LEHI CITY CORPORATION

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

LEHI CITY

PREPARED BY:

FINANCE DEPARTMENT

EST 1852

LEHI CITY

PIONEERING UTAH'S FUTURE

LEHI CITY CORPORATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

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INTRODUCTORY SECTION

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

November 30, 2015

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, 2015.

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, 2015, 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, 2015, 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.

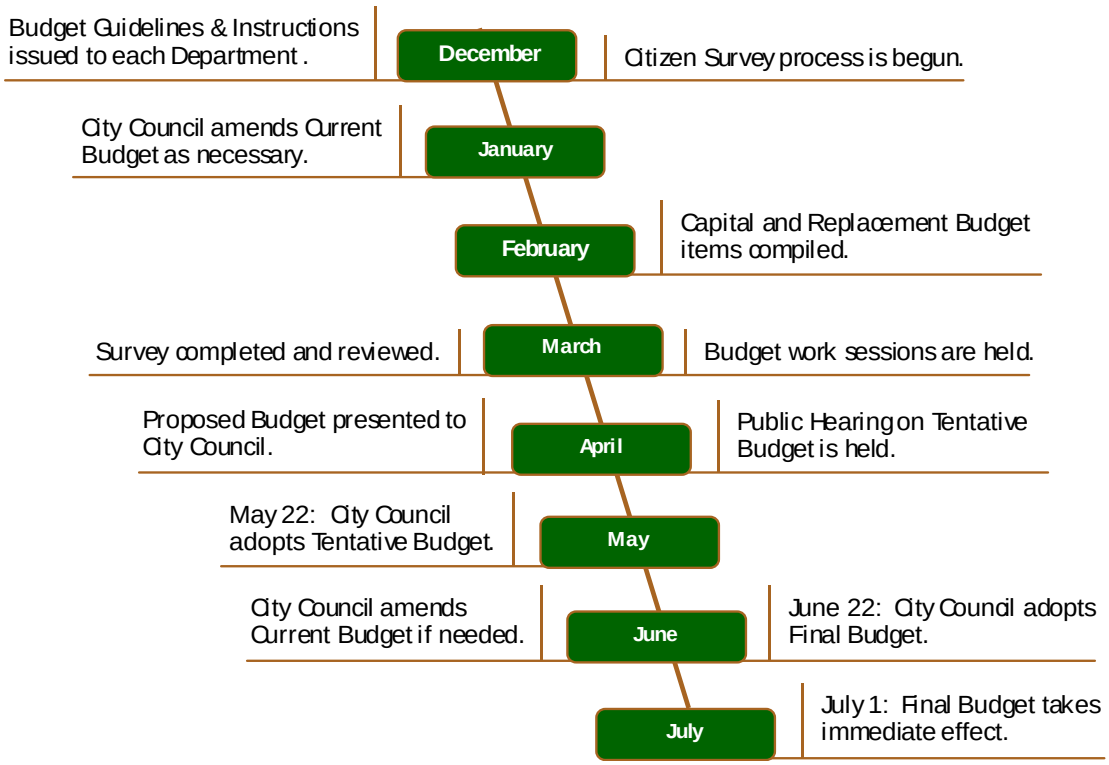
Lehi has a rich history. The Overland Stage Coach Route ran through the town. The famous Pony Express Trail ran next to the town. The Transcontinental Telegraph line ran adjacent to the City.

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 22 and goes into effect July 1. The creation of the budget follows the time line on the following page:



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

Within the existing budget, the level of the City's budgetary control 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 project funds this comparison is presented on page 91.

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 2012-2015

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 2015. A Harmon's store is planned for 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 and looks forward to managing the economic growth of this area for the benefit of its residents and businesses.

Brigham Young University, Utah Valley State College 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 3.5%, 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 expect to build one of the six fire stations, in the next five to ten 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, 2014. This was the seventeenth 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, 2015. 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, 2014. 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,

Jason Walker
City Administrator

David Sanderson
Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

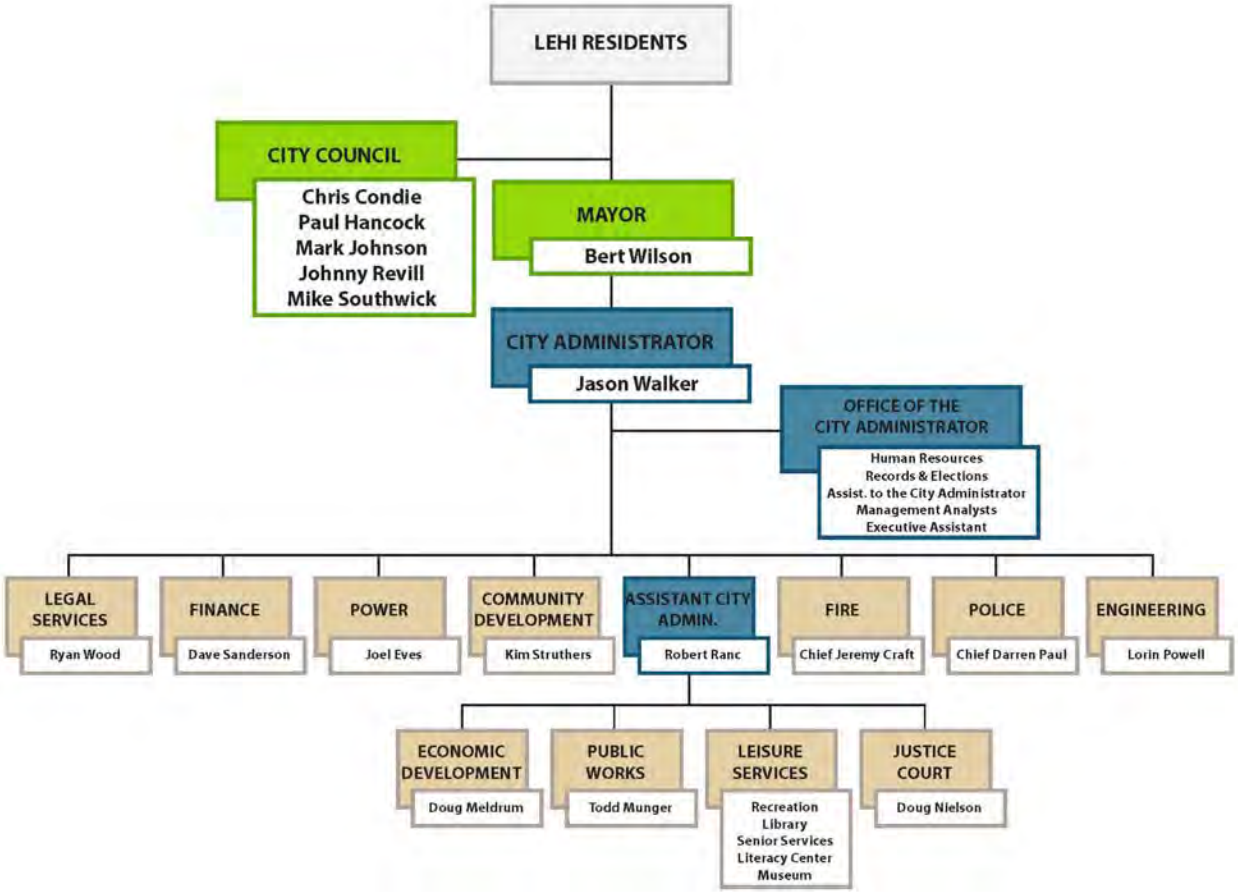
Lehi City Corporation

Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO


LEHI RESIDENTS
CITY COUNCIL
Chris Condie
Paul Hancock
Mark Johnson
Johnny Revill
Mike Southwick
MAYOR
Bert Wilson
CITY ADMINISTRATOR
Jason Walker
OFFICE OF THE CITY ADMINISTRATOR
Human Resources
Records & Elections
Assist. to the City Administrator
Management Analysts
Executive Assistant
LEGAL SERVICES
Ryan Wood
FINANCE
Dave Sanderson
POWER
Joel Eves
COMMUNITY DEVELOPMENT
Kim Struthers
ASSISTANT CITY ADMIN.
Robert Ranc
FIRE
Chief Jeremy Craft
POLICE
Chief Darren Paul
ENGINEERING
Lorin Powell
ECONOMIC DEVELOPMENT
Doug Meldrum
PUBLIC WORKS
Todd Munger
LEISURE SERVICES
Recreation
Library
Senior Services
Literacy Center
Museum
JUSTICE COURT
Doug Nielson

Principal Officials

For the Year Ended
June 30, 2015

Bert Wilson
Mayor

Chris Condie
Councilperson

Mark Johnson
Councilperson

Paul Hancock
Councilperson

Johnny Revill
Councilperson

Michael Southwick
Councilperson

Jason Walker
City Administrator

FINANCIAL SECTION

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

4527 SOUTH 2300 EAST, SUITE 201 • SALT LAKE CITY, UTAH 84117-4446 • PHONE: 308-0220 • FAX: 274-8589

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, 2015, 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 an opinion 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, 2015, 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 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods 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.

Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we 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 30, 2015 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 & Buhler PLLC

November 30, 2015

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, 2015. 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 $376,545,117 (*net position*).

- The total net position of $376,545,117 is comprised of $454,232,032 in net investment in capital assets, $10,859,016 restricted, and ($88,545,931) unrestricted.

- The City's total net position increased during 2015 by $9,456,485. The increase in 2015 was in spite of the $5,623,257 prior period adjustment made in accordance with the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" which the City adopted effective July 1, 2014. Exclusive of the prior period adjustment, the City's net position increased by $15,079,742 during 2015.

- The City's governmental funds reported combined fund balances of $17,076,608 which is a decrease of $2,176,595 from fund balance reported in 2014 of $19,253,203.

- The City's total debt increased by a net of $19,348,626 during the current fiscal year.

    - There was an increase in the tax increment notes payable to a developer of $19,557,363 which was related to development within the West Timpanogos Community Development Project area. The City made a principal payment of $3,703,686 on the notes payable to developers connected with the various economic development projects. It is important to note that, if tax increment collections from the Alpine Highway Economic Development Area are insufficient to fully repay the tax increment note payable, the remaining balance will not be repaid to the developer.
    - In accordance with GASB Statement No. 68, the City reported net pension obligation totaling $5,159,377 as of June 30, 2015.
    - Other decreases to debt were from regularly scheduled principal payments**.**

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).

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.

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-80 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 - 85 of this report.

Individual fund schedules and combining statements and schedules can be found on pages 87- 95 of this report.

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 $376,545,117 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 portion of the City's net position ($10,859,016) represents resources that are subject to external restrictions on how they may be used.

As of June 30, 2015, the net position of the City's business-type activities totaled $248,119,585 compared to $228,114,296 in 2014. The business-type activities reported an increase in net position of $20,005,289, net of the $1,187,286 prior period adjustment recorded in connection with the implementation of GASB Statement No. 68. $13,302,030 of this increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

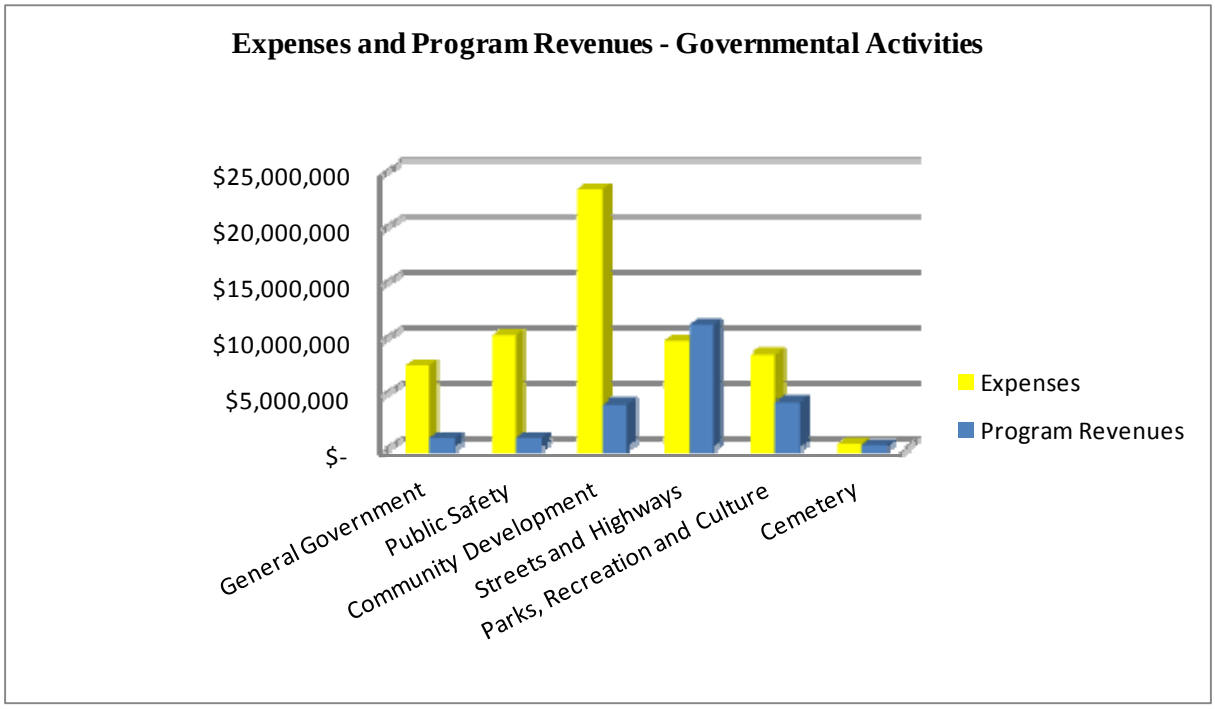
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 40,621,464	$ 39,755,923	$ 24,738,685	$ 32,221,921	$ 65,360,149	$ 71,977,844
Capital assets	244,422,904	234,294,389	231,465,794	210,689,699	475,888,698	444,984,088
Total assets	$ 285,044,368	$ 274,050,312	$ 256,204,479	$ 242,911,620	$ 541,248,847	$ 516,961,932
Deferred outflows of resources	$ 977,423	$ -	$ 8,165,230	$ 151,799	$ 9,142,653	$ 151,799
Long-term liabilities	$ 132,569,792	$ 113,357,774	$ 9,056,685	$ 9,068,592	$ 141,626,477	$ 122,426,366
Other liabilities	6,409,241	5,158,607	7,801,982	6,591,696	14,211,223	11,750,303
Interfund balances	782,332	711,165	(782,332)	(711,165)	-	-
Total liabilities	$ 139,761,365	$ 119,227,546	$ 16,076,335	$ 14,949,123	$ 155,837,700	$ 134,176,669
Deferred inflows of resources	$ 17,834,894	$ 15,848,430	$ 173,789	$ -	$ 18,008,683	$ 15,848,430
Net position						
Net investment in capital assets	$ 229,907,904	$ 219,129,389	$ 224,324,128	$ 202,621,488	$ 454,232,032	$ 421,750,877
Restricted	6,565,677	8,560,047	4,293,339	9,063,049	10,859,016	17,623,096
Unrestricted	(108,048,049)	(88,715,100)	19,502,118	16,429,759	(88,545,931)	(72,285,341)
Total net position	$ 128,425,532	$ 138,974,336	$ 248,119,585	$ 228,114,296	$ 376,545,117	$ 367,088,632

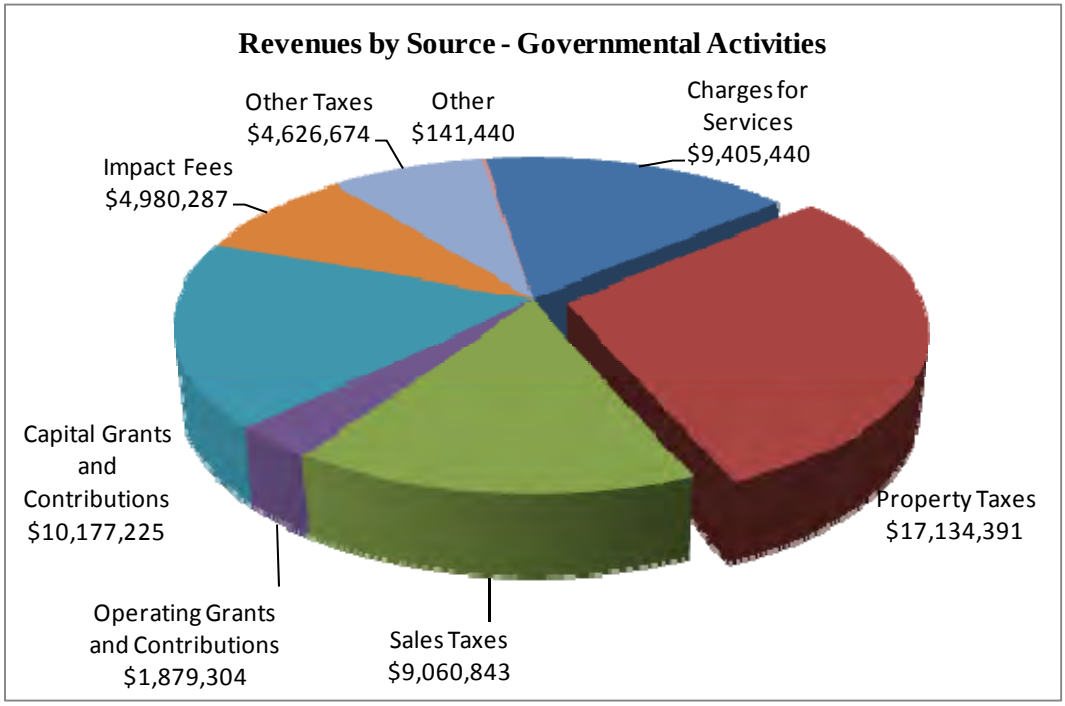
Governmental activities. During 2015 governmental activities decreased the City's net position by $10,548,804 (including a prior period adjustment recorded in connection with the implementation of GASB Statement No. 68 that decreased net position by $4,435,971) compared to a decrease in net position in 2014 of $8,160,882. Some specific factors making up the change in net position during 2015 include:

- Expenses of the governmental activities increased from 2014 to 2015 by $3,713,863 with the largest increase having to do with community development expenses associated with the West Timpanogos Community Development Project.

