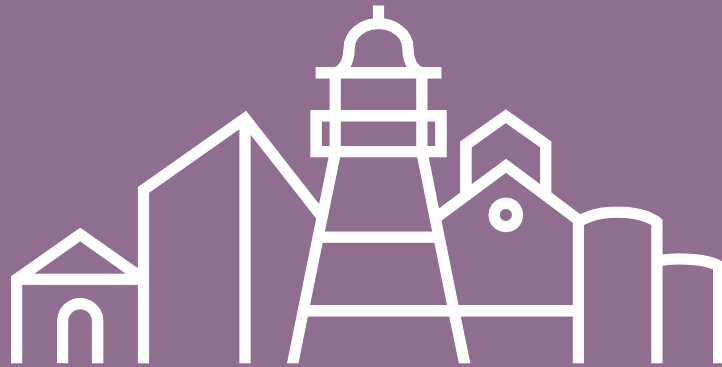


LEHI CITY CORPORATION

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



LEHI CITY

PREPARED BY:

FINANCE DEPARTMENT



LEHI CITY

PIONEERING UTAH'S FUTURE

LEHI CITY CORPORATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

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LEHI CITY CORPORATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



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

December 11, 2018

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, 2018.

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, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements, for the fiscal year June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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



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

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



Local Economy and Financial Information

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

Spurred by an expanding technology sector, the City continues to experience rapid growth. The population has increased from 46,802 to 62,712 over the past 10 years. With 50% of the City's land still available for development, build-out population, which is estimated to be reached in 2060, is projected at 133,800.

Lehi is continuing to experience rapid growth in both commercial and residential construction. This growth is reflected in both the City's revenues and expenditures. Governmental fund revenues increased from \$41,086,074 to \$64,444,491 from 2014 to 2018, and expenditures increased from \$51,566,129 to \$60,637,837. Operating revenues in enterprise funds grew from \$39,804,064 to \$54,772,345 over the same time frame, while operating expenses rose from \$38,647,853 to \$53,068,839.

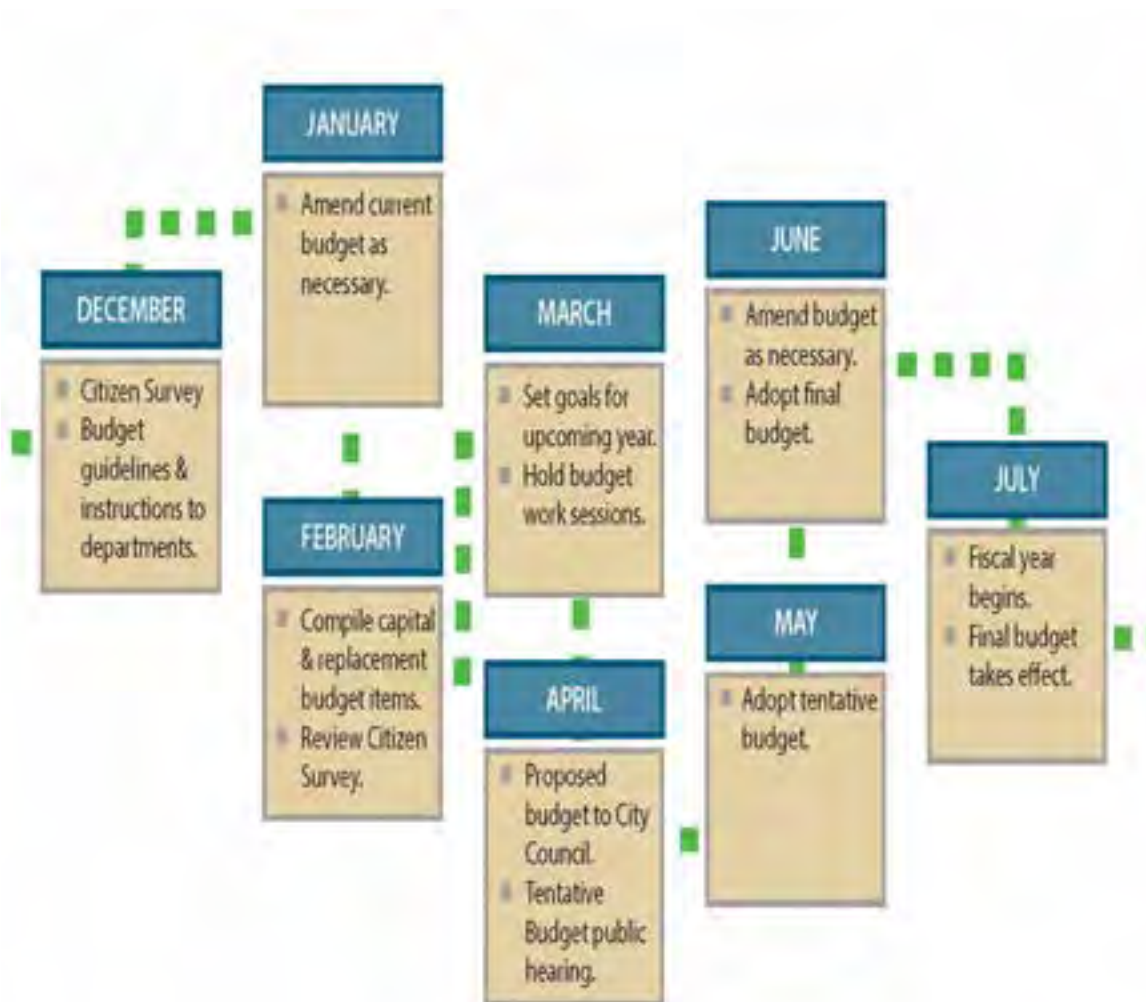
Companies continue to relocate or open offices in the City. Young Living recently completed their office building, which contains approximately 100,000 square feet of workspace. Currently under construction are three office buildings, which will add an additional 500,000 square feet of Class A office space. Other projects, including car dealerships, hotels and retail establishments are also moving forward. The City has some of the best undeveloped commercial frontage along the Wasatch Front.

Brigham Young University, Utah Valley University (the largest University in the State) and the University of Utah campuses are within 25 minutes of the City center. These higher education facilities employ more than 3,000 people. These universities provide a strong educated work force for a large number of high tech businesses in the area. The region also provides some of the best medical facilities in the western United States. Utah County, the County in which the City is located, has an unemployment rate of 2.8%, Compared to a statewide rate of 3.2%



The annual budget serves as the foundation for the City's financial planning and control. The City's budget process is well laid out, starting in December for a budget that will be adopted by June 30 and goes into effect July 1. By Utah State law, the City is required to adopt a tentative budget on or before the first council meeting in the month of May. This is a working document which can be amended until the final adoption. State law requires the City to adopt a final budget on or before June 22. A public hearing is required prior to final adoption and the budget must be available for public inspection for 10 days prior to the public hearing. This year, the tentative budget was adopted on April 10 and the final budget was adopted on May 22.

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



Within the existing budget, the level of the City's budgetary control is established by activity and purpose within each individual fund. Department heads may make transfers of appropriations within their activity. Transfers of appropriations between activities, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and Redevelopment Agency, a major special revenue fund, the comparisons are presented on page 36. For the capital projects fund this comparison is presented on page 95.

Long-term Financial Planning

The City's long term goals are intended to meet tomorrow's needs with good financial decisions and by focusing on operational capital needs. The City recently completed capital facility plans and impact fee studies for Parks, Culinary Water, Pressurized Irrigation, Sewer, and Power. Other

impact fee studies for streets, police, and fire were completed two years ago. Impact fees help the City add the capital improvements that are needed to accommodate new growth.

A new power facility was completed early in calendar year 2018. This facility not only houses power employees, vehicles, and equipment; it also includes power generation facilities that will allow the City to generate power in response to demand and market conditions. The ability to generate our own power will provide significant savings to the City by supplementing the City's system rather than purchasing power at the most expensive prices.

The implementation of long term planning has permitted the City to construct some of the finest park systems in our region. The City is home to more than fourteen major facilities. The community's park system has been transformed to produce exceptional open spaces for our citizens' enjoyment. The strategic planning for parks has been expanded to include a trail system that will allow joggers, walkers, and bicyclists to enjoy the Dry Creek Basin which runs through the entire City. A significant project turning the Dry Creek Basin into a storage facility for the City's pressurized irrigation water and recreational amenities and opportunities is scheduled to begin early in calendar year 2019.

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. Fire Station 63 was completed in November 2017 and dedicated December 4, 2017. The City is also planning a new public safety building, which should begin construction early in the 2020 fiscal year.

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, 2017. This was the twentieth 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.

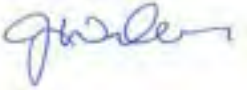
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2017. 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, 2017. 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 departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

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

Jason Walker
City Administrator

A handwritten signature in blue ink, appearing to read "Dean Lundell".

Dean Lundell
Director of Finance



Government Finance Officers Association

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

Presented to

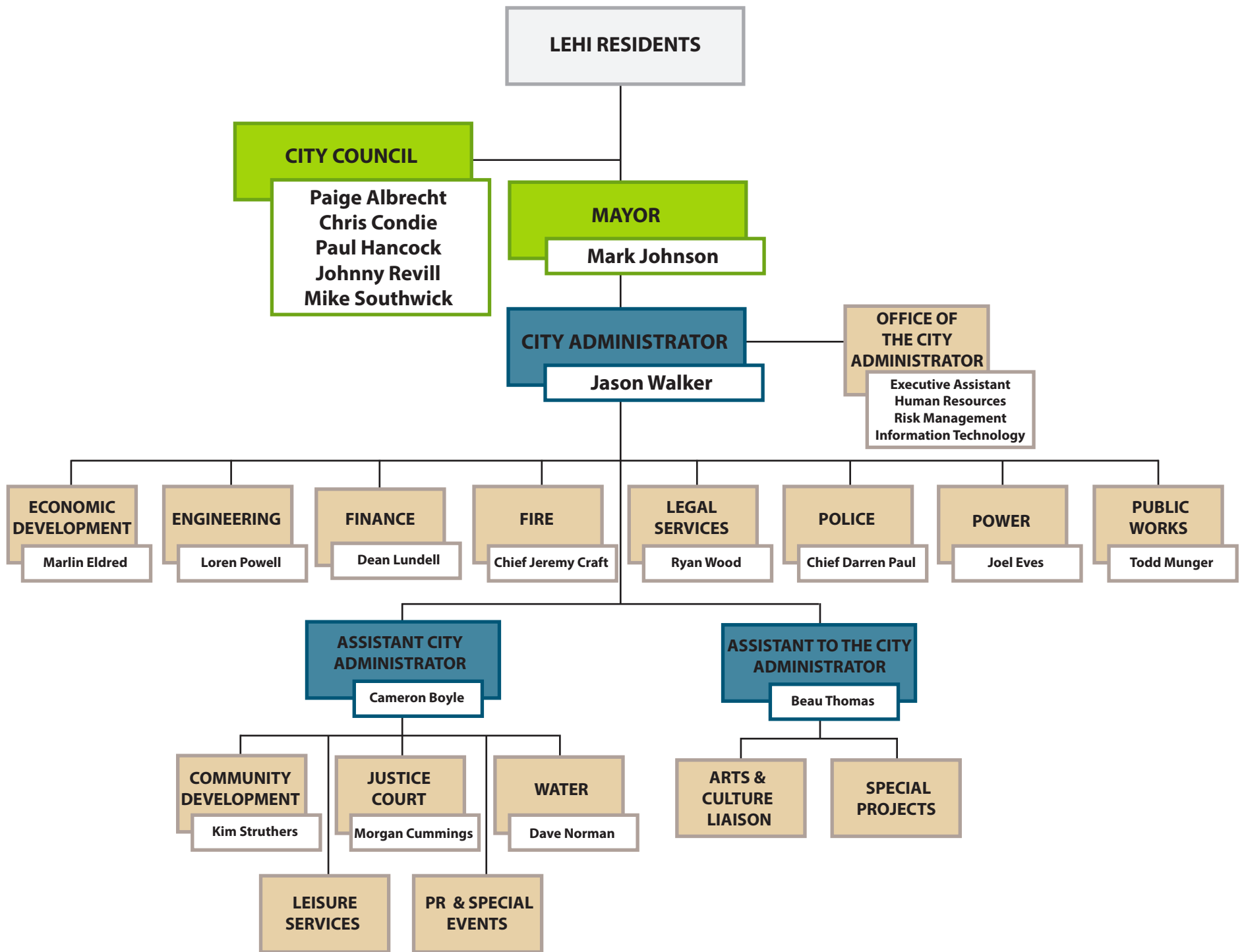
**Lehi City Corporation
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO





Principal Officials
For the Year Ended
June 30, 2018

Mark Johnson
Mayor

Term Ends: December 2021



Paige Albrecht
City Council

Term Ends: December 2019



Chris Condie
City Council

Term Ends: December 2021



Paul Hancock
City Council

Term Ends: December 2021



Johnny Revill
City Council

Term Ends: December 2019



Michael Southwick
City Council

Term Ends: December 2019



Jason Walker
City Administrator
Appointed May 2015

FINANCIAL SECTION

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lehi City Corporation, Utah (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2018, 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 85 through 88 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

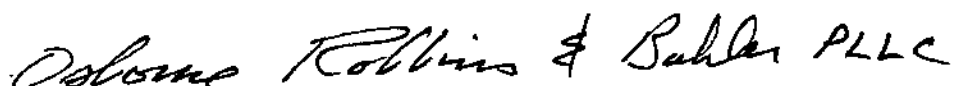
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section, are presented for purposes of 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 27, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



November 27, 2018

LEHI CITY CORPORATION

Management's Discussion and Analysis

For the Year Ended June 30, 2018

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, 2018. 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 \$534,415,695 (*net position*). This is an increase of 14.1% over the previous year. A large portion of this increase is related to capital grants and developer contributions of infrastructure.
- The City's governmental funds reported combined fund balances of \$18,035,441 which is an increase of \$9,627,174 in fund balance reported for 2017 of \$8,408,267. The increase in fund balance is due to both revenues in excess of budget and actual expenditures that were less than budgeted amounts. These excess funds will be used to add to and replace City infrastructure assets.
- Growth in the City continues at a rapid pace with general fund tax revenues increasing 8.8% over the previous year. This revenue increase is due to growth as no tax rates were increased during the year.
- The City's total debt increased by a net of \$12,971,433 during the current fiscal year.
 - Decreases to debt were due to regularly scheduled principal payments.
 - Revenue bonds totaling \$23,878,055 were issued during the year.
 - In accordance with GASB Statement No. 68, the City reported a net pension liability totaling \$6,067,095 as of June 30, 2018.

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*

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 one blended component unit. The Lehi Redevelopment Agency (The Agency) is legally separate from the City. However, since the Agency's board of trustees is composed of the Lehi Mayor and City Council and city staff maintain operational responsibility for the Agency, it is presented as a special revenue fund of the City. The Redevelopment Agency Fund contains the financial balances and activities of the Agency.

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

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

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

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

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.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-83 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 85-88 of this report.

Individual fund schedules and combining statements and schedules can be found on pages 91-99 of this report.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 \$534,415,695 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 (\$897,014) represents resources that are subject to external restrictions on how they may be used.

As of June 30, 2018, the net position of the City's governmental activities totaled \$199,226,451 compared to \$169,997,769 in 2017. The governmental activities reported an increase in net position of \$29,228,682. \$23,638,826 of this increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

As of June 30, 2018, the net position of the City's business-type activities totaled \$335,189,244 compared to \$298,230,017 in 2017. The business-type activities reported an increase in net position of \$36,959,227. \$25,341,969 of this increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

LEHI CITY CORPORATION
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 47,479,745	\$ 36,733,741	\$ 50,429,325	\$ 32,434,353	\$ 97,909,070	\$ 69,168,094
Capital assets	306,281,432	287,999,878	313,784,117	272,717,385	620,065,549	560,717,263
Total assets	<u>\$ 353,761,177</u>	<u>\$ 324,733,619</u>	<u>\$ 364,213,442</u>	<u>\$ 305,151,738</u>	<u>\$ 717,974,619</u>	<u>\$ 629,885,357</u>
Deferred outflows of resources	\$ 4,692,761	\$ 3,648,334	\$ 8,159,359	\$ 9,168,154	\$ 12,852,120	\$ 12,816,488
Long-term liabilities	\$ 125,754,697	\$ 128,645,662	\$ 24,333,985	\$ 8,471,587	\$ 150,088,682	\$ 137,117,249
Other liabilities	8,562,576	7,235,838	12,698,790	8,179,475	21,261,366	15,415,313
Interfund balances	905,807	1,035,241	(905,807)	(1,035,241)	-	-
Total liabilities	<u>\$ 135,223,080</u>	<u>\$ 136,916,741</u>	<u>\$ 36,126,968</u>	<u>\$ 15,615,821</u>	<u>\$ 171,350,048</u>	<u>\$ 152,532,562</u>
Deferred inflows of resources	\$ 24,004,407	\$ 21,467,443	\$ 1,056,589	\$ 474,054	\$ 25,060,996	\$ 21,941,497
Net position						
Net investment in capital assets	\$ 288,966,135	\$ 270,733,436	\$ 299,404,845	\$ 267,462,097	\$ 588,370,980	\$ 538,195,533
Restricted	349,363	590,207	547,651	126,965	897,014	717,172
Unrestricted	(90,089,047)	(101,325,874)	35,236,748	30,640,955	(54,852,299)	(70,684,919)
Total net position	<u>\$ 199,226,451</u>	<u>\$ 169,997,769</u>	<u>\$ 335,189,244</u>	<u>\$ 298,230,017</u>	<u>\$ 534,415,695</u>	<u>\$ 468,227,786</u>

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

LEHI CITY CORPORATION
CHANGES IN NET POSITION

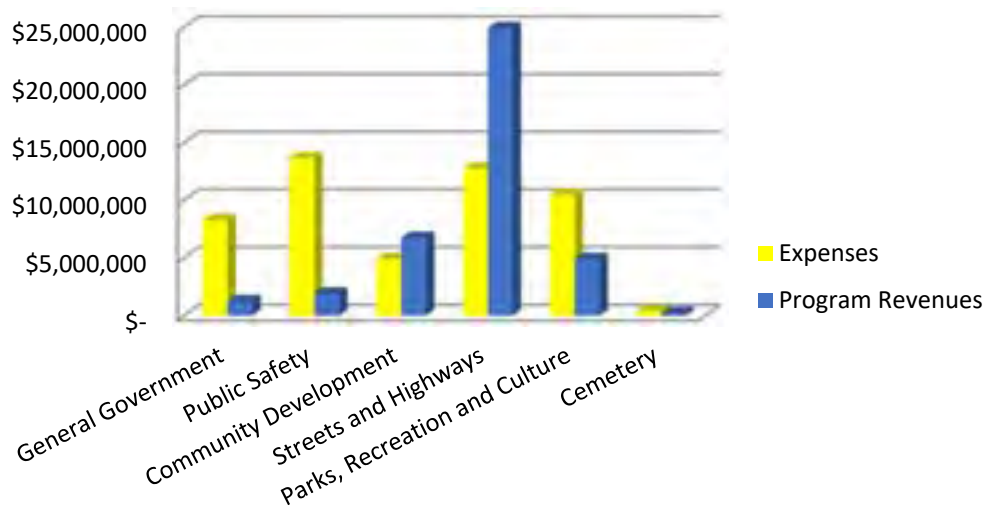
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 13,756,482	\$ 11,011,556	\$ 54,266,494	\$ 52,491,104	\$ 68,022,976	\$ 63,502,660
Operating grants and contributions	2,687,038	3,449,482	-	-	2,687,038	3,449,482
Capital grants and contributions	23,638,826	21,055,729	25,341,969	23,080,154	48,980,795	44,135,883
General revenues:					-	-
Property taxes	21,124,631	21,435,929	-	-	21,124,631	21,435,929
Sales and other taxes	17,510,974	15,921,670	-	-	17,510,974	15,921,670
Impact fees	4,424,709	3,378,791	9,950,739	5,331,228	14,375,448	8,710,019
Other	1,517,425	1,728,187	1,096,112	734,928	2,613,537	2,463,115
Total revenues	<u>84,660,085</u>	<u>77,981,344</u>	<u>90,655,314</u>	<u>81,637,414</u>	<u>175,315,399</u>	<u>159,618,758</u>
Expenses:						
General government	8,274,466	9,041,919	-	-	8,274,466	9,041,919
Public safety	13,656,195	12,096,387	-	-	13,656,195	12,096,387
Community development	4,928,368	5,796,634	-	-	4,928,368	5,796,634
Highways/streets	12,764,811	11,727,234	-	-	12,764,811	11,727,234
Parks, recreation, and culture	10,486,576	9,856,045	-	-	10,486,576	9,856,045
Cemetery	414,906	406,824	-	-	414,906	406,824
Interest on long-term debt	4,906,081	4,834,457	-	-	4,906,081	4,834,457
Culinary Water	-	-	4,807,400	6,233,288	4,807,400	6,233,288
Sewer	-	-	9,865,657	9,525,964	9,865,657	9,525,964
Pressurized Irrigation	-	-	3,637,826	3,412,437	3,637,826	3,412,437
Electric	-	-	30,707,792	28,132,875	30,707,792	28,132,875
Drainage	-	-	2,228,474	1,968,846	2,228,474	1,968,846
Garbage	-	-	2,448,938	2,310,261	2,448,938	2,310,261
Total expenses	<u>55,431,403</u>	<u>53,759,500</u>	<u>53,696,087</u>	<u>51,583,671</u>	<u>109,127,490</u>	<u>105,343,171</u>
Increase (decrease) in net position before transfers	29,228,682	24,221,844	36,959,227	30,053,743	66,187,909	54,275,587
Transfers	-	-	-	-	-	-
Increase in net position	29,228,682	24,221,844	36,959,227	30,053,743	66,187,909	54,275,587
Net position, beginning	<u>169,997,769</u>	<u>145,775,925</u>	<u>298,230,017</u>	<u>268,176,274</u>	<u>468,227,786</u>	<u>413,952,199</u>
Net position, ending	<u>\$ 199,226,451</u>	<u>\$ 169,997,769</u>	<u>\$ 335,189,244</u>	<u>\$ 298,230,017</u>	<u>\$ 534,415,695</u>	<u>\$ 468,227,786</u>

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

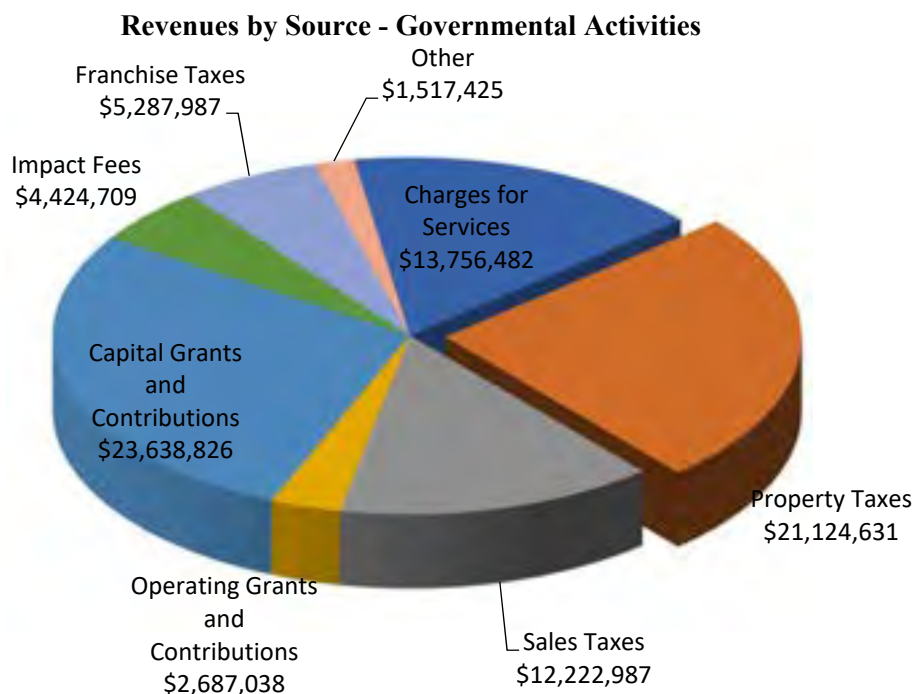
Governmental activities. During 2018 governmental activities increased the City's net position by \$29,228,682. Some specific factors making up the change in net position during 2018 include:

- Charges for services increased in 2018 over the prior year by approximately \$2.7 million due primarily to increases in building permits, plan review and inspection fees. This increase is an indicator of the growth continuing to occur in the City.
- Capital grants and contributions were higher than in 2017 by approximately \$2.5 million. In 2018 the City recognized over \$20 million in capital grant revenues related to infrastructure installed by developers during the year as well as another \$3.5 million in federal, state and county grants for infrastructure improvements.
- Expenses of the governmental activities increased from 2017 to 2018 by \$1,671,903 with the largest increases occurring in the public safety and highways and streets expenses due primarily to increases in salaries and benefits as well as to maintenance expenditures on various City streets and highways.

Expenses and Program Revenues - Governmental Activities



LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

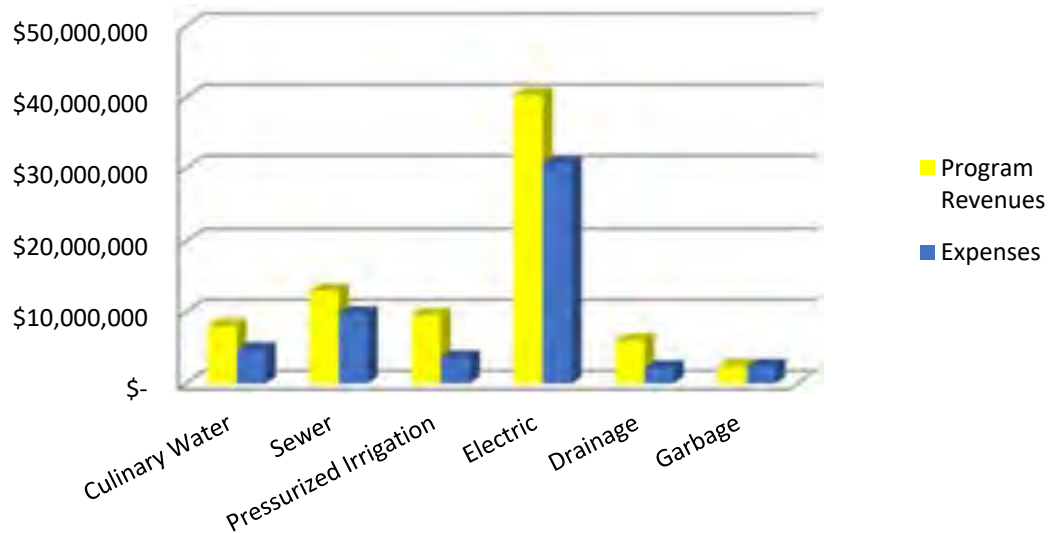


Business-type activities. Business-type activities increased the City's net position by \$36,959,227. At the end of the current fiscal year, all of the City's major business-type activities reported positive net position. Key elements of the increase in net position are as follows:

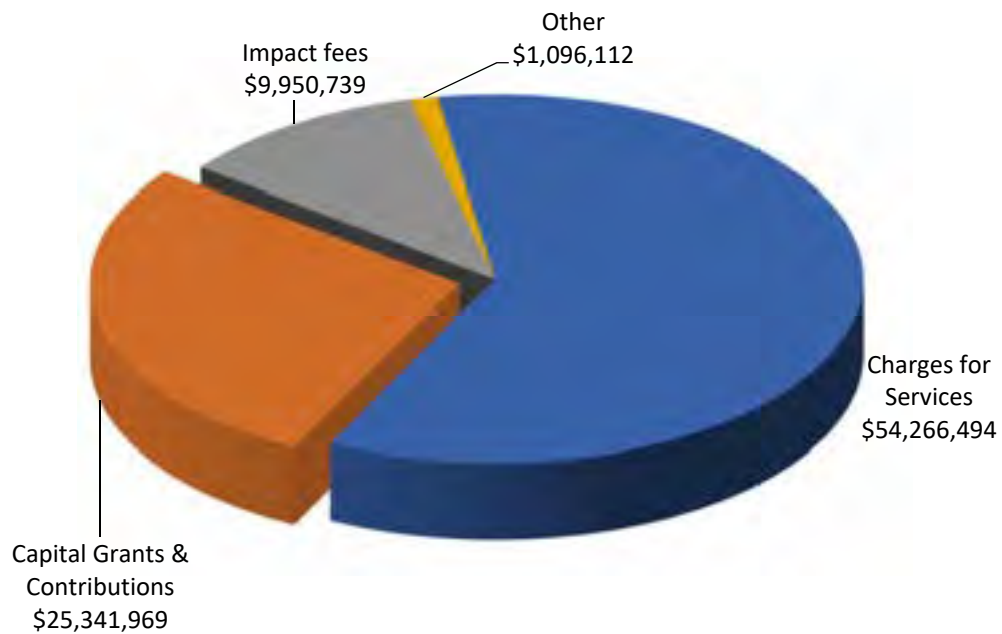
- Charges for services in the business-type activities increased over 2017 by \$1,775,390 (3.4%). Most of the enterprise funds experienced an increase in charges for services over 2017, a result of growth in the number of customers served. During the year there were no changes made to the rates.
- Capital grants and contributions for the business-type activities added \$25,341,969 to the net position of the City. This amount was higher than in 2017 due to continued high levels of development. Overall capital grants and contributions are indicative of the consistent growth levels year over year.
- Expenses of the business-type activities increased by \$2,112,416 from the prior year. The increase is primarily due to increases in system maintenance costs and purchased power costs. Because the City's customer base has been expanding, the cost of providing services has also increased.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 \$18,035,441. \$10,887,280 of this total amount (60.0%) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed* or *assigned* to indicate that it is not available for new spending because it 1) is not in a spendable form, 2) has constraints imposed either externally or by law, 3) has constraints imposed by formal resolution of the city council, or 4) is or intended by the city council and the city manager to be used for specific purposes.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$10,887,280, while total fund balance reached \$11,920,287. 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 29.8% of total general fund expenditures, while total fund balance represents 49.4% of that same amount. The fund balance of the City's general fund increased by \$5,626,734 during the current fiscal year, due largely to higher than anticipated tax revenues, planning and inspection fees, and intergovernmental revenues.

The special revenue Redevelopment Agency Fund has an assigned fund balance of \$1,350,316. The project areas that received tax increment revenues in the current year were the Mill Pond Project, the Alpine Highway Project, the Alpine Highway West Project Area, the Thanksgiving Park Economic Development Project Area, the West Timpanogos Project Area and the Traverse Mountain Community Development Area. Overall, the fund experienced an increase in fund balance of \$326,574.

The capital projects fund had an increase in fund balance in the amount of \$3,673,866, which resulted in a fund balance of \$4,764,838, \$1,017,852 representing restricted fund balance, with an assigned fund balance of \$3,746,986.

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 \$34,330,941. Individually, the electric fund's unrestricted net position totaled \$18,325,524, the drainage unrestricted net position totaled \$2,517,086, the sewer unrestricted net position totaled \$6,823,673, the water unrestricted net position totaled \$4,425,686 and the pressurized irrigation unrestricted net position totaled \$1,857,684. The non-major enterprise fund reported a positive unrestricted net position amount of \$381,288. Other factors concerning the finances of these proprietary funds can be found earlier in this section under business-type activities.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

General Fund Budgetary Highlights

During the fiscal year, the general fund's budget was amended from budgeted expenditures totaling \$39,156,277 to a final budget of \$39,907,245, an increase of \$750,968. Increased budget allocations were made to streets and highways expenditures and parks and recreation expenditures, primarily for certain capital improvements. These adjustments were funded primarily by appropriating fund balance. Significant variances between the final budget and actual results are shown below:

- Tax revenues recognized in 2018 were \$1,518,232 more than budgeted. Property taxes, sales taxes and franchise taxes were all higher than originally budgeted.
- Charges for services, particularly planning and inspection fees, ambulance fees and recreation fees, were higher than budgeted by a total of \$1,568,744.
- Total expenditures were less than the final budgeted amounts by \$3,391,653.

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, 2018 amounts to \$620,065,549 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements including infrastructure and distribution systems, machinery and equipment, vehicles, and office furniture and equipment.

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

- Infrastructure, land, and water rights were donated to the City by developers. The estimated fair value of the infrastructure, land and water rights donated in the governmental and business-type activities was \$20,072,289 and \$25,341,969, respectively.
- The City expended approximately \$5.7 million on the construction of a new fire station.
- In the governmental activities, the City expended \$870,000 for improvements to trails that were funded through a federal grant.
- Intangible assets in the pressurized irrigation fund increased by \$2,625,970. The increase was due to the contribution of water shares by developers as required by the City's development code.
- In the electric fund, the City expended \$19,115,615 for the construction of a new power plant and \$2,194,662 for the construction of the City's West Side Substation, which were both in process at year end.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

LEHI CITY CORPORATION
CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 137,779,596	\$127,719,888	\$ 3,146,725	\$ 3,146,725	\$ 140,926,321	\$130,866,613
Intangibles	-	-	49,518,828	46,892,858	49,518,828	46,892,858
Construction in progress	4,415,434	6,008,312	32,548,564	9,629,758	36,963,998	15,638,070
Buildings and structures	19,824,703	14,141,953	1,672,456	1,779,908	21,497,159	15,921,861
Improvements, including infrastructure	136,603,509	132,578,484	224,678,959	209,194,226	361,282,468	341,772,710
Machinery, equipment, and vehicles	7,578,013	7,437,506	2,198,370	2,050,921	9,776,383	9,488,427
Office furniture and equipment	80,177	113,735	20,215	22,989	100,392	136,724
Total	<u>\$ 306,281,432</u>	<u>\$287,999,878</u>	<u>\$313,784,117</u>	<u>\$ 272,717,385</u>	<u>\$ 620,065,549</u>	<u>\$560,717,263</u>

Additional information on the City's capital assets can be found in note F on pages 59-60 of this report.

Long-term liabilities. At the end of the current fiscal year the City had total bonded debt outstanding of \$39,208,055, 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	
	2018	2017	2018	2017	2018	2017
Tax increment notes payable to developers	\$ 99,046,278	\$103,077,627	\$ -	\$ -	\$ 99,046,278	\$103,077,627
Other notes payable	1,138,824	4,091,442	1,291,636	1,480,288	2,430,460	5,571,730
Revenue bonds	18,243,588	13,175,000	20,964,467	3,775,000	39,208,055	16,950,000
Other liabilities	7,326,007	8,301,593	2,077,882	3,216,299	9,403,889	11,517,892
Total	<u>\$ 125,754,697</u>	<u>\$128,645,662</u>	<u>\$ 24,333,985</u>	<u>\$ 8,471,587</u>	<u>\$ 150,088,682</u>	<u>\$137,117,249</u>

The City's debt increased by \$12,971,433 in fiscal year 2018. Major long-term debt activity included the following:

- The City issued \$5,768,588 in sales tax revenue bonds to finance the construction of the City's new fire station.
- The City issued \$18,109,467 in electric revenue bonds to finance the construction of the new power plant.
- The City reported, in accordance with the requirements of GASB Statement No. 68 net pension liability totaling \$5,617,095.

The 2018 Sales Tax Revenue Bonds were assigned a municipal bond rating of AA- by Standard & Poors. The 2018 Electric Revenue Bonds were assigned a municipal bond rating of A+ by Standard & Poors.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 \$317,472,602 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 \$634,945,204, 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 61-70 of this report.

Economic Factors and Next Year's Budgets and Rates

- Lehi continues to grow rapidly. During the year, property values increased by 11.4% to an estimated market value of \$7,936,815,060.
- The City recently conducted a utility rate study related to both culinary water and pressurized irrigation. The study analyzed current rates as well as infrastructure needs both for new growth and facility replacement. The study recommended a 3% increase to culinary rates as well as a 10% increase to the pressurized irrigation rates. These rates will assist the City in maintaining and even improving the level of service provided to city residents and businesses.
- Plans are in motion to construct a new Police Station. The City has outgrown the current facility. Construction is anticipated to begin sometime late in the summer of 2019.
- The City is anticipating the issuance of water revenue bonds early in the 2019 calendar year. The proceeds from the bonds will allow the City to move forward with several projects for both the culinary and pressurized irrigation systems. These projects will help prepare for upcoming growth as well as improve the current level of service for current residents.

The above factors were considered in preparing the City's budget for the 2019 fiscal year. The 2019 budget is balanced without a property tax rate increase. Budgeted revenues and expenditures for the upcoming year total \$192,177,044. This is a decrease from the 2018 fiscal year opening budget of \$198,333,982. Expenditure reductions are related to fewer capital projects in 2019 as compared to 2018.

The City continues to expand with new residential and commercial development. Several new companies have relocated or opened offices in Lehi during the past year. These companies include: Canopy Tax, Podium, Nature's Sunshine, Young Living, and We Work. Several new office buildings are under construction, which will add close to 500,000 square feet of new Class A office space in the City. A new development has recently begun that will bring a Land Rover/Jaguar dealership to Lehi as well as potentially three other car dealerships. This development will also include a hotel and several hundred thousand feet of professional office space. During the recently completed year, 781 residential building permits and 183 commercial permits were issued. This level of growth is not anticipated to slow during the upcoming year.

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

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2018

Request for Information

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

BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2018

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 18,621,125	\$ 16,141,759	\$ 34,762,884
INVESTMENTS	-	17,642,457	17,642,457
RECEIVABLES (NET)			
ACCOUNTS	-	5,285,430	5,285,430
UNBILLED	-	177,659	177,659
TAXES	22,794,805	-	22,794,805
INTERGOVERNMENTAL	2,258,989	-	2,258,989
OTHER	781,732	-	781,732
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	564,576	564,576
INVENTORY	71,115	2,697,328	2,768,443
NET PENSION ASSET	352,784	-	352,784
RESTRICTED CASH AND CASH EQUIVALENTS	2,599,195	7,907,218	10,506,413
RESTRICTED IMPACT FEES RECEIVABLE	-	12,898	12,898
NON-DEPRECIABLE CAPITAL ASSETS	142,195,030	85,214,117	227,409,147
DEPRECIABLE CAPITAL ASSETS, NET	164,086,402	228,570,000	392,656,402
TOTAL ASSETS	\$ 353,761,177	\$ 364,213,442	\$ 717,974,619
DEFERRED OUTFLOWS OF RESOURCES			
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ 6,827,089	\$ 6,827,089
LOSS ON REFUNDING	-	30,609	30,609
DEFERRED OUTFLOWS RELATED TO PENSIONS	4,692,761	1,301,661	5,994,422
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 4,692,761	\$ 8,159,359	\$ 12,852,120
LIABILITIES			
INTERFUND BALANCES	\$ 905,807	\$ (905,807)	\$ -
ACCOUNTS PAYABLE	975,991	4,946,509	5,922,500
LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
ACCOUNTS PAYABLE	944,670	7,372,465	8,317,135
ACCRUED INTEREST	125,954	-	125,954
WAGES PAYABLE	535,093	152,865	687,958
ACCRUED LIABILITIES	2,460,206	-	2,460,206
ACCRUED INTEREST PAYABLE	1,835,395	96,271	1,931,666
CUSTOMER DEPOSITS	-	50,680	50,680
UNEARNED REVENUE	1,685,267	80,000	1,765,267
NON-CURRENT LIABILITIES			
DUE WITHIN ONE YEAR	2,039,303	1,807,819	3,847,122
DUE IN MORE THAN ONE YEAR:			
COMPENSATED ABSENCES	1,441,133	436,652	1,877,785
NET PENSION LIABILITY	4,749,654	1,317,441	6,067,095
LANDFILL POSTCLOSURE COSTS	250,917	-	250,917
TAX INCREMENT NOTE PAYABLE TO DEVELOPER	99,046,278	-	99,046,278
OTHER NOTES PAYABLE	838,824	1,222,606	2,061,430
BONDS PAYABLE	17,388,588	19,549,467	36,938,055
TOTAL LIABILITIES	\$ 135,223,080	\$ 36,126,968	\$ 171,350,048
DEFERRED INFLOWS OF RESOURCES			
PROPERTY TAXES	\$ 20,195,181	\$ -	\$ 20,195,181
DEFERRED INFLOWS RELATED TO PENSIONS	3,809,226	1,056,589	4,865,815
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 24,004,407	\$ 1,056,589	\$ 25,060,996
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	\$ 288,966,135	\$ 299,404,845	\$ 588,370,980
RESTRICTED FOR			
CAPITAL IMPROVEMENTS	69,038	547,651	616,689
DEBT SERVICE	73,235	-	73,235
OTHER PURPOSES	207,090	-	207,090
UNRESTRICTED (DEFICIT)	(90,089,047)	35,236,748	(54,852,299)
TOTAL NET POSITION	\$ 199,226,451	\$ 335,189,244	\$ 534,415,695

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES								
GENERAL GOVERNMENT	\$ 8,274,466	\$ 1,270,675	\$ -	\$ -	\$ (7,003,791)	\$ -	\$ (7,003,791)	
PUBLIC SAFETY	13,656,195	1,510,422	416,015	-	(11,729,758)	-	(11,729,758)	
COMMUNITY DEVELOPMENT	4,928,368	6,753,793	-	-	1,825,425	-	1,825,425	
STREETS AND HIGHWAYS	12,764,811	-	2,229,760	22,737,620	12,202,569	-	12,202,569	
PARKS, RECREATION AND CULTURE	10,486,576	3,989,072	41,263	901,206	(5,555,035)	-	(5,555,035)	
CEMETERY	414,906	232,520	-	-	(182,386)	-	(182,386)	
INTEREST ON LONG-TERM DEBT	4,906,081	-	-	-	(4,906,081)	-	(4,906,081)	
TOTAL GOVERNMENTAL ACTIVITIES	55,431,403	13,756,482	2,687,038	23,638,826	(15,349,057)	-	(15,349,057)	
BUSINESS-TYPE ACTIVITIES								
CULINARY WATER	4,807,400	5,671,068	-	2,435,525	-	3,299,193	3,299,193	
SEWER	9,865,657	8,560,318	-	4,485,233	-	3,179,894	3,179,894	
PRESSURIZED IRRIGATION	3,637,826	3,002,057	-	6,651,018	-	6,015,249	6,015,249	
ELECTRIC	30,707,792	33,458,042	-	6,863,662	-	9,613,912	9,613,912	
DRAINAGE	2,228,474	1,162,357	-	4,906,531	-	3,840,414	3,840,414	
GARBAGE	2,448,938	2,412,652	-	-	-	(36,286)	(36,286)	
TOTAL BUSINESS-TYPE ACTIVITIES	53,696,087	54,266,494	-	25,341,969	-	25,912,376	25,912,376	
TOTAL PRIMARY GOVERNMENT	\$ 109,127,490	\$ 68,022,976	\$ 2,687,038	\$ 48,980,795	(15,349,057)	25,912,376	10,563,319	
GENERAL REVENUES:								
PROPERTY TAXES					21,124,631	-	21,124,631	
SALES TAXES					12,222,987	-	12,222,987	
FRANCHISE TAXES					5,287,987	-	5,287,987	
IMPACT FEES					4,424,709	9,950,739	14,375,448	
INVESTMENT EARNINGS					337,123	560,760	897,883	
GAIN ON DISPOSAL OF CAPITAL ASSETS					256,152	29,501	285,653	
OTHER					924,150	505,851	1,430,001	
TOTAL GENERAL REVENUES					44,577,739	11,046,851	55,624,590	
TRANSFERS					-	-	-	
TOTAL GENERAL REVENUES AND TRANSFERS					44,577,739	11,046,851	55,624,590	
CHANGE IN NET POSITION					29,228,682	36,959,227	66,187,909	
NET POSITION AT BEGINNING OF YEAR					169,997,769	298,230,017	468,227,786	
NET POSITION AT END OF YEAR					\$ 199,226,451	\$ 335,189,244	\$ 534,415,695	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 11,481,417	\$ 1,060,904	\$ 3,616,673	\$ 16,158,994
RECEIVABLES				
TAXES	10,963,438	11,831,367	-	22,794,805
INTERGOVERNMENTAL	408,391	-	1,850,598	2,258,989
OTHER	490,694	289,412	-	780,106
RESTRICTED CASH AND CASH EQUIVALENTS	553,394	-	2,045,801	2,599,195
TOTAL ASSETS	<u>\$ 23,897,334</u>	<u>\$ 13,181,683</u>	<u>\$ 7,513,072</u>	<u>\$ 44,592,089</u>
LIABILITIES				
ACCOUNTS PAYABLE	\$ 553,813	\$ -	\$ 35,018	\$ 588,831
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	95,387	-	1,027,949	1,123,336
WAGES PAYABLE	503,827	-	-	503,827
ACCRUED LIABILITIES	2,460,206	-	-	2,460,206
UNEARNED REVENUES	-	-	1,685,267	1,685,267
TOTAL LIABILITIES	3,613,233	-	2,748,234	6,361,467
DEFERRED INFLOWS OF RESOURCES				
TAXES	8,363,814	11,831,367	-	20,195,181
TOTAL DEFERRED INFLOWS OF RESOURCES	8,363,814	11,831,367	-	20,195,181
FUND BALANCES				
RESTRICTED	458,007	-	1,017,852	1,475,859
COMMITTED	552,705	-	-	552,705
ASSIGNED	22,295	1,350,316	3,746,986	5,119,597
UNASSIGNED	10,887,280	-	-	10,887,280
TOTAL FUND BALANCE	<u>11,920,287</u>	<u>1,350,316</u>	<u>4,764,838</u>	<u>18,035,441</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 23,897,334</u>	<u>\$ 13,181,683</u>	<u>\$ 7,513,072</u>	<u>\$ 44,592,089</u>

**LEHI CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018**

TOTAL GOVERNMENTAL FUND BALANCES	\$ 18,035,441
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	306,281,432
LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(125,754,697)
INTEREST PAYABLE ON LONG-TERM FINANCIAL RESOURCES IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(1,961,349)
THE CURRENT ASSETS AND LIABILITIES OF THE INTERNAL SERVICE FUNDS ARE INCLUDED IN THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	2,295,112
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	1,236,319
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	(905,807)
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 199,226,451</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
TAXES	\$ 25,958,232	\$ 12,207,123	\$ 470,250	\$ 38,635,605
LICENSES, FEES AND PERMITS	3,575,367	-	4,424,709	8,000,076
INTERGOVERNMENTAL	2,717,917	-	3,535,658	6,253,575
CHARGES FOR SERVICES	8,636,679	-	-	8,636,679
FINES AND FORFEITURES	799,079	-	-	799,079
MISCELLANEOUS	1,508,819	110,000	200,000	1,818,819
INTEREST ON INVESTMENTS	163,562	12,580	124,516	300,658
TOTAL REVENUES	43,359,655	12,329,703	8,755,133	64,444,491
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT	6,856,047	-	-	6,856,047
PUBLIC SAFETY	12,622,099	-	-	12,622,099
COMMUNITY DEVELOPMENT	2,780,062	2,341,140	-	5,121,202
STREETS AND HIGHWAYS	3,372,051	-	-	3,372,051
PARKS, RECREATION AND CULTURE	9,675,126	-	-	9,675,126
CEMETERY	390,147	-	-	390,147
OTHER	-	-	63,900	63,900
CAPITAL OUTLAY	-	-	9,962,532	9,962,532
DEBT SERVICE				
PRINCIPAL	700,000	4,031,349	2,952,618	7,683,967
INTEREST AND FISCAL CHARGES	120,060	4,215,886	554,820	4,890,766
TOTAL EXPENDITURES	36,515,592	10,588,375	13,533,870	60,637,837
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,844,063	1,741,328	(4,778,737)	3,806,654
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,414,754	-	2,684,015	4,098,769
TRANSFERS OUT	(2,684,015)	(1,414,754)	-	(4,098,769)
SALE OF CAPITAL ASSETS	51,932	-	-	51,932
ISSUANCE OF NOTES AND BONDS	-	-	5,768,588	5,768,588
TOTAL OTHER FINANCING SOURCES (USES)	(1,217,329)	(1,414,754)	8,452,603	5,820,520
NET CHANGE IN FUND BALANCE	5,626,734	326,574	3,673,866	9,627,174
FUND BALANCE AT BEGINNING OF YEAR	6,293,553	1,023,742	1,090,972	8,408,267
FUND BALANCE AT END OF YEAR	\$ 11,920,287	\$ 1,350,316	\$ 4,764,838	\$ 18,035,441

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, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 9,627,174
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES WHILE GOVERNMENTAL ACTIVITIES REPORT DEPRECIATION EXPENSE TO ALLOCATE THOSE EXPENDITURES OVER THE LIFE OF THE ASSETS CAPITAL ASSET PURCHASES CAPITALIZED DEPRECIATION EXPENSE	10,579,310 (13,138,084)
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	(522,126)
REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION	7,683,967
THE NET REVENUE OF INTERNAL SERVICES FUNDS IS ALLOCATED BETWEEN GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES. INTERNAL SERVICE FUND NET INCOME LESS AMOUNT ALLOCATED TO BUSINESS-TYPE ACTIVITIES	(249,427) 129,434
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	(5,768,588)
DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS	20,887,022
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 29,228,682

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, 2018

	GENERAL FUND				REDEVELOPMENT AGENCY			
	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL		ORIGINAL	FINAL	ACTUAL	
REVENUES								
TAXES	\$ 24,440,000	\$ 24,440,000	\$ 25,958,232	\$ 1,518,232	\$ 13,830,000	\$ 13,830,000	\$ 12,207,123	\$ (1,622,877)
LICENSES, FEES AND PERMITS	2,615,000	2,615,000	3,575,367	960,367	-	-	-	-
INTERGOVERNMENTAL REVENUE	1,998,000	1,998,000	2,717,917	719,917	-	-	-	-
CHARGES FOR SERVICE	6,970,935	7,067,935	8,636,679	1,568,744	-	-	-	-
FINES AND FORFEITURES	657,500	657,500	799,079	141,579	-	-	-	-
MISCELLANEOUS REVENUE	1,229,000	1,229,000	1,508,819	279,819	-	-	110,000	110,000
INTEREST ON INVESTMENTS	69,500	69,500	163,562	94,062	7,500	7,500	12,580	5,080
TOTAL REVENUES	37,979,935	38,076,935	43,359,655	5,282,720	13,837,500	13,837,500	12,329,703	(1,507,797)
EXPENDITURES								
GENERAL GOVERNMENT	8,287,060	8,272,060	6,856,047	1,416,013	-	-	-	-
PUBLIC SAFETY	13,800,547	13,800,547	12,622,099	1,178,448	-	-	-	-
COMMUNITY DEVELOPMENT	2,820,051	2,820,051	2,780,062	39,989	12,181,400	12,181,400	2,341,140	9,840,260
STREETS AND HIGHWAYS	3,431,930	3,446,330	3,372,051	74,279	-	-	-	-
PARKS, RECREATIONS AND CULTURE	9,532,268	10,283,836	9,675,126	608,710	-	-	-	-
CEMETERY	463,589	463,589	390,147	73,442	-	-	-	-
DEBT SERVICE	820,832	820,832	820,060	772	9,465,228	9,465,228	8,247,235	1,217,993
TOTAL EXPENDITURES	39,156,277	39,907,245	36,515,592	3,391,653	21,646,628	21,646,628	10,588,375	11,058,253
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,176,342)	(1,830,310)	6,844,063	8,674,373	(7,809,128)	(7,809,128)	1,741,328	9,550,456
OTHER FINANCING SOURCES (USES)								
ISSUANCE OF NOTES	-	-	-	-	9,000,000	9,000,000	-	(9,000,000)
TRANSFERS IN	1,500,000	1,907,000	1,414,754	(492,246)	-	-	-	-
TRANSFERS OUT	(2,684,015)	(2,684,015)	(2,684,015)	-	(1,798,372)	(1,798,372)	(1,414,754)	383,618
SALE OF CAPITAL ASSETS	10,000	10,000	51,932	41,932	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,174,015)	(767,015)	(1,217,329)	(450,314)	7,201,628	7,201,628	(1,414,754)	(8,616,382)
NET CHANGE IN FUND BALANCE	(2,350,357)	(2,597,325)	5,626,734	8,224,059	(607,500)	(607,500)	326,574	934,074
FUND BALANCE AT BEGINNING OF YEAR	6,293,553	6,293,553	6,293,553	-	1,023,742	1,023,742	1,023,742	-
FUND BALANCE AT END OF YEAR	\$ 3,943,196	\$ 3,696,228	\$ 11,920,287	\$ 8,224,059	\$ 416,242	\$ 416,242	\$ 1,350,316	\$ 934,074

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTAL BUSINESS- TYPE FUNDS	ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS								
CURRENT ASSETS								
CASH AND CASH EQUIVALENTS	\$ 1,988,722	3,573,817	\$ 902,287	\$ 8,001,398	\$ 1,327,094	\$ 348,441	\$ 16,141,759	\$ 2,462,131
INVESTMENTS, CURRENT PORTION RECEIVABLE (NET):	588,879	606,816	154,475	1,499,898	254,909	-	3,104,977	-
ACCOUNTS	625,838	808,668	215,338	3,274,459	111,688	249,439	5,285,430	1,626
UNBILLED	18,974	25,620	10,567	108,715	2,399	11,384	177,659	-
REFUND DUE FROM DEPOSIT WITH POWER SUPPLIER	-	-	-	564,576	-	-	564,576	-
INVENTORY	106,363	7,004	30,402	2,550,970	2,589	-	2,697,328	71,115
TOTAL CURRENT ASSETS	3,328,776	5,021,925	1,313,069	16,000,016	1,698,679	609,264	27,971,729	2,534,872
NON-CURRENT ASSETS								
RESTRICTED CASH AND CASH EQUIVALENTS	-	58,342	-	7,848,661	215	-	7,907,218	-
INVESTMENTS, LONG TERM PORTION	2,757,127	2,841,108	723,250	7,022,512	1,193,483	-	14,537,480	-
RESTRICTED IMPACT FEE RECEIVABLE	12,898	-	-	-	-	-	12,898	-
NONDEPRECIABLE CAPITAL ASSETS	26,260,384	78,775	30,171,159	28,282,012	421,787	-	85,214,117	-
DEPRECIABLE CAPITAL ASSETS, NET	37,410,855	45,097,562	46,102,448	56,571,182	43,387,953	-	228,570,000	3,084,096
TOTAL NON-CURRENT ASSETS	66,441,264	48,075,787	76,996,857	99,724,367	45,003,438	-	336,241,713	3,084,096
TOTAL ASSETS	\$ 69,770,040	\$ 53,097,712	\$ 78,309,926	\$ 115,724,383	\$ 46,702,117	\$ 609,264	\$ 364,213,442	\$ 5,618,968
DEFERRED OUTFLOWS OF RESOURCES								
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ -	\$ -	\$ 6,827,089	\$ -	\$ -	\$ 6,827,089	\$ -
LOSS ON REFUNDING	-	-	-	30,609	-	-	30,609	-
DEFERRED OUTFLOWS RELATED TO PENSIONS	223,524	149,227	83,362	752,676	92,872	-	1,301,661	212,752
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 223,524	\$ 149,227	\$ 83,362	\$ 7,610,374	\$ 92,872	\$ -	\$ 8,159,359	\$ 212,752

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	
LIABILITIES								
CURRENT LIABILITIES								
ACCOUNTS PAYABLE	\$ 1,222,724	\$ 829,565	\$ 57,309	\$ 2,449,610	\$ 159,325	\$ 227,976	\$ 4,946,509	\$ 208,494
WAGES PAYABLE	24,053	18,800	7,712	90,940	11,360	-	152,865	31,266
ACCRUED INTEREST PAYABLE	15,144	-	15,144	64,120	1,863	-	96,271	-
PAYABLE FROM RESTRICTED ASSETS:								
ACCOUNTS PAYABLE	11,508	980	-	7,359,977	-	-	7,372,465	-
CUSTOMER DEPOSITS	41,850	-	-	8,830	-	-	50,680	-
UNEARNED REVENUES	-	-	-	-	80,000	-	80,000	-
CURRENT PORTION COMPENSATED ABSENCES	60,937	38,058	14,905	191,793	18,096	-	323,789	44,442
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	34,515	-	34,515	1,250,000	165,000	-	1,484,030	-
TOTAL CURRENT LIABILITIES	1,410,731	887,403	129,585	11,415,270	435,644	227,976	14,506,609	284,202
NON-CURRENT LIABILITIES								
COMPENSATED ABSENCES	111,359	29,997	14,888	252,488	27,920	-	436,652	53,754
NET PENSION LIABILITY	226,234	151,036	84,372	761,801	93,998	-	1,317,441	215,331
NOTES PAYABLE	611,303	-	611,303	-	-	-	1,222,606	-
BONDS PAYABLE, LESS CURRENT MATURITIES	-	-	-	18,419,467	1,130,000	-	19,549,467	-
TOTAL NON-CURRENT LIABILITIES	948,896	181,033	710,563	19,433,756	1,251,918	-	22,526,166	269,085
TOTAL LIABILITIES	\$ 2,359,627	\$ 1,068,436	\$ 840,148	\$ 30,849,026	\$ 1,687,562	\$ 227,976	\$ 37,032,775	\$ 553,287
DEFERRED INFLOWS OF RESOURCES								
DEFERRED INFLOWS RELATED TO PENSIONS	\$ 181,440	\$ 121,131	\$ 67,667	\$ 610,965	\$ 75,386	\$ -	\$ 1,056,589	\$ 172,695
NET POSITION								
NET INVESTMENT IN CAPITAL ASSETS	\$ 63,025,421	\$ 45,176,337	\$ 75,627,789	\$ 73,060,558	\$ 42,514,740	\$ -	\$ 299,404,845	\$ 3,084,096
RESTRICTED FOR								
CAPITAL PROJECTS	1,390	57,362	-	488,684	215	-	547,651	-
UNRESTRICTED	4,425,686	6,823,673	1,857,684	18,325,524	2,517,086	381,288	34,330,941	2,021,642
TOTAL NET POSITION	\$ 67,452,497	\$ 52,057,372	\$ 77,485,473	\$ 91,874,766	\$ 45,032,041	\$ 381,288	334,283,437	\$ 5,105,738
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS								
CURRENT YEAR ADJUSTMENT							(129,434)	
CUMULATIVE ADJUSTMENT FROM PRIOR YEARS							1,035,241	
NET POSITION OF BUSINESS-TYPE ACTIVITIES							\$ 335,189,244	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 5,147,281	\$ 8,560,318	\$ 2,562,296	\$ 33,069,822	\$ 1,162,357	\$ 