities increased the City's net position by \$30,053,743. At the end of the current fiscal year, all of the City's major business-type activities reported positive net position. Key elements of the increase in net position are as follows:

- Charges for services in the business-type activities increased over 2016 by \$4,696,005 (9.8%). Most of the enterprise funds experienced an increase in charges for services over 2016, a result of growth in the number of customers served. Fees for water were increased during 2017. Sewer fund rates were reduced in 2016 to accommodate a corresponding decrease in the City's contract with the sewer treatment facility and the full effect of that decrease was apparent in 2017.
- Capital grants and contributions for the business-type activities added \$23,080,154 to the net position of the City. This amount was higher than in 2016 due to continued high levels of development. Overall capital grants and contributions are indicative of the consistent growth levels year over year.
- Expenses of the business-type activities increased by \$5,825,014 from the prior year. The increase is primarily due to increases in system maintenance costs and purchased power costs. 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, 2017



LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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 \$8,408,267. \$5,052,340 of this total amount (60.0%) 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 \$5,052,340, while total fund balance reached \$6,293,553. 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 13.7% of total general fund expenditures, while total fund balance represents 17.1% of that same amount. The fund balance of the City's general fund decreased by \$2,119,413 during the current fiscal year, due primarily to transfers out to the capital projects fund.

The special revenue Redevelopment Agency Fund has an assigned fund balance of \$1,023,742. The project areas that received tax increment revenues in the current year were the Mill Pond Project, the Alpine Highway Project, the Alpine Highway West Project Area, the Thanksgiving Park Economic Development Project Area, the West Timpanogos Project Area and the Traverse Mountain Community Development Area. Overall, the fund experienced a decrease in fund balance of \$473,726.

The capital projects fund had a decrease in fund balance in the amount of \$7,193,559, which resulted in a fund balance of \$1,090,972, \$711,561 representing restricted fund balance, with an assigned fund balance of \$379,411.

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 \$29,605,714. Individually, the electric fund's unrestricted net position totaled \$19,806,349, the drainage unrestricted net position totaled \$2,545,256, the sewer unrestricted net position totaled \$5,743,842 and the pressurized irrigation unrestricted net position totaled \$1,240,300. The water fund was the only proprietary fund to report a deficit in unrestricted net position, with a deficit of \$128,275. The non-major enterprise fund reported a positive unrestricted net position amount of \$398,242. Other factors concerning the finances of these proprietary funds can be found earlier in this section under business-type activities.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

General Fund Budgetary Highlights

During the fiscal year, the general fund's budget was amended from budgeted expenditures totaling \$36,246,946 to a final budget of \$38,821,073, an increase of \$2,574,127. This increase was related to increased general government, public safety, and streets and highways expenditures. Budgeted transfers to other funds were also amended by \$2,800,000 to a final budget of \$4,925,510. These adjustments were funded primarily by appropriating fund balance.

- Tax revenues recognized in 2017 were \$838,193 more than budgeted. Sales taxes and property taxes were higher than originally budgeted.
- Charges for services, particularly ambulance fees and recreation fees, were higher than budgeted by a total of \$1,295,743.
- Total expenditures were less than the final budgeted amounts by \$2,056,402.

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, 2017 amounts to \$560,717,263 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements including infrastructure and distribution systems, machinery and equipment, vehicles, and office furniture and equipment.

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

- In the governmental activities, the City expended approximately \$4.2 million for land for additional City parks, and made improvements to parks exceeding \$4.2 million, including approximately \$840,000 for improvements to trails that was funded through a federal grant.
- 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 \$20,122,695 and \$23,080,154, respectively.
- In the water fund, construction was completed on the Mitchel Hollow Well with total costs incurred through June 30, 2017 on that project of \$3,286,114.
- Intangible assets in the pressurized irrigation fund increased by \$1,835,632. The increase was due to the contribution of water shares by developers as required by the City's development code.
- In the electric fund, construction on the Spring Creek Substation was completed with a total cost of \$2,122,019. Additionally, construction of the West Side Substation was in process with total costs incurred through June 30, 2017 of \$4,350,266.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

LEHI CITY CORPORATION
CAPITAL ASSETS
(net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Land	\$ 127,719,888	\$104,912,663	\$ 3,146,725	\$ 2,336,469	\$ 130,866,613	\$ 107,249,132
Intangibles	-	-	46,892,858	45,057,226	46,892,858	45,057,226
Construction in progress	6,008,312	10,370,249	9,629,758	6,293,009	15,638,070	16,663,258
Buildings and structures	14,141,953	14,124,678	1,779,908	1,888,556	15,921,861	16,013,234
Improvements, including infrastructure	132,578,484	120,527,816	209,194,226	187,808,782	341,772,710	308,336,598
Machinery, equipment, and vehicles	7,437,506	6,354,429	2,050,921	1,460,394	9,488,427	7,814,823
Office furniture and equipment	113,735	123,421	22,989	12,702	136,724	136,123
Total	<u>\$ 287,999,878</u>	<u>\$256,413,256</u>	<u>\$272,717,385</u>	<u>\$ 244,857,138</u>	<u>\$ 560,717,263</u>	<u>\$501,270,394</u>

Additional information on the City's capital assets can be found in note F on pages 57-58 of this report.

Long-term liabilities. At the end of the current fiscal year the City had total bonded debt outstanding of \$16,950,000, all of which represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

LEHI CITY CORPORATION
LONG-TERM LIABILITIES

	Governmental		Business-type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Tax increment notes payable to developers	\$ 103,077,627	\$107,521,217	\$ -	\$ -	\$ 103,077,627	\$107,521,217
Other notes payable	4,091,442	-	1,480,288	1,521,786	5,571,730	1,521,786
Revenue bonds	13,175,000	13,855,000	3,775,000	4,685,000	16,950,000	18,540,000
Other liabilities	8,301,593	7,430,910	3,216,299	2,757,470	11,517,892	10,188,380
Total	<u>\$ 128,645,662</u>	<u>\$128,807,127</u>	<u>\$ 8,471,587</u>	<u>\$ 8,964,256</u>	<u>\$ 137,117,249</u>	<u>\$137,771,383</u>

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

The City decreased its total long term debt by \$654,134 in fiscal year 2017. Major long-term debt activity included the following:

- During the year ended June 30, 2017, the City issued notes payable in connection with the purchase of land totaling \$3,169,192 and one note payable to a developer in the amount of \$1,000,000.
- The City reported, in accordance with the requirements of GASB Statement No. 68 net pension liability totaling \$8,374,051.

Refunding bonds issued in 2014 were negotiated private placements. As a result, the City did not obtain a credit rating from the rating agencies. There were no new bond issues during 2017.

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 \$284,893,824 and the City currently has no general obligation debt. In addition, state statutes allow for an additional 4% to be used for business-type debt, thus resulting in a debt limit of 8% of total taxable value. The current limitation for business-type projects is \$569,787,648, which significantly exceeds the outstanding business-type debt the City currently has.

Additional information on the City's long-term debt can be found in note H on pages 59-68 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City's percentage increase in sales tax is among the top ten entities in the State of Utah.
- The City administration will continue to examine utility rates and update them as needed. The demand for water, both culinary and pressurized irrigation, is increasing in the City. State law has been updated to encourage entities to meter pressurized irrigation water. Presently, the City does not meter pressurized irrigation, but is implementing plans to meter lot sizes greater than ½ acre to monitor their use and charge according to their use. The City currently charges a flat rate with no usage factor.
- A new fire station has been completed and will begin operations on December 31, 2017.
- The City has begun construction on a new power plant and shop which includes a 20-25 MW power plant, 18,800 square foot shop, 11,300 square foot warehouse, and 17,300 square foot office space in conjunction with the City's existing power facility. The project provides a solution for increasing peak power requirements with a phased approach by starting with 7-10 MW of generation and capacity to allow for expansion up to 20-25 MW as the City continues to grow. The City is using the best available control technologies for efficiency and emissions control. The project will use reciprocating engines utilizing 100% natural gas as a fuel source. The City will be financing this project with \$18 million in electric revenue bonds, expected to be issued in January 2018.

The above factors were considered in preparing the City's budget for the 2018 fiscal year. The 2018 budget is balanced without a property tax rate increase.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2017

The City continues to expand with new residential and commercial development. The west side of the City, which has remained undeveloped until recently, is beginning to be developed with approximately 100 homes constructed and the potential of having approximately 3,900 homes that will add approximately 12,000 residents. A number of office buildings averaging seven stories high are presently being built, and it is anticipated that three additional car dealerships will be built in 2018.

The additional tax revenue generated by the new development will be needed to fund the additional required City services. Services such as parks, police and library services will be improved with revenue increases. Also, the City is in the planning process to build a new public safety building in the very near future using sales tax bonds.

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.



BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2017

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 11,467,509	\$ 24,178,343	\$ 35,645,852
RECEIVABLES (NET)			
ACCOUNTS	-	5,160,402	5,160,402
UNBILLED	-	175,774	175,774
TAXES	22,682,213	-	22,682,213
INTERGOVERNMENTAL	566,613	-	566,613
OTHER	443,936	-	443,936
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	267,896	267,896
PREPAID EXPENSES	197,599	-	197,599
INVENTORY	44,477	2,524,973	2,569,450
NET PENSION ASSET	54,234	-	54,234
RESTRICTED CASH AND CASH EQUIVALENTS	1,243,070	543	1,243,613
RESTRICTED IMPACT FEES RECEIVABLE	34,090	126,422	160,512
NON-DEPRECIABLE CAPITAL ASSETS	133,728,200	59,669,341	193,397,541
DEPRECIABLE CAPITAL ASSETS, NET	154,271,678	213,048,044	367,319,722
TOTAL ASSETS	<u>\$ 324,733,619</u>	<u>\$ 305,151,738</u>	<u>\$ 629,885,357</u>
DEFERRED OUTFLOWS OF RESOURCES			
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ 7,529,180	\$ 7,529,180
LOSS ON REFUNDING	-	61,218	61,218
DEFERRED OUTFLOWS RELATED TO PENSIONS	3,648,334	1,577,756	5,226,090
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,648,334</u>	<u>\$ 9,168,154</u>	<u>\$ 12,816,488</u>
LIABILITIES			
INTERFUND BALANCES	\$ 1,035,241	\$ (1,035,241)	\$ -
ACCOUNTS PAYABLE	2,739,179	8,007,150	10,746,329
LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
ACCOUNTS PAYABLE	275,992	-	275,992
ACCRUED INTEREST	125,954	-	125,954
WAGES PAYABLE	624,852	138,057	762,909
ACCRUED LIABILITIES	1,649,781	-	1,649,781
ACCRUED INTEREST PAYABLE	1,820,080	4,563	1,824,643
CUSTOMER DEPOSITS	-	29,705	29,705
NON-CURRENT LIABILITIES			
DUE WITHIN ONE YEAR	4,341,204	1,242,035	5,583,239
DUE IN MORE THAN ONE YEAR:			
COMPENSATED ABSENCES	1,432,739	409,284	1,842,023
NET PENSION LIABILITY	5,845,925	2,528,126	8,374,051
LANDFILL POSTCLOSURE COSTS	250,917	-	250,917
TAX INCREMENT NOTE PAYABLE TO DEVELOPER	103,077,627	-	103,077,627
OTHER NOTES PAYABLE	1,222,250	1,437,142	2,659,392
BONDS PAYABLE	12,475,000	2,855,000	15,330,000
TOTAL LIABILITIES	<u>\$ 136,916,741</u>	<u>\$ 15,615,821</u>	<u>\$ 152,532,562</u>
DEFERRED INFLOWS OF RESOURCES			
PROPERTY TAXES	\$ 20,371,261	\$ -	\$ 20,371,261
DEFERRED INFLOWS RELATED TO PENSIONS	1,096,182	474,054	1,570,236
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 21,467,443</u>	<u>\$ 474,054</u>	<u>\$ 21,941,497</u>
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	\$ 270,733,436	\$ 267,462,097	\$ 538,195,533
RESTRICTED FOR			
CAPITAL IMPROVEMENTS	114,590	126,965	241,555
DEBT SERVICE	475,617	-	475,617
UNRESTRICTED (DEFICIT)	(101,325,874)	30,640,955	(70,684,919)
TOTAL NET POSITION	<u>\$ 169,997,769</u>	<u>\$ 298,230,017</u>	<u>\$ 468,227,786</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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	\$ 9,041,919	\$ 1,035,384	\$ -	\$ -	\$ (8,006,535)	\$ -	\$ (8,006,535)
PUBLIC SAFETY	12,096,387	1,515,823	162,217	102,943	(10,315,404)	-	(10,315,404)
COMMUNITY DEVELOPMENT	5,796,634	4,539,888	-	-	(1,256,746)	-	(1,256,746)
STREETS AND HIGHWAYS	11,727,234	-	3,245,325	20,122,695	11,640,786	-	11,640,786
PARKS, RECREATION AND CULTURE	9,856,045	3,701,396	41,940	830,091	(5,282,618)	-	(5,282,618)
CEMETERY	406,824	219,065	-	-	(187,759)	-	(187,759)
INTEREST ON LONG-TERM DEBT	4,834,457	-	-	-	(4,834,457)	-	(4,834,457)
TOTAL GOVERNMENTAL ACTIVITIES	53,759,500	11,011,556	3,449,482	21,055,729	(18,242,733)	-	(18,242,733)
BUSINESS-TYPE ACTIVITIES							
CULINARY WATER	6,233,288	6,623,580	-	2,323,650	-	2,713,942	2,713,942
SEWER	9,525,964	8,515,717	-	4,098,652	-	3,088,405	3,088,405
PRESSURIZED IRRIGATION	3,412,437	2,649,309	-	5,745,210	-	4,982,082	4,982,082
ELECTRIC	28,132,875	31,303,180	-	5,435,781	-	8,606,086	8,606,086
DRAINAGE	1,968,846	1,098,866	-	5,476,861	-	4,606,881	4,606,881
GARBAGE	2,310,261	2,300,452	-	-	-	(9,809)	(9,809)
TOTAL BUSINESS-TYPE ACTIVITIES	51,583,671	52,491,104	-	23,080,154	-	23,987,587	23,987,587
TOTAL PRIMARY GOVERNMENT	\$ 105,343,171	\$ 63,502,660	\$ 3,449,482	\$ 44,135,883	(18,242,733)	23,987,587	5,744,854
GENERAL REVENUES:							
PROPERTY TAXES					21,435,929	-	21,435,929
SALES TAXES					11,034,838	-	11,034,838
FRANCHISE TAXES					4,886,832	-	4,886,832
IMPACT FEES					3,378,791	5,331,228	8,710,019
INVESTMENT EARNINGS					193,325	304,489	497,814
GAIN ON DISPOSAL OF CAPITAL ASSETS					-	38,613	38,613
OTHER					1,534,862	391,826	1,926,688
TOTAL GENERAL REVENUES					42,464,577	6,066,156	48,530,733
TRANSFERS					-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					42,464,577	6,066,156	48,530,733
CHANGE IN NET POSITION					24,221,844	30,053,743	54,275,587
NET POSITION AT BEGINNING OF YEAR					145,775,925	268,176,274	413,952,199
NET POSITION AT END OF YEAR					\$ 169,997,769	\$ 298,230,017	\$ 468,227,786

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 5,831,897	\$ 1,657,214	\$ 1,153,432	\$ 8,642,543
RECEIVABLES				
TAXES	10,056,473	12,625,740	-	22,682,213
INTERGOVERNMENTAL	535,651	-	30,962	566,613
OTHER	426,913	-	-	426,913
PREPAID ITEMS	197,599	-	-	197,599
RESTRICTED CASH AND CASH EQUIVALENTS	289,607	-	953,463	1,243,070
RESTRICTED IMPACT FEES RECEIVABLE	17,023	-	34,090	51,113
TOTAL ASSETS	<u>\$ 17,355,163</u>	<u>\$ 14,282,954</u>	<u>\$ 2,171,947</u>	<u>\$ 33,810,064</u>
LIABILITIES				
ACCOUNTS PAYABLE	\$ 1,068,624	\$ 633,472	\$ 804,983	\$ 2,507,079
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	-	-	275,992	275,992
WAGES PAYABLE	597,684	-	-	597,684
ACCRUED LIABILITIES	1,649,781	-	-	1,649,781
TOTAL LIABILITIES	<u>3,316,089</u>	<u>633,472</u>	<u>1,080,975</u>	<u>5,030,536</u>
DEFERRED INFLOWS OF RESOURCES				
TAXES	7,745,521	12,625,740	-	20,371,261
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,745,521</u>	<u>12,625,740</u>	<u>-</u>	<u>20,371,261</u>
FUND BALANCES				
NONSPENDABLE	197,599	-	-	197,599
RESTRICTED	306,630	-	711,561	1,018,191
COMMITTED	542,731	-	-	542,731
ASSIGNED	194,253	1,023,742	379,411	1,597,406
UNASSIGNED	5,052,340	-	-	5,052,340
TOTAL FUND BALANCE	<u>6,293,553</u>	<u>1,023,742</u>	<u>1,090,972</u>	<u>8,408,267</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 17,355,163</u>	<u>\$ 14,282,954</u>	<u>\$ 2,171,947</u>	<u>\$ 33,810,064</u>

**LEHI CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2017**

TOTAL GOVERNMENTAL FUND BALANCES	\$ 8,408,267
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:	
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND THEREFORE ARE NOT REPORTED IN THE FUNDS	287,999,878
LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(128,645,662)
INTEREST PAYABLE ON LONG-TERM FINANCIAL RESOURCES IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(1,946,034)
THE CURRENT ASSETS AND LIABILITIES OF THE INTERNAL SERVICE FUNDS ARE INCLUDED IN THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	2,610,175
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	2,606,386
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	<u>(1,035,241)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 169,997,769</u>

**LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	\$ 23,851,693	\$ 13,050,294	\$ 455,612	\$ 37,357,599
LICENSES, FEES AND PERMITS	2,338,200	-	4,528,480	6,866,680
INTERGOVERNMENTAL	2,373,773	-	942,640	3,316,413
CHARGES FOR SERVICES	7,502,520	-	-	7,502,520
FINES AND FORFEITURES	629,104	-	-	629,104
MISCELLANEOUS	1,252,405	-	-	1,252,405
INTEREST ON INVESTMENTS	113,450	14,796	52,830	181,076
TOTAL REVENUES	<u>38,061,145</u>	<u>13,065,090</u>	<u>5,979,562</u>	<u>57,105,797</u>
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT	8,390,690	-	-	8,390,690
PUBLIC SAFETY	11,934,981	-	-	11,934,981
COMMUNITY DEVELOPMENT	2,511,916	2,667,585	1,000,000	6,179,501
STREETS AND HIGHWAYS	4,096,908	-	-	4,096,908
PARKS, RECREATION AND CULTURE	8,628,939	-	-	8,628,939
CEMETERY	385,537	-	-	385,537
OTHER	-	-	3,600	3,600
CAPITAL OUTLAY	-	-	20,976,507	20,976,507
DEBT SERVICE				
PRINCIPAL	680,000	4,443,690	77,750	5,201,440
INTEREST AND FISCAL CHARGES	135,700	4,746,505	394,956	5,277,161
TOTAL EXPENDITURES	<u>36,764,671</u>	<u>11,857,780</u>	<u>22,452,813</u>	<u>71,075,264</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,296,474</u>	<u>1,207,310</u>	<u>(16,473,251)</u>	<u>(13,969,467)</u>
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,681,036	-	5,110,500	6,791,536
TRANSFERS OUT	(5,110,500)	(1,681,036)	-	(6,791,536)
SALE OF CAPITAL ASSETS	13,577	-	-	13,577
ISSUANCE OF NOTES AND BONDS	-	-	4,169,192	4,169,192
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,415,887)</u>	<u>(1,681,036)</u>	<u>9,279,692</u>	<u>4,182,769</u>
NET CHANGE IN FUND BALANCE	(2,119,413)	(473,726)	(7,193,559)	(9,786,698)
FUND BALANCE AT BEGINNING OF YEAR	<u>8,412,966</u>	<u>1,497,468</u>	<u>8,284,531</u>	<u>18,194,965</u>
FUND BALANCE AT END OF YEAR	<u>\$ 6,293,553</u>	<u>\$ 1,023,742</u>	<u>\$ 1,090,972</u>	<u>\$ 8,408,267</u>

**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, 2017**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (9,786,698)
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES WHILE GOVERNMENTAL ACTIVITIES REPORT DEPRECIATION EXPENSE TO ALLOCATE THOSE EXPENDITURES OVER THE LIFE OF THE ASSETS CAPITAL ASSET PURCHASES CAPITALIZED DEPRECIATION EXPENSE	23,291,290 (11,952,246)
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	77,444
REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION	5,201,440
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	1,791,575 (280,484)
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	(4,169,192)
DEFERRED INFLOWS OF RESOURCES RELATED TO IMPACT FEES ARE DEFERRED IN THE GOVERNMENTAL FUNDS BUT RECOGNIZED AS REVENUES IN THE STATEMENT OF ACTIVITIES	(73,980)
DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS	20,122,695
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 24,221,844

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017

	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	\$ 23,063,500	\$ 23,013,500	\$ 23,851,693	\$ 838,193	\$ 11,880,000	\$ 11,880,000	\$ 13,050,294	\$ 1,170,294
LICENSES, FEES AND PERMITS	2,090,000	2,090,000	2,338,200	248,200	-	-	-	-
INTERGOVERNMENTAL REVENUE	1,952,600	2,143,998	2,373,773	229,775	-	-	-	-
CHARGES FOR SERVICE	6,109,048	6,206,777	7,502,520	1,295,743	-	-	-	-
FINES AND FORFEITURES	682,500	682,500	629,104	(53,396)	-	-	-	-
MISCELLANEOUS REVENUE	1,189,000	1,189,000	1,252,405	63,405	-	-	-	-
INTEREST ON INVESTMENTS	69,500	69,500	113,450	43,950	7,500	7,500	14,796	7,296
TOTAL REVENUES	35,156,148	35,395,275	38,061,145	2,665,870	11,887,500	11,887,500	13,065,090	1,177,590
EXPENDITURES								
GENERAL GOVERNMENT	7,363,584	8,943,584	8,390,690	552,894	-	-	-	-
PUBLIC SAFETY	12,164,099	12,544,226	11,934,981	609,245	-	-	-	-
COMMUNITY DEVELOPMENT	2,556,371	2,556,371	2,511,916	44,455	11,963,750	11,963,750	2,667,585	9,296,165
STREETS AND HIGHWAYS	3,629,091	4,243,091	4,096,908	146,183	-	-	-	-
PARKS, RECREATIONS AND CULTURE	9,268,289	9,268,289	8,628,939	639,350	-	-	-	-
CEMETERY	449,680	449,680	385,537	64,143	-	-	-	-
DEBT SERVICE	815,832	815,832	815,700	132	8,238,000	8,238,000	9,190,195	(952,195)
TOTAL EXPENDITURES	36,246,946	38,821,073	36,764,671	2,056,402	20,201,750	20,201,750	11,857,780	8,343,970
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,090,798)	(3,425,798)	1,296,474	4,722,272	(8,314,250)	(8,314,250)	1,207,310	9,521,560
OTHER FINANCING SOURCES (USES)								
ISSUANCE OF NOTES	-	-	-	-	9,000,000	9,000,000	-	(9,000,000)
TRANSFERS IN	1,521,441	2,921,441	1,681,036	(1,240,405)	-	-	-	-
TRANSFERS OUT	(2,125,510)	(4,925,510)	(5,110,500)	(184,990)	(1,444,691)	(1,444,691)	(1,681,036)	(236,345)
SALE OF CAPITAL ASSETS	10,000	10,000	13,577	3,577	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(594,069)	(1,994,069)	(3,415,887)	(1,421,818)	7,555,309	7,555,309	(1,681,036)	(9,236,345)
NET CHANGE IN FUND BALANCE	(1,684,867)	(5,419,867)	(2,119,413)	3,300,454	(758,941)	(758,941)	(473,726)	285,215
FUND BALANCE AT BEGINNING OF YEAR	8,412,966	8,412,966	8,412,966	-	1,497,468	1,497,468	1,497,468	-
FUND BALANCE AT END OF YEAR	\$ 6,728,099	\$ 2,993,099	\$ 6,293,553	\$ 3,300,454	\$ 738,527	\$ 738,527	\$ 1,023,742	\$ 285,215

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES						TOTAL BUSINESS- TYPE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)		
ASSETS								
CURRENT ASSETS								
CASH AND CASH EQUIVALENTS	\$ 1,469,799	\$ 5,862,613	\$ 1,362,737	\$ 12,147,183	\$ 2,962,017	\$ 373,994	\$ 24,178,343	\$ 2,824,966
RECEIVABLE (NET):								
ACCOUNTS	507,563	870,695	205,497	3,234,055	108,038	234,554	5,160,402	-
UNBILLED	18,711	25,334	10,212	108,118	2,366	11,033	175,774	-
REFUND DUE FROM DEPOSIT								
WITH POWER SUPPLIER	-	-	-	267,896	-	-	267,896	-
PREPAID INTEREST AND OTHER EXPENSES	-	-	-	-	-	-	-	-
DUE FROM OTHER FUNDS	-	-	-	-	-	-	-	-
INVENTORY	89,226	8,551	33,986	2,392,472	738	-	2,524,973	44,477
TOTAL CURRENT ASSETS	<u>2,085,299</u>	<u>6,767,193</u>	<u>1,612,432</u>	<u>18,149,724</u>	<u>3,073,159</u>	<u>619,581</u>	<u>32,307,388</u>	<u>2,869,443</u>
NON-CURRENT ASSETS								
RESTRICTED CASH AND CASH EQUIVALENTS	-	-	-	440	103	-	543	-
RESTRICTED IMPACT FEE RECEIVABLE	4,522	1,720	12,938	101,593	5,649	-	126,422	-
NONDEPRECIABLE CAPITAL ASSETS	25,857,092	69,240	27,468,559	6,117,017	157,433	-	59,669,341	-
DEPRECIABLE CAPITAL ASSETS, NET	36,238,818	42,165,941	42,053,541	53,200,772	39,388,972	-	213,048,044	3,130,790
TOTAL NON-CURRENT ASSETS	<u>62,100,432</u>	<u>42,236,901</u>	<u>69,535,038</u>	<u>59,419,822</u>	<u>39,552,157</u>	<u>-</u>	<u>272,844,350</u>	<u>3,130,790</u>
TOTAL ASSETS	<u>\$ 64,185,731</u>	<u>\$ 49,004,094</u>	<u>\$ 71,147,470</u>	<u>\$ 77,569,546</u>	<u>\$ 42,625,316</u>	<u>\$ 619,581</u>	<u>\$ 305,151,738</u>	<u>\$ 6,000,233</u>
DEFERRED OUTFLOWS OF RESOURCES								
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ -	\$ -	\$ 7,529,180	\$ -	\$ -	\$ 7,529,180	\$ -
LOSS ON REFUNDING	-	-	-	61,218	-	-	61,218	-
DEFERRED OUTFLOWS RELATED TO PENSIONS	299,455	88,321	109,748	992,957	87,275	-	1,577,756	289,526
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 299,455</u>	<u>\$ 88,321</u>	<u>\$ 109,748</u>	<u>\$ 8,583,355</u>	<u>\$ 87,275</u>	<u>\$ -</u>	<u>\$ 9,168,154</u>	<u>\$ 289,526</u>

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES						NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE			
LIABILITIES								
CURRENT LIABILITIES								
DUE TO OTHER FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ACCOUNTS PAYABLE	1,731,451	895,543	237,360	4,522,761	398,696	221,339		8,007,150
WAGES PAYABLE	21,207	17,897	5,954	81,952	11,047	-		138,057
ACCRUED INTEREST PAYABLE	-	-	-	3,616	947	-		4,563
PAYABLE FROM RESTRICTED ASSETS:								
ACCOUNTS PAYABLE	-	-	-	-	-	-		-
CUSTOMER DEPOSITS	18,800	-	-	10,905	-	-		29,705
CURRENT PORTION COMPENSATED ABSENCES	55,351	17,870	13,753	175,668	16,247	-		278,889
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	21,573	-	21,573	760,000	160,000	-		963,146
TOTAL CURRENT LIABILITIES	1,848,382	931,310	278,640	5,554,902	586,937	221,339		9,421,510
NON-CURRENT LIABILITIES								
COMPENSATED ABSENCES	116,413	12,304	15,983	242,413	22,171	-		409,284
NET PENSION LIABILITY	479,833	141,521	175,855	1,591,070	139,847	-		2,528,126
NOTES PAYABLE	718,571	-	718,571	-	-	-		1,437,142
BONDS PAYABLE, LESS CURRENT MATURITIES	-	-	-	1,560,000	1,295,000	-		2,855,000
TOTAL NON-CURRENT LIABILITIES	1,314,817	153,825	910,409	3,393,483	1,457,018	-		7,229,552
TOTAL LIABILITIES	\$ 3,163,199	\$ 1,085,135	\$ 1,189,049	\$ 8,948,385	\$ 2,043,955	\$ 221,339		\$ 16,651,062
DEFERRED INFLOWS OF RESOURCES								
DEFERRED INFLOWS RELATED TO PENSIONS	\$ 89,974	\$ 26,537	\$ 32,975	\$ 298,345	\$ 26,223	\$ -		\$ 474,054
NET POSITION								
NET INVESTMENT IN CAPITAL ASSETS	\$ 61,355,766	\$ 42,235,181	\$ 68,781,956	\$ 56,997,789	\$ 38,091,405	\$ -		\$ 267,462,097
RESTRICTED FOR								
CAPITAL PROJECTS	4,522	1,720	12,938	102,033	5,752	-		126,965
UNRESTRICTED	(128,275)	5,743,842	1,240,300	19,806,349	2,545,256	398,242		29,605,714
TOTAL NET POSITION	\$ 61,232,013	\$ 47,980,743	\$ 70,035,194	\$ 76,906,171	\$ 40,642,413	\$ 398,242		297,194,776
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS								
CURRENT YEAR ADJUSTMENT								280,484
CUMULATIVE ADJUSTMENT FROM PRIOR YEARS								754,757
NET POSITION OF BUSINESS-TYPE ACTIVITIES								\$ 298,230,017

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, 2017

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)		
OPERATING REVENUES (PLEGGED AS SECURITY FOR REVENUE BONDS)								
CHARGES FOR SERVICES	\$ 5,165,256	\$ 8,515,717	\$ 2,455,067	\$ 31,013,917	\$ 1,098,866	\$ 2,300,452	\$ 50,549,275	\$ 5,384,204
HOOK-UP AND SERVICING FEES	1,458,324	-	194,242	289,263	-	-	1,941,829	-
MISCELLANEOUS REVENUES	140,547	58,482	1,205	183,012	-	8,580	391,826	-
TOTAL OPERATING REVENUES	<u>6,764,127</u>	<u>8,574,199</u>	<u>2,650,514</u>	<u>31,486,192</u>	<u>1,098,866</u>	<u>2,309,032</u>	<u>52,882,930</u>	<u>5,384,204</u>
OPERATING EXPENSES								
PERSONNEL	1,016,051	519,653	281,934	2,368,052	447,112	-	4,632,802	1,154,883
GENERAL ADMINISTRATION	274,142	89,434	46,094	347,430	46,419	24,227	827,746	-
OPERATING AND MAINTENANCE	3,325,962	7,196,586	1,522,554	22,559,580	157,366	2,286,034	37,048,082	2,508,908
INTERFUND CHARGES	203,240	181,000	75,000	775,009	46,000	-	1,280,249	-
DEPRECIATION	1,351,616	1,531,892	1,444,933	2,281,325	1,211,903	-	7,821,669	731,070
TOTAL OPERATING EXPENSES	<u>6,171,011</u>	<u>9,518,565</u>	<u>3,370,515</u>	<u>28,331,396</u>	<u>1,908,800</u>	<u>2,310,261</u>	<u>51,610,548</u>	<u>4,394,861</u>
OPERATING INCOME (LOSS)	<u>593,116</u>	<u>(944,366)</u>	<u>(720,001)</u>	<u>3,154,796</u>	<u>(809,934)</u>	<u>(1,229)</u>	<u>1,272,382</u>	<u>989,343</u>
NON-OPERATING REVENUES (EXPENSES)								
IMPACT FEE REVENUE (PLEGGED AS SECURITY FOR REVENUE BONDS)	1,135,867	419,623	975,958	2,445,017	354,763	-	5,331,228	-
GOVERNMENTAL GRANTS	-	-	-	-	-	-	-	-
INTEREST INCOME	37,267	68,798	19,842	137,309	37,608	3,665	304,489	814,206
INTEREST EXPENSE	(62,277)	(7,399)	(41,922)	(81,963)	(60,046)	-	(253,607)	-
MISCELLANEOUS REVENUES	-	-	-	-	-	-	-	1,985
GAIN ON SALE OF CAPITAL ASSETS	14,870	19,320	-	4,423	-	-	38,613	(13,959)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>1,125,727</u>	<u>500,342</u>	<u>953,878</u>	<u>2,504,786</u>	<u>332,325</u>	<u>3,665</u>	<u>5,420,723</u>	<u>802,232</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,718,843	(444,024)	233,877	5,659,582	(477,609)	2,436	6,693,105	1,791,575
CAPITAL CONTRIBUTIONS	<u>2,323,650</u>	<u>4,098,652</u>	<u>5,745,210</u>	<u>5,435,781</u>	<u>5,476,861</u>	<u>-</u>	<u>23,080,154</u>	<u>-</u>
CHANGE IN NET POSITION	4,042,493	3,654,628	5,979,087	11,095,363	4,999,252	2,436	29,773,259	1,791,575
NET POSITION AT BEGINNING OF YEAR,	<u>57,189,520</u>	<u>44,326,115</u>	<u>64,056,107</u>	<u>65,810,808</u>	<u>35,643,161</u>	<u>395,806</u>		<u>3,563,590</u>
NET POSITION AT END OF YEAR	<u>\$ 61,232,013</u>	<u>\$ 47,980,743</u>	<u>\$ 70,035,194</u>	<u>\$ 76,906,171</u>	<u>\$ 40,642,413</u>	<u>\$ 398,242</u>		<u>\$ 5,355,165</u>
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS							280,484	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (page 33)							<u>\$ 30,053,743</u>	

40

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)		
CASH FLOWS FROM OPERATING ACTIVITIES								
CASH RECEIVED FROM CUSTOMERS	\$ 6,522,693	\$ 8,495,352	\$ 2,661,859	\$ 31,249,775	\$ 1,091,550	\$ 2,290,451	\$ 52,311,680	\$ -
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	-	-	-	-	-	-	-	5,384,204
CASH PAID TO SUPPLIERS	(2,254,633)	(7,308,044)	(1,703,711)	(22,713,327)	(141,159)	(2,298,596)	(36,419,470)	(1,999,587)
CASH PAID TO EMPLOYEES	(961,631)	(495,050)	(260,351)	(2,198,430)	(427,067)	-	(4,342,529)	(1,700,444)
CASH PAID FOR INTERFUND SERVICES	(203,240)	(181,000)	(75,000)	(775,009)	(46,000)	-	(1,280,249)	-
OTHER RECEIPTS	140,547	58,482	1,205	183,012	-	8,580	391,826	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,243,736	569,740	624,002	5,746,021	477,324	435	10,661,258	1,684,173
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
OTHER RECEIPTS (PAYMENTS)	-	-	-	-	-	-	-	1,985
PAYMENTS MADE ON INTERFUND BALANCES	(1,065,000)	-	-	1,065,000	-	-	-	-
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	(1,065,000)	(7,399)	-	1,065,000	-	-	(7,399)	1,985
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(1,842,491)	(1,698,930)	(1,122,516)	(11,897,089)	(996,241)	-	(17,557,267)	(871,992)
ADVANCE FUNDING OF UAMPS PROJECT	-	-	-	259,627	-	-	259,627	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	14,870	19,320	-	4,423	-	-	38,613	2,081
CONTRIBUTIONS FROM DEVELOPERS	-	-	-	3,835,151	294,543	-	4,129,694	-
PRINCIPAL PAID ON BONDS	(1,577)	-	(809)	(755,000)	(155,000)	-	(912,386)	-
INTEREST PAID	(62,277)	-	(41,922)	(52,078)	(60,163)	-	(216,440)	-
PRINCIPAL PAID ON NOTES PAYABLE	(19,172)	-	(19,940)	-	-	-	(39,112)	-
IMPACT FEES COLLECTED	1,161,663	1,463,985	1,036,622	2,624,988	376,771	-	6,664,029	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(748,984)	(215,625)	(148,565)	(5,979,978)	(540,090)	-	(7,633,242)	(869,911)
CASH FLOWS FROM INVESTING ACTIVITIES								
INTEREST INCOME COLLECTED	37,267	68,798	19,842	137,309	37,608	3,665	304,489	814,206
NET CASH PROVIDED BY INVESTING ACTIVITIES	37,267	68,798	19,842	137,309	37,608	3,665	304,489	814,206

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,467,019	415,514	495,279	968,352	(25,158)	4,100	3,325,106	1,630,453
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,780	5,447,099	867,458	11,179,271	2,987,278	369,894	20,853,780	1,194,513
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,469,799</u>	<u>\$ 5,862,613</u>	<u>\$ 1,362,737</u>	<u>\$ 12,147,623</u>	<u>\$ 2,962,120</u>	<u>\$ 373,994</u>	<u>\$ 24,178,886</u>	<u>\$ 2,824,966</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:								
UNRESTRICTED CASH	\$ 1,469,799	\$ 5,862,613	\$ 1,362,737	\$ 12,147,183	\$ 2,962,017	\$ 373,994	\$ 24,178,343	\$ 2,824,966
RESTRICTED CASH	-	-	-	440	103	-	543	-
	<u>\$ 1,469,799</u>	<u>\$ 5,862,613</u>	<u>\$ 1,362,737</u>	<u>\$ 12,147,623</u>	<u>\$ 2,962,120</u>	<u>\$ 373,994</u>	<u>\$ 24,178,886</u>	<u>\$ 2,824,966</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 2,323,650	\$ 4,098,652	\$ 5,745,210	\$ 1,600,630	\$ 5,182,318	\$ -	\$ 18,950,460	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
OPERATING INCOME (LOSS)	\$ 593,116	\$ (944,366)	\$ (720,001)	\$ 3,154,796	\$ (809,934)	\$ (1,229)	\$ 1,272,382	\$ 989,343
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES								
DEPRECIATION	1,351,616	1,531,892	1,444,933	2,281,325	1,211,903	-	7,821,669	731,070
CHANGES IN ASSETS AND LIABILITIES								
ACCOUNTS RECEIVABLE	(110,844)	(39,361)	6,468	(105,573)	(9,298)	(14,870)	(273,478)	-
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	2,007	18,996	6,082	56,978	1,982	4,869	90,914	-
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	-	-	27,867	-	-	27,867	-
PREPAID ITEMS	-	-	-	-	-	-	-	-
INVENTORY	96,225	(401)	16,595	(133,414)	721	-	(20,274)	8,413
ACCOUNTS PAYABLE	1,249,246	(21,623)	(151,658)	299,230	61,905	11,665	1,448,765	(107,901)
WAGES PAYABLE	3,942	12,089	1,898	28,317	5,231	-	51,477	8,935
COMPENSATED ABSENCES	18,139	2,976	7,834	34,072	5,388	-	68,409	23,046
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS								
RELATED TO PENSIONS	32,339	9,538	11,851	107,233	9,426	-	170,387	31,267
CUSTOMER DEPOSITS	7,950	-	-	(4,810)	-	-	3,140	-
	<u>\$ 3,243,736</u>	<u>\$ 569,740</u>	<u>\$ 624,002</u>	<u>\$ 5,746,021</u>	<u>\$ 477,324</u>	<u>\$ 435</u>	<u>\$ 10,661,258</u>	<u>\$ 1,684,173</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements – Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks, library and recreation, streets, community development and general administrative services are classified as governmental activities. The City's culinary water, sewer, pressurized irrigation, electric, drainage, and garbage services are classified as business-type activities.

In the government-wide Statement of Net 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 regards 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, 2017

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.

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

Proprietary Funds

The focus of proprietary fund measurement is upon the determination of net income, changes in net 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 Drainage Fund.

- The purpose of the Culinary Water Fund is to assure an adequate supply of potable water. It also maintains the culinary water distribution lines, wells and storage tanks, and culinary water facilities.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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 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 serious flooding.
- **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. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Basis of Accounting

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

Accrual

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

Modified Accrual

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Cash and cash equivalents

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

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

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

Restricted cash and cash equivalents

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

Inventories 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.

Intangible Assets

The City records donated intangible assets meeting the criteria outlined in GASB Statement No. 51 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 position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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 \$175,774 at June 30, 2017. The accounts receivable are reported net of the allowance for doubtful accounts of \$359,838 at June 30, 2017.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated Absences

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

Accumulated sick leave is earned at a rate of one day per month. Employees may accumulate unlimited sick leave. Upon retirement, employees may elect to be paid 25% of outstanding sick pay or may have 75% of outstanding sick pay deposited into 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.

Interfund Activity

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

Fund Equity

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

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

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

Pensions

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgets and budgetary control

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

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 25% 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, 2017

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, 2017 the book value of cash on deposit was \$983,464 and the bank balance was \$2,78,434 (\$1,855,604 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.

The City’s investments at June 30, 2017 are presented below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Utah Public Treasurer's Investment Fund	\$ 35,716,722	\$35,716,722	\$ -	\$ -	\$ -
Money Market Funds	189,279	189,279	-	-	-
	<u>\$ 35,906,001</u>	<u>\$35,906,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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.

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk. The City’s rated debt investments are presented below:

<u>Rated Debt Investments</u>	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Utah Public Treasurer's Investment Fund	\$ 35,716,722	\$ -	\$ -	\$ -	\$35,716,722
Money Market Funds	189,279	-	189,279	-	-
	<u>\$ 35,906,001</u>	<u>\$ -</u>	<u>\$189,279</u>	<u>\$ -</u>	<u>\$35,716,722</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. The City does not have a formal policy for custodial credit risk.

The City’s investments at June 30, 2017 were predominantly with the Utah Public Treasurer’s Investment Fund and therefore are not categorized as to custodial credit risk. Additional information regarding the Utah Public Treasurer’s Investment Fund is available at Note C.

Concentration of Credit Risk – Investments

Concentration of credit risk is the risk of a loss attributed to the magnitude of a government’s investment in a single issuer.

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

At June 30, 2017, the City did not have more than 5 percent of its investments in any single issuer other than the amounts invested with the Utah Public Treasurer’s Investment Fund. The Utah Public Treasurer’s Investment Fund is not categorized as to concentration of credit risk. Additional information regarding the Utah Public Treasurer’s Investment Fund is available at Note C.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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, 2017) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2017, the City had \$35,716,722 invested in the PTIF which had a fair value of \$35,885,278 for an unrealized gain of \$168,556. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

<u>Investment Type</u>	<u>Investment Percentage</u>
Corporate bonds and notes	77.03%
Certificates of deposit	0.89%
Money market accounts	10.49%
Commercial paper and other	11.59%
	<u>100.00%</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE D – RESTRICTED CASH AND CASH EQUIVALENTS

The balance of the City’s restricted cash and cash equivalents accounts are as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Reserves for future debt service	\$ 601,571	\$ 543	\$ 602,114
Grant funds restricted for capital projects	69,038	-	69,038
Funds restricted for landfill post-closure costs	289,607	-	289,607
Unexpended impact fees	282,854	-	282,854
	<u>\$ 1,243,070</u>	<u>\$ 543</u>	<u>\$ 1,243,613</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE E – FUND BALANCES

Fund balances are presented on the governmental fund balance sheet in compliance with Governmental Accounting Standards Board, Statement No. 54. The detail of the fund balance categories is presented below:

	Major Governmental Funds			
	General	Special Revenue Redevelopment Agency	Capital Projects	Total
Nonspendable:				
Prepaid items	\$ 197,599	\$ -	\$ -	\$ 197,599
Total nonspendable	197,599	-	-	197,599
Restricted:				
Externally imposed by creditors				
Debt reserves	-	-	601,571	601,571
Restricted grant funds	-	-	69,038	69,038
Imposed by law or legislation				
C road funds	-	-	-	-
Less liabilities payable from C road funds	-	-	-	-
Landfill post-closure costs	289,607	-	-	289,607
Impact fees	17,023	-	316,944	333,967
Less liabilities payable from impact fees	-	-	(275,992)	(275,992)
Less deferred inflows of resources - impact fees	-	-	-	-
Total restricted	306,630	-	711,561	1,018,191
Committed:				
Library Fund	542,731	-	-	542,731
Total committed	542,731	-	-	542,731
Assigned:				
Hutchings Museum	194,253	-	-	194,253
Redevelopment	-	1,023,742	-	1,023,742
Capital Projects	-	-	379,411	379,411
Total assigned	194,253	1,023,742	379,411	1,597,406
Unassigned:	5,052,340	-	-	5,052,340
Total fund balance	\$ 6,293,553	\$ 1,023,742	\$ 1,090,972	\$ 8,408,267

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 is as follows:

	<u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
Governmental Activities:				
Nondepreciable capital assets:				
Land	\$ 104,912,663	\$ 22,807,225	\$ -	\$ 127,719,888
Construction in progress	10,370,249	5,767,347	10,129,284	6,008,312
Total nondepreciable capital assets	<u>\$ 115,282,912</u>	<u>\$ 28,574,572</u>	<u>\$ 10,129,284</u>	<u>\$ 133,728,200</u>
Depreciable capital assets:				
Buildings	\$ 24,003,549	\$ 929,716	\$ -	\$ 24,933,265
Improvements, including infrastructure	203,966,247	22,464,301	-	226,430,548
Machinery, equipment and vehicles	18,461,579	2,419,363	183,347	20,697,595
Office furniture and equipment	1,631,942	27,309	-	1,659,251
Total depreciable capital assets at historical cost	<u>248,063,317</u>	<u>25,840,689</u>	<u>183,347</u>	<u>273,720,659</u>
Less accumulated depreciation:				
Buildings	9,878,871	912,441	-	10,791,312
Improvements, including infrastructure	83,438,431	10,413,633	-	93,852,064
Machinery, equipment and vehicles	12,107,150	1,320,249	167,310	13,260,089
Office furniture and equipment	1,508,523	36,993	-	1,545,516
Total accumulated depreciation	<u>106,932,975</u>	<u>12,683,316</u>	<u>167,310</u>	<u>119,448,981</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 141,130,342</u>	<u>\$ 13,157,373</u>	<u>\$ 16,037</u>	<u>\$ 154,271,678</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 1,639,915
Public safety	845,007
Community development	45,727
Streets and highways, including infrastructure	8,781,720
Parks, recreation and culture	1,337,556
Cemetery	33,391
	<u>\$ 12,683,316</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE F – CAPITAL ASSETS – CONTINUED

	July 1, 2016	Increases	Decreases	June 30, 2017
Business-type Activities				
Nondepreciable capital assets:				
Land	\$ 2,336,469	\$ 810,256	\$ -	\$ 3,146,725
Construction in progress	6,293,009	6,694,342	3,357,593	9,629,758
Intangibles	45,057,226	1,835,632	-	46,892,858
Total nondepreciable capital assets	<u>\$ 53,686,704</u>	<u>\$ 9,340,230</u>	<u>\$ 3,357,593</u>	<u>\$ 59,669,341</u>
Depreciable capital assets:				
Buildings	\$ 3,152,841	\$ -	\$ -	\$ 3,152,841
Improvements, including infrastructure	255,676,512	28,800,737	-	284,477,249
Machinery, equipment and vehicles	5,875,091	886,993	492,592	6,269,492
Office furniture and equipment	195,611	11,549	-	207,160
Total depreciable capital assets at historical cost	<u>264,900,055</u>	<u>29,699,279</u>	<u>492,592</u>	<u>294,106,742</u>
Less accumulated depreciation:				
Buildings	1,264,285	108,648	-	1,372,933
Improvements, including infrastructure	67,867,730	7,415,293	-	75,283,023
Machinery, equipment and vehicles	4,414,697	296,466	492,592	4,218,571
Office furniture and equipment	182,909	1,262	-	184,171
Total accumulated depreciation	<u>73,729,621</u>	<u>7,821,669</u>	<u>492,592</u>	<u>81,058,698</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 191,170,434</u>	<u>\$ 21,877,610</u>	<u>\$ -</u>	<u>\$ 213,048,044</u>
Depreciation was charged to functions as follows:				
Business-type activities:				
Culinary water			\$ 1,351,616	
Sewer			1,531,892	
Electric			2,281,325	
Pressurized irrigation			1,444,933	
Drainage			1,211,903	
			<u>\$ 7,821,669</u>	

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE G – CUSTOMER DEPOSITS

Business-type activity deposits are consist of 1) enterprise fund customer deposits the City requires from renters or businesses before they receive utility connections and 2) deposits from developers for the use of a water meter on a hydrant while a project is in process. The utility deposits are returnable when the residence is vacated by the renter, or the business has established a history of meeting its obligations to the City promptly. The developers are refunded their deposits upon completion of the project.

NOTE H – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2017:

Governmental activities

2014 Sales tax revenue and refunding bonds

\$7,210,000 sales tax revenue and refunding term bonds due
serially through June 1, 2024 with interest at 2.30% \$ 5,220,000

2004 Subordinated sales tax revenue bonds

\$9,000,000 sales tax revenue bonds with interest at 4.75%
payable from 87.5% of the local sales and use tax and 100%
of the transient room tax collected from the Cabela's Retail
Store Project area, due in 2024 7,955,000

Tax increment note payable to developer

Due in annual installments equal to 70% of the tax increment
received by the RDA from the Alpine Highway Project,
including interest at 6.5% 56,935,296

Tax increment note payable to developer

Due in annual installments equal to 97% of the tax increment
received by the RDA from the West Timpanogos Community
Development Project area 19,153,923

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H – LONG-TERM DEBT - CONTINUED

Governmental activities - continued

Tax increment note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 95% of the tax increment received by the RDA from the Thanksgiving Park Economic Development Project area	1,635,391
Tax increment note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 100% of the property tax increment received by the RDA from the Traverse Mountain Community Development Project area, as well as varying levels of the sales tax collected from business within the project area, over the ten year tax increment period	10,496,369
Tax increment note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 93.33% of the tax increment received by the RDA from the Alpine Highway West Economic Development Project area	14,856,648
Note payable to developer	
Noninterest bearing note payable to developer, payable, in annual installments equal to 25% of the sales and use taxes that are generated from sales occurring from the sales on the site of the development	922,250
Note payable for purchase of land	
Noninterest bearing note payable to a trust, payable in one installment during the 2018 fiscal year	2,569,192
Note payable for purchase of land	
Noninterest bearing note payable to a partnership, payable in two annual installments of \$300,000	600,000

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H – LONG-TERM DEBT - CONTINUED

Governmental activities - continued

Compensated absences	2,204,751
Net pension liability	5,845,925
Landfill closure and postclosure care liability	<u>250,917</u>
Total Governmental activities long-term debt	<u><u>\$ 128,645,662</u></u>

Business-type activities

2014 Electric refunding and revenue bonds \$4,560,000 electric refunding bonds due serially through 2020 with interest rates ranging from .8% to 2.2%	\$ 2,320,000
2010 Storm Drain revenue and refunding bonds \$2,500,000 in drainage revenue and refunding bonds due serially through 2025 with interest rates at 3.51%	1,455,000
Note payable to Provo Reservoir Water Users Company payable in annual installments through 2035. Payments include interest at 4% and range from \$34,813 to \$33,439	419,011
Note payable to Provo River Water Users Association payable in annual installments through 2035. Approximately 81 percent of the total obligation bears interest at 4%. The balance of the obligation will mirror a line of credit issued by a bank to the Provo River Water Users Association. The line of credit will have a variable interest rate which is estimated to average 4.5%	1,061,277
Compensated absences	688,173
Net pension liability	<u>2,528,126</u>
Total Business-type activities long-term debt	<u><u>\$ 8,471,587</u></u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H – LONG-TERM DEBT - CONTINUED

The following is a summary of the changes in governmental-type activities long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Current Amounts Due
Governmental activities					
Bonds and notes payable					
2014 Sales tax revenue and refunding bonds	\$ 5,900,000	\$ -	\$ 680,000	\$ 5,220,000	\$ 700,000
2004 Subordinated sales tax revenue bonds	7,955,000	-	-	7,955,000	-
Tax increment notes payable to developers	107,521,217	-	4,443,590	103,077,627	-
Other notes payable	-	4,169,192	77,750	4,091,442	2,869,192
Total bonds and notes payable	<u>121,376,217</u>	<u>4,169,192</u>	<u>5,201,340</u>	<u>120,344,069</u>	<u>3,569,192</u>
Other liabilities:					
Compensated absences	2,236,857	992,138	1,024,244	2,204,751	772,012
Net pension liability	4,943,136	902,789	-	5,845,925	-
Landfill closure and post- closure care liability	250,917	-	-	250,917	-
	<u>7,430,910</u>	<u>1,894,927</u>	<u>1,024,244</u>	<u>8,301,593</u>	<u>772,012</u>
Governmental activities long-term debt	<u>\$ 128,807,127</u>	<u>\$ 6,064,119</u>	<u>\$ 6,225,584</u>	<u>\$ 128,645,662</u>	<u>\$ 4,341,204</u>

For the governmental activities, sales tax revenue bonds 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, 2017

NOTE H - LONG-TERM DEBT - CONTINUED

As of June 30, 2017 annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30,	Sales Tax Revenue Bonds	
	Principal	Interest
2018	\$ 700,000	\$ 120,060
2019	710,000	103,960
2020	725,000	87,630
2021	745,000	70,955
2022	765,000	53,820
2023-2024	1,575,000	54,510
	<u>\$5,220,000</u>	<u>\$ 490,935</u>

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

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

The amortization of the other notes payable consist of the following:

- \$2,569,192 note payable for the purchase of land will be paid during fiscal year 2018 when the purchase is closed.
- \$600,000 note payable for the purchase of land will be repaid in installments of \$300,000 during each of fiscal year 2018 and 2019 under the terms of a contract for the purchase of land.
- The amortization of the remaining note payable of \$922,250 is unknown due to the uncertainty of the timing of the payments.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H - LONG-TERM DEBT - CONTINUED

The following is a summary of the changes in business-type activities long-term debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Current Amounts Due
Business-type activities					
Bonds and notes payable					
2014 Electric refunding bonds	\$ 3,075,000	\$ -	\$ 755,000	\$ 2,320,000	\$ 760,000
2010 Drainage refunding bonds	1,610,000	-	155,000	1,455,000	160,000
Note payable to Provo Reservoir					
Water Users Company	424,186	-	5,175	419,011	13,637
Note payable to Provo River					
Water Users Association	1,097,600	-	36,323	1,061,277	29,509
Total bonds and notes payable	<u>6,206,786</u>	<u>-</u>	<u>951,498</u>	<u>5,255,288</u>	<u>963,146</u>
Compensated absences	619,764	309,678	241,269	688,173	278,889
Net pension liability	<u>2,137,706</u>	<u>390,420</u>	<u>-</u>	<u>2,528,126</u>	<u>-</u>
	<u>2,757,470</u>	<u>700,098</u>	<u>241,269</u>	<u>3,216,299</u>	<u>278,889</u>
Business-type activities long-term debt	<u>\$ 8,964,256</u>	<u>\$ 700,098</u>	<u>\$ 1,192,767</u>	<u>\$ 8,471,587</u>	<u>\$ 1,242,035</u>

As of June 30, 2017, annual debt service requirements of business-type activities to maturity are as follows:

Year ending June 30,	Electric Refunding Bonds		Drainage Revenue bonds	
	Principal	Interest	Principal	Interest
2018	\$ 760,000	\$ 43,395	\$ 160,000	\$ 51,071
2019	775,000	31,995	165,000	45,454
2020	785,000	17,270	170,000	39,663
2021	-	-	180,000	33,696
2022	-	-	185,000	27,378
2023-2025	-	-	595,000	42,296
	<u>\$2,320,000</u>	<u>\$ 92,660</u>	<u>\$ 1,455,000</u>	<u>\$ 239,558</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H – LONG-TERM DEBT – 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
	2017	\$ 29,509	\$ 42,789	\$ 13,637
2018	30,679	41,608	14,191	15,896
2019	31,894	40,381	14,750	15,329
2020	44,804	39,105	15,345	14,738
2021	46,603	37,313	19,301	14,122
2022-2026	262,391	157,077	108,735	58,397
2027-2031	319,295	100,226	132,294	34,847
2032-2036	296,102	34,278	100,758	7,515
	<u>\$1,061,277</u>	<u>\$ 492,777</u>	<u>\$ 419,011</u>	<u>\$ 177,286</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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H – LONG-TERM DEBT – CONTINUED

All outstanding revenue bonds in the City’s enterprise funds 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
Net revenues		
Operating revenues	\$ 31,486,192	\$ 1,098,866
Operating expenses (excluding depreciation)	(26,050,071)	(696,897)
Impact fee revenues	2,445,017	354,763
Interest income	137,309	37,608
Net revenues	<u>\$ 8,018,447</u>	<u>\$ 794,340</u>
Aggregate debt service for 2018	<u>\$ 803,395</u>	<u>\$ 211,071</u>
Ratio of net revenues to aggregate debt service	<u>9.98</u>	<u>3.76</u>
Minimum ratio	<u>1.25</u>	<u>1.25</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, 2017 the following bonds are considered defeased:

	Bond Series	Defeased Balance
Governmental Activities:	2000 Lease Revenue Bonds	\$3,175,000

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE H – LONG-TERM DEBT – CONTINUED

Pledged Revenues

The City has pledged sales tax revenues in the amount of \$13,665,935 to fund debt service payments on the sales tax revenue bonds. These bonds were used to finance infrastructure improvements within the City. Sales tax revenue has been pledged for debt service payments through the year 2024. Total sales tax collections through 2024 have not been estimated. Sales tax revenue in the current year was \$10,757,971 and debt service for the sales tax bonds was \$1,271,312.

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 \$56,935,296. 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 \$10,879,090. 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 \$1,635,391. 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 \$273,508. 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 \$10,496,369. 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 \$603,966. 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 \$14,856,648. 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 \$653,772. 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, 2017

NOTE H – LONG-TERM DEBT – 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 \$19,153,923. 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 \$305,693. 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 \$2,412,660 to fund debt service payments on the electric revenues bonds. The bonds were issued to fund electric system improvements within the City. Electric revenues have been pledged for debt service payments through the year 2020. Electric revenues are projected to produce 600 percent of the debt service requirements over the life of the bonds. In the current year, net electric revenues were \$8,018,447 and electric revenue bond debt service payments were \$807,078.

The City has pledged drainage revenues in the amount of \$1,694,558 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 \$794,340 and drainage revenue bond debt service payments were \$211,511.

NOTE I - 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);
- Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees, retirement systems.
- Public Safety Retirement System (Public Safety System) is a mixed agent and 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - RETIREMENT PLANS – CONTINUED

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.

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%

* with actuarial reductions

** 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, 2017

NOTE I - RETIREMENT PLANS - CONTINUED

Contributions: 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, 2017 are as follows:

Utah Retirement Systems

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Governmental Division Tier 2	N/A	14.91%	1.78%
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%	22.75%	N/A
122 - Other Division A Contributory Tier 2	N/A	22.50%	1.33%
Noncontributory			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
Firefighters System			
31 - Other Division A	15.05%	3.99%	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	10.75%	1.33%
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	12.00%
232 - Firefighters	N/A	0.08%	12.00%

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

For fiscal year ended June 30, 2017, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employer Contributions</u>
Noncontributory	\$ 1,309,056	N/A
Public Safety	620,098	-
Firefighters	62,382	-
Tier 2 Public Employees	302,455	-
Tier 2 Public Safety and Firefighter	205,341	-
Tier 2 DC Only	34,392	N/A
Tier 2 DC Public Safety and Firefighter	39	N/A
Total Contributions	<u>\$ 2,533,763</u>	<u>\$ -</u>

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - RETIREMENT PLANS - CONTINUED

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

At June 30, 2017, the City reported a net pension asset of \$54,234 and a net pension liability of \$8,374,051.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory system	0.8609147%	\$ -	\$ 5,528,126
Public Safety System	1.3909834%	-	2,822,689
Firefighters System	5.6106342%	44,231	-
Tier 2 Public Employees System	0.2829680%	-	23,236
Tier 2 Public Safety and Firefighter System	1.5220950%	<u>10,003</u>	<u>-</u>
Total Net Pension Asset/Liability		<u>\$ 54,234</u>	<u>\$ 8,374,051</u>

The net pension asset and liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2016 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, 2017, the City recognized pension expense of \$3,155,285.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - RETIREMENT PLANS - CONTINUED

At June 30, 2017, 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	\$ 127,469	\$ 494,534
Changes in assumptions	1,483,015	422,807
Net difference between projected and actual earnings on pension plan investments	2,184,186	641,087
Changes in proportion and differences between contributions and proportionate share of contributions	238,726	11,808
Contributions subsequent to the measurement date	<u>1,192,694</u>	<u>-</u>
Total	<u>\$ 5,226,090</u>	<u>\$ 1,570,236</u>

\$1,192,694 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, 2016. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2017	\$ 751,805
2018	823,180
2019	924,608
2020	(74,035)
2021	(9,175)
Thereafter	46,777

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - RETIREMENT PLANS – CONTINUED

Actuarial assumptions: The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60 percent
Salary increases	3.35 - 10.35 percent, average, including inflation
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2016, valuation were based on the results of an actuarial experience study for the five year ending December 31, 2013.

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. 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:

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	-	-	-
Totals	<u>100%</u>		<u>5.23%</u>
		Inflation	<u>2.60%</u>
		Expected arithmetic nominal return	<u>7.83%</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE I - RETIREMENT PLANS - CONTINUED

The 7.20% assumed investment rate of return is comprised of an inflation rate of 2.60%, a real return of 4.60% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.20%. 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. There was no change in the discount rate from the prior measurement date. The discount rate was reduced to 7.20% from 7.50% in the prior measurement period.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
System			
Noncontributory	\$ 11,450,622	\$ 5,528,126	\$ 586,127
Public Safety	5,870,554	2,822,689	345,191
Firefighters	1,599,508	(44,231)	(1,377,961)
Tier 2 Public Employees	158,155	23,236	(79,405)
Tier 2 Public Safety and Firefighter	69,976	(10,003)	(71,463)
Total	<u>\$ 19,148,815</u>	<u>\$ 8,319,817</u>	<u>\$ (597,511)</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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE J – 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, 2017, was approximately \$18,000,000. The City participates at rates between 0% and 2.68% depending on the employees' contributions. The rate of City participation can be changed by the City Council. During the year ended June 30, 2017, contributions totaling \$150,700 were made to the plan by employees and \$354,076 by the City.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE K – COMMITMENTS AND CONTIGENCIES

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

The City is a member of Utah Associated Municipal Power System (UAMPS), a political subdivision of the State of Utah created to secure electric power for the members of UAMPS. As a member, the City has entered into power supply agreements with respect to various projects in which UAMPS participates. The total cost of the power the City will be required to purchase in future years is not determinable, however, at a minimum, in connection with these power supply agreements, the City will be required to fund debt service on the UAMPS bonds which, at June 30, 2017, had an outstanding balance of \$168,910,000, of which the City's portion was \$20,043,758. During the year ended June 30, 2017, the City purchased power totaling \$20,536,153.

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.

The City has entered into an agreement with Central Utah Water Conservancy District (the District) for the purchase of water. Under the agreement, the City will be required to pay a one-time development fee of \$5,850 per acre foot of water for the City's commitment to purchase 2,500 acre feet of water, or \$14,625,000. \$1,047,310 of this was during the year ended June 30, 2017, leaving a remaining balance of \$13,577,690. This fee is due in the year ending June 30, 2020.

The City has entered into a contract for the construction of a power generation plant for a total cost of \$17,905,012. Under the terms of the contract, the City will pay the contractor the total amount within thirty days of project completion and acceptance by the City. The project had just gotten underway as of June 30, 2017 and final completion is expected to occur in January 2018.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE L – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for all of these risks of loss except natural disasters. There were no decreases in coverage during 2017. 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>2017</u>	<u>2016</u>
Claims liability, July 1	\$ -	\$ 57,708
Claims incurred during the year and changes in estimates	55,669	9,837
Payments on claims during the year		
Payments made by insurance	55,669	67,545
Coinsurance and deductible insurance payments made by the City	-	-
Claims liability, June 30	<u>\$ -</u>	<u>\$ -</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE M - 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:

	<u>Transfers in to:</u>		
	<u>General</u>	<u>Capital Projects</u>	<u>Total</u>
<u>Transfers out from:</u>			
General Fund	\$ -	\$ 5,110,500	\$ 5,110,500
Redevelopment Agency	1,681,036	-	1,681,036
	<u>\$ 1,681,036</u>	<u>\$ 5,110,500</u>	<u>\$ 6,791,536</u>

NOTE N – 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE O - 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

For the year ended June 30, 2017 the following activity occurred in the City’s Redevelopment Agency:

Tax increment collected from other taxing agencies for the project area	
Millpond Project Area	\$ 334,265
Alpine Highway Project Area	10,879,090
Alpine Highway West Project Area	653,772
West Timpanogos Project Area	305,693
Traverse Mountain Project Area	603,966
Thanksgiving Park Project Area	273,508
	<u>\$ 13,050,294</u>
Outstanding loans to finance RDA projects	<u>\$ 103,077,627</u>
Expenditures:	
Tax increments paid to other taxing agencies	\$ 2,041,240
Principal	4,443,690
Interest	4,746,505
Redevelopment costs	626,345
	<u>\$ 11,857,780</u>

NOTE P – 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, 2017, the City abated the following taxes:

	Property Taxes	Sales Taxes
<u>RDA Project Area tax abatements</u>		
Millpond Project Area	\$ 61,875	\$ -
Alpine Highway Project Area	1,390,981	-
Alpine Highway West Project Area	119,415	-
West Timpanogos Project Area	86,107	-
Traverse Mountain Project Area	94,598	464,994
Thanksgiving Park Project Area	60,612	-
	<u>1,813,588</u>	<u>464,994</u>
Other relocation incentive projects	-	77,750
	<u>\$ 1,813,588</u>	<u>\$ 542,744</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE Q – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expenditure in the General fund in each period based on landfill capacity used as of each balance sheet date. The landfill closure and postclosure care liability is evaluated every three years and as of June 30, 2017, 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	\$ 325,866
Capacity used as of June 30, 2017	<u>77%</u>
Cumulative closure and postclosure care liability, as revised during 2012	250,917
Amounts previously recognized	<u>250,917</u>
Amount to be recognized as of June 30, 2017	-
Amount reported as a long-term liability in the governmental activities statement of net position	<u><u>\$ 250,917</u></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 2017. The City expects the landfill to close in the year 2031 after reaching its total estimated capacity of 230,000 cubic yards. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

NOTE R – EXPENDITURES EXCEEDING APPROPRIATIONS

During the year ended June 30, 2017, the City incurred expenditures in excess of appropriations in the streets and highways of the General Fund and the debt service expenditures of the Redevelopment Agency Special Revenue Fund as follows:

	<u>Expenditures In Excess of Appropriations</u>
General Fund	
Transfers Out	\$ 184,990
Redevelopment Agency	
Debt Service Expenditures	\$ 952,195

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, 2017
With a Measurement Date of December 31, 2016
Last Ten Fiscal Years*

Noncontributory System for the Fiscal Years Ended June 30,

	2017	2016	2015
Proportion of the net pension liability (asset)	86.0914700%	83.6834000%	0.8252402%
Proportionate share of the net pension liability (asset)	\$ 5,528,126	\$ 4,735,214	\$ 3,583,385
Covered employee payroll	\$ 7,264,143	\$ 7,048,506	\$ 6,956,642
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	76.1%	67.2%	51.5%
Plan fiduciary net position as a percentage of the total pension liability	87.3%	87.8%	90.2%

Public Safety System for the Fiscal Years Ended June 30,

	2017	2016	2015
Proportion of the net pension liability (asset)	1.3909834%	1.3094092%	1.2531910%
Proportionate share of the net pension liability (asset)	\$ 2,822,689	\$ 2,345,629	\$ 1,575,992
Covered employee payroll	\$ 2,050,939	\$ 1,983,624	\$ 2,112,919
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	137.6%	118.2%	74.6%
Plan fiduciary net position as a percentage of the total pension liability	86.5%	87.1%	90.5%

Firefighters Retirement System for the Fiscal Years Ended June 30,

	2017	2016	2015
Proportion of the net pension liability (asset)	5.6106342%	5.4181698%	5.2918057%
Proportionate share of the net pension liability (asset)	\$ (44,231)	\$ (98,134)	\$ (301,971)
Covered employee payroll	\$ 1,704,194	\$ 1,573,859	\$ 1,523,975
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-2.6%	-6.2%	-19.8%
Plan fiduciary net position as a percentage of the total pension liability	100.4%	101.0%	103.5%

LEHI CITY CORPORATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
UTAH RETIREMENT SYSTEMS
For the fiscal Year Ended June 30, 2017
With a Measurement Date of December 31, 2016
Last Ten Fiscal Years*

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.2829680%	0.1455133%	0.1454933%
Proportionate share of the net pension liability (asset)	\$ 23,236	\$ (318)	\$ (4,409)
Covered employee payroll	\$ 1,708,206	\$ 940,334	\$ 713,760
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	1.4%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	95.1%	100.2%	103.5%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	1.1522095%	0.1455133%	0.1454933%
Proportionate share of the net pension liability (asset)	\$ (10,003)	\$ (318)	\$ (4,409)
Covered employee payroll	\$ 951,984	\$ 940,334	\$ 713,760
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-1.1%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	103.6%	100.2%	103.5%

*In accordance with paragraph 81.a of GASB 68, 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 the Contributions – Utah Retirement Systems
June 30, 2017
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 employee payroll	Contribution as a percentage of covered employee
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%
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%
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%
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%
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%
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%
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%

*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 paragraph 81.b of GASB 68, 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, 2017
WITH A MEASUREMENT DATE OF DECEMBER 31, 2016

Changes in assumptions

The following assumption changes were adopted from the most recent actuarial experience study.

- The assumed investment return was decreased from 7.50% to 7.20%.
- The assumed inflation rate was decreased from 2.75% to 2.60%.
- With the decrease in the assumed rate of inflation, both the payroll growth and wage inflation assumptions were decreased by 0.15% from the prior year's assumption.



**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, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
TAXES				
PROPERTY TAXES	\$ 8,700,000	\$ 8,700,000	\$ 8,850,629	\$ 150,629
GENERAL SALES TAX	9,138,500	9,138,500	10,302,359	1,163,859
911 TAX	325,000	325,000	335,808	10,808
FRANCHISE TAX	4,900,000	4,850,000	4,362,897	(487,103)
TOTAL	23,063,500	23,013,500	23,851,693	838,193
LICENSES, FEES AND PERMITS				
BUSINESS LICENSES	90,000	90,000	112,871	22,871
BUILDING PERMITS	2,000,000	2,000,000	2,225,329	225,329
TOTAL	2,090,000	2,090,000	2,338,200	248,200
INTERGOVERNMENTAL REVENUE				
CLASS "C" ROAD FUNDS	1,600,000	1,600,000	2,169,616	569,616
FIRE DEPARTMENT GRANT	76,500	267,898	9,723	(258,175)
POLICE SALARY REIMBURSEMENT	68,000	68,000	68,000	-
STATE LIQUOR FUNDS ALLOTMENT	44,000	44,000	51,674	7,674
COUNTY FIRE ALLOCATION	15,000	15,000	15,182	182
STATE GRANT	120,600	120,600	41,940	(78,660)
OTHER GRANTS	28,500	28,500	17,638	(10,862)
TOTAL	1,952,600	2,143,998	2,373,773	229,775
CHARGES FOR SERVICE				
PLANNING/INSPECTION FEES	1,937,000	1,937,000	2,201,688	264,688
AMBULANCE FEES	725,000	725,000	1,305,796	580,796
FIRE FEES	78,000	175,729	134,738	(40,991)
CEMETERY FEES	186,500	186,500	219,065	32,565
RECREATION FEES	3,048,548	3,048,548	3,532,461	483,913
LIBRARY FEES	95,000	95,000	78,211	(16,789)
OTHER SERVICE REVENUE	39,000	39,000	30,561	(8,439)
TOTAL	6,109,048	6,206,777	7,502,520	1,295,743
FINES AND FORFEITURES				
COURTS FINES AND FORFEITURES	682,500	682,500	629,104	(53,396)
MISCELLANEOUS				
	1,189,000	1,189,000	1,252,405	63,405
INTEREST ON INVESTMENTS				
	69,500	69,500	113,450	43,950
TOTAL REVENUES	35,156,148	35,395,275	38,061,145	2,665,870
EXPENDITURES				
GENERAL GOVERNMENT				
COURT				
PERSONNEL	509,665	509,665	442,640	67,025
OPERATIONS AND MAINTENANCE	212,660	212,660	257,187	(44,527)
CAPITAL	-	-	-	-
TOTAL	722,325	722,325	699,827	22,498
ADMINISTRATIVE				
PERSONNEL	748,032	748,032	730,003	18,029
OPERATIONS AND MAINTENANCE	139,400	139,400	125,411	13,989
TOTAL	887,432	887,432	855,414	32,018
TREASURY				
PERSONNEL	446,330	446,330	360,571	85,759
OPERATIONS AND MAINTENANCE	37,700	37,700	44,604	(6,904)
TOTAL	484,030	484,030	405,175	78,855

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2017

	BUDGETED AMOUNTS			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET POSITIVE (NEGATIVE)
FINANCE				
PERSONNEL	427,192	427,192	432,019	(4,827)
OPERATIONS AND MAINTENANCE	86,796	86,796	81,169	5,627
TOTAL	513,988	513,988	513,188	800
HUMAN RESOURCES				
PERSONNEL	211,168	211,168	182,097	29,071
OPERATIONS AND MAINTENANCE	33,800	33,800	32,529	1,271
TOTAL	244,968	244,968	214,626	30,342
CITY RECORDER				
PERSONNEL	110,587	110,587	110,939	(352)
OPERATIONS AND MAINTENANCE	57,650	57,650	44,590	13,060
CAPITAL	-	-	-	-
TOTAL	168,237	168,237	155,529	12,708
LEGAL SERVICES				
PERSONNEL	462,921	462,921	417,159	45,762
OPERATIONS AND MAINTENANCE	100,000	100,000	75,365	24,635
TOTAL	562,921	562,921	492,524	70,397
LEGISLATIVE				
PERSONNEL	199,228	199,228	190,281	8,947
OPERATIONS AND MAINTENANCE	98,000	98,000	101,244	(3,244)
TOTAL	297,228	297,228	291,525	5,703
NONDEPARTMENTAL				
OPERATIONS AND MAINTENANCE	2,562,266	4,062,266	3,810,925	251,341
CAPITAL	275,000	275,000	275,589	(589)
TOTAL	2,837,266	4,337,266	4,086,514	250,752
EMERGENCY MANAGEMENT				
PERSONNEL	20,000	40,000	12,589	27,411
OPERATIONS AND MAINTENANCE	20,500	20,500	25,542	(5,042)
CAPITAL	26,300	26,300	-	26,300
TOTAL	66,800	86,800	38,131	48,669
FACILITIES MAINTENANCE				
PERSONNEL	399,489	459,489	463,521	(4,032)
OPERATIONS AND MAINTENANCE	178,900	178,900	174,716	4,184
CAPITAL	-	-	-	-
TOTAL	578,389	638,389	638,237	152
TOTAL GENERAL GOVERNMENT	7,363,584	8,943,584	8,390,690	552,894
PUBLIC SAFETY				
POLICE				
PERSONNEL	5,787,132	5,787,132	5,703,002	84,130
OPERATIONS AND MAINTENANCE	926,352	926,352	823,680	102,672
CAPITAL	195,782	195,782	180,355	15,427
TOTAL	6,909,266	6,909,266	6,707,037	202,229
CODE ENFORCEMENT				
PERSONNEL	102,775	102,775	87,948	14,827
OPERATIONS AND MAINTENANCE	22,294	22,294	18,012	4,282
TOTAL	125,069	125,069	105,960	19,109
FIRE				
PERSONNEL	4,189,210	4,286,939	4,023,305	263,634
OPERATIONS AND MAINTENANCE	659,957	659,957	612,355	47,602
CAPITAL	113,000	395,398	318,852	76,546
TOTAL	4,962,167	5,342,294	4,954,512	387,782
ANIMAL CONTROL				
PERSONNEL	91,497	91,497	77,411	14,086
OPERATIONS AND MAINTENANCE	76,100	76,100	90,061	(13,961)
TOTAL	167,597	167,597	167,472	125
TOTAL PUBLIC SAFETY	12,164,099	12,544,226	11,934,981	609,245

CONTINUED

**LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2017**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
COMMUNITY DEVELOPMENT				
PUBLIC WORKS ADMINISTRATION				
PERSONNEL	227,305	227,305	219,615	7,690
OPERATIONS AND MAINTENANCE	20,100	20,100	18,666	1,434
CAPITAL	-	-	-	-
TOTAL	<u>247,405</u>	<u>247,405</u>	<u>238,281</u>	<u>9,124</u>
ENGINEERING				
PERSONNEL	642,363	642,363	630,729	11,634
OPERATIONS AND MAINTENANCE	54,300	54,300	65,093	(10,793)
CAPITAL	-	-	-	-
TOTAL	<u>696,663</u>	<u>696,663</u>	<u>695,822</u>	<u>841</u>
PLANNING AND ZONING				
PERSONNEL	565,103	565,103	538,938	26,165
OPERATIONS AND MAINTENANCE	98,620	98,620	100,249	(1,629)
CAPITAL	5,000	5,000	-	5,000
TOTAL	<u>668,723</u>	<u>668,723</u>	<u>639,187</u>	<u>29,536</u>
INSPECTIONS				
PERSONNEL	674,000	674,000	678,129	(4,129)
OPERATIONS AND MAINTENANCE	76,110	76,110	72,952	3,158
CAPITAL	12,400	12,400	9,453	2,947
TOTAL	<u>762,510</u>	<u>762,510</u>	<u>760,534</u>	<u>1,976</u>
ECONOMIC DEVELOPMENT				
PERSONNEL	139,085	139,085	158,236	(19,151)
OPERATIONS AND MAINTENANCE	41,985	41,985	19,856	22,129
CAPITAL	-	-	-	-
TOTAL	<u>181,070</u>	<u>181,070</u>	<u>178,092</u>	<u>2,978</u>
TOTAL COMMUNITY DEVELOPMENT	<u>2,556,371</u>	<u>2,556,371</u>	<u>2,511,916</u>	<u>44,455</u>
STREETS AND HIGHWAYS				
STREETS AND PUBLIC IMPROVEMENTS				
PERSONNEL	1,144,275	1,144,275	1,125,556	18,719
OPERATIONS AND MAINTENANCE	149,816	149,816	167,304	(17,488)
CAPITAL	-	-	-	-
TOTAL	<u>1,294,091</u>	<u>1,294,091</u>	<u>1,292,860</u>	<u>1,231</u>
C ROAD				
OPERATIONS AND MAINTENANCE	1,375,000	1,375,000	1,598,378	(223,378)
CAPITAL	960,000	1,574,000	1,205,670	368,330
TOTAL	<u>2,335,000</u>	<u>2,949,000</u>	<u>2,804,048</u>	<u>144,952</u>
TOTAL STREETS AND HIGHWAYS	<u>3,629,091</u>	<u>4,243,091</u>	<u>4,096,908</u>	<u>146,183</u>
PARKS, RECREATION AND CULTURE				
PARKS				
PERSONNEL	1,534,447	1,534,447	1,306,722	227,725
OPERATIONS AND MAINTENANCE	566,880	566,880	584,445	(17,565)
CAPITAL	85,000	85,000	59,935	25,065
TOTAL	<u>2,186,327</u>	<u>2,186,327</u>	<u>1,951,102</u>	<u>235,225</u>
COMMUNITY ARTS AND EVENTS				
OPERATIONS AND MAINTENANCE	401,000	401,000	361,227	39,773
TOTAL	<u>401,000</u>	<u>401,000</u>	<u>361,227</u>	<u>39,773</u>
SENIOR CITIZENS				
PERSONNEL	140,592	140,592	131,797	8,795
OPERATIONS AND MAINTENANCE	54,650	54,650	34,541	20,109
CAPITAL	6,000	6,000	9,834	(3,834)
TOTAL	<u>201,242</u>	<u>201,242</u>	<u>176,172</u>	<u>25,070</u>
RECREATION				
PERSONNEL	2,530,746	2,530,746	2,409,421	121,325
OPERATIONS AND MAINTENANCE	1,759,817	1,759,817	1,645,196	114,621
CAPITAL	318,835	318,835	271,619	47,216
TOTAL	<u>4,609,398</u>	<u>4,609,398</u>	<u>4,326,236</u>	<u>283,162</u>

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
MUSEUM				
PERSONNEL	181,396	181,396	167,141	14,255
OPERATIONS AND MAINTENANCE	106,050	106,050	138,062	(32,012)
CAPITAL	25,000	25,000	6,908	18,092
TOTAL	<u>312,446</u>	<u>312,446</u>	<u>312,111</u>	<u>335</u>
LITERACY CENTER				
PERSONNEL	295,851	295,851	233,197	62,654
OPERATIONS AND MAINTENANCE	15,250	15,250	23,717	(8,467)
CAPITAL	-	-	-	-
TOTAL	<u>311,101</u>	<u>311,101</u>	<u>256,914</u>	<u>54,187</u>
LIBRARY				
PERSONNEL	874,378	874,378	885,269	(10,891)
OPERATIONS AND MAINTENANCE	372,397	372,397	342,987	29,410
CAPITAL	-	-	16,921	(16,921)
TOTAL	<u>1,246,775</u>	<u>1,246,775</u>	<u>1,245,177</u>	<u>1,598</u>
TOTAL PARKS, RECREATION AND CULTURE	<u>9,268,289</u>	<u>9,268,289</u>	<u>8,628,939</u>	<u>639,350</u>
CEMETERY				
PERSONNEL	337,623	337,623	304,625	32,998
OPERATIONS AND MAINTENANCE	87,057	87,057	68,808	18,249
CAPITAL	25,000	25,000	12,104	12,896
TOTAL	<u>449,680</u>	<u>449,680</u>	<u>385,537</u>	<u>64,143</u>
DEBT SERVICE				
PRINCIPAL	679,832	679,832	680,000	(168)
INTEREST	136,000	136,000	135,700	300
TOTAL	<u>815,832</u>	<u>815,832</u>	<u>815,700</u>	<u>132</u>
TOTAL EXPENDITURES	<u>36,246,946</u>	<u>38,821,073</u>	<u>36,764,671</u>	<u>2,056,402</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,090,798)</u>	<u>(3,425,798)</u>	<u>1,296,474</u>	<u>4,722,272</u>
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,521,441	2,921,441	1,681,036	(1,240,405)
TRANSFERS OUT	(2,125,510)	(4,925,510)	(5,110,500)	(184,990)
SALE OF CAPITAL ASSETS	10,000	10,000	13,577	3,577
TOTAL OTHER FINANCING SOURCES	<u>(594,069)</u>	<u>(1,994,069)</u>	<u>(3,415,887)</u>	<u>(1,421,818)</u>
NET CHANGE IN FUND BALANCE	(1,684,867)	(5,419,867)	(2,119,413)	3,300,454
FUND BALANCE AT BEGINNING OF YEAR	8,412,966	8,412,966	8,412,966	-
FUND BALANCE AT END OF YEAR	<u>\$ 6,728,099</u>	<u>\$ 2,993,099</u>	<u>\$ 6,293,553</u>	<u>\$ 3,300,454</u>

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
JUNE 30, 2017

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
REVENUES				
IMPACT FEE REVENUE	\$ 6,900,000	\$ 6,900,000	\$ 4,528,480	\$ (2,371,520)
SALES TAX REVENUE	429,500	429,500	455,612	26,112
INTERGOVERNMENTAL REVENUES	230,000	1,730,000	942,640	(787,360)
INTEREST ON INVESTMENTS	32,000	32,000	52,830	20,830
TOTAL REVENUES	<u>7,591,500</u>	<u>9,091,500</u>	<u>5,979,562</u>	<u>(3,111,938)</u>
EXPENDITURES				
CURRENT				
DEVELOPMENT	-	-	1,000,000	(1,000,000)
OTHER	253,000	503,000	3,600	499,400
CAPITAL OUTLAY	47,535,510	53,744,204	20,976,507	32,767,697
DEBT SERVICE				
PRINCIPAL	-	-	77,750	(77,750)
INTEREST AND FISCAL CHARGES	427,500	427,500	394,956	32,544
TOTAL EXPENDITURES	<u>48,216,010</u>	<u>54,674,704</u>	<u>22,452,813</u>	<u>32,221,891</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(40,624,510)</u>	<u>(45,583,204)</u>	<u>(16,473,251)</u>	<u>29,109,953</u>
OTHER FINANCING SOURCES				
TRANSFERS IN	2,125,510	4,925,510	5,110,500	184,990
ISSUANCE OF NOTES AND BONDS	33,689,000	33,689,000	4,169,192	37,858,192
TOTAL OTHER FINANCING SOURCES	<u>35,814,510</u>	<u>38,614,510</u>	<u>9,279,692</u>	<u>38,043,182</u>
NET CHANGE IN FUND BALANCE	(4,810,000)	(6,968,694)	(7,193,559)	67,153,135
FUND BALANCE AT BEGINNING OF YEAR	<u>8,284,531</u>	<u>8,284,531</u>	<u>8,284,531</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,474,531</u>	<u>\$ 1,315,837</u>	<u>\$ 1,090,972</u>	<u>\$ 67,153,135</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, 2017

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	\$ 594,348	\$ 878,205	\$ 1,051,794	\$ 300,619	\$ 2,824,966
ACCOUNTS RECEIVABLE	-	-	-	-	-
INVENTORY	-	44,477	-	-	44,477
TOTAL CURRENT ASSETS	<u>594,348</u>	<u>922,682</u>	<u>1,051,794</u>	<u>300,619</u>	<u>2,869,443</u>
NON-CURRENT ASSETS					
DEPRECIABLE CAPITAL ASSETS, NET	347,157	2,573,110	-	210,523	3,130,790
TOTAL NON-CURRENT ASSETS	<u>347,157</u>	<u>2,573,110</u>	<u>-</u>	<u>210,523</u>	<u>3,130,790</u>
TOTAL ASSETS	<u>\$ 941,505</u>	<u>\$ 3,495,792</u>	<u>\$ 1,051,794</u>	<u>\$ 511,142</u>	<u>\$ 6,000,233</u>
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	<u>\$ 118,632</u>	<u>\$ 62,191</u>	<u>\$ 45,467</u>	<u>\$ 63,236</u>	<u>\$ 289,526</u>
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	\$ 54,925	\$ 72,515	\$ 41,610	\$ 63,050	\$ 232,100
WAGES PAYABLE	8,114	8,624	3,082	7,348	27,168
CURRENT PORTION COMPENSATED ABSENCES	15,603	16,247	7,948	11,915	51,713
TOTAL CURRENT LIABILITIES	<u>78,642</u>	<u>97,386</u>	<u>52,640</u>	<u>82,313</u>	<u>310,981</u>
NON-CURRENT LIABILITIES					
COMPENSATED ABSENCES	20,357	25,155	18,870	8,318	72,700
NET PENSION LIABILITY	190,091	99,651	72,854	101,326	463,922
TOTAL NON-CURRENT LIABILITIES	<u>210,448</u>	<u>124,806</u>	<u>91,724</u>	<u>109,644</u>	<u>536,622</u>
TOTAL LIABILITIES	<u>\$ 289,090</u>	<u>\$ 222,192</u>	<u>\$ 144,364</u>	<u>\$ 191,957</u>	<u>\$ 847,603</u>
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	<u>\$ 35,644</u>	<u>\$ 18,686</u>	<u>\$ 13,661</u>	<u>\$ 19,000</u>	<u>\$ 86,991</u>
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	347,157	2,573,110	-	210,523	3,130,790
UNRESTRICTED	<u>388,246</u>	<u>743,995</u>	<u>939,236</u>	<u>152,898</u>	<u>2,224,375</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ 735,403</u>	<u>\$ 3,317,105</u>	<u>\$ 939,236</u>	<u>\$ 363,421</u>	<u>\$ 5,355,165</u>

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2017

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
OPERATING REVENUES					
CHARGES FOR SERVICES - INTERNAL	\$ 944,003	\$ 2,644,253	\$ 651,991	\$ 1,143,957	\$ 5,384,204
TOTAL OPERATING REVENUES	<u>944,003</u>	<u>2,644,253</u>	<u>651,991</u>	<u>1,143,957</u>	<u>5,384,204</u>
OPERATING EXPENSES					
PERSONNEL	342,486	346,625	131,561	334,211	1,154,883
OPERATING AND MAINTENANCE	343,628	1,000,274	770,567	394,439	2,508,908
DEPRECIATION	45,143	651,583	-	34,344	731,070
TOTAL OPERATING EXPENSES	<u>731,257</u>	<u>1,998,482</u>	<u>902,128</u>	<u>762,994</u>	<u>4,394,861</u>
OPERATING INCOME (LOSS)	<u>212,746</u>	<u>645,771</u>	<u>(250,137)</u>	<u>380,963</u>	<u>989,343</u>
NON-OPERATING REVENUES (EXPENSES)					
LOSS ON DISPOSAL OF CAPITAL ASSETS	-	(13,959)	-	-	(13,959)
MISCELLANEOUS REVENUES	-	1,985	-	-	1,985
INTEREST INCOME	12,549	1,284	800,373	-	814,206
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>12,549</u>	<u>(10,690)</u>	<u>800,373</u>	<u>-</u>	<u>802,232</u>
CHANGE IN NET POSTION	225,295	635,081	550,236	380,963	1,791,575
NET POSITION (DEFICIT) AT BEGINNING OF YEAR	<u>510,108</u>	<u>2,682,024</u>	<u>389,000</u>	<u>(17,542)</u>	<u>3,563,590</u>
NET POSTION AT END OF YEAR	<u>\$ 735,403</u>	<u>\$ 3,317,105</u>	<u>\$ 939,236</u>	<u>\$ 363,421</u>	<u>\$ 5,355,165</u>

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2017

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	\$ 944,003	\$ 2,644,253	\$ 651,991	\$ 1,143,957	\$ 5,384,204
CASH PAID TO SUPPLIERS	(318,892)	(1,202,775)	(125,022)	(352,898)	(1,999,587)
CASH PAID TO EMPLOYEES	(320,194)	(325,656)	(733,831)	(320,763)	(1,700,444)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	304,917	1,115,822	(206,862)	470,296	1,684,173
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
MISCELLANEOUS RECEIPTS	-	1,985	-	-	1,985
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	1,985	-	-	1,985
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	2,081	-	-	2,081
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(162,530)	(519,225)	-	(190,237)	(871,992)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(162,530)	(517,144)	-	(190,237)	(869,911)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST INCOME COLLECTED	12,549	1,284	800,373	-	814,206
NET CASH PROVIDED BY INVESTING ACTIVITIES	12,549	1,284	800,373	-	814,206
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	439,412	276,258	458,283	20,560	1,194,513
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 594,348	\$ 878,205	\$ 1,051,794	\$ 300,619	\$ 2,824,966
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:					
UNRESTRICTED CASH	\$ 594,348	\$ 878,205	\$ 1,051,794	\$ 300,619	\$ 2,824,966
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ 212,746	\$ 645,771	\$ (250,137)	\$ 380,963	\$ 989,343
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
DEPRECIATION	45,143	651,583	-	34,344	731,070
CHANGES IN ASSETS AND LIABILITIES					
ACCOUNTS RECEIVABLE	-	-	-	-	-
INVENTORY	-	8,413	-	-	8,413
PREPAID EXPENSES	-	-	-	-	-
ACCOUNTS PAYABLE	24,736	(210,914)	36,736	41,541	(107,901)
WAGES PAYABLE	302	4,590	688	3,355	8,935
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS					
RELATED TO PENSIONS	12,812	6,716	4,910	6,829	31,267
COMPENSATED ABSENCES	9,178	9,663	941	3,264	23,046
	\$ 304,917	\$ 1,115,822	\$ (206,862)	\$ 470,296	\$ 1,684,173



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

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

	<u>Page</u>
FINANCIAL TRENDS	100 - 108
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	109 - 112
These schedules contain information to help the reader understand the City’s capacity to raise revenues and the sources of these revenues.	
DEBT CAPACITY	113 - 121
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	122 - 123
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	124 - 126
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 comprehensive annual 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				
	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

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	\$ 199,579,556	\$ 213,579,310	\$ 211,805,645	\$ 211,722,660	\$ 215,235,149
Restricted	1,412,125	2,488,688	3,500,816	9,514,316	6,905,380
Unrestricted	(71,602,248)	(74,678,852)	(72,015,133)	(71,391,471)	(66,936,366)
Total governmental activities net position	129,389,433	141,389,146	143,291,328	149,845,505	155,204,163
Business-type activities					
Net investment in capital assets	131,058,326	137,407,148	172,095,833	171,920,314	176,523,733
Restricted	7,606,529	5,622,428	5,638,545	5,166,369	5,681,780
Unrestricted	(764,656)	(1,728,272)	(2,125,977)	49,034	5,025,384
Total business-type activities net position	137,900,199	141,301,304	175,608,401	177,135,717	187,230,897
Primary government					
Net investment in capital assets	330,637,882	350,986,458	383,901,478	383,642,974	391,758,882
Restricted	9,018,654	8,111,116	9,139,361	14,680,685	12,587,160
Unrestricted	(72,366,904)	(76,407,124)	(74,141,110)	(71,342,437)	(61,910,982)
Total primary government net position	\$ 267,289,632	\$ 282,690,450	\$ 318,899,729	\$ 326,981,222	\$ 342,435,060

Beginning in FY 2013 the City adopted GASB Statement No. 63 and began using the title of Net Position in lieu of Net Assets to describe the City's net equity.

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses					
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
Drainage	1,299,785	1,301,784	1,377,942	1,610,648	1,968,846
Garbage	2,243,542	2,427,119	2,354,165	2,123,488	2,310,261
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
Program 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	10,177,225	13,859,305	21,055,729
Total governmental activities	13,304,481	17,363,005	21,461,969	25,810,977	35,516,767
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
Drainage	1,023,980	1,072,401	958,281	1,018,434	1,098,866
Garbage	2,155,728	2,025,666	2,075,810	2,196,940	2,300,452
Capital grants and contributions	9,991,274	13,031,629	13,302,030	12,816,991	23,080,154
Total business-type activities	49,509,329	54,002,736	57,351,306	60,612,090	75,571,258
Total primary government program revenues	\$ 62,813,810	\$ 71,365,741	\$ 78,813,275	\$ 86,423,067	\$ 111,088,025

CONTINUED

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

	Fiscal Year				
	2013	2014	2015	2016	2017
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	<u>\$ (29,785,086)</u>	<u>\$ (29,387,563)</u>	<u>\$ (28,635,694)</u>	<u>\$ (7,222,907)</u>	<u>\$ 5,744,854</u>
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	4,980,287	3,872,262	3,378,791
Earnings on investments	108,596	98,028	81,658	153,854	193,325
Other	47,656	18,862	75,314	100,458	1,534,862
Transfers	730,920	730,920	485,920	730,920	-
Total governmental activities	<u>31,273,244</u>	<u>34,310,620</u>	<u>36,445,087</u>	<u>38,853,007</u>	<u>42,464,577</u>
Business-type activities					
Earnings on investments	99,922	106,836	114,557	151,462	304,489
Impact fees	4,273,216	7,617,749	7,239,384	5,097,841	5,331,228
Gain (Loss) 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	<u>3,930,027</u>	<u>7,593,559</u>	<u>7,285,881</u>	<u>5,203,256</u>	<u>6,066,156</u>
Total primary government	<u>\$ 35,203,271</u>	<u>\$ 41,904,179</u>	<u>\$ 43,730,968</u>	<u>\$ 44,056,263</u>	<u>\$ 48,530,733</u>
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	<u>\$ 5,475,935</u>	<u>\$ 12,539,916</u>	<u>\$ 15,079,742</u>	<u>\$ 37,407,082</u>	<u>\$ 54,275,587</u>

CONTINUED

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

Expenses	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental activities					
General government	\$ 3,628,674	\$ 4,790,376	\$ 4,429,526	\$ 5,307,139	\$ 5,664,766
Public Safety	7,519,925	6,917,410	8,294,302	8,781,592	8,759,020
Community Development	23,047,285	7,845,367	3,915,440	4,264,439	3,826,912
Streets and Highways	5,810,559	6,833,204	7,533,656	10,227,496	11,731,075
Parks, recreation, and culture	6,392,168	6,154,035	6,181,189	6,369,274	6,740,823
Cemetery	448,945	179,180	343,280	269,700	261,054
Interest on long-term debt	4,365,331	4,818,132	4,677,116	4,545,032	4,457,480
Total governmental activities	51,212,887	37,537,704	35,374,509	39,764,672	41,441,130
Business-type activities					
Culinary Water	2,656,616	2,738,379	2,502,822	2,544,131	2,562,929
Sewer	3,763,563	4,427,260	4,867,521	6,102,340	6,372,255
Pressurized Irrigation	1,827,990	1,867,549	1,882,960	2,676,304	2,277,980
Electric	18,944,544	20,728,252	20,554,351	20,787,596	19,951,247
Drainage	607,976	906,252	1,006,380	1,225,380	1,161,325
Garbage	1,673,466	1,934,512	2,021,030	1,816,865	2,120,558
Total business-type activities	29,474,155	32,602,204	32,835,064	35,152,616	34,446,294
Total primary government expenses	\$ 80,687,042	\$ 70,139,908	\$ 68,209,573	\$ 74,917,288	\$ 75,887,424
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 1,695,954	\$ 1,704,170	\$ 1,145,665	\$ 1,021,657	\$ 901,786
Public Safety	428,763	492,808	591,731	505,979	491,458
Community Development	2,887,683	1,023,732	1,363,643	1,487,215	2,331,513
Parks, recreation, and culture	2,605,373	2,874,871	2,987,914	2,949,442	3,103,973
Cemetery	271,967	136,252	70,780	161,502	147,453
Operating grants and contributions	1,229,542	823,303	1,545,098	2,153,477	3,443,139
Capital grants and contributions	27,104,451	13,239,384	5,596,760	12,581,519	7,656,824
Total governmental activities	36,223,733	20,294,520	13,301,591	20,860,791	18,076,146
Business-type activities					
Charges for services					
Culinary Water	2,346,398	1,984,451	2,597,686	2,634,733	2,843,567
Sewer	3,696,025	3,682,833	3,959,930	4,886,485	6,292,827
Pressurized Irrigation	1,606,059	1,630,416	1,850,135	2,200,146	2,296,606
Electric	18,198,914	19,110,795	18,975,668	19,856,320	21,222,943
Drainage	540,080	866,809	933,646	1,070,910	1,107,979
Garbage	1,833,795	2,011,309	2,125,792	2,193,629	2,291,890
Capital grants and contributions	14,121,431	8,470,064	5,034,797	4,245,278	5,631,871
Total business-type activities	42,342,702	37,756,677	35,477,654	37,087,501	41,687,683
Total primary government revenues	\$ 78,566,435	\$ 58,051,197	\$ 48,779,245	\$ 57,948,292	\$ 59,763,829

CONTINUED

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Net (Expense)/Revenue					
Governmental activities	\$ (14,989,154)	\$ (17,243,184)	\$ (22,072,918)	\$ (18,903,881)	\$ (23,364,984)
Business-type activities	12,868,547	5,154,473	2,642,590	1,934,885	7,241,389
Total primary government net (expense)/revenue	\$ (2,120,607)	\$ (12,088,711)	\$ (19,430,328)	\$ (16,968,996)	\$ (16,123,595)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 7,008,797	\$ 18,072,425	\$ 14,221,477	\$ 15,216,011	\$ 14,967,910
Sales taxes	5,670,821	5,727,822	5,741,667	5,985,133	6,818,129
Franchise taxes	3,059,267	3,191,822	3,127,311	3,418,306	3,374,229
Earnings on investments	503,871	177,236	98,348	74,775	2,719,390
Gain (Loss) on disposal of assets	-	(159,412)	55,297	28,511	95,889
Other	31,304	-	-	4,402	17,175
Transfers	731,000	2,231,004	731,000	730,920	730,920
Total governmental activities	17,005,060	29,240,897	23,975,100	25,458,058	28,723,642
Business-type activities					
Earnings on investments	505,827	280,778	49,956	48,967	159,686
Impact fees					3,127,551
Gain on disposal of assets	-	-	(115,728)	-	33,221
Other	274,922	196,858	169,979	274,384	264,253
Transfers	(731,000)	(2,231,004)	(731,000)	(730,920)	(730,920)
Total business-type activities	49,749	(1,753,368)	(626,793)	(407,569)	2,853,791
Total primary government	\$ 17,054,809	\$ 27,487,529	\$ 23,348,307	\$ 25,050,489	\$ 31,577,433
Change in Net Position					
Governmental activities	\$ 2,015,906	\$ 11,999,713	1,902,182	6,554,177	\$ 5,358,658
Business-type activities	12,918,296	3,401,105	2,015,797	1,527,316	10,095,180
Total primary government	\$ 14,934,202	\$ 15,400,818	\$ 3,917,979	\$ 8,081,493	\$ 15,453,838

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

	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>

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ -	\$ 34,398	\$ -	\$ 2,637	\$ -
Restricted	2,087,820	1,963,731	2,226,954	1,079,347	1,160,885
Committed	199,396	319,499	321,627	355,345	398,166
Assigned	103,574	179,765	180,961	181,923	183,210
Unassigned	3,031,997	526,590	913,681	1,590,564	3,410,473
Total general fund	<u>5,422,787</u>	<u>3,023,983</u>	<u>3,643,223</u>	<u>3,209,816</u>	<u>5,152,734</u>
All Other Governmental Funds					
Restricted	108,055	1,055,460	1,509,304	8,566,451	6,121,394
Assigned	2,680,563	297,990	481,634	(1,008,431)	37,941
Total all other governmental funds	<u>2,788,618</u>	<u>1,353,450</u>	<u>1,990,938</u>	<u>7,558,020</u>	<u>6,159,335</u>
Total governmental funds	<u>\$ 8,211,405</u>	<u>\$ 4,377,433</u>	<u>\$ 5,634,161</u>	<u>\$ 10,767,836</u>	<u>\$ 11,312,069</u>

Lehi City has implemented GASB 54 for the fiscal year ended June 30, 2011. The fund balances from prior fiscal years (2006 – 2010) were restated for comparison purposes.

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

	Fiscal Year				
	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	6,866,680
Intergovernmental	2,015,152	1,671,598	2,056,379	3,539,749	3,316,413
Charges for services	5,668,980	5,762,720	6,081,697	6,519,088	7,502,520
Fines and forfeitures	593,424	547,825	554,622	668,151	629,104
Miscellaneous	357,656	806,898	433,344	649,434	1,252,405
Interest on investments	96,393	88,992	72,298	145,662	181,076
Total revenues	<u>41,086,074</u>	<u>43,886,479</u>	<u>47,392,920</u>	<u>52,051,035</u>	<u>57,105,797</u>
Expenditures					
General government	4,756,942	5,512,993	7,432,107	6,804,485	8,390,690
Public Safety	9,108,300	9,830,309	9,745,736	10,602,138	11,934,981
Community development	17,383,350	21,215,648	23,120,657	3,820,164	6,179,501
Streets and highways	2,094,633	2,462,221	2,790,957	3,114,886	4,096,908
Parks, recreation and culture	6,805,808	8,295,691	7,656,136	8,279,958	8,628,939
Cemetery	291,914	334,730	358,145	415,615	385,537
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	20,976,507
Debt Service					
Principal	3,136,951	10,722,440	4,353,681	4,764,670	5,201,440
Interest and fiscal charges	4,405,021	4,636,091	4,246,198	4,732,577	5,277,161
Total expenditures	<u>51,566,129</u>	<u>67,333,094</u>	<u>69,803,178</u>	<u>52,290,827</u>	<u>71,075,264</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,480,055)</u>	<u>(23,446,615)</u>	<u>(22,410,258)</u>	<u>(239,792)</u>	<u>(13,969,467)</u>
Other Financing Sources (Uses)					
Transfers in	3,708,947	4,408,662	3,917,960	5,818,343	6,791,536
Transfers out	(2,978,027)	(3,677,742)	(3,432,040)	(5,087,423)	(6,791,536)
Sale of capital assets	82,760	52,930	190,380	627,229	13,577
Bond and note proceeds	14,087,053	25,163,052	19,557,363	-	4,169,192
Total other financing sources (uses)	<u>14,900,733</u>	<u>25,946,902</u>	<u>20,233,663</u>	<u>1,358,149</u>	<u>4,182,769</u>
Net change in fund balances	<u>\$ 4,420,678</u>	<u>\$ 2,500,287</u>	<u>\$ (2,176,595)</u>	<u>\$ 1,118,357</u>	<u>\$ (9,786,698)</u>
Debt service as a percentage of noncapital expenditures	16.62%	24.34%	14.59%	22.41%	18.57%

CONTINUED

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Taxes	\$ 15,738,885	\$ 26,992,069	\$ 23,090,455	\$ 24,619,450	\$ 25,160,268
Licenses, fees and permits	2,720,478	1,753,077	3,295,183	3,070,742	4,187,195
Intergovernmental	1,888,959	1,604,255	2,589,244	10,694,110	7,031,764
Charges for services	4,899,924	3,951,453	4,111,773	4,209,859	4,554,976
Fines and forfeitures	1,252,981	1,133,215	828,467	835,010	651,848
Special assessment revenue	3,500,000	1,271,000	-	-	-
Miscellaneous	442,973	570,955	441,419	335,460	365,682
Interest on investments	503,871	179,236	92,336	67,281	83,006
Total revenues	30,948,071	37,455,260	34,448,877	43,831,912	42,034,739
Expenditures					
General government	3,285,328	4,390,714	4,431,166	4,928,570	4,926,429
Public Safety	6,858,543	7,897,722	8,071,323	8,453,897	8,430,152
Community development	22,801,077	7,667,029	3,707,335	4,388,643	3,775,472
Streets and highways	1,551,653	1,834,279	1,689,097	1,770,865	1,873,444
Parks, recreation and culture	5,674,251	5,542,788	5,793,779	6,058,330	6,927,077
Cemetery	345,922	297,062	289,208	223,569	244,481
Other	180,038	32,623	33,225	798,307	312,483
Capital outlay	8,046,417	8,617,325	1,695,944	5,362,725	8,858,638
Debt Service					
Principal	1,443,002	7,937,343	4,062,549	3,848,822	3,508,069
Interest and fiscal charges	4,366,846	3,774,216	4,568,005	4,603,039	4,032,356
Total expenditures	54,553,077	47,991,101	34,341,631	40,436,767	42,888,601
Excess (deficiency) of revenues over (under) expenditures	(23,605,006)	(10,535,841)	107,246	3,395,145	(853,862)
Other Financing Sources (Uses)					
Transfers in	4,494,820	8,224,855	2,100,180	5,254,970	2,522,057
Transfers out	(3,763,820)	(5,993,851)	(1,369,180)	(4,524,050)	(1,791,137)
Sale of capital assets	35,550	-	56,297	49,110	17,175
Bond and note proceeds	21,840,355	4,470,865	362,185	958,500	650,000
Total other financing sources (uses)	22,606,905	6,701,869	1,149,482	1,738,530	1,398,095
Net change in fund balances	\$ (998,101)	\$ (3,833,972)	\$ 1,256,728	\$ 5,133,675	\$ 544,233
Debt service as a percentage of noncapital expenditures	14.28%	30.65%	25.13%	22.90%	20.55%

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

<u>Fiscal Year</u>	<u>General 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>
2008	\$ 6,581,220	\$ 5,670,821	\$ 3,059,267	\$ 427,577	\$ 15,738,885
2009	17,539,314	5,727,822	3,191,822	533,111	26,992,069
2010	13,900,358	5,741,667	3,127,311	321,119	23,090,455
2011	14,704,702	5,985,133	3,418,306	511,309	24,619,450
2012	14,430,126	6,818,129	3,374,229	537,784	25,160,268
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
Growth					
2008-2017	223.6%	89.7%	53.6%	41.6%	137.4%

LEHI CITY CORPORATION**SCHEDULE 6****ASSESSED VALUE 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>
2008	\$ 2,537,634,552	\$ 171,371,045	\$ 2,709,005,597	0.001834	\$ 4,251,952,193	63.7%
2009	2,729,016,625	1,232,130,764	3,961,147,389	0.001901	5,620,741,015	70.5%
2010	2,678,798,948	827,519,256	3,506,318,204	0.001789	4,763,264,294	73.6%
2011	2,512,537,899	716,232,799	3,228,770,698	0.002370	4,449,089,196	72.6%
2012	2,413,402,390	595,908,946	3,009,311,336	0.002519	4,177,983,527	72.0%
2013	2,471,989,979	552,044,117	3,024,034,096	0.002585	4,207,485,475	71.9%
2014	2,781,443,616	636,160,403	3,417,604,019	0.002432	4,740,895,420	72.1%
2015	3,260,372,368	679,951,110	3,940,323,478	0.002172	5,515,472,867	71.4%
2016	3,659,970,869	841,344,071	4,501,314,940	0.002090	6,273,725,606	71.7%
2017	4,179,645,929	1,001,269,708	5,180,915,637	0.002005	7,122,345,588	72.7%

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

Values obtained from the Utah County auditor and do not include RDA values

LEHI CITY CORPORATION
SCHEDULE 7
PROPERTY TAX LEVIES AND COLLECTIONS
(LAST TEN CALENDAR YEARS)

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 4,408,606	\$ 3,883,399	88.09%	\$ 525,207	\$ 4,408,606	100.00%
2009	4,834,566	4,387,425	90.75%	446,950	4,834,375	100.00%
2010	5,235,678	4,605,762	87.97%	629,747	5,235,509	100.00%
2011	5,676,477	5,203,186	91.66%	472,879	5,676,065	99.99%
2012	5,822,681	5,293,437	90.91%	520,694	5,814,131	99.85%
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%	-	10,028,134	95.80%

Source: Utah County Treasurer

LEHI CITY CORPORATION
SCHEDULE 8
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(LAST TEN FISCAL YEARS)

Fiscal Year	Lehi City (1)			Alpine School District	Utah County	Central Utah Water Conservancy District	North Utah County Water Conservancy District	Lehi Metropolitan Water District	Total
	General Fund	Debt Service Fund	Total						
2008	0.001834	-	0.001834	0.008150	0.001090	0.000320	0.000022	0.000008	0.011424
2009	0.001901	-	0.001901	0.008153	0.001092	0.000310	0.000022	0.000008	0.011486
2010	0.001789	-	0.001789	0.008152	0.001091	0.000310	0.000021	0.000008	0.011371
2011	0.002370	-	0.002370	0.008152	0.001091	0.000500	0.000021	0.000008	0.012142
2012	0.002519	-	0.002519	0.008120	0.001342	0.000500	0.000028	0.000013	0.012522
2013	0.002585	-	0.002585	0.008120	0.001342	0.000500	0.000028	0.000013	0.012588
2014	0.002432	-	0.002432	0.008699	0.001259	0.000446	0.000028	0.000012	0.012876
2015	0.002172	-	0.002172	0.008096	0.001149	0.000422	0.000025	0.000011	0.011875
2016	0.002090	-	0.002090	0.008177	0.001098	0.000405	0.000024	0.000011	0.011805
2017	0.001830	-	0.001830	0.007167	0.000969	0.000400	0.000021	0.000010	0.010397

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

Source: Utah State Tax Commission, Utah County Treasurer

**LEHI CITY CORPORATION
SCHEDULE 9
PRINCIPAL PROPERTY TAX PAYERS
(CURRENT YEAR AND TEN YEARS AGO)**

Taxpayer	2017			2008		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
IM Flash Technologies LLC	\$ 266,412,200	1	3.74%	\$ 499,689,222	1	11.75%
Adobe Systems Inc.	73,262,800	2	1.03%	-	-	0.00%
Thanksgiving Park Five and Six LLC	59,864,600	3	0.84%	-	-	0.00%
Outlets at Traverse Mountain LLC	42,382,100	4	0.60%	-	-	0.00%
MPT of Lehi-Steward LLC	36,757,200	5	0.52%	-	-	0.00%
TMCV #1 LLC	36,509,100	6	0.51%	-	-	0.00%
TMCV #2 LLC	33,237,100	7	0.47%	-	-	0.00%
T-Stat One LLC	33,226,300	8	0.47%	-	-	0.00%
Thanksgiving Park Two LLC	28,146,600	9	0.40%	-	-	0.00%
Traverse Ridge Center I LLC	27,967,500	10	0.39%	-	-	0.00%
Thanksgiving Station Four LLC	27,205,800	11	0.38%	-	-	0.00%
Crest Haven LLC	25,191,595	12	0.35%	-	-	0.00%
Thanksgiving Point LC				33,568,143	2	0.79%
Cabellas				30,045,568	3	0.71%
Fox Ridge Investments LLC				22,141,150	4	0.52%
Thai Properties LLC				18,234,567	5	0.43%
Whistle Stop Development Corp				8,253,456	6	0.19%
Point Development LC				7,351,124	7	0.17%
Qwest Corp				7,235,551	8	0.17%
Museum of Ancient History				6,150,012	9	0.14%
Costco Wholesale Corp				6,013,575	10	0.14%
Total	<u>\$ 690,162,895</u>		<u>9.69%</u>	<u>\$ 638,682,368</u>		<u>15.02%</u>

Source: Utah County Assessor

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 (1)	Per Capita (1)
	Sales Tax Revenue	Sewer Revenue	Excise Tax Road Bonds	Special Assessment Bonds	Capital Leases	Note Payable	Water Revenue	Sewer Revenue	Electric Revenue	Damage Revenue	Special Assessment: Capital Leases	Bonds/Other Notes Payable			
2008	\$ 19,052,455	\$ 530,225	\$ 2,695,000	\$ -	\$ 431,927	\$ 75,752,118	\$ 3,632,088	\$ 312,625	\$ 8,046,098	\$ 1,245,000	\$ 209,457	\$ -	\$ 111,906,993	12.20%	\$ 2,569
2009	18,401,997	-	2,190,000	-	305,665	74,097,585	3,200,536	-	7,457,501	1,095,000	118,935	-	106,867,219	10.53%	2,283
2010	17,610,000	-	1,665,000	-	234,551	71,785,332	2,853,981	-	6,881,750	935,000	24,317	-	101,989,931	8.74%	2,054
2011	16,670,000	-	1,125,000	-	160,014	72,133,133	2,497,427	-	6,306,000	2,335,492	-	1,686,586	102,913,652	8.80%	2,068
2012	16,110,000	-	575,000	-	81,888	68,779,604	2,125,873	-	5,730,250	2,200,369	-	1,672,366	97,275,350	8.30%	1,951
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

1) See Schedule 19 for personal income and population data

LEHI CITY CORPORATION
SCHEDULE 11
RATIO OF GENERAL BONDED DEBT OUTSTANDING
(LAST TEN FISCAL YEARS)

Fiscal Year	General Obligation Bonds	Other Bonds	Total	Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	\$	\$	\$	%	%
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-

(1) See Schedule 6 for property value data.

(2) See Schedule 19 for population data.

(3) 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, 2017)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Lehi (1)</u>	<u>Estimated Amount Applicable to Lehi</u>
State of Utah	\$ 2,173,985,000	2.09%	\$ 45,456,791
Central Utah Water Conservancy District	225,509,359	13.42%	30,272,429
Utah County	267,830,000	13.42%	35,953,562
Alpine School District	<u>409,386,345</u>	21.17%	86,686,755
Subtotal, overlapping debt	3,076,710,704		198,369,537
Lehi City direct debt	<u>116,252,627</u>	100.00%	<u>116,252,627</u>
Total direct and overlapping debt	<u>\$ 3,192,963,331</u>		<u>\$ 314,622,164</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; State of Utah; Alpine School District; Utah County Auditor's Office; 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</u>	<u>Legal debt margin</u>
2008	\$ 170,078,088	\$ -	\$ 170,078,088
2009	224,829,641	-	224,829,641
2010	190,530,572	-	190,530,572
2011	177,963,568	-	177,963,568
2012	167,119,341	-	167,119,341
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

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

Legal Debt Margin Calculation for Fiscal Year 2016

Estimated market value	\$ 7,122,345,588
Debt limit (4% of market value)	284,893,824
Debt applicable to limit	-
Legal debt margin	<u><u>\$ 284,893,824</u></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	
2008	\$ 5,732,489	\$ 2,744,802	\$ 2,987,687	\$ 415,000	\$ 147,235	\$ 562,235	5.31
2009	5,200,893	2,668,401	2,532,492	430,000	133,951	563,951	4.49
2010	5,722,876	2,375,972	3,346,904	345,000	119,327	464,327	7.21
2011	5,901,420	3,195,015	2,706,405	355,000	107,178	462,178	5.86
2012	6,611,424	2,708,050	3,903,374	370,000	94,383	464,383	8.41
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	11,583,575	6,744,977	4,838,598	-	-	-	-

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

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

LEHI CITY CORPORATION
SCHEDULE 15
PLEDGED-REVENUE COVERAGE
SALES TAX REVENUE BONDS (LAST TEN FISCAL YEARS)

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2008	\$ 5,670,821	\$ 500,000	\$ 439,450	\$ 939,450	6.04
2009	5,727,822	515,000	427,576	942,576	6.08
2010	5,741,667	525,000	414,058	939,058	6.11
2011	5,985,133	550,000	389,371	939,371	6.37
2012	6,818,129	560,000	380,434	940,434	7.25
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

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

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	
2008	\$ 1,399,065	\$ 490,000	\$ 102,821	\$ 592,821	2.36
2009	1,298,469	505,000	84,070	589,070	2.20
2010	1,446,611	525,000	64,525	589,525	2.45
2011	1,534,646	540,000	51,100	591,100	2.60
2012	1,520,746	550,000	34,900	584,900	2.60
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	-	-	-	-

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	
2008	\$ 20,721,770	\$ 17,229,303	\$ 3,492,467	\$ 506,850	\$ 323,186	\$ 830,036	4.21
2009	20,144,969	18,942,731	1,202,238	540,000	296,110	836,110	1.44
2010	20,228,879	18,942,921	1,285,958	600,000	143,957	743,957	1.73
2011	20,907,913	19,138,670	1,769,243	600,000	128,398	728,398	2.43
2012	22,771,390	18,216,123	4,555,267	600,000	117,490	717,490	6.35
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

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	
2008	\$ 732,353	\$ 10,294	\$ 722,059	\$ 145,000	\$ 76,255	\$ 221,255	3.26
2009	984,694	242,283	742,411	150,000	68,715	218,715	3.39
2010	1,083,110	273,040	810,070	160,000	60,840	220,840	3.67
2011 (3)	1,225,501	457,221	768,280	145,000	62,156	207,156	3.71
2012	1,332,332	358,815	973,517	140,000	82,661	222,661	4.37
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

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Drainage fund created in 2000.

(1) Total revenue (including interest and impact fees).

(2) Total operating expenses exclusive of depreciation.

(3) The 2000 drainage bond was refunded and an additional \$1,500,000 was added to the debt to complete Murdock Canal when the City issued the 2010 drainage bonds.

**LEHI CITY CORPORATION
SCHEDULE 19
DEMOGRAPHIC AND ECONOMIC STATISTICS
(LAST TEN FISCAL YEARS)**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (3)</u>
2008	43,566	\$ 917,344,440	\$ 21,056	2.3
2009	46,802	1,015,041,776	21,688	4.9
2010	49,646	1,167,376,044	23,514	7.2
2011	49,753	1,169,892,042	23,514	7.6
2012	49,857	1,172,337,498	23,514	6.5
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	25,504	3.4
2017	61,130	1,552,978,545	25,405	3.3

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

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

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

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

**LEHI CITY CORPORATION
SCHEDULE 20
PRINCIPAL EMPLOYERS
(CURRENT YEAR AND TEN YEARS AGO)**

Employer	2017 (1)			2008 (1)		
	Estimated Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
IM Flash	2,000	1	N/A %	1,668	1	N/A %
Adobe	1,100	2	N/A	N/A	N/A	N/A
Ancestry.com	800	3	N/A	N/A	N/A	N/A
Xactware	750	4	N/A	N/A	N/A	N/A
Thanksgiving Point	435	5	N/A	375	4	N/A
Lehi City	392	6	N/A	320	N/A	N/A
Cabela's	370	7	N/A	413	3	N/A
Mountain Point Medical	342	8	N/A	N/A	N/A	N/A
Vivint Solar	320	9	N/A	N/A	N/A	N/A
Hadco	303	10	N/A	274	5	N/A
Xango	N/A	N/A	N/A	710	2	N/A
Jack B Parson Co.	N/A	N/A	N/A	250	6	N/A
Costco	N/A	N/A	N/A	213	7	N/A
Young Living	N/A	N/A	N/A	123	8	N/A
Lowe's	N/A	N/A	N/A	123	9	N/A
Albertsons	N/A	N/A	N/A	95	10	N/A

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

N/A = Not Available

LEHI CITY CORPORATION
SCHEDULE 21
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
(LAST TEN FISCAL YEARS)

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Court	6	6	6	6	6	6	6	6	6	6
Administrative	4.5	4.5	4.5	4.5	4.5	6.5	9.5	11.5	11.5	11.5
Treasury	6	6	6	6	6	6	5	5	6	6
Finance	5	5	5	5	5	5	7	7	7	7
Legal Services	-	-	-	-	-	4.5	4.5	5.3	5.3	5.3
Legislative (1)	6	6	6	6	6	6	6	6	6	6
Public safety										
Police	40.5	41.5	41.5	41.5	44.5	45	48	51	54	59
Fire	27	39	39	39	40	40	42	43	46	50
Animal Control	1.5	1.5	1.5	1.5	1.5	2	2	2	2	2
Community development										
Public Works Administration	5	5	5	5	5	5	5	5	5	5
Planning and Zoning	7.5	7.5	6.5	6.5	6	6	6	6	6	6
Inspections	9	9	8	8	8	8	9	9	9	9
Streets and Highways										
Streets and Public Improvements	11	10	9	9	12	12	12	14	15	15
Park, recreation and culture										
Parks	19	18	19	19	21	22	27	27	29	29
Senior Citizens	3	3	3	3	3	3	2	2	2	2.5
Recreation	115.5	115.5	115.5	115.5	73.5	75.5	84.5	84.5	87.5	82
Library	13	13	13	13	18	20	20	20	21	21
Literacy Center	-	-	-	-	5.5	5.5	6.5	6.5	6.5	6
Cemetery	3.5	3.5	2.5	2.5	2.5	3	3.5	3.5	4	4
Culinary Water	9	8	8	8	8	8	9	9	10	10
Sewer	3	3	3	3	3	3	3	3	4	8
Power	19	19	19	19	24.5	24.5	23.5	25.5	27.5	29
Secondary Water	3.5	3.5	3.5	3.5	3.5	3.5	6.5	5.5	6.5	6.5
Storm Drain	3	3	3	3	3	3	3	3.65	4.65	5.65

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

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

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

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

LEHI CITY CORPORATION
SCHEDULE 22
OPERATING INDICATORS BY FUNCTION/PROGRAM
(LAST TEN FISCAL YEARS)

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Community development										
Residential building permits issued	1,734	298	243	286	590	569	340	464	548	489
Commercial building permits issued	48	35	28	28	38	25	26	165	195	195
Court										
Traffic and Misdemeanor cases handled	8,474	7,244	7,997	8,333	7,102	5,896	5,845	4,705	6,387	5,547
Police										
Calls for service	13,575	14,041	14,326	14,062	15,278	15,575	27,087	32,130	32,534	28,602
Arrests	831	1,876	1,902	1,950	1,235	1,089	1,261	1,188	1,179	1,436
Fire										
Fire/Medical responses	2,415	2,201	2,322	2,050	2,136	2,232	2,200	2,480	2,708	2,946
Recreation										
Recreation programs	69	70	72	75	72	71	70	69	72	80
Participants in recreation programs	24,326	22,868	22,992	22,500	23,690	24,555	25,983	27,445	28,396	27,999
Library										
Books in collection	77,582	81,603	82,606	95,611	108,669	121,168	125,220	114,442	150,158	115,022
Books circulated	271,666	340,629	342,819	451,362	509,764	511,130	529,218	532,094	597,433	474,778
Cemetery										
Acres maintained	50	52	53	55	55	55	55	55	55	55
Total gravesites	22,253	23,031	23,953	24,791	25,659	26,428	26,485	27,645	27,955	27,966
Culinary Water										
Residential accounts serviced	10,023	10,555	10,826	12,568	13,121	13,152	14,419	14,987	15,691	16,043
Average daily consumption (thousands of gallons)	1,749	1,765	1,767	357	350	263	274	321	349	421
Sewer										
Sewer lines miles inspected	53	54	65	80	78	78	78	47	47	50
Power										
Accounts serviced	10,225	10,953	11,212	14,817	15,010	16,279	16,764	17,873	18,879	19,656
Megawatt hours sold	174	176	177	223	220	259	270	286	315	342
Secondary Water										
Accounts serviced	9,679	9,859	10,580	11,426	11,632	12,574	13,019	13,247	15,584	14,119

Source: City records

LEHI CITY CORPORATION
SCHEDULE 23
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
(LAST TEN FISCAL YEARS)

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Streets and Highways										
Street lights	1,792	1,801	1,803	2,355	2,412	2,446	2,506	2,600	2,689	2,910
Street miles	206	209	210	202	204	206	221	224	233	244
Police										
Vehicles	34	35	36	43	46	51	57	59	60	65
Fire										
Fire stations	1	1	1	2	2	2	2	2	2	2
Fire vehicles	7	7	7	12	12	12	12	15	16	17
Ambulances	3	3	3	3	3	3	4	5	4	5
Public works										
Incorporated area in square miles	32	32	32	32	32	32	32	28	28	29
City buildings in square feet	220,000	221,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	321,600
Parks and recreation										
Park acreage	195	196	216	333	333	333	333	339	339	522
Baseball/softball diamonds	8	9	9	9	9	8	8	8	8	8
Soccer fields	4	4	4	4	4	9	9	9	9	9
Culinary water										
Water main line miles	202	204	206	243	263	256	271	281	297	310
Storage capacity (thousands of gallons)	10,000	10,000	10,000	9,800	9,800	9,800	8,400	10,400	10,400	10,400
Sewer										
Sewer line miles	142	142	144	205	210	212	223	226	241	253
Secondary water										
Secondary water main line miles	188	188	189	243	249	258	272	282	298	312
Power										
Power main feeder line miles	213	214	217	219	231	240	248	258	275	515
Overhead line miles	42	44	48	52	64	64	64	67	65	147

Source: City records

END OF REPORT