- Capital grants and contributions were higher than in 2014 by approximately $3.5 million. In 2015 the City recognized over $10.1 million in capital grant revenues related to infrastructure installed by developers during the year.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	$ 9,405,440	$ 9,040,532	$ 44,049,276	$ 40,971,107	$ 53,454,716	$ 50,011,639
Operating grants and contributions	1,879,304	1,652,937	-	-	1,879,304	1,652,937
Capital grants and contributions	10,177,225	6,669,536	13,302,030	13,031,629	23,479,255	19,701,165
General revenues:					-	-
Property taxes	17,134,391	15,812,205	-	-	17,134,391	15,812,205
Sales and other taxes	13,687,517	12,751,521	-	-	13,687,517	12,751,521
Impact fees	4,980,287	4,899,084	7,239,384	7,617,749	12,219,671	12,516,833
Other	141,440	140,190	532,417	706,730	673,857	846,920
Total revenues	57,405,604	50,966,005	65,123,107	62,327,215	122,528,711	113,293,220
Expenses:						
General government	7,536,526	6,608,885	-	-	7,536,526	6,608,885
Public safety	10,178,031	10,046,876	-	-	10,178,031	10,046,876
Community development	23,302,007	21,231,389	-	-	23,302,007	21,231,389
Highways/streets	9,660,807	9,496,924	-	-	9,660,807	9,496,924
Parks, recreation, and culture	8,503,024	8,023,291	-	-	8,503,024	8,023,291
Cemetery	386,084	362,172	-	-	386,084	362,172
Interest on long-term debt	4,437,878	4,520,957	-	-	4,437,878	4,520,957
Culinary Water	-	-	3,935,066	3,409,071	3,935,066	3,409,071
Sewer	-	-	7,415,879	6,248,401	7,415,879	6,248,401
Pressurized Irrigation	-	-	2,811,392	2,747,577	2,811,392	2,747,577
Electric	-	-	25,550,168	24,328,858	25,550,168	24,328,858
Drainage	-	-	1,377,942	1,301,784	1,377,942	1,301,784
Garbage	-	-	2,354,165	2,427,119	2,354,165	2,427,119
Total expenses	64,004,357	60,290,494	43,444,612	40,462,810	107,448,969	100,753,304
Increase (decrease) in net position before transfers	(6,598,753)	(9,324,489)	21,678,495	21,864,405	15,079,742	12,539,916
Transfers	485,920	730,920	(485,920)	(730,920)	-	-
Increase in net position	(6,112,833)	(8,593,569)	21,192,575	21,133,485	15,079,742	12,539,916
Net position, beginning, as previously reported	138,974,336	147,135,218	228,114,296	206,980,811	367,088,632	354,116,029
Prior period adjustment	(4,435,971)	432,687	(1,187,286)	-	(5,623,257)	432,687
Net position, beginning, as restated	134,538,365	147,567,905	226,927,010	206,980,811	361,465,375	354,548,716
Net position, ending	$ 128,425,532	$ 138,974,336	$ 248,119,585	$ 228,114,296	$ 376,545,117	$ 367,088,632


Expenses and Program Revenues - Governmental Activities
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
General Government
Public Safety
Community Development
Streets and Highways
Parks, Recreation and Culture
Cemetery
Expenses
Program Revenues


Revenues by Source - Governmental Activities
Other Taxes $4,626,674
Other $141,440
Charges for Services $9,405,440
Impact Fees $4,980,287
Capital Grants and Contributions $10,177,225
Property Taxes $17,134,391
Operating Grants and Contributions $1,879,304
Sales Taxes $9,060,843

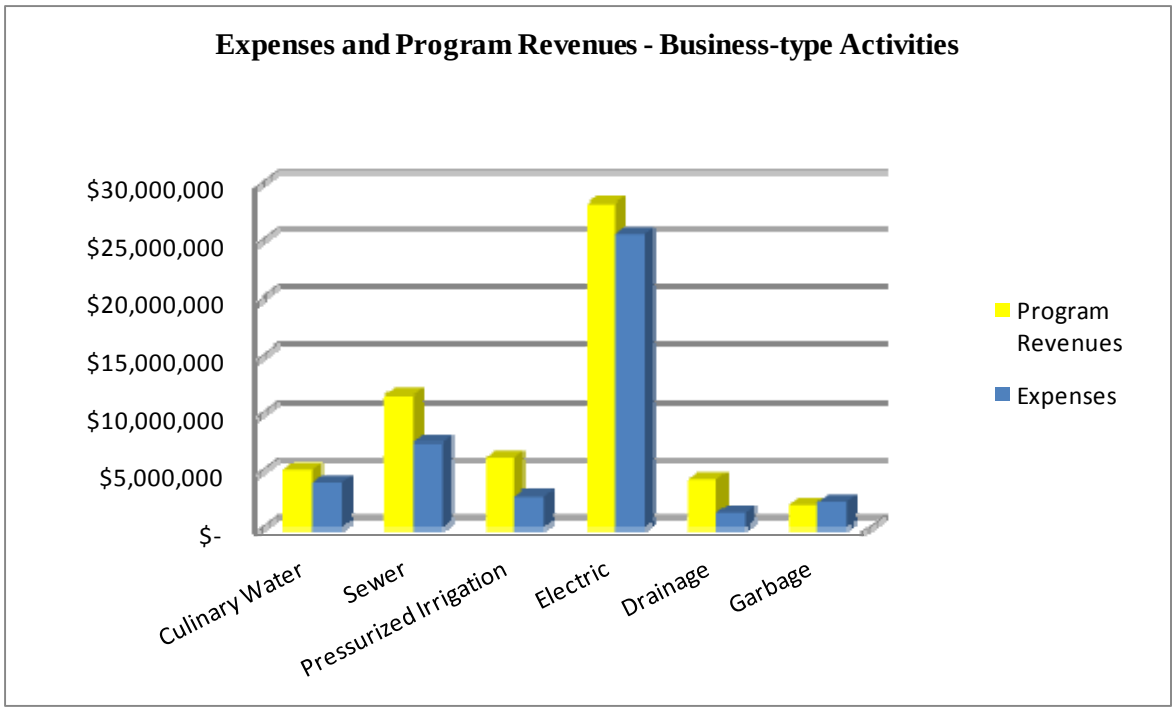
For the most part, increases in expenses closely followed growth in demand for services. As mentioned above, total expenses of the governmental activities increased by $3,713,863 over 2014. In addition to the community development expenses previously mentioned, the City experienced increases in all other governmental activities during 2015. The increase was due primarily to funding the City's internal service funds at a higher level. An additional $900,000 was paid for fleet operations and $225,000 for information technology services. Also, the City, as a member City of the Utah Valley Dispatch Special Service District, funded $600,000 for the District's new building construction. Finally, additional personnel and higher health care costs combined to contribute to increased governmental activity expenses.

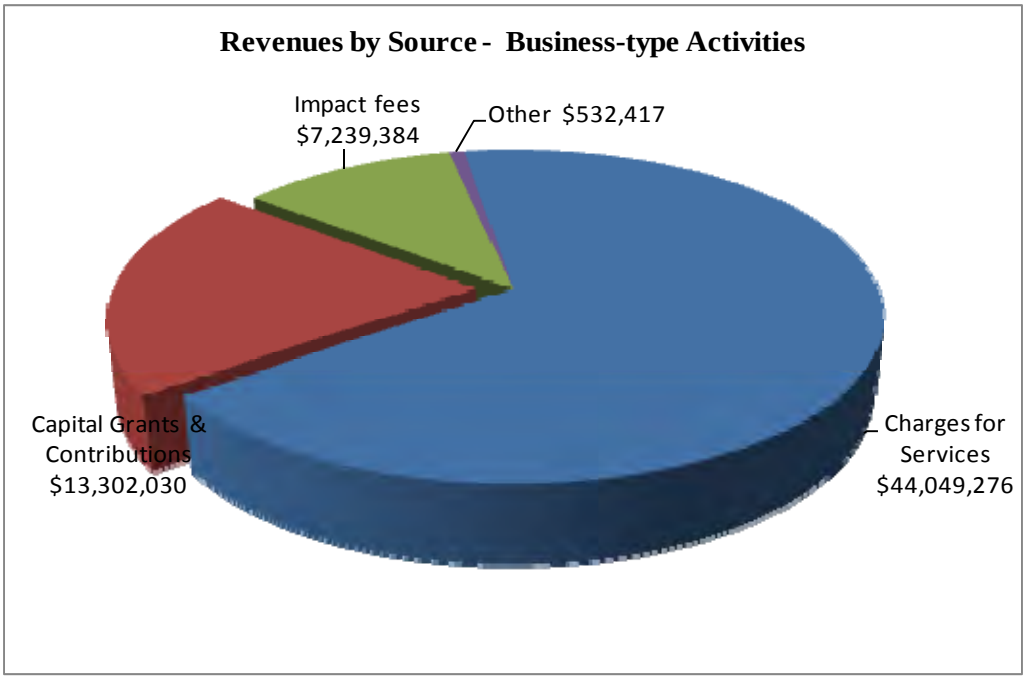
Business-type activities. Business-type activities increased the City's net position by $20,005,289, net of the aforementioned prior period adjustment of $1,187,286. At the end of the current fiscal year, all of the City's major business-type activities reported positive net position. Key elements of the increase in net position are as follows:

- Charges for services in the business-type activities increased over 2014 by $3,078,169 (7.51%). Most of the enterprise funds experienced an increase in charges for services over 2014, a result of growth in the number of customers served. Fees were increased during 2015 in the sewer fund to accommodate for a corresponding increase in the City's contract with the sewer treatment facility. Prior to 2014, the City had gradually increased services fees over the prior few years to ensure that user fees are adequate to fund operating expenses.

- Capital grants and contributions for the business-type activities added $13,302,030 to the net position of the City. This amount reflects a slight increase from the previous year. Overall capital grants and contributions are indicative of the consistent growth levels year over year.

- Expenses of the business-type activities increased by $2,981,802 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.


Expenses and Program Revenues - Business-type Activities
$30,000,000
$25,000,000
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
Culinary Water
Sewer
Pressurized Irrigation
Electric
Drainage
Garbage
Program Revenues
Expenses


Revenues by Source - Business-type Activities
Impact fees $7,239,384
Other $532,417
Capital Grants & Contributions $13,302,030
Charges for Services $44,049,276

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 $17,076,608. $6,758,479 of this total amount (39.6%) 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 $6,758,479, while total fund balance reached $8,269,687. 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 21.8% of total general fund expenditures, while total fund balance represents 26.7% of that same amount. The fund balance of the City's general fund decreased by $90,966 during the current fiscal year. Part of the decrease in fund balance was due to transfers out to other funds, including the capital projects fund.

The special revenue Redevelopment Agency Fund has an assigned fund balance of $1,128,817. 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 and the Traverse Mountain Community Development Area. Overall, the fund experienced an increase in fund balance of $396,194.

The capital projects fund had a decrease in fund balance in the amount of $2,481,823, which resulted in a fund balance of $7,653,227, $6,245,868 representing restricted fund balance, with an assigned fund balance of $1,407,359.

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 $18,719,786. Individually, the electric fund's unrestricted net position totaled $11,874,500, the drainage unrestricted net position totaled $2,542,959, the sewer unrestricted net position totaled $3,443,329 and the pressurized irrigation unrestricted net position totaled $879,962. The water fund was the only proprietary fund to report a deficit in unrestricted net position, with a deficit of $341,473. The non-major enterprise fund reported a positive unrestricted net position amount of $320,509. Other factors concerning the finances of these proprietary funds can be found earlier in this section under business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the general fund's budget was amended from budgeted expenditures totaling $29,303,601 to a final budget of $31,664,046 an increase of $2,360,445. This increase was related primarily to increased non-department (general government), streets and highways, parks and recreation operating costs, including personnel costs and capital expenditures. Budgeted transfers to other funds were also amended by $245,000 to a final budget of $2,345,400. These adjustments were funded primarily by appropriating fund balance.

- Tax revenues recognized in 2015 were $1,849,342 more than budgeted. The majority of this was related to higher than anticipated sales tax revenues.

- Charges for services, particularly recreation fees and planning and inspection fees, were higher than budgeted by a total of $674,089.

- Total expenditures were less than the final budgeted amounts by $693,575 with no department exceeding its budget.

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, 2015 amounts to $475,888,698 (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 purchased several parcels of land for additional parks totaling $3,030,224 and also expended approximately $1.4 million for improvements to several of the City's parks.

- Also in the governmental activities, there was an increase to capital assets related to the remodel of the City's city hall building. Total costs incurred on that project were $510,771.

- 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 $10,177,225 and $13,302,030, respectively.

- In the water fund, the Mitchell Hollow Well and the Sandpit Well were under construction as of June 30, 2015 with costs incurred to date of $2,322,648 and $1,412,236, respectively.

- Intangible assets in the pressurized irrigation fund increased by $1,240,932. The increase was due to the contribution of water shares by developers as required by the City's development code.

- In the pressurized irrigation fund, the Sandpit Reservoir was completed. Total costs incurred on that project through June 30, 2015 were $2,197,075.

- In the electric fund, approximately $2.9 million was incurred during 2015 on the construction of the Murdock Substation, which was still in progress at year end.

- The City had incurred $1,757,071 through June 30, 2015 on construction of the Camp Williams Sewer.

LEHI CITY CORPORATION
CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 98,480,304	$ 90,724,147	$ 2,336,469	$ 2,336,469	$ 100,816,773	$ 93,060,616
Intangibles	-	-	44,220,190	42,979,258	44,220,190	42,979,258
Construction in progress	6,482,455	3,851,232	14,452,247	4,987,111	20,934,702	8,838,343
Buildings and structures	14,756,955	14,686,128	1,774,174	1,733,512	16,531,129	16,419,640
Improvements, including infrastructure	118,635,683	119,652,760	167,594,102	157,692,812	286,229,785	277,345,572
Machinery, equipment, and vehicles	5,907,871	5,131,606	1,073,306	940,408	6,981,177	6,072,014
Office furniture and equipment	159,636	248,516	15,306	20,129	174,942	268,645
Total	$ 244,422,904	$ 234,294,389	$ 231,465,794	$ 210,689,699	$ 475,888,698	$ 444,984,088

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 $20,095,000, all of which represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

LEHI CITY CORPORATION
LONG-TERM LIABILITIES

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Tax increment notes payable to developers	$ 111,625,886	$ 95,772,209	$ -	$ -	$ 111,625,886	$ 95,772,209
Other notes payable	-	-	1,561,666	1,600,010	1,561,666	1,600,010
Revenue bonds	14,515,000	15,165,000	5,580,000	6,620,000	20,095,000	21,785,000
Other liabilities	6,428,906	2,420,565	1,915,019	848,582	8,343,925	3,269,147
Total	$ 132,569,792	$ 113,357,774	$ 9,056,685	$ 9,068,592	$ 141,626,477	$ 122,426,366

The City increased its total debt by $19,348,626 in fiscal year 2015. Major long-term debt activity included the following:

- As mentioned, during 2015, the City issued notes payable to developers in a new economic development project area totaling $19,557,363.
- $3,703,686 in principal payments were made on other notes payable to developers.
- The City reported, in accordance with the requirements of GASB Statement No. 68 net pension liability totaling $5,159,377.
- Other reductions in debt were attributable to regular principal reductions.

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 2015.

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 $151,795,227 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 $303,590,454, 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 leaders of 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. For fiscal year 2016 the City increased the culinary water fee $2 per month and the pressurized irrigation fee $1 per month to meet the increasing requirements of the City's residents.

- The City is working toward funding a new fire station in the City and funded a design study for the new station.

- New positions were funded in the 2016 budget in the fire department and the police department. Two new fire battalion chiefs were added and three new police officers were added.

The above factors were considered in preparing the City's budget for the 2016 fiscal year. The 2016 budget is balanced without a property tax rate increase. During the November 2015 election, the City had on the ballot an initiative for a Recreation, Arts and Parks tax. However, the initiative did not pass in the November 2015 Election.

The City continues to expand with new residential and commercial development. Vivint is building a 125,000 square foot office building in the City that will eventually house approximately 320 employees. The Alpine School District is the process of building a second high school within the City. The school is located at 3200 North and Center Street, just south of State Route 92 and will be opened in August 2016.

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

Request for Information

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

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BASIC FINANCIAL STATEMENTS

LEHI CITYCORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2015

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	$ 11,939,030	$ 11,832,401	$ 23,771,431
RECEIVABLES (NET)			
ACCOUNTS	-	5,050,382	5,050,382
UNBILLED	-	166,718	166,718
TAXES	19,076,309	-	19,076,309
INTERGOVERNMENTAL	305,154	-	305,154
OTHER	492,662	-	492,662
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	391,856	391,856
PREPAID EXPENSES	48,877	-	48,877
INVENTORY	52,890	2,298,577	2,351,467
NET PENSION ASSET	318,402	-	318,402
RESTRICTED CASH AND CASH EQUIVALENTS	7,831,564	1,812,804	9,644,368
RESTRICTED INTERGOVERNMENTAL RECEIVABLE	-	1,033,000	1,033,000
RESTRICTED IMPACT FEES RECEIVABLE	556,576	2,152,947	2,709,523
NON-DEPRECIABLE CAPITAL ASSETS	104,962,759	61,008,906	165,971,665
DEPRECIABLE CAPITAL ASSETS, NET	139,460,145	170,456,888	309,917,033
TOTAL ASSETS	$ 285,044,368	$ 256,204,479	$ 541,248,847
DEFERRED OUTFLOWS OF RESOURCES			
ADVANCE FUNDING OF UAMPS PROJECT	$ -	$ 7,788,807	$ 7,788,807
LOSS ON REFUNDING	-	122,435	122,435
DEFERRED OUTFLOWS RELATED TO PENSIONS	977,423	253,988	1,231,411
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 977,423	$ 8,165,230	$ 9,142,653
LIABILITIES			
INTERFUND BALANCES	$ 782,332	$ (782,332)	$ -
ACCOUNTS PAYABLE	1,546,055	6,622,703	8,168,758
LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
ACCOUNTS PAYABLE	889,016	705,412	1,594,428
ACCRUED INTEREST	125,954	-	125,954
WAGES PAYABLE	365,288	59,300	424,588
ACCRUED LIABILITIES	1,320,064	-	1,320,064
ACCRUED INTEREST PAYABLE	2,162,864	1,177	2,164,041
CUSTOMER DEPOSITS	-	413,390	413,390
NON-CURRENT LIABILITIES			
DUE WITHIN ONE YEAR	1,362,406	1,165,674	2,528,080
DUE IN MORE THAN ONE YEAR:			
COMPENSATED ABSENCES	1,418,390	582,039	2,000,429
NET PENSION LIABILITY	4,057,193	1,102,184	5,159,377
LANDFILL POSTCLOSURE COSTS	250,917	-	250,917
TAX INCREMENT NOTE PAYABLE TO DEVELOPER	111,625,886	-	111,625,886
OTHER NOTES PAYABLE	-	1,521,788	1,521,788
BONDS PAYABLE	13,855,000	4,685,000	18,540,000
TOTAL LIABILITIES	$ 139,761,365	$ 16,076,335	$ 155,837,700
DEFERRED INFLOWS OF RESOURCES			
PROPERTY TAXES	$ 16,934,471	$ -	$ 16,934,471
DEFERRED INFLOWS RELATED TO PENSIONS	900,423	173,789	1,074,212
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 17,834,894	$ 173,789	$ 18,008,683
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	$ 229,907,904	$ 224,324,128	$ 454,232,032
RESTRICTED FOR			
CAPITAL IMPROVEMENTS	6,096,415	4,293,339	10,389,754
DEBT SERVICE	469,262	-	469,262
UNRESTRICTED (DEFICIT)	(108,048,049)	19,502,118	(88,545,931)
TOTAL NET POSITION	$ 128,425,532	$ 248,119,585	$ 376,545,117

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITYCORPORATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

		PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION PRIMARY GOVERNMENT		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES							
GENERAL GOVERNMENT	$ 7,536,526	$ 922,395	$ -	$ -	$ (6,614,131)	$ -	$ (6,614,131)
PUBLIC SAFETY	10,178,031	713,288	222,992	-	(9,241,751)	-	(9,241,751)
COMMUNITY DEVELOPMENT	23,302,007	3,996,282	-	-	(19,305,725)	-	(19,305,725)
STREETS AND HIGHWAYS	9,660,807	-	1,592,893	9,566,450	1,498,536	-	1,498,536
PARKS, RECREATION AND CULTURE	8,503,024	3,538,275	63,419	610,775	(4,290,555)	-	(4,290,555)
CEMETERY	386,084	235,200	-	-	(150,884)	-	(150,884)
INTEREST ON LONG-TERM DEBT	4,437,878	-	-	-	(4,437,878)	-	(4,437,878)
TOTAL GOVERNMENTAL ACTIVITIES	64,004,357	9,405,440	1,879,304	10,177,225	(42,542,388)	-	(42,542,388)
BUSINESS-TYPE ACTIVITIES							
CULINARY WATER	3,935,066	3,606,036	-	1,482,341	-	1,153,311	1,153,311
SEWER	7,415,879	8,561,592	-	2,967,103	-	4,112,816	4,112,816
PRESSURIZED IRRIGATION	2,811,392	2,678,561	-	3,521,230	-	3,388,399	3,388,399
ELECTRIC	25,550,168	26,168,996	-	2,067,918	-	2,686,746	2,686,746
DRAINAGE	1,377,942	958,281	-	3,263,438	-	2,843,777	2,843,777
GARBAGE	2,354,165	2,075,810	-	-	-	(278,355)	(278,355)
TOTAL BUSINESS-TYPE ACTIVITIES	43,444,612	44,049,276	-	13,302,030	-	13,906,694	13,906,694
TOTAL PRIMARY GOVERNMENT	$ 107,448,969	$ 53,454,716	$ 1,879,304	$ 23,479,255	(42,542,388)	13,906,694	(28,635,694)
GENERAL REVENUES:							
PROPERTY TAXES					17,134,391	-	17,134,391
SALES TAXES					9,060,843	-	9,060,843
FRANCHISE TAXES					4,626,674	-	4,626,674
MOTOR VEHICLE FEES IN LIEU					-	-	-
IMPACT FEES					4,980,287	7,239,384	12,219,671
INVESTMENT EARNINGS					81,658	114,557	196,215
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS					(15,532)	6,164	(9,368)
OTHER					75,314	411,696	487,010
TOTAL GENERAL REVENUES					35,943,635	7,771,801	43,715,436
TRANSFERS					485,920	(485,920)	-
TOTAL GENERAL REVENUES AND TRANSFERS					36,429,555	7,285,881	43,715,436
CHANGE IN NET POSITION					(6,112,833)	21,192,575	15,079,742
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					138,974,336	228,114,296	367,088,632
PRIOR PERIOD ADJUSTMENT					(4,435,971)	(1,187,286)	(5,623,257)
NET POSITION AT BEGINNING OF YEAR , AS RESTATED					134,538,365	226,927,010	361,465,375
NET POSITION AT END OF YEAR					$ 128,425,532	$ 248,119,585	$ 376,545,117

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH AND CASH EQUIVALENTS	$ 6,827,170	$ 1,128,817	$ 2,113,439	$ 10,069,426
RECEIVABLES				
TAXES	8,847,137	10,229,172	-	19,076,309
INTERGOVERNMENTAL	305,154	-	-	305,154
OTHER	383,864	-	-	383,864
PREPAID ITEMS	24,000	24,877	-	48,877
RESTRICTED CASH AND CASH EQUIVALENTS	971,123	-	6,860,441	7,831,564
RESTRICTED IMPACT FEES RECEIVABLE	108,059	-	556,576	664,635
TOTAL ASSETS	$ 17,466,507	$ 11,382,866	$ 9,530,456	$ 38,379,829
LIABILITIES				
ACCOUNTS PAYABLE	$ 537,152	$ -	$ 706,080	$ 1,243,232
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	206,145	-	682,871	889,016
WAGES PAYABLE	354,205	-	-	354,205
ACCRUED LIABILITIES	1,320,064	-	-	1,320,064
TOTAL LIABILITIES	2,417,566	-	1,388,951	3,806,517
DEFERRED INFLOWS OF RESOURCES				
TAXES	6,705,299	10,229,172	-	16,934,471
IMPACT FEES	73,955	-	488,278	562,233
TOTAL DEFERRED INFLOWS OF RESOURCES	6,779,254	10,229,172	488,278	17,496,704
FUND BALANCES				
NONSPENDABLE	24,000	24,877	-	48,877
RESTRICTED	799,082	-	6,245,868	7,044,950
COMMITTED	496,802	-	-	496,802
ASSIGNED	191,324	1,128,817	1,407,359	2,727,500
UNASSIGNED	6,758,479	-	-	6,758,479
TOTAL FUND BALANCE	8,269,687	1,153,694	7,653,227	17,076,608
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 17,466,507	$ 11,382,866	$ 9,530,456	$ 38,379,829

LEHI CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

TOTAL GOVERNMENTAL FUND BALANCES	$ 17,076,608
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	244,422,904
LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(132,569,792)
INTEREST PAYABLE ON LONG-TERM FINANCIAL RESOURCES IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(2,288,818)
THE CURRENT ASSETS AND LIABILITIES OF THE INTERNAL SERVICE FUNDS ARE INCLUDED IN THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	1,609,327
DEFERRED INFLOWS OF RESOURCES RELATED TO IMPACT FEES RECEIVABLE IN FUTURE PERIODS SHOULD BE RECOGNIZED AS REVENUES IN THE STATEMENT OF NET POSITION	562,233
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	395,402
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	(782,332)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 128,425,532

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	$ 20,116,914	$ 10,275,494	$ 429,500	$ 30,821,908
LICENSES, FEES AND PERMITS	2,298,857	-	5,073,815	7,372,672
INTERGOVERNMENTAL	1,879,304	-	177,075	2,056,379
CHARGES FOR SERVICES	6,081,697	-	-	6,081,697
FINES AND FORFEITURES	554,622	-	-	554,622
MISCELLANEOUS	433,344	-	-	433,344
INTEREST ON INVESTMENTS	15,923	5,264	51,111	72,298
TOTAL REVENUES	31,380,661	10,280,758	5,731,501	47,392,920
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT	7,432,107	-	-	7,432,107
PUBLIC SAFETY	9,745,736	-	-	9,745,736
COMMUNITY DEVELOPMENT	2,171,560	20,949,097	-	23,120,657
STREETS AND HIGHWAYS	2,790,957	-	-	2,790,957
PARKS, RECREATION AND CULTURE	7,656,136	-	-	7,656,136
CEMETERY	358,145	-	-	358,145
OTHER	-	-	12,476	12,476
CAPITAL OUTLAY	-	-	10,087,085	10,087,085
DEBT SERVICE				
PRINCIPAL	650,000	3,703,681	-	4,353,681
INTEREST AND FISCAL CHARGES	165,830	3,702,505	377,863	4,246,198
TOTAL EXPENDITURES	30,970,471	28,355,283	10,477,424	69,803,178
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	410,190	(18,074,525)	(4,745,923)	(22,410,258)
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,817,564	-	2,100,396	3,917,960
TRANSFERS OUT	(2,345,396)	(1,086,644)	-	(3,432,040)
SALE OF CAPITAL ASSETS	26,676	-	163,704	190,380
ISSUANCE OF NOTES AND BONDS	-	19,557,363	-	19,557,363
TOTAL OTHER FINANCING SOURCES (USES)	(501,156)	18,470,719	2,264,100	20,233,663
NET CHANGE IN FUND BALANCE	(90,966)	396,194	(2,481,823)	(2,176,595)
FUND BALANCE AT BEGINNING OF YEAR	8,360,653	757,500	10,135,050	19,253,203
FUND BALANCE AT END OF YEAR	$ 8,269,687	$ 1,153,694	$ 7,653,227	$ 17,076,608

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, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (2,176,595)
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	10,856,790
DEPRECIATION EXPENSE	(10,184,673)
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	625,959
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	(19,557,363)
REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION	4,353,681
THE NET REVENUE OF INTERNAL SERVICES FUNDS IS ALLOCATED BETWEEN GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES.	
INTERNAL SERVICE FUND NET INCOME LESS AMOUNT	339,825
ALLOCATED TO BUSINESS-TYPE ACTIVITIES	(71,167)
GOVERNMENTAL FUNDS REPORT THE DISPOSAL OF ASSETS TO THE EXTENT PROCEEDS ARE RECEIVED, IN THE STATEMENT OF NET POSITION, A GAIN OR LOSS IS REPORTED FOR EACH DISPOSAL	(205,912)
DEFERRED INFLOWS OF RESOURCES RELATED TO IMPACT FEES ARE DEFERRED IN THE GOVERNMENTAL FUNDS BUT RECOGNIZED AS REVENUES IN THE STATEMENT OF ACTIVITIES	340,172
DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS	9,566,450
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (6,112,833)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND				REDEVELOPMENT AGENCY			
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES								
TAXES	$ 17,870,877	$ 18,267,572	$ 20,116,914	$ 1,849,342	$ 10,650,000	$ 10,650,000	$ 10,275,494	$ (374,506)
LICENSES, FEES AND PERMITS	1,750,000	2,250,000	2,298,857	48,857	-	-	-	-
INTERGOVERNMENTAL REVENUE	1,511,000	1,511,000	1,879,304	368,304	-	-	-	-
CHARGES FOR SERVICE	5,287,608	5,407,608	6,081,697	674,089	-	-	-	-
FINES AND FORFEITURES	707,500	707,500	554,622	(152,878)	-	-	-	-
MISCELLANEOUS REVENUE	257,200	286,950	433,344	146,394	-	-	-	-
INTEREST ON INVESTMENTS	64,500	64,500	15,923	(48,577)	7,500	7,500	5,264	(2,236)
TOTAL REVENUES	27,448,685	28,495,130	31,380,661	2,885,531	10,657,500	10,657,500	10,280,758	(376,742)
EXPENDITURES								
GENERAL GOVERNMENT	5,629,342	7,488,342	7,432,107	56,235	-	-	-	-
PUBLIC SAFETY	9,999,243	9,999,243	9,745,736	253,507	-	-	-	-
COMMUNITY DEVELOPMENT	2,266,451	2,276,451	2,171,560	104,891	10,553,500	10,553,500	20,949,097	(10,395,597)
STREETS AND HIGHWAYS	2,597,652	2,847,652	2,790,957	56,695	-	-	-	-
PARKS, RECREATIONS AND CULTURE	7,652,777	7,874,222	7,656,136	218,086	-	-	-	-
CEMETERY	342,304	362,304	358,145	4,159	-	-	-	-
DEBT SERVICE	815,832	815,832	815,830	2	7,742,500	7,742,500	7,406,186	336,314
TOTAL EXPENDITURES	29,303,601	31,664,046	30,970,471	693,575	18,296,000	18,296,000	28,355,283	(10,059,283)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,854,916)	(3,168,916)	410,190	3,579,106	(7,638,500)	(7,638,500)	(18,074,525)	(10,436,025)
OTHER FINANCING SOURCES (USES)								
ISSUANCE OF NOTES	-	-	-	-	9,000,000	9,000,000	19,557,363	10,557,363
TRANSFERS IN	1,835,000	1,835,000	1,817,564	(17,436)	-	-	-	-
TRANSFERS OUT	(2,100,400)	(2,345,400)	(2,345,396)	4	(1,104,000)	(1,104,000)	(1,086,644)	17,356
SALE OF CAPITAL ASSETS	5,000	5,000	26,676	21,676	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(260,400)	(505,400)	(501,156)	4,244	7,896,000	7,896,000	18,470,719	10,574,719
NET CHANGE IN FUND BALANCE	(2,115,316)	(3,674,316)	(90,966)	3,583,350	257,500	257,500	396,194	138,694
FUND BALANCE AT BEGINNING OF YEAR	8,360,653	8,360,653	8,360,653	-	757,500	757,500	757,500	-
FUND BALANCE AT END OF YEAR	$ 6,245,337	$ 4,686,337	$ 8,269,687	$ 3,583,350	$ 1,015,000	$ 1,015,000	$ 1,153,694	$ 138,694

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTAL BUSINESS-TYPE FUNDS	INTERNAL SERVICE FUNDS
ASSETS								
CURRENT ASSETS								
CASH AND CASH EQUIVALENTS	$ -	$ 4,127,279	$ 787,989	$ 3,723,457	$ 2,577,084	$ 616,592	$ 11,832,401	$ 1,869,604
RECEIVABLE (NET):								
ACCOUNTS	352,965	890,362	425,100	3,064,507	97,711	219,737	5,050,382	739
UNBILLED	14,662	26,026	1,048	112,176	2,326	10,480	166,718	-
REFUND DUE FROM DEPOSIT WITH POWER SUPPLIER	-	-	-	391,856	-	-	391,856	-
PREPAID INTEREST AND OTHER EXPENSES	-	-	-	-	-	-	-	-
DUE FROM OTHER FUNDS	-	-	44,966	-	-	-	44,966	-
INVENTORY	132,343	7,448	66,823	2,087,503	4,460	-	2,298,577	52,890
TOTAL CURRENT ASSETS	499,970	5,051,115	1,325,926	9,379,499	2,681,581	846,809	19,784,900	1,923,233
NON-CURRENT ASSETS								
RESTRICTED CASH AND CASH EQUIVALENTS	-	-	-	1,812,804	-	-	1,812,804	-
RESTRICTED IMPACT FEE RECEIVABLE	154,714	60,364	439,870	1,353,435	144,564	-	2,152,947	-
RESTRICTED INTERGOVERNMENTAL RECEIVABLE	-	1,033,000	-	-	-	-	1,033,000	-
NONDEPRECIABLE CAPITAL ASSETS	28,104,790	2,684,167	23,609,917	5,864,695	745,337	-	61,008,906	-
DEPRECIABLE CAPITAL ASSETS, NET	27,881,705	34,233,384	36,906,395	39,788,140	31,647,264	-	170,456,888	2,222,972
TOTAL NON-CURRENT ASSETS	56,141,209	38,010,915	60,956,182	48,819,074	32,537,165	-	236,464,545	2,222,972
TOTAL ASSETS	$ 56,641,179	$ 43,062,030	$ 62,282,108	$ 58,198,573	$ 35,218,746	$ 846,809	$ 256,249,445	$ 4,146,205
DEFERRED OUTFLOWS OF RESOURCES								
ADVANCE FUNDING OF UAMPS PROJECT	$ -	$ -	$ -	$ 7,788,807	$ -	$ -	$ 7,788,807	$ -
LOSS ON REFUNDING	-	-	-	122,435	-	-	122,435	-
DEFERRED OUTFLOWS RELATED TO PENSIONS	47,543	14,035	17,430	161,077	13,903	-	253,988	46,046
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 47,543	$ 14,035	$ 17,430	$ 8,072,319	$ 13,903	$ -	$ 8,165,230	$ 46,046

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
LIABILITIES	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
CURRENT LIABILITIES								
DUE TO OTHER FUNDS	$ 44,966	$ -	$ -	$ -	$ -	$ -	$ 44,966	$ -
ACCOUNTS PAYABLE	401,766	1,520,333	303,045	3,827,262	43,997	526,300	6,622,703	302,823
WAGES PAYABLE	10,119	3,500	4,845	37,346	3,490	-	59,300	11,083
ACCRUED INTEREST PAYABLE	-	-	-	-	1,177	-	1,177	-
PAYABLE FROM RESTRICTED ASSETS:								-
ACCOUNTS PAYABLE	-	-	394,756	310,656	-	-	705,412	-
CUSTOMER DEPOSITS	-	-	-	413,390	-	-	413,390	-
CURRENT PORTION COMPENSATED ABSENCES	41,716	12,964	16,044	147,062	13,010	-	230,796	41,838
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	19,939	-	19,939	745,000	150,000	-	934,878	-
TOTAL CURRENT LIABILITIES	518,506	1,536,797	738,629	5,480,716	211,674	526,300	9,012,622	355,744
NON-CURRENT LIABILITIES								
COMPENSATED ABSENCES	151,573	14,517	51,896	343,044	21,009	-	582,039	49,254
NET PENSION LIABILITY	206,315	60,904	75,638	698,998	60,329	-	1,102,184	199,815
NOTES PAYABLE	760,894	-	760,894	-	-	-	1,521,788	-
BONDS PAYABLE, LESS CURRENT MATURITIES	-	-	-	3,075,000	1,610,000	-	4,685,000	-
TOTAL NON-CURRENT LIABILITIES	1,118,782	75,421	888,428	4,117,042	1,691,338	-	7,891,011	249,069
TOTAL LIABILITIES	$ 1,637,288	$ 1,612,218	$ 1,627,057	$ 9,597,758	$ 1,903,012	$ 526,300	$ 16,903,633	$ 604,813
DEFERRED INFLOWS OF RESOURCES								
DEFERRED INFLOWS RELATED TO PENSIONS	$ 32,531	$ 9,603	$ 11,926	$ 110,216	$ 9,513	$ -	$ 173,789	$ 31,507
NET POSITION								
NET INVESTMENT IN CAPITAL ASSETS	$ 55,205,662	$ 36,917,551	$ 59,735,479	$ 41,832,835	$ 30,632,601	$ -	$ 224,324,128	$ 2,222,972
RESTRICTED FOR								
CAPITAL PROJECTS	154,714	1,093,364	45,114	2,855,583	144,564	-	4,293,339	-
UNRESTRICTED	(341,473)	3,443,329	879,962	11,874,500	2,542,959	320,509	18,719,786	1,332,959
TOTAL NET POSITION	$ 55,018,903	$ 41,454,244	$ 60,660,555	$ 56,562,918	$ 33,320,124	$ 320,509	247,337,253	$ 3,555,931

ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	
CURRENT YEAR ADJUSTMENT	71,167
CUMULATIVE ADJUSTMENT FROM PRIOR YEARS	711,165
NET POSITION OF BUSINESS-TYPE ACTIVITIES	$ 248,119,585

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, 2015

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS)								
CHARGES FOR SERVICES	$ 3,223,079	$ 8,561,592	$ 2,330,702	$ 25,943,000	$ 958,281	$ 2,075,810	$ 43,092,464	$ 3,780,672
HOOK-UP AND SERVICING FEES	382,957	-	347,859	225,996	-	-	956,812	-
MISCELLANEOUS REVENUES	121,608	31,299	23,338	225,999	27	9,425	411,696	-
TOTAL OPERATING REVENUES	3,727,644	8,592,891	2,701,899	26,394,995	958,308	2,085,235	44,460,972	3,780,672
OPERATING EXPENSES								
PERSONNEL	748,478	248,369	310,081	2,282,436	238,313	-	3,827,677	678,435
GENERAL ADMINISTRATION	176,525	107,539	54,023	281,390	38,390	18,654	676,521	-
OPERATING AND MAINTENANCE	1,664,912	5,707,217	1,215,301	20,355,750	76,374	2,335,511	31,355,065	2,344,544
INTERFUND CHARGES	203,240	131,000	75,000	570,150	15,000	-	994,390	-
DEPRECIATION	1,117,917	1,221,754	1,131,536	2,042,419	937,706	-	6,451,332	508,158
TOTAL OPERATING EXPENSES	3,911,072	7,415,879	2,785,941	25,532,145	1,305,783	2,354,165	43,304,985	3,531,137
OPERATING INCOME (LOSS)	(183,428)	1,177,012	(84,042)	862,850	(347,475)	(268,930)	1,155,987	249,535
NON-OPERATING REVENUES (EXPENSES)								
IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	1,710,984	688,473	953,726	3,469,558	416,643	-	7,239,384	-
INTEREST INCOME	12,639	24,743	6,926	49,079	20,014	1,156	114,557	90,290
INTEREST EXPENSE	(23,994)	-	(25,451)	(89,190)	(72,159)	-	(210,794)	-
GAIN ON SALE OF CAPITAL ASSETS	-	-	-	6,164	-	-	6,164	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,699,629	713,216	935,201	3,435,611	364,498	1,156	7,149,311	90,290
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,516,201	1,890,228	851,159	4,298,461	17,023	(267,774)	8,305,298	339,825
CAPITAL CONTRIBUTIONS	1,482,341	2,967,103	3,521,230	2,067,918	3,263,438	-	13,302,030	-
TRANFERS FROM OTHER FUNDS	-	-	-	-	-	245,000	245,000	-
TRANSFERS TO OTHER FUNDS	(174,500)	(150,000)	(64,890)	(265,920)	(65,610)	(10,000)	(730,920)	-
CHANGE IN NET POSITION	2,824,042	4,707,331	4,307,499	6,100,459	3,214,851	(32,774)	21,121,408	339,825
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	52,417,106	36,812,519	56,434,534	51,215,429	30,170,260	353,283		3,431,351
PRIOR PERIOD ADJUSTMENT	(222,245)	(65,606)	(81,478)	(752,970)	(64,987)	-		(215,245)
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	52,194,861	36,746,913	56,353,056	50,462,459	30,105,273	353,283		3,216,106
NET POSITION AT END OF YEAR	$ 55,018,903	$ 41,454,244	$ 60,660,555	$ 56,562,918	$ 33,320,124	$ 320,509		$ 3,555,931
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS							71,167	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (page 33)							$ 21,192,575	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES								
CASH RECEIVED FROM CUSTOMERS	$ 3,627,746	$ 8,516,928	$ 2,486,991	$ 25,694,456	$ 981,175	$ 2,103,206	$ 43,410,502	$ -
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	-	-	-	-	-	-	-	3,779,933
CASH PAID TO SUPPLIERS	(1,755,331)	(5,422,599)	(1,374,028)	(19,703,344)	(132,323)	(2,034,850)	(30,422,475)	(1,648,588)
CASH PAID TO EMPLOYEES	(787,898)	(258,934)	(317,471)	(2,431,472)	(245,330)	-	(4,041,105)	(1,261,829)
CASH PAID FOR INTERFUND SERVICES	(203,240)	(131,000)	(75,000)	(570,150)	(15,000)	-	(994,390)	-
OTHER RECEIPTS	121,608	31,299	23,338	225,999	27	9,425	411,696	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,002,885	2,735,694	743,830	3,215,489	588,549	77,781	8,364,228	869,516
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
TRANSFERS OUT	(174,500)	(150,000)	(64,890)	(265,920)	(65,610)	(10,000)	(730,920)	-
TRANSFERS IN	-	-	-	-	-	245,000	245,000	-
PAYMENTS MADE ON INTERFUND BALANCES	44,966	-	(44,966)	-	-	-	-	-
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	(129,534)	(150,000)	(109,856)	(265,920)	(65,610)	235,000	(485,920)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(4,491,611)	(2,948,581)	(2,028,128)	(5,809,971)	(1,223,382)	-	(16,501,673)	(604,024)
ADVANCE FUNDING OF UAMPS PROJECT	-	-	-	(7,788,807)	-	-	(7,788,807)	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	-	6,164	-	-	6,164	-
CONTRIBUTIONS FROM DEVELOPERS	-	-	-	1,404,927	166,742	-	1,571,669	-
PRINCIPAL PAID ON BONDS	(77,000)	-	(63,000)	(740,000)	(160,000)	-	(1,040,000)	-
INTEREST PAID ON BONDS	(35,783)	-	(35,096)	(64,703)	(67,393)	-	(202,975)	-
PRINCIPAL PAID ON NOTES PAYABLE	(19,172)	-	(19,172)	-	-	-	(38,344)	-
IMPACT FEES COLLECTED	1,589,360	647,609	669,745	3,140,695	337,356	-	6,384,765	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(3,034,206)	(2,300,972)	(1,475,651)	(9,851,695)	(946,677)	-	(17,609,201)	(604,024)
CASH FLOWS FROM INVESTING ACTIVITIES								
INTEREST INCOME COLLECTED	12,639	24,743	6,926	49,079	20,014	1,156	114,557	90,290
NET CASH PROVIDED BY INVESTING ACTIVITIES	12,639	24,743	6,926	49,079	20,014	1,156	114,557	90,290

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,148,216)	309,465	(834,751)	(6,853,047)	(403,724)	313,937	(9,616,336)	355,782
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,148,216	3,817,814	1,622,740	12,389,308	2,980,808	302,655	23,261,541	1,513,822
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ -	$ 4,127,279	$ 787,989	$ 5,536,261	$ 2,577,084	$ 616,592	$ 13,645,205	$ 1,869,604
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:								
UNRESTRICTED CASH	$ -	$ 4,127,279	$ 787,989	$ 3,723,457	$ 2,577,084	$ 616,592	$ 11,832,401	$ 1,869,604
RESTRICTED CASH	-	-	-	1,812,804	-	-	1,812,804	-
	$ -	$ 4,127,279	$ 787,989	$ 5,536,261	$ 2,577,084	$ 616,592	$ 13,645,205	$ 1,869,604
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	$ 1,482,341	$ 2,967,103	$ 3,521,230	$ 662,991	$ 3,096,696	$ -	$ 11,730,361	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
OPERATING INCOME (LOSS)	$ (183,428)	$ 1,177,012	$ (84,042)	$ 862,850	$ (347,475)	$ (268,930)	$ 1,155,987	$ 249,535
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES								
DEPRECIATION	1,117,917	1,221,754	1,131,536	2,042,419	937,706	-	6,451,332	508,158
CHANGES IN ASSETS AND LIABILITIES								
ACCOUNTS RECEIVABLE	18,355	(40,433)	(193,226)	(300,240)	20,477	25,374	(469,693)	-
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	3,355	(4,231)	1,656	(24,005)	2,417	2,022	(18,786)	-
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	-	-	(162,681)	-	-	(162,681)	-
PREPAID ITEMS	-	44,027	-	-	-	-	44,027	22,954
INVENTORY	(34,624)	(1,488)	516	400,234	(2,986)	-	361,652	(6,781)
ACCOUNTS PAYABLE	120,730	349,618	(105,220)	696,243	(14,573)	319,315	1,366,113	100,942
WAGES PAYABLE	(1,219)	(290)	(209)	(10,165)	(497)	-	(12,380)	99
COMPENSATED ABSENCES	(7,259)	(1,141)	4,163	(34,038)	2,528	-	(35,747)	24,578
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS	(30,942)	(9,134)	(11,344)	(104,833)	(9,048)	-	(165,301)	(29,969)
CUSTOMER DEPOSITS	-	-	-	(150,295)	-	-	(150,295)	-
	$ 1,002,885	$ 2,735,694	$ 743,830	$ 3,215,489	$ 588,549	$ 77,781	$ 8,364,228	$ 869,516

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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.

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.

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.

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.

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

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.

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 fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on these assets is computed using the straight-line method over their estimated useful lives as follows:

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

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 $166,718 at June 30, 2015. The accounts receivable are reported net of the allowance for doubtful accounts of $423,617 at June 30, 2015.

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.

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.

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.

Subsequent events

Management has evaluated subsequent events through November 30, 2015, the date the financial statements were available to be issued.

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, 2015 the book value of cash on deposit was $2,379,005 and the bank balance was $4,409,401 ($4,110,962 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, 2015 are presented below:

		Investment Maturities (in years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Utah Public Treasurer's Investment Fund	$ 30,847,853	$ 30,847,853	$ -	$ -	$ -
Money Market Funds	188,941	188,941	-	-	-
	$ 31,036,794	$ 31,036,794	$ -	$ -	$ -

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:

		Quality Ratings			
Rated Debt Investments	Fair Value	AAA	AA	A	Unrated
Utah Public Treasurer's Investment Fund	$ 30,847,853	$ -	$ -	$ -	$ 30,847,853
Money Market Funds	188,941	-	188,941	-	-
	$ 31,036,794	$ -	$ 188,941	$ -	$ 30,847,853

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, 2015 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, 2015, the City did not have more than 5 percent of its investments in any single issuer other than the amounts invested with the Utah Public Treasurer's Investment Fund. The Utah Public Treasurer's Investment Fund is not categorized as to concentration of credit risk. Additional information regarding the Utah Public Treasurer's Investment Fund is available at Note C.

NOTE C – EXTERNAL INVESTMENT POOL

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

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized which are high-grade securities and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share 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, 2015) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2015, the City had $30,847,853 invested in the PTIF which had a fair value of $31,000,872 for an unrealized gain of $153,019. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

Investment Type	Investment Percentage
Corporate bonds and notes	88.92%
Certificates of deposit	2.35%
Money market accounts	4.49%
Commercial paper	4.24%
	100.00%

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	$ 595,216	$ -	$ 595,216
Unexpended B & C Road funds	686,958	-	686,958
Funds restricted for landfill post-closure costs	284,165	-	284,165
Unexpended impact fees	6,265,225	1,812,804	8,078,029
	$ 7,831,564	$ 1,812,804	$ 9,644,368

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	$ 24,000	$ 24,877	$ -	$ 48,877
Total nonspendable	24,000	24,877	-	48,877
Restricted:				
Externally imposed by creditors				
Debt reserves	-	-	595,216	595,216
Imposed by law or legislation				
C road funds	686,958	-	-	686,958
Less liabilities payable from C road funds	(206,145)	-	-	(206,145)
Landfill post-closure costs	284,165	-	-	284,165
Impact fees	108,059	-	6,821,801	6,929,860
Less liabilities payable	-	-	-	-
from impact fees	-	-	(682,871)	(682,871)
Less deferred inflows of resources - impact fees	(73,955)	-	(488,278)	(562,233)
Total restricted	799,082	-	6,245,868	7,044,950
Committed:				
Library Fund	496,802	-	-	496,802
Total committed	496,802	-	-	496,802
Assigned:				
Hutchings Museum	191,324	-	-	191,324
Redevelopment	-	1,128,817	-	1,128,817
Capital Projects	-	-	1,407,359	1,407,359
Total assigned	191,324	1,128,817	1,407,359	2,727,500
Unassigned:	6,758,479	-	-	6,758,479
Total fund balance	$ 8,269,687	$ 1,153,694	$ 7,653,227	$ 17,076,608

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 is as follows:

	July 1, 2014	Increases	Decreases	June 30, 2015
Governmental Activities:				
Nondepreciable capital assets:				
Land	$ 90,724,147	$ 7,961,377	$ 205,220	$ 98,480,304
Construction in progress	3,851,232	2,644,789	13,566	6,482,455
Total nondepreciable capital assets	$ 94,575,379	$ 10,606,166	$ 218,786	$ 104,962,759
Depreciable capital assets:				
Buildings	$ 22,937,840	$ 844,132	$ -	$ 23,781,972
Improvements, including infrastructure	184,927,050	7,746,845	-	192,673,895
Machinery, equipment and vehicles	15,710,758	1,818,110	247,334	17,281,534
Office furniture and equipment	1,606,369	25,577	-	1,631,946
Total depreciable capital assets at historical cost	225,182,017	10,434,664	247,334	235,369,347
Less accumulated depreciation:				
Buildings	8,251,712	773,305	-	9,025,017
Improvements, including infrastructure	65,274,290	8,763,922	-	74,038,212
Machinery, equipment and vehicles	10,579,152	1,041,147	246,636	11,373,663
Office furniture and equipment	1,357,853	114,457	-	1,472,310
Total accumulated depreciation	85,463,007	10,692,831	246,636	95,909,202
Depreciable capital assets, net of accumulated depreciation	$ 139,719,010	$ (258,167)	$ 698	$ 139,460,145

Depreciation was charged to functions as follows:

Governmental activities:	
General government	$ 1,436,608
Public safety	607,810
Community development	32,454
Streets and highways, including infrastructure	7,590,773
Parks, recreation and culture	997,247
Cemetery	27,939
	$ 10,692,831

NOTE F – CAPITAL ASSETS – CONTINUED

	July 1, 2014	Increases	Decreases	June 30, 2015
Business-type Activities				
Nondepreciable capital assets:				
Land	$ 2,336,469	$ -	$ -	$ 2,336,469
Construction in progress	4,987,111	11,446,476	1,981,340	14,452,247
Intangibles	42,979,258	1,240,932	-	44,220,190
Total nondepreciable capital assets	$ 50,302,838	$ 12,687,408	$ 1,981,340	$ 61,008,906
Depreciable capital assets:				
Buildings	$ 2,808,699	$ 134,566	$ -	$ 2,943,265
Improvements, including infrastructure	212,922,677	16,042,535	177,752	228,787,460
Machinery, equipment and vehicles	5,053,626	344,258	29,240	5,368,644
Office furniture and equipment	195,611	-	-	195,611
Total depreciable capital assets at historical cost	220,980,613	16,521,359	206,992	237,294,980
Less accumulated depreciation:				
Buildings	1,075,187	93,904	-	1,169,091
Improvements, including infrastructure	55,229,865	6,141,245	177,752	61,193,358
Machinery, equipment and vehicles	4,113,218	211,360	29,240	4,295,338
Office furniture and equipment	175,482	4,823	-	180,305
Total accumulated depreciation	60,593,752	6,451,332	206,992	66,838,092
Depreciable capital assets, net of accumulated depreciation	$ 160,386,861	$ 10,070,027	$ -	$ 170,456,888

Depreciation was charged to functions as follows:

Business-type activities:	
Culinary water	$ 1,117,917
Sewer	1,221,754
Electric	2,042,419
Pressurized irrigation	1,131,536
Drainage	937,706
	$ 6,451,332

NOTE G – CUSTOMER DEPOSITS

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

NOTE H – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2015:

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%	$ 6,560,000
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%	62,013,373
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	19,557,363

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	2,059,292
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	11,920,832
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	16,075,026
Compensated absences	2,120,796
Net pension liability	4,057,193
Landfill closure and postclosure care liability	250,917
Total Governmental activities long-term debt	$ 132,569,792

NOTE H – LONG-TERM DEBT - CONTINUED

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%	$	3,820,000
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%		1,760,000
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		436,808
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%		1,124,858
Compensated absences		812,835
Net pension liability		1,102,184
Total Business-type activities long-term debt	$	9,056,685

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, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Current Amounts Due
Governmental activities					
Bonds and notes payable					
2014 Sales tax revenue and refunding bonds	$ 7,210,000	$ -	$ 650,000	$ 6,560,000	$ 660,000
2004 Subordinated sales tax revenue bonds	7,955,000	-	-	7,955,000	-
Tax increment notes payable to developers	95,772,209	19,557,363	3,703,686	111,625,886	-
Total bonds and notes payable	110,937,209	19,557,363	4,353,686	126,140,886	660,000
Other liabilities:					
Compensated absences	2,161,133	954,358	994,695	2,120,796	702,406
Net pension liability	-	4,057,193	-	4,057,193	
Landfill closure and post-closure care liability	250,917	-	-	250,917	-
	2,412,050	5,011,551	994,695	6,428,906	702,406
Governmental activities long-term debt	$ 113,349,259	$ 24,568,914	$ 5,348,381	$ 132,569,792	$ 1,362,406

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. The debt service for the notes payable to developer is provided by the RDA.

NOTE H - LONG-TERM DEBT - CONTINUED

As of June 30, 2015 annual debt service requirements of governmental activities to maturity are as follows:

	Sales Tax Revenue Bonds	
Year ending June 30,	Principal	Interest
2016	$ 660,000	$ 150,880
2017	680,000	135,700
2018	700,000	120,060
2019	710,000	103,960
2020	725,000	87,630
2021-2024	3,085,000	179,285
	$6,560,000	$ 777,515

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.

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, 2015:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Current Amounts Due
Business-type activities					
Bonds and notes payable					
2014 Electric refunding bonds	$ 4,560,000	$ -	$ 740,000	$ 3,820,000	$ 745,000
2010 Drainage refunding bonds	1,920,000	-	160,000	1,760,000	150,000
Note payable to Provo Reservoir Water Users Company	448,926	-	12,118	436,808	12,618
Note payable to Provo River Water Users Association	1,151,084	-	26,226	1,124,858	27,260
Total bonds and notes payable	8,080,010	-	938,344	7,141,666	934,878
Compensated absences	848,582	365,776	401,523	812,835	230,796
Net pension liability	-	1,102,184	-	1,102,184	-
	848,582	1,467,960	401,523	1,915,019	230,796
Business-type activities long-term debt	$ 8,928,592	$ 1,467,960	$ 1,339,867	$ 9,056,685	$ 1,165,674

As of June 30, 2015, annual debt service requirements of business-type activities to maturity are as follows:

	Electric Refunding Bonds		Drainage Revenue bonds	
Year ending June 30,	Principal	Interest	Principal	Interest
2016	$ 745,000	$ 58,782	$ 150,000	$ 61,776
2017	755,000	52,078	155,000	56,511
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
2021-2025	-	-	960,000	103,370
	$3,820,000	$ 203,520	$ 1,760,000	$ 357,845

NOTE H – LONG-TERM DEBT – CONTINUED

	Note Payable to Provo River Water Users Association		Note Payable to Provo Reservoir Water Users Co.	
Year ending June 30,	Principal	Interest	Principal	Interest
2016	$ 27,260	$ 45,014	$ 12,618	$ 17,470
2017	28,385	43,924	13,115	16,964
2018	29,509	42,789	13,637	16,442
2019	30,679	41,608	14,191	15,896
2020	31,894	40,381	14,750	15,329
2021-2025	242,643	135,837	97,308	66,471
2026-2030	295,184	124,314	122,331	44,826
2031-2035	359,150	60,358	148,859	18,322
2036	80,154	3,226	-	-
	$1,124,858	$ 537,451	$ 436,809	$ 211,720

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.

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 that 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	$ 26,394,995	$ 958,308
Operating expenses (excluding depreciation)	(23,489,726)	(368,077)
Impact fee revenues	3,469,558	416,643
Interest income	49,079	20,014
Net revenues	$ 6,423,906	$ 1,026,888
Aggregate debt service for 2016	$ 803,782	$ 211,776
Ratio of net revenues to aggregate debt service	7.99	4.85
Minimum ratio	1.25	1.25

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, 2015 the following bonds are considered defeased:

	Bond Series	Defeased Balance
Governmental Activities:	2000 Lease Revenue Bonds	$3,770,000

NOTE H – LONG-TERM DEBT – CONTINUED

Pledged Revenues

The City has pledged sales tax revenues in the amount of $15,292,515 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 $8,640,329 and debt service for the sales tax bonds was $1,193,693.

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 $62,013,373. The interest associated with the note is uncertain because of the timing of payments on the note are contingent upon tax increment revenues collected in the area. The proceeds from the note were used to fund redevelopment expenditures. Tax increment has been pledged for debt service payments through the year 2028. Total tax increment collections through 2028 are not estimable. Tax increment revenue available for debt service in the current year was $8,156,367. 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 $2,059,292. 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 $160,350. 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 $11,920,832. 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 $847,849. 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 $16,075,026. 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 $746,333. 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.

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 $19,557,363. 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. No tax increment revenue was generated from this project during the year ended June 30, 2015. 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 $4,023,520 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 $6,423,906 and electric revenue bond debt service payments were $804,702.

The City has pledged drainage revenues in the amount of $2,117,845 to fund debt service payments on the drainage revenue bonds. The bonds were issued to refund the Series 2000 drainage revenue bonds and to fund drainage system improvements within the City. Drainage revenues have been pledged to fund debt service payments through the year 2025. Drainage revenues are expected to produce approximately 400 percent of the debt service requirements over the life of the bonds. In the current year, net drainage revenues were $1,026,888 and drainage revenue bond debt service payments were $227,392.

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.
- The 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);and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employees, retirement systems.

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.

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.*

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 are as follows:

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates
Contributory System			
111 - Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
23 - Other Division A Contributory Tier 1	N/A	12.290%	22.750%
43 - Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 - Other Division A Contributory Tier 2	N/A	N/A	22.550%
Firefighters System			
31 - Division A Tier 1	N/A	15.050%	3.820%
132 - Division B Tier 2	N/A	N/A	10.800%

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

At June 30, 2015, the City reported a net pension asset of $318,402 and a net pension liability of $5,159,379.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory system	0.8252402%	$ -	$ 3,583,385
Public Safety System	1.2531910%	-	1,575,992
Firefighters System	5.2918057%	301,971	-
Tier 2 Public Employees System	0.1454933%	4,409	-
Tier 2 Public Safety and Firefighter System	0.8126725%	12,022	-
Total Net Pension Asset/Liability		$ 318,402	$ 5,159,377

NOTE I - RETIREMENT PLANS - CONTINUED

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended June 30, 2015, the City recognized pension expense of $1,423,902. At June 30, 2015, 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	$ 392	$ 324,677
Changes in assumptions	-	749,535
Net difference between projected and actual earnings on pension plan investments	146,239	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	1,084,780	-
Total	$ 1,231,411	$ 1,074,212

$1,084,780 was reported as deferred outflows of resources related to pensions resulting from contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2014. 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
2015	$ (220,820)
2016	(220,820)
2017	(220,820)
2018	(156,240)
2019	(35,459)
Thereafter	(73,422)

NOTE I - RETIREMENT PLANS - CONTINUED

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

Retired Member Mortality
Class of Member
Educators
Men EDUM (90%)
Women EDUF (100%)
Public Safety and Firefighters
Men RP 2000mWC (100%)
Women EDUF (120%)
Local Government, Public Employees
Men RP 2000mWC (100%)
Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage
EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage
RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 - December 31, 2013.

NOTE I - RETIREMENT PLANS - CONTINUED

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:

	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Asset class			
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	100%		5.23%
Inflation			2.75%
Expected arithmetic nominal return			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 percent. 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.

NOTE I - RETIREMENT PLANS - CONTINUED

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of			
Net pension (asset)/liability	$ 13,658,657	$ 4,840,975	$ (2,423,902)

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

NOTE 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, 2015, was approximately $16,000,000. 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, 2015, contributions totaling $133,943 were made to the plan by employees and $162,238 by the City.

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

NOTE K – COMMITMENTS AND CONTIGENCIES

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

The City is a member of Utah Associated Municipal Power System (UAMPS), a political subdivision of the State of Utah created to secure electric power for the members of UAMPS. As a member, the City has entered into power supply agreements with respect to various projects in which UAMPS participates. The total cost of the power the City will be required to purchase in future years is not determinable, however, at a minimum, in connection with these power supply agreements, the City will be required to fund debt service on the UAMPS bonds which, at June 30, 2015, had an outstanding balance of $166,160,000, of which the City's portion was $23,460,617. During the year ended June 30, 2015, the City purchased power totaling $19,244,741.

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

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

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. This fee is due in the year ending June 30, 2020.

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 2015. 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:

	2015	2014
Claims liability, July 1	$ -	$ -
Claims incurred during the year and changes in estimates	66,000	14,418
Payments on claims during the year		
Payments made by insurance	8,292	14,418
Coinsurance and deductible insurance payments made by the City	-	-
Claims liability, June 30	$ 57,708	$ -

NOTE M - INTERFUND TRANSFERS

The City has transfers to distribute administrative costs expended in the general fund to the enterprise funds. The City has transfers from the Redevelopment Agency to the general fund to reimburse that fund for capital improvements made in prior years. The costs of these capital improvements are reimbursed to the general fund by the Redevelopment Agency pursuant to the Alpine Highway Economic Development Plan. The transfer to the Capital Projects fund from the General fund is to fund projects identified by the Council. These projects will be completed in the coming fiscal year.

A summary of interfund transfers by fund is as follows:

	Transfers in to:			
	General	Capital Projects	Nonmajor Enterprise Fund	Total
Transfers out from:				
General Fund	$ -	$ 2,100,396	$ 245,000	$ 2,345,396
Redevelopment Agency	1,086,644	-	-	1,086,644
Culinary Water Fund	174,500	-	-	174,500
Sewer Fund	150,000	-	-	150,000
Pressurized Irrigation Fund	64,890	-	-	64,890
Electric Fund	265,920	-	-	265,920
Drainage Fund	65,610	-	-	65,610
Nonmajor Enterprise Fund	10,000	-	-	10,000
	$ 1,817,564	$ 2,100,396	$ 245,000	$ 4,162,960

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.

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.

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

For the year ended June 30, 2015 the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for the project area	
Millpond Project Area	$ 364,595
Alpine Highway Project Area	8,156,367
Alpine Highway West Project Area	746,333
Traverse Mountain Project Area	847,849
Thanksgiving Park Project Area	160,350
	$ 10,275,494
Outstanding loans to finance RDA projects	$ 111,625,886
Expenditures:	
Tax increments paid to other taxing agencies	$ 1,365,374
Principal	3,703,681
Interest	3,702,505
Redevelopment costs	19,557,363
Administrative costs	26,360
	$ 28,355,283

NOTE P – 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, 2015, 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, 2014	77%
Cumulative closure and postclosure care liability, as revised during 2012	250,917
Amounts previously recognized	250,917
Amount to be recognized as of June 30, 2014	-
Amount reported as a long-term liability in the governmental activities statement of net position	$ 250,917

NOTE P – LANDFILL CLOSURE AND POSTCLOSURE CARE COST - CONTINUED

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 2015. 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 Q – EXPENDITURES EXCEEDING APPROPRIATIONS

During the year ended June 30, 2015, the City incurred expenditures in excess of appropriations in community development expenditures of the Redevelopment Agency Special Revenue Fund as follows:

	In Excess of Appropriations
Community Development	$ 10,395,597

NOTE R – PRIOR PERIOD ADJUSTMENT

Effective July 1, 2014, the City adopted the requirements of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." As a result, the City made a prior period adjustment for the following amounts in the following activities and funds to record the July 1, 2014 balance of the net pension liability and deferred outflows of resources related to pensions as calculated by the Utah Retirement Systems:

Governmental Activities	$ 4,435,971
Business-Type Activities	1,187,286
Proprietary Funds	
Water	222,245
Sewer	65,606
Pressurized Irrigation	81,478
Electric	752,970
Drainage	64,987
Governmental Activities - Internal Service Funds	215,245

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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, 2015
With a Measurement Date of December 31, 2014
Last Ten Fiscal Years*

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	0.8252402%	1.2531910%	5.2918057%	0.1454933%	0.8126725%
Proportionate share of the net pension liability (asset)	$ 3,583,385	$ 1,575,992	$ (301,971)	$ (4,409)	$ (12,022)
Covered employee payroll	$ 6,956,642	$ 2,112,919	$ 1,523,975	$ 713,760	$ 336,037
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	51.5%	74.6%	-19.8%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.5%	103.5%	103.5%	120.5%

* The ten years of data required for this schedule will be built on a prospective basis beginning with the year ended June 30, 2015.

LEHI CITY CORPORATION
Schedule of Contributions - Utah Retirement Systems
For the Fiscal Year ended June 30, 2015
With a Measurement Date of December 31, 2014
Last Ten Fiscal Years*

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	$ 1,297,047	$ 617,266	$ 47,175	$ 60,027	$ 36,619
Contributions in relation to the contractually required contribution	(1,297,047)	(617,266)	(47,175)	(60,027)	(36,619)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll	$ 6,956,642	$ 2,112,919	$ 1,523,975	$ 713,760	$ 336,037
Contributions as a percentage of covered employee payroll**	18.64%	29.21%	3.10%	8.41%	10.90%

* The ten years of data required for this schedule will be built on a prospective basis beginning with the year ended June 30, 2015.

** Contributions as a percentage of covered-employee payroll may be different than the URS Board certified rate due to rounding or other administrative issues.

Other information that is not required as part of RSI

This information below is not required as part of GASB 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 - December 31, 2014.

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan	$ 20,488	$ 71,936
457 Plan	9,696	-
Roth IRA Plan	9,500	-
Traditional IRA Plan	-	-
HRA Plan	-	-

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

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, 2015

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
TAXES				
PROPERTY TAXES	$ 6,980,000	$ 6,980,000	$ 7,405,215	$ 425,215
GENERAL SALES TAX	6,930,877	7,002,572	8,210,829	1,208,257
911 TAX	-	325,000	338,196	13,196
FRANCHISE TAX	3,960,000	3,960,000	4,162,674	202,674
TOTAL	17,870,877	18,267,572	20,116,914	1,849,342
LICENSES, FEES AND PERMITS				
BUSINESS LICENSES	80,000	80,000	101,245	21,245
BUILDING PERMITS	1,670,000	2,170,000	2,197,612	27,612
TOTAL	1,750,000	2,250,000	2,298,857	48,857
INTERGOVERNMENTAL REVENUE				
CLASS "C" ROAD FUNDS	1,307,500	1,307,500	1,592,893	285,393
FIRE DEPARTMENT GRANT	-	-	155,718	155,718
POLICE SALARY REIMBURSEMENT	34,000	34,000	-	(34,000)
STATE LIQUOR FUNDS ALLOTMENT	44,000	44,000	48,067	4,067
COUNTY FIRE ALLOCATION	15,000	15,000	9,868	(5,132)
STATE GRANT	75,000	75,000	38,353	(36,647)
OTHER GRANTS	35,500	35,500	34,405	(1,095)
TOTAL	1,511,000	1,511,000	1,879,304	368,304
CHARGES FOR SERVICE				
PLANNING/INSPECTION FEES	1,405,000	1,405,000	1,697,425	292,425
AMBULANCE FEES	490,665	490,665	613,827	123,162
FIRE FEES	60,000	60,000	29,525	(30,475)
CEMETERY FEES	137,800	137,800	235,200	97,400
RECREATION FEES	3,050,143	3,170,143	3,386,956	216,813
LIBRARY FEES	103,000	103,000	91,910	(11,090)
OTHER SERVICE REVENUE	41,000	41,000	26,854	(14,146)
TOTAL	5,287,608	5,407,608	6,081,697	674,089
FINES AND FORFEITURES				
COURTS FINES AND FORFEITURES	707,500	707,500	554,622	(152,878)
MISCELLANEOUS	257,200	286,950	433,344	146,394
INTEREST ON INVESTMENTS	64,500	64,500	15,923	(48,577)
TOTAL REVENUES	27,448,685	28,495,130	31,380,661	2,885,531
EXPENDITURES				
GENERAL GOVERNMENT				
COURT				
PERSONNEL	468,362	468,362	441,559	26,803
OPERATIONS AND MAINTENANCE	132,900	132,900	167,138	(34,238)
CAPITAL	7,500	7,500	-	7,500
TOTAL	608,762	608,762	608,697	65
ADMINISTRATIVE				
PERSONNEL	701,775	701,775	729,519	(27,744)
OPERATIONS AND MAINTENANCE	109,000	109,000	81,176	27,824
TOTAL	810,775	810,775	810,695	80
TREASURY				
PERSONNEL	371,991	371,991	344,563	27,428
OPERATIONS AND MAINTENANCE	37,700	37,700	34,473	3,227
TOTAL	409,691	409,691	379,036	30,655

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2015

	BUDGETED AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FINANCE				
PERSONNEL	395,960	395,960	400,805	(4,845)
OPERATIONS AND MAINTENANCE	85,746	85,746	75,607	10,139
TOTAL	481,706	481,706	476,412	5,294
HUMAN RESOURCES				
PERSONNEL	130,261	130,261	130,341	(80)
OPERATIONS AND MAINTENANCE	32,200	32,200	14,051	18,149
TOTAL	162,461	162,461	144,392	18,069
CITY RECORDER				
PERSONNEL	102,753	102,753	103,063	(310)
OPERATIONS AND MAINTENANCE	43,050	43,050	17,232	25,818
TOTAL	145,803	145,803	120,295	25,508
LEGAL SERVICES				
PERSONNEL	436,490	436,490	407,012	29,478
OPERATIONS AND MAINTENANCE	97,000	97,000	83,987	13,013
TOTAL	533,490	533,490	490,999	42,491
LEGISLATIVE				
PERSONNEL	190,956	190,956	183,444	7,512
OPERATIONS AND MAINTENANCE	81,000	81,000	59,304	21,696
TOTAL	271,956	271,956	242,748	29,208
NONDEPARTMENTAL				
OPERATIONS AND MAINTENANCE	1,476,543	3,106,543	3,235,133	(128,590)
CAPITAL	275,000	329,000	320,671	8,329
TOTAL	1,751,543	3,435,543	3,555,804	(120,261)
EMERGENCY MANAGEMENT				
OPERATIONS AND MAINTENANCE	15,000	15,000	14,663	337
CAPITAL	8,255	8,255	8,518	(263)
TOTAL	23,255	23,255	23,181	74
FACILITIES MAINTENANCE				
PERSONNEL	240,000	390,000	409,128	(19,128)
OPERATIONS AND MAINTENANCE	178,900	178,900	157,172	21,728
CAPITAL	11,000	36,000	13,548	22,452
TOTAL	429,900	604,900	579,848	25,052
TOTAL GENERAL GOVERNMENT	5,629,342	7,488,342	7,432,107	56,235
PUBLIC SAFETY				
POLICE				
PERSONNEL	4,820,255	4,820,255	4,759,844	60,411
OPERATIONS AND MAINTENANCE	813,728	813,728	781,914	31,814
CAPITAL	71,770	71,770	45,428	26,342
TOTAL	5,705,753	5,705,753	5,587,186	118,567
CODE ENFORCEMENT				
PERSONNEL	95,269	95,269	100,452	(5,183)
OPERATIONS AND MAINTENANCE	22,294	22,294	17,000	5,294
TOTAL	117,563	117,563	117,452	111
FIRE				
PERSONNEL	3,518,096	3,518,096	3,304,157	213,939
OPERATIONS AND MAINTENANCE	505,243	505,243	583,127	(77,884)
CAPITAL	-	-	1,263	(1,263)
TOTAL	4,023,339	4,023,339	3,888,547	134,792
ANIMAL CONTROL				
PERSONNEL	84,488	84,488	81,255	3,233
OPERATIONS AND MAINTENANCE	68,100	68,100	71,296	(3,196)
TOTAL	152,588	152,588	152,551	37
TOTAL PUBLIC SAFETY	9,999,243	9,999,243	9,745,736	253,507

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2015

	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
COMMUNITY DEVELOPMENT				
PUBLIC WORKS ADMINISTRATION				
PERSONNEL	144,498	144,498	144,944	(446)
OPERATIONS AND MAINTENANCE	20,100	30,100	27,328	2,772
CAPITAL	-	-	-	-
TOTAL	164,598	174,598	172,272	2,326
ENGINEERING				
PERSONNEL	511,596	511,596	504,761	6,835
OPERATIONS AND MAINTENANCE	42,800	42,800	53,484	(10,684)
CAPITAL	3,850	3,850	-	3,850
TOTAL	558,246	558,246	558,245	1
PLANNING AND ZONING				
PERSONNEL	593,437	593,437	572,104	21,333
OPERATIONS AND MAINTENANCE	82,800	82,800	61,045	21,755
CAPITAL	7,500	7,500	-	7,500
TOTAL	683,737	683,737	633,149	50,588
INSPECTIONS				
PERSONNEL	605,614	605,614	582,716	22,898
OPERATIONS AND MAINTENANCE	82,610	82,610	80,292	2,318
CAPITAL	-	-	-	-
TOTAL	688,224	688,224	663,008	25,216
ECONOMIC DEVELOPMENT				
PERSONNEL	129,661	129,661	130,543	(882)
OPERATIONS AND MAINTENANCE	41,985	41,985	14,343	27,642
CAPITAL	-	-	-	-
TOTAL	171,646	171,646	144,886	26,760
TOTAL COMMUNITY DEVELOPMENT	2,266,451	2,276,451	2,171,560	104,891
STREETS AND HIGHWAYS				
STREETS AND PUBLIC IMPROVEMENTS				
PERSONNEL	948,884	948,884	976,136	(27,252)
OPERATIONS AND MAINTENANCE	125,556	175,556	129,194	46,362
CAPITAL	-	-	-	-
TOTAL	1,074,440	1,124,440	1,105,330	19,110
C ROAD				
OPERATIONS AND MAINTENANCE	187,900	287,900	222,497	65,403
CAPITAL	1,335,312	1,435,312	1,463,130	(27,818)
TOTAL	1,523,212	1,723,212	1,685,627	37,585
TOTAL STREETS AND HIGHWAYS	2,597,652	2,847,652	2,790,957	56,695
PARKS, RECREATION AND CULTURE				
PARKS				
PERSONNEL	1,304,798	1,304,798	1,208,797	96,001
OPERATIONS AND MAINTENANCE	284,880	284,880	372,820	(87,940)
CAPITAL	8,000	8,000	5,445	2,555
TOTAL	1,597,678	1,597,678	1,587,062	10,616
COMMUNITY ARTS AND EVENTS				
OPERATIONS AND MAINTENANCE	498,703	311,800	311,247	553
TOTAL	498,703	311,800	311,247	553
SENIOR CITIZENS				
PERSONNEL	120,760	120,760	107,278	13,482
OPERATIONS AND MAINTENANCE	45,150	45,150	24,722	20,428
CAPITAL	8,500	8,500	-	8,500
TOTAL	174,410	174,410	132,000	42,410
RECREATION				
PERSONNEL	2,177,624	2,177,624	2,221,233	(43,609)
OPERATIONS AND MAINTENANCE	1,614,317	1,734,317	1,511,629	222,688
CAPITAL	165,500	165,500	308,338	(142,838)
TOTAL	3,957,441	4,077,441	4,041,200	36,241

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
MUSEUM				
PERSONNEL	-	174,298	164,484	9,814
OPERATIONS AND MAINTENANCE	-	89,050	70,308	18,742
CAPITAL	-	25,000	26,109	(1,109)
TOTAL	-	288,348	260,901	27,447
LITERACY CENTER				
PERSONNEL	261,763	261,763	218,422	43,341
OPERATIONS AND MAINTENANCE	10,250	10,250	16,817	(6,567)
CAPITAL	-	-	-	-
TOTAL	272,013	272,013	235,239	36,774
LIBRARY				
PERSONNEL	791,202	791,202	761,528	29,674
OPERATIONS AND MAINTENANCE	348,330	348,330	317,059	31,271
CAPITAL	13,000	13,000	9,900	3,100
TOTAL	1,152,532	1,152,532	1,088,487	64,045
TOTAL PARKS, RECREATION AND CULTURE	7,652,777	7,874,222	7,656,136	218,086
CEMETERY				
PERSONNEL	266,747	266,747	277,077	(10,330)
OPERATIONS AND MAINTENANCE	67,557	87,557	73,924	13,633
CAPITAL	8,000	8,000	7,144	856
TOTAL	342,304	362,304	358,145	4,159
DEBT SERVICE				
PRINCIPAL	650,002	650,002	650,000	2
INTEREST	165,830	165,830	165,830	-
TOTAL	815,832	815,832	815,830	2
TOTAL EXPENDITURES	29,303,601	31,664,046	30,970,471	693,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,854,916)	(3,168,916)	410,190	3,579,106
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,835,000	1,835,000	1,817,564	(17,436)
TRANSFERS OUT	(2,100,400)	(2,345,400)	(2,345,396)	4
SALE OF CAPITAL ASSETS	5,000	5,000	26,676	21,676
TOTAL OTHER FINANCING SOURCES	(260,400)	(505,400)	(501,156)	4,244
NET CHANGE IN FUND BALANCE	(2,115,316)	(3,674,316)	(90,966)	3,583,350
FUND BALANCE AT BEGINNING OF YEAR	8,360,653	8,360,653	8,360,653	-
FUND BALANCE AT END OF YEAR	$ 6,245,337	$ 4,686,337	$ 8,269,687	$ 3,583,350

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
JUNE 30, 2015

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE
	ORIGINAL	FINAL	ACTUAL	(NEGATIVE)
REVENUES				
IMPACT FEE REVENUE	$ 4,550,000	$ 4,775,000	$ 5,073,815	$ 298,815
SALES TAX REVENUE	429,500	429,500	429,500	-
INTERGOVERMENTAL REVENUES	-	-	177,075	177,075
INTEREST ON INVESTMENTS	32,000	32,000	51,111	19,111
TOTAL REVENUES	5,011,500	5,236,500	5,731,501	495,001
EXPENDITURES				
CURRENT				
OTHER	2,500	2,500	12,476	(9,976)
CAPITAL OUTLAY	7,931,676	15,859,026	10,087,085	5,771,941
DEBT SERVICE				
PRINCIPAL	-	-	-	-
INTEREST AND FISCAL CHARGES	386,448	386,448	377,863	8,585
TOTAL EXPENDITURES	8,320,624	16,247,974	10,477,424	5,770,550
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(3,309,124)	(11,011,474)	(4,745,923)	6,265,551
OTHER FINANCING SOURCES				
TRANSFERS IN	2,100,400	2,125,400	2,100,396	(25,004)
SALE OF ASSETS	-	175,000	163,704	338,704
TOTAL OTHER FINANCING SOURCES	2,100,400	2,300,400	2,264,100	313,700
NET CHANGE IN FUND BALANCE	(1,208,724)	(8,711,074)	(2,481,823)	6,579,251
FUND BALANCE AT BEGINNING OF YEAR	10,135,050	10,135,050	10,135,050	-
FUND BALANCE AT END OF YEAR	$ 8,926,326	$ 1,423,976	$ 7,653,227	$ 6,579,251

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, 2015

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	$ 535,309	$ 545,367	$ 614,158	$ 174,770	$ 1,869,604
ACCOUNTS RECEIVABLE	-	-	739	-	739
INVENTORY	-	52,890	-	-	52,890
TOTAL CURRENT ASSETS	535,309	598,257	614,897	174,770	1,923,233
NON-CURRENT ASSETS					
DEPRECIABLE CAPITAL ASSETS, NET	191,662	1,993,352	-	37,958	2,222,972
TOTAL NON-CURRENT ASSETS	191,662	1,993,352	-	37,958	2,222,972
TOTAL ASSETS	$ 726,971	$ 2,591,609	$ 614,897	$ 212,728	$ 4,146,205
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	$ 18,857	$ 9,906	$ 7,233	$ 10,050	$ 46,046
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	$ 78,099	$ 194,892	$ 12,578	$ 17,254	$ 302,823
WAGES PAYABLE	4,563	2,363	1,711	2,446	11,083
CURRENT PORTION COMPENSATED ABSENCES	13,956	10,199	5,935	11,748	41,838
TOTAL CURRENT LIABILITIES	96,618	207,454	20,224	31,448	355,744
NON-CURRENT LIABILITIES					
COMPENSATED ABSENCES	13,981	13,801	18,164	3,308	49,254
NET PENSION LIABILITY	81,829	42,986	31,388	43,612	199,815
TOTAL NON-CURRENT LIABILITIES	95,810	56,787	49,552	46,920	249,069
TOTAL LIABILITIES	$ 192,428	$ 264,241	$ 69,776	$ 78,368	$ 604,813
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	$ 12,903	$ 6,778	$ 4,949	$ 6,877	$ 31,507
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	191,662	1,993,352	-	37,958	2,222,972
UNRESTRICTED	348,835	337,144	547,405	99,575	1,332,959
TOTAL NET POSITION	$ 540,497	$ 2,330,496	$ 547,405	$ 137,533	$ 3,555,931

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2015

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
OPERATING REVENUES					
CHARGES FOR SERVICES - INTERNAL	$ 667,499	$ 1,959,240	$ 548,493	$ 605,440	$ 3,780,672
TOTAL OPERATING REVENUES	667,499	1,959,240	548,493	605,440	3,780,672
OPERATING EXPENSES					
PERSONNEL	282,819	166,126	109,993	119,497	678,435
OPERATING AND MAINTENANCE	337,506	998,107	672,068	336,863	2,344,544
DEPRECIATION	40,016	455,809	-	12,333	508,158
TOTAL OPERATING EXPENSES	660,341	1,620,042	782,061	468,693	3,531,137
OPERATING INCOME (LOSS)	7,158	339,198	(233,568)	136,747	249,535
NON-OPERATING REVENUES (EXPENSES)					
INTEREST INCOME	3,384	2,104	84,802	-	90,290
TOTAL NON-OPERATING REVENUES (EXPENSES)	3,384	2,104	84,802	-	90,290
CHANGE IN NET POSTION	10,542	341,302	(148,766)	136,747	339,825
NET POSITION AT BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	618,103	2,035,499	729,983	47,766	3,431,351
PRIOR PERIOD ADJUSTMENT	(88,148)	(46,305)	(33,812)	(46,980)	(215,245)
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	529,955	1,989,194	696,171	786	3,216,106
NET POSTION AT END OF YEAR	$ 540,497	$ 2,330,496	$ 547,405	$ 137,533	$ 3,555,931

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2015

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	$ 667,499	$ 1,959,240	$ 547,754	$ 605,440	$ 3,779,933
CASH PAID TO SUPPLIERS	(241,011)	(936,004)	(114,646)	(356,927)	(1,648,588)
CASH PAID TO EMPLOYEES	(289,473)	(169,083)	(692,748)	(110,525)	(1,261,829)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	137,015	854,153	(259,640)	137,988	869,516
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
MISCELLANEOUS RECEIPTS	-	-	-	-	-
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	-	-	-
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(35,914)	(568,110)	-	-	(604,024)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(35,914)	(568,110)	-	-	(604,024)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST INCOME COLLECTED	3,384	2,104	84,802	-	90,290
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,384	2,104	84,802	-	90,290
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	104,485	288,147	(174,838)	137,988	355,782
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	430,824	257,220	788,996	36,782	1,513,822
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 535,309	$ 545,367	$ 614,158	$ 174,770	$ 1,869,604
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:					
UNRESTRICTED CASH	$ 535,309	$ 545,367	$ 614,158	$ 174,770	$ 1,869,604
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	$ 7,158	$ 339,198	$ (233,568)	$ 136,747	$ 249,535
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
DEPRECIATION	40,016	455,809	-	12,333	508,158
CHANGES IN ASSETS AND LIABILITIES					
ACCOUNTS RECEIVABLE	-	-	-	-	-
INVENTORY	-	(6,042)	(739)	-	(6,781)
PREPAID EXPENSES	22,954	-	-	-	22,954
ACCOUNTS PAYABLE	73,541	68,145	(20,680)	(20,064)	100,942
WAGES PAYABLE	(591)	402	(169)	457	99
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS	(12,273)	(6,447)	(4,708)	(6,541)	(29,969)
COMPENSATED ABSENCES	6,210	3,088	224	15,056	24,578
	$ 137,015	$ 854,153	$ (259,640)	$ 137,988	$ 869,516

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LEHI CITY

PIONEERING UTAH'S FUTURE

LEHI CITY CORPORATION
STATISTICAL SECTION
TABLE OF CONTENTS

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

	Page
FINANCIAL TRENDS These schedules provide trend information to help the reader understand how the City's financial performance and economic conditions have changed over time.	98 - 106
REVENUE CAPACITY These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues.	107 - 110
DEBT CAPACITY These schedules provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	111 - 119
DEMOGRAPHIC AND ECONOMIC INFORMATION These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	120 - 121
OPERATING INFORMATION These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.	122 - 124

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				
	2011	2012	2013	2014	2015
Governmental activities					
Net investment in capital assets	$ 211,722,660	$ 215,235,149	$ 214,537,806	$ 219,129,389	$ 229,907,904
Restricted	9,514,316	6,905,380	6,470,224	8,560,047	6,565,677
Unrestricted	(71,391,471)	(66,936,366)	(73,872,812)	(88,715,100)	(108,048,049)
Total governmental activities net position	149,845,505	155,204,163	147,135,218	138,974,336	128,425,532
Business-type activities					
Net investment in capital assets	171,920,314	176,523,733	184,918,965	202,621,488	224,324,128
Restricted	5,166,369	5,681,780	8,545,937	9,063,049	4,293,339
Unrestricted	49,034	5,025,384	13,515,909	16,429,759	19,502,118
Total business-type activities net position	177,135,717	187,230,897	206,980,811	228,114,296	248,119,585
Primary government					
Net investment in capital assets	383,642,974	391,758,882	399,456,771	421,750,877	454,232,032
Restricted	14,680,685	12,587,160	15,016,161	17,623,096	10,859,016
Unrestricted	(71,342,437)	(61,910,982)	(60,356,903)	(72,285,341)	(88,545,931)
Total primary government net position	$ 326,981,222	$ 342,435,060	$ 354,116,029	$ 367,088,632	$ 376,545,117

	2006	2007	2008	2009	2010
Governmental activities					
Net investment in capital assets	$ 95,663,909	$ 118,676,685	$ 199,579,556	$ 213,579,310	$ 211,805,645
Restricted	5,069,239	3,168,606	1,412,125	2,488,688	3,500,816
Unrestricted	14,183,830	5,528,236	(71,602,248)	(74,678,852)	(72,015,133)
Total governmental activities net position	114,916,978	127,373,527	129,389,433	141,389,146	143,291,328
Business-type activities					
Net investment in capital assets	111,727,736	138,778,193	131,058,326	137,407,148	172,095,833
Restricted	3,964,822	7,081,023	7,606,529	5,622,428	5,638,545
Unrestricted	4,861,520	5,232,772	(764,656)	(1,728,272)	(2,125,977)
Total business-type activities net position	120,554,078	151,091,988	137,900,199	141,301,304	175,608,401
Primary government					
Net investment in capital assets	207,391,645	257,454,878	330,637,882	350,986,458	383,901,478
Restricted	9,034,061	10,249,629	9,018,654	8,111,116	9,139,361
Unrestricted	19,045,350	10,761,008	(72,366,904)	(76,407,124)	(74,141,110)
Total primary government net position	$ 235,471,056	$ 278,465,515	$ 267,289,632	$ 282,690,450	$ 318,899,729

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				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities					
General government	$ 5,307,139	$ 5,664,766	$ 5,602,138	$ 6,608,885	$ 7,536,526
Public Safety	8,781,592	8,759,020	9,487,082	10,046,876	10,178,031
Community Development	4,264,439	3,826,912	17,364,548	21,231,389	23,302,007
Streets and Highways	10,227,496	11,731,075	8,753,776	9,496,924	9,660,807
Parks, recreation, and culture	6,369,274	6,740,823	7,585,566	8,023,291	8,503,024
Cemetery	269,700	261,054	315,796	362,172	386,084
Interest on long-term debt	4,545,032	4,457,480	4,498,839	4,520,957	4,437,878
Total governmental activities	39,764,672	41,441,130	53,607,745	60,290,494	64,004,357
Business-type activities					
Culinary Water	2,544,131	2,562,929	2,848,555	3,409,071	3,935,066
Sewer	6,102,340	6,372,255	6,218,600	6,248,401	7,415,879
Pressurized Irrigation	2,676,304	2,277,980	2,604,120	2,747,577	2,811,392
Electric	20,787,596	19,951,247	23,776,549	24,328,858	25,550,168
Drainage	1,225,380	1,161,325	1,299,785	1,301,784	1,377,942
Garbage	1,816,865	2,120,558	2,243,542	2,427,119	2,354,165
Total business-type activities	35,152,616	34,446,294	38,991,151	40,462,810	43,444,612
Total primary government expenses	$ 74,917,288	$ 75,887,424	$ 92,598,896	$ 100,753,304	$ 107,448,969
Program Revenues					
Governmental activities					
Charges for services					
General government	$ 1,021,657	$ 901,786	$ 852,069	$ 1,280,770	$ 922,395
Public Safety	505,979	491,458	639,389	735,826	713,288
Community Development	1,487,215	2,331,513	3,697,018	3,380,948	3,996,282
Parks, recreation, and culture	2,949,442	3,103,973	3,261,742	3,442,123	3,538,275
Cemetery	161,502	147,453	170,515	200,865	235,200
Operating grants and contributions	2,153,477	3,443,139	1,990,385	1,652,937	1,879,304
Capital grants and contributions	12,581,519	7,656,824	2,693,363	6,669,536	10,177,225
Total governmental activities	20,860,791	18,076,146	13,304,481	17,363,005	21,461,969
Business-type activities					
Charges for services					
Culinary Water	2,634,733	2,843,567	3,353,732	3,387,526	3,606,036
Sewer	4,886,485	6,292,827	7,329,883	7,518,893	8,561,592
Pressurized Irrigation	2,200,146	2,296,606	2,160,964	2,236,370	2,678,561
Electric	19,856,320	21,222,943	23,493,768	24,730,251	26,168,996
Drainage	1,070,910	1,107,979	1,023,980	1,072,401	958,281
Garbage	2,193,629	2,291,890	2,155,728	2,025,666	2,075,810
Capital grants and contributions	4,245,278	5,631,871	9,991,274	13,031,629	13,302,030
Total business-type activities	37,087,501	41,687,683	49,509,329	54,002,736	57,351,306
Total primary government program revenues	$ 57,948,292	$ 59,763,829	$ 62,813,810	$ 71,365,741	$ 78,813,275

CONTINUED

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Net (Expense)/Revenue					
Governmental activities	$ (18,903,881)	$ (23,364,984)	$ (40,303,264)	$ (42,927,489)	$ (42,542,388)
Business-type activities	1,934,885	7,241,389	10,518,178	13,539,926	13,906,694
Total primary government net (expense)/revenue	$ (16,968,996)	$ (16,123,595)	$ (29,785,086)	$ (29,387,563)	$ (28,635,694)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	$ 15,216,011	$ 14,967,910	$ 14,564,416	$ 16,373,300	$ 17,134,391
Sales taxes	5,985,133	6,818,129	7,361,030	7,904,519	9,060,843
Franchise taxes	3,418,306	3,374,229	3,733,118	4,285,907	4,626,674
Impact fees	-	2,719,390	4,727,508	4,899,084	4,980,287
Earnings on investments	74,775	95,889	108,596	98,028	81,658
Gain (Loss) on disposal of assets	28,511	-	57,750	23,300	(15,532)
Other	4,402	17,175	47,656	18,862	75,314
Transfers	730,920	730,920	730,920	730,920	485,920
Total governmental activities	25,458,058	28,723,642	31,330,994	34,333,920	36,429,555
Business-type activities					
Earnings on investments	48,967	159,686	99,922	106,836	114,557
Impact fees	-	3,127,551	4,273,216	7,617,749	7,239,384
Gain (Loss) on disposal of assets	-	33,221	1,800	68,690	6,164
Other	274,384	264,253	286,009	531,204	411,696
Transfers	(730,920)	(730,920)	(730,920)	(730,920)	(485,920)
Total business-type activities	(407,569)	2,853,791	3,930,027	7,593,559	7,285,881
Total primary government	$ 25,050,489	$ 31,577,433	$ 35,261,021	$ 41,927,479	$ 43,715,436
Change in Net Position					
Governmental activities	$ 6,554,177	$ 5,358,658	$ (8,972,270)	$ (8,593,569)	$ (6,112,833)
Business-type activities	1,527,316	10,095,180	14,448,205	21,133,485	21,192,575
Total primary government	$ 8,081,493	$ 15,453,838	$ 5,475,935	$ 12,539,916	$ 15,079,742

CONTINUED

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

	Fiscal Year				
Expenses	2006	2007	2008	2009	2010
Governmental activities					
General government	$ 3,061,330	$ 3,278,956	$ 3,628,674	$ 4,790,376	$ 4,429,526
Public Safety	5,591,343	6,602,301	7,519,925	6,917,410	8,294,302
Community Development	2,430,340	4,117,333	23,047,285	7,845,367	3,915,440
Streets and Highways	4,832,769	4,927,772	5,810,559	6,833,204	7,533,656
Parks, recreation, and culture	5,224,571	6,017,809	6,392,168	6,154,035	6,181,189
Cemetery	350,002	409,954	448,945	179,180	343,280
Interest on long-term debt	2,573,686	3,407,163	4,365,331	4,818,132	4,677,116
Total governmental activities	24,064,041	28,761,288	51,212,887	37,537,704	35,374,509
Business-type activities					
Culinary Water	1,883,564	2,182,072	2,656,616	2,738,379	2,502,822
Sewer	2,885,779	3,377,096	3,763,563	4,427,260	4,867,521
Pressurized Irrigation	1,396,885	1,926,428	1,827,990	1,867,549	1,882,960
Electric	16,087,303	16,223,414	18,944,544	20,728,252	20,554,351
Drainage	440,973	508,081	607,976	906,252	1,006,380
Garbage	1,386,508	1,661,564	1,673,466	1,934,512	2,021,030
Total business-type activities	24,081,012	25,878,655	29,474,155	32,602,204	32,835,064
Total primary government expenses	$ 48,145,053	$ 54,639,943	$ 80,687,042	$ 70,139,908	$ 68,209,573
Program Revenues					
Governmental activities					
Charges for services					
General government	$ 1,671,982	$ 1,594,333	$ 1,695,954	$ 1,704,170	$ 1,145,665
Public Safety	389,767	389,865	428,763	492,808	591,731
Community Development	4,738,740	5,355,658	2,887,683	1,023,732	1,363,643
Streets and Highways	314,829	-	-	-	-
Parks, recreation, and culture	2,496,624	2,862,975	2,605,373	2,874,871	2,987,914
Cemetery	113,897	130,334	271,967	136,252	70,780
Operating grants and contributions	652,893	829,731	1,229,542	823,303	1,545,098
Capital grants and contributions	23,997,070	34,359,144	27,104,451	13,239,384	5,596,760
Total governmental activities	34,375,802	45,522,040	36,223,733	20,294,520	13,301,591
Business-type activities					
Charges for services					
Culinary Water	1,986,927	2,110,706	2,346,398	1,984,451	2,597,686
Sewer	2,071,764	2,806,305	3,696,025	3,682,833	3,959,930
Pressurized Irrigation	1,325,319	1,497,451	1,606,059	1,630,416	1,850,135
Electric	16,880,143	15,926,346	18,198,914	19,110,795	18,975,668
Drainage	426,361	492,993	540,080	866,809	933,646
Garbage	1,405,976	1,595,038	1,833,795	2,011,309	2,125,792
Capital grants and contributions	26,673,151	22,743,591	14,121,431	8,470,064	5,034,797
Total business-type activities	50,769,641	47,172,430	42,342,702	37,756,677	35,477,654
Total primary government revenues	$ 85,145,443	$ 92,694,470	$ 78,566,435	$ 58,051,197	$ 48,779,245

CONTINUED

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Net (Expense)/Revenue					
Governmental activities	$ 10,311,761	$ 16,760,752	$ (14,989,154)	$ (17,243,184)	$ (22,072,918)
Business-type activities	9,527,791	21,293,775	12,868,547	5,154,473	2,642,590
Total primary government net (expense)/revenue	$ 19,839,552	$ 38,054,527	$ (2,120,607)	$ (12,088,711)	$ (19,430,328)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	$ 7,581,983	$ 6,855,279	$ 7,008,797	$ 18,072,425	$ 14,221,477
Sales taxes	2,462,970	4,897,855	5,670,821	5,727,822	5,741,667
Franchise taxes	2,186,651	2,543,247	3,059,267	3,191,822	3,127,311
Earnings on investments	698,566	1,283,194	503,871	177,236	98,348
Gain (Loss) on disposal of assets	-	-	-	(159,412)	55,297
Other	41,239	46,022	31,304	-	-
Transfers	1,165,905	(12,624,095)	731,000	2,231,004	731,000
Total governmental activities	14,137,314	3,001,502	17,005,060	29,240,897	23,975,100
Business-type activities					
Earnings on investments	328,593	362,946	505,827	280,778	49,956
Gain on disposal of assets	-	(19,663)	-	-	(115,728)
Other	928,944	576,438	274,922	196,858	169,979
Transfers	(1,165,905)	12,624,095	(731,000)	(2,231,004)	(731,000)
Total business-type activities	91,632	13,543,816	49,749	(1,753,368)	(626,793)
Total primary government	$ 14,228,946	$ 16,545,318	$ 17,054,809	$ 27,487,529	$ 23,348,307
Change in Net Position					
Governmental activities	$ 24,449,075	$ 19,762,254	$ 2,015,906	$ 11,999,713	1,902,182
Business-type activities	9,619,423	34,837,591	12,918,296	3,401,105	2,015,797
Total primary government	$ 34,068,498	$ 54,599,845	$ 14,934,202	$ 15,400,818	$ 3,917,979

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

	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	$ 2,637	$ -	$ 25,858	$ 29,902	$ 24,000
Restricted	1,079,347	1,160,885	652,048	1,028,085	799,082
Committed	355,345	398,166	448,237	466,584	496,802
Assigned	181,923	183,210	184,415	190,349	191,324
Unassigned	1,590,564	3,410,473	6,439,616	6,645,733	6,758,479
Total general fund	3,209,816	5,152,734	7,750,174	8,360,653	8,269,687
All Other Governmental Funds					
Nonspendable	-	-	-	-	24,877
Restricted	8,566,451	6,121,394	6,195,047	8,274,991	6,245,868
Assigned	(1,008,431)	37,941	2,690,851	2,617,559	2,536,176
Total all other governmental funds	7,558,020	6,159,335	8,885,898	10,892,550	8,806,921
Total governmental funds	$ 10,767,836	$ 11,312,069	$ 16,636,072	$ 19,253,203	$ 17,076,608

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Nonspendable	$ -	$ -	$ -	$ 34,398	$ -
Restricted	4,626,796	3,026,635	2,087,820	1,963,731	2,226,954
Committed	-	144,549	199,396	319,499	321,627
Assigned	-	89,938	103,574	179,765	180,961
Unassigned	4,515,495	3,710,734	3,031,997	526,590	913,681
Total general fund	9,142,291	6,971,856	5,422,787	3,023,983	3,643,223
All Other Governmental Funds					
Restricted	812,311	141,971	108,055	1,055,460	1,509,304
Assigned	1,990,050	2,095,679	2,680,563	297,990	481,634
Total all other governmental funds	2,802,361	2,237,650	2,788,618	1,353,450	1,990,938
Total governmental funds	$ 11,944,652	$ 9,209,506	$ 8,211,405	$ 4,377,433	$ 5,634,161

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				
	2011	2012	2013	2014	2015
Revenues					
Taxes	$ 24,619,450	$ 25,160,268	$ 25,658,564	$ 28,563,726	$ 30,821,908
Licenses, fees and permits	3,070,742	4,187,195	6,695,905	6,444,720	7,372,672
Intergovernmental	10,694,110	7,031,764	2,015,152	1,671,598	2,056,379
Charges for services	4,209,859	4,554,976	5,668,980	5,762,720	6,081,697
Fines and forfeitures	835,010	651,848	593,424	547,825	554,622
Miscellaneous	335,460	365,682	357,656	806,898	433,344
Interest on investments	67,281	83,006	96,393	88,992	72,298
Total revenues	43,831,912	42,034,739	41,086,074	43,886,479	47,392,920
Expenditures					
General government	4,928,570	4,926,429	4,756,942	5,512,993	7,432,107
Public Safety	8,453,897	8,430,152	9,108,300	9,830,309	9,745,736
Community development	4,388,643	3,775,472	17,383,350	21,215,648	23,120,657
Streets and highways	1,770,865	1,873,444	2,094,633	2,462,221	2,790,957
Parks recreation and culture	6,058,330	6,927,077	6,805,808	8,295,691	7,656,136
Cemetery	223,569	244,481	291,914	334,730	358,145
Other	798,307	312,483	13,780	77,920	12,476
Capital outlay	5,362,725	8,858,638	3,569,430	4,245,051	10,087,085
Debt Service					
Principal	3,848,822	3,508,069	3,136,951	10,722,440	4,353,681
Interest and fiscal charges	4,603,039	4,032,356	4,405,021	4,636,091	4,246,198
Total expenditures	40,436,767	42,888,601	51,566,129	67,333,094	69,803,178
Excess (deficiency) of revenues over (under) expenditures	3,395,145	(853,862)	(10,480,055)	(23,446,615)	(22,410,258)
Other Financing Sources (Uses)					
Transfers in	5,254,970	2,522,057	3,708,947	4,408,662	3,917,960
Transfers out	(4,524,050)	(1,791,137)	(2,978,027)	(3,677,742)	(3,432,040)
Sale of capital assets	49,110	17,175	82,760	52,930	190,380
Bond and note proceeds	958,500	650,000	14,087,053	25,163,052	19,557,363
Total other financing sources (uses)	1,738,530	1,398,095	14,900,733	25,946,902	20,233,663
Net change in fund balances	$ 5,133,675	$ 544,233	$ 4,420,678	$ 2,500,287	$ (2,176,595)
Debt service as a percentage of noncapital expenditures	22.90%	20.55%	16.62%	24.34%	14.59%

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues					
Taxes	$ 11,590,739	$ 14,296,381	$ 15,738,885	$ 26,992,069	$ 23,090,455
Licenses, fees and permits	6,903,211	5,869,656	2,720,478	1,753,077	3,295,183
Intergovernmental	1,338,970	1,569,424	1,888,959	1,604,255	2,589,244
Charges for services	4,587,955	6,025,454	4,899,924	3,951,453	4,111,773
Fines and forfeitures	1,219,282	1,129,472	1,252,981	1,133,215	828,467
Special assessment revenue	451,914	2,875,335	3,500,000	1,271,000	-
Miscellaneous	978,350	464,861	442,973	570,955	441,419
Interest on investments	566,413	1,283,194	503,871	179,236	92,336
Total revenues	27,636,834	33,513,777	30,948,071	37,455,260	34,448,877
Expenditures					
General government	3,826,086	3,074,401	3,285,328	4,390,714	4,431,166
Public Safety	5,424,736	6,572,995	6,858,543	7,897,722	8,071,323
Community development	-	446,844	22,801,077	7,667,029	3,707,335
Streets and highways	2,949,997	4,134,069	1,551,653	1,834,279	1,689,097
Parks recreation and culture	5,639,584	4,611,346	5,674,251	5,542,788	5,793,779
Cemetery	480,627	8,360,057	345,922	297,062	289,208
Other	8,598	5,571	180,038	32,623	33,225
Capital outlay	4,859,533	2,577,544	8,046,417	8,617,325	1,695,944
Debt Service					
Principal	1,555,506	4,708,651	1,443,002	7,937,343	4,062,549
Interest and fiscal charges	2,182,580	3,455,683	4,366,846	3,774,216	4,568,005
Total expenditures	26,927,247	37,947,161	54,553,077	47,991,101	34,341,631
Excess (deficiency) of revenues over (under) expenditures	709,587	(4,433,384)	(23,605,006)	(10,535,841)	107,246
Other Financing Sources (Uses)					
Transfers in	3,526,085	1,799,157	4,494,820	8,224,855	2,100,180
Transfers out	(2,963,569)	(14,423,252)	(3,763,820)	(5,993,851)	(1,369,180)
Proceeds from capital lease	500,000	-	-	-	-
Sale of capital assets	41,239	71,920	35,550	-	56,297
Bond and note proceeds	2,747,936	15,785,158	21,840,355	4,470,865	362,185
Total other financing sources (uses)	3,851,691	3,232,983	22,606,905	6,701,869	1,149,482
Net change in fund balances	$ 4,561,278	$ (1,200,401)	$ (998,101)	$ (3,833,972)	$ 1,256,728
Debt service as a percentage of noncapital expenditures	20.39%	30.01%	14.28%	30.65%	25.13%

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

Fiscal Year	General Property Tax	General Use and Sales Tax	Franchise Tax	Fees in Lieu of Personal Property Tax	Total
2006	$ 5,594,262	$ 3,946,940	$ 2,186,651	$ 503,721	$ 12,231,574
2007	6,310,568	4,897,855	2,543,247	544,711	14,296,381
2008	6,581,220	5,670,821	3,059,267	427,577	15,738,885
2009	17,539,314	5,727,822	3,191,822	533,111	26,992,069
2010	13,900,358	5,741,667	3,127,311	321,119	23,090,455
2011	14,704,702	5,985,133	3,418,306	511,309	24,619,450
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
Growth 2006-2015	196.3%	129.6%	111.6%	10.8%	152.0%

LEHI CITY CORPORATION
SCHEDULE 6
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(LAST TEN CALENDAR YEARS)

Fiscal Year	Real Property	Personal Property (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2006	$ 1,146,420,573	$ 43,193,930	$ 1,189,614,503	0.002663	$ 1,492,493,909	79.7%
2007	1,508,651,703	41,945,858	1,550,597,561	0.002604	2,353,579,350	65.9%
2008	2,343,043,319	60,776,677	2,403,819,996	0.001834	2,479,270,209	97.0%
2009	2,532,240,755	73,015,449	2,605,256,204	0.001901	2,761,251,394	94.4%
2010	2,473,231,195	82,005,953	2,555,237,148	0.001789	3,126,588,174	81.7%
2011	2,320,436,311	74,701,702	2,395,138,013	0.002370	2,906,739,493	82.4%
2012	2,228,436,729	83,068,215	2,311,504,944	0.002519	2,899,782,952	79.7%
2013	2,285,322,712	93,605,726	2,378,928,438	0.002585	2,981,986,797	79.8%
2014	2,516,467,362	86,281,568	2,602,748,930	0.002432	3,205,389,417	81.2%
2015	2,995,009,653	86,401,153	3,081,410,806	0.002172	3,794,880,664	81.2%

(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
2006	$ 3,167,943	$ 2,962,266	93.51%	$ 205,677	$ 3,167,943	100.00%
2007	4,037,756	3,705,842	91.78%	331,914	4,037,756	100.00%
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%	-	8,222,670	95.27%

Source: Utah County Treasurer

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

	Lehi City (1)								
Fiscal Year	General Fund	Debt Service Fund	Total	Alpine School District	Utah County	Central Utah Water Conservancy District	Northern Utah County Water Conservancy District	Lehi Metropolitan Water District	Total
2006	0.002663	-	0.002663	0.008082	0.001040	0.000400	0.000033	0.000011	0.012229
2007	0.002604	-	0.002604	0.006883	0.001079	0.000360	0.000028	0.000011	0.010965
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

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

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

	2015			2006		
Taxpayer	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
IM Flash Technologies LLC	$ 253,492,700	1	6.73 %	$ 114,694,100	1	6.73 %
Adobe Systems Inc.	70,042,800	2	-	-	-	-
Thanksgiving Park Two LLC	41,318,600	3	-	-	-	-
Outlets at Traverse Mountain	38,920,700	4	-	-	-	-
TMCV #1 LLC	36,104,600	5	1.75	29,637,040	3	1.74
Crest Haven LLC	26,225,500	6	1.74	29,833,486	2	1.75
Questar Gas	22,344,816	7	1.18	20,141,425	4	1.18
Cabelas	21,712,500	8	1.05	17,953,780	5	1.05
Thanksgiving Park One LLC	20,482,400	9	0.48	7,200,000	7	0.42
Thanksgiving Park Four LLC	19,115,600	10	0.42	8,165,604	6	0.48
Thai Properties, LLC	-		0.36	6,075,000	9	0.36
Point Development L.C.	-		-	7,089,595	8	0.42
Whistle Stop Development Corp.	-		-	5,994,000	10	0.35
Total	$ 549,760,216		13.71 %	$ 246,784,030		14.48 %

Source: Utah County Assessor

LEHI CITY CORPORATION
SCHEDULE 10
RATIO OF OUTSTANDING DEBT BY TYPE
(LAST TEN FISCAL YEARS)

	Governmental Activities						Business-Type Activities								
Fiscal Year	Sales Tax Revenue Bonds	Sewer Revenue Bonds	Excise Tax Road Bonds	Special Assessment Bonds	Capital Leases	Note Payable	Water Revenue Bonds	Sewer Revenue Bonds	Electric Revenue Bonds	Dainage Revenue Bonds	Capital Leases	Special Assessments Bonds/Other Notes Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2006	$ 19,155,292	$ 755,650	$ 3,660,000	$ 3,461,254	$ 679,356	$ 39,276,305	$ 4,451,752	$ 446,124	$ 8,892,948	$ 1,525,000	$ 420,591	$ 2,383,954	$ 85,108,226	10.73%	$ 2,266
2007	19,805,000	644,525	3,185,000	-	518,084	53,911,763	4,050,196	380,288	8,552,948	1,390,000	296,063	-	92,733,867	10.76%	2,343
2008	19,052,455	530,225	2,695,000	-	431,927	75,752,118	3,632,088	312,625	8,046,098	1,245,000	209,457	-	111,906,993	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

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)
2006	$ -	$ -	$ -	- %	- %
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

(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, 2015)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to Lehi (1)	Estimated Amount Applicable to Lehi
State of Utah	$ 3,486,309,000	1.88%	$ 65,669,785
Central Utah Water Conservancy District	757,644,412	13.36%	101,255,172
Utah County	226,770,000	12.87%	29,180,225
Alpine School District	438,582,678	21.38%	45,449,549
Subtotal, overlapping debt	665,352,678		241,554,731
Lehi City direct debt	126,140,886	100.00%	126,140,886
Total direct and overlapping debt	$ 791,493,564		$ 367,695,617

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)

Fiscal Year	Debt Limit	Total debt	Legal debt margin
2006	$ 59,699,756	$ -	$ 59,699,756
2007	94,143,174	-	94,143,174
2008	99,170,808	-	99,170,808
2009	110,450,056	-	110,450,056
2010	125,063,527	-	125,063,527
2011	116,269,580	-	116,269,580
2012	115,991,318	-	115,991,318
2013	119,279,472	-	119,279,472
2014	128,215,577	-	128,215,577
2015	151,795,227	-	151,795,227

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

Legal Debt Margin Calculation for Fiscal Year 2014

Estimated market value	$ 3,794,880,664
Debt limit (4% of market value)	151,795,227
Debt applicable to limit	-
Legal debt margin	$ 151,795,227

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) Principal	Interest	Total	Coverage
2006	$ 6,178,631	$ 1,921,382	$ 5,175,682	$ 385,000	$ 170,345	$ 555,345	9.32
2007	5,639,918	2,550,237	3,089,681	400,000	159,019	559,019	5.53
2008	5,732,489	2,744,802	2,987,687	415,000	147,235	562,235	5.31
2009	5,200,893	2,668,401	2,532,492	430,000	133,951	563,951	4.49
2010	5,722,876	2,375,972	3,346,904	345,000	119,327	464,327	7.21
2011	5,901,420	3,195,015	2,706,405	355,000	107,178	462,178	5.86
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

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	
2006	$ 3,946,970	$ 480,000	$ 432,750	$ 912,750	4.32
2007	4,897,855	500,000	458,950	958,950	5.11
2008	5,670,821	500,000	439,450	939,450	6.04
2009	5,727,822	515,000	427,576	942,576	6.08
2010	5,741,667	525,000	414,058	939,058	6.11
2011	5,985,133	550,000	389,371	939,371	6.37
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

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

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	
2006	$ 1,019,426	$ 455,000	$ 134,420	$ 589,420	1.73
2007	1,237,982	475,000	118,819	593,819	2.08
2008	1,399,065	490,000	102,821	592,821	2.36
2009	1,298,469	505,000	84,070	589,070	2.20
2010	1,446,611	525,000	64,525	589,525	2.45
2011	1,534,646	540,000	51,100	591,100	2.60
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	-	-	-	-

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	
2006	$ 20,623,100	$ 14,822,497	$ 5,800,603	$ 230,000	$ 148,680	$ 378,680	15.32
2007	19,328,569	14,093,103	5,235,466	495,000	268,685	763,685	6.86
2008	20,721,770	17,229,303	3,492,467	506,850	323,186	830,036	4.21
2009	20,144,969	18,942,731	1,202,238	540,000	296,110	836,110	1.44
2010	20,228,879	18,942,921	1,285,958	600,000	143,957	743,957	1.73
2011	20,907,913	19,138,670	1,769,243	600,000	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	29,913,632	23,489,726	6,423,906	740,000	64,703	804,703	7.98

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

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

LEHI CITY CORPORATION
SCHEDULE 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 Principal	Interest	Total	Coverage
2006	$ 668,249	$ 21,712	$ 646,537	$ 130,000	$ 89,837	$ 219,837	2.94
2007	893,418	13,208	880,210	135,000	83,207	218,207	4.03
2008	732,353	10,294	722,059	145,000	76,255	221,255	3.26
2009	984,694	242,283	742,411	150,000	68,715	218,715	3.39
2010	1,083,110	273,040	810,070	160,000	60,840	220,840	3.67
2011 (3)	1,225,501	457,221	768,280	145,000	62,156	207,156	3.71
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

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

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

Fiscal Year	Population	Personal Income (1)	Per Capita Personal Income (2)	Unemployment Rate (3)
2006	37,558	$ 793,224,960	$ 21,120	3.6
2007	39,587	862,204,860	21,780	2.5
2008	43,566	917,344,440	21,056	2.3
2009	46,802	1,015,041,776	21,688	4.9
2010	49,646	1,167,376,044	23,514	7.2
2011	49,753	1,169,892,042	23,514	7.6
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

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

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

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

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

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

	2015(1)			2006(1)		
Employer	Estimated Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
IM Flash	1,700	1	N/A	N/A	1	N/A %
Adobe	900	2	N/A	N/A	N/A	N/A
Xactware	650	3	N/A	N/A	N/A	N/A
Xango	630	4	N/A	N/A	2	N/A
Cabela's	425	5	N/A	N/A	3	N/A
Thanksgiving Point	420	6	N/A	N/A	4	N/A
Iasis	320	7	N/A	N/A	N/A	N/A
Hadco	235	8	N/A	N/A	5	N/A
Jack B Parson Co.	215	9	N/A	N/A	6	N/A
Costco	211	10	N/A	N/A	7	N/A
Young Living	N/A	N/A	N/A	N/A	8	N/A
Lowes	N/A	N/A	N/A	N/A	9	N/A
Albertsons	N/A	N/A	N/A	N/A	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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Court	6	6	6	6	6	6	6	6	6	6
Administrative	7.5	5	4.5	4.5	4.5	4.5	4.5	6.5	9.5	11.5
Treasury	5.5	5	6	6	6	6	6	6	5	5
Finance	4.5	4.5	5	5	5	5	5	5	7	7
Legal Services	-	-	-	-	-	-	-	4.5	4.5	5.3
Legislative (1)	6	6	6	6	6	6	6	6	6	6
Public safety										
Police	37.5	39.5	40.5	41.5	41.5	41.5	44.5	45	48	51
Fire	27	27	27	39	39	39	40	40	42	43
Animal Control	1	1	1.5	1.5	1.5	1.5	1.5	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	7.5	7.5	6.5	6.5	6	6	6	6
Inspections	10	10	9	9	8	8	8	8	9	9
Streets and Highways										
Streets and Public Improvements	11	11	11	10	9	9	12	12	12	14
Park, recreation and culture										
Parks	17.5	18	19	18	19	19	21	22	27	27
Senior Citizens	3	3	3	3	3	3	3	3	2	2
Recreation	113.5	115.5	115.5	115.5	115.5	115.5	73.5	75.5	84.5	84.5
Library	13	13	13	13	13	13	18	20	20	20
Literacy Center	-	-	-	-	-	-	5.5	5.5	6.5	6.5
Cemetery	3.5	3.5	3.5	3.5	2.5	2.5	2.5	3	3.5	3.5
Culinary Water	8.5	9	9	8	8	8	8	8	9	9
Sewer	3	3	3	3	3	3	3	3	3	3
Power	17	18	19	19	19	19	24.5	24.5	23.5	25.5
Secondary Water	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	6.5	5.5

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

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

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

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

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

	Fiscal Year									
Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Community development										
Residential building permits issued	1,188	1,452	1,734	298	243	286	590	569	340	464
Commercial building permits issued	29	34	48	35	28	28	38	25	26	165
Court										
Traffic and Misdemeanor cases handled	9,813	6,988	8,474	7,244	7,997	8,333	7,102	5,896	5,845	4,705
Police										
Calls for service	11,453	12,252	13,575	14,041	14,326	14,062	15,278	15,575	27,087	32,130
Arrests	760	816	831	1,876	1,902	1,950	1,235	1,089	1,261	1,188
Fire										
Fire/Medical responses	1,690	2,213	2,415	2,201	2,322	2,050	2,136	2,232	2,200	2,480
Recreation										
Recreation programs	60	62	69	70	72	75	72	71	70	69
Participants in recreation programs	19,057	21,278	24,326	22,868	22,992	22,500	23,690	24,555	25,983	27,445
Library										
Books in collection	71,565	74,238	77,582	81,603	82,606	95,611	108,669	121,168	125,220	114,442
Books circulated	304,798	268,383	271,666	340,629	342,819	451,362	509,764	511,130	529,218	532,094
Cemetery										
Acres maintained	35	35	50	52	53	55	55	55	55	55
Total gravesites	21,768	22,312	23,093	23,901	24,857	25,727	26,628	27,427	27,484	27,645
Culinary Water										
Residential accounts serviced	8,548	9,605	10,023	10,555	10,826	12,568	13,121	13,152	14,419	14,987
Average daily consumption (thousands of gallons)	1,847	1,729	1,749	1,765	1,767	357	350	263	274	321
Sewer										
Sewer lines miles inspected	63	58	53	54	65	80	78	78	78	47
Power										
Accounts serviced	9,381	10,123	10,225	10,953	11,212	14,817	15,010	16,279	16,764	17,873
Megawatt hours sold	171	172	174	176	177	223	220	259	270	286
Secondary Water										
Accounts serviced	8,548	9,607	9,679	9,859	10,580	11,426	11,632	12,574	13,019	13,247

Source: City records

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

	Fiscal Year									
Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Streets and Highways										
Street lights	1,436	1,776	1,792	1,801	1,803	2,355	2,412	2,446	2,506	2,600
Street miles	195	203	206	209	210	202	204	206	221	224
Police										
Vehicles	30	32	34	35	36	43	46	51	57	59
Fire										
Fire stations	1	1	1	1	1	2	2	2	2	2
Fire vehicles	7	7	7	7	7	12	12	12	12	15
Ambulances	3	3	3	3	3	3	3	3	4	5
Public works										
Incorporated area in square miles	32	32	32	32	32	32	32	32	32	28
City building in square feet	220,000	220,000	220,000	221,000	235,000	235,000	235,000	235,000	235,000	235,000
Parks and recreation										
Park acreage	195	195	195	196	216	333	333	333	333	339
Baseball/softball diamonds	8	8	8	9	9	9	9	8	8	8
Soccer fields	4	4	4	4	4	4	4	9	9	9
Culinary water										
Water main line miles	201	202	202	204	206	243	263	256	271	281
Storage capacity (thousands of gallons)	10,000	10,000	10,000	10,000	10,000	9,800	9,800	9,800	8,400	10,400
Sewer										
Sewer line miles	141	142	142	142	144	205	210	212	223	226
Secondary water										
Secondary water main line miles	186	188	188	188	189	243	249	258	272	282
Power										
Power main feeder line miles	205	211	213	214	217	219	231	240	248	258
Overhead line miles	35	38	42	44	48	52	64	64	64	67

N/A = Not available
Source: City records

END OF REPORT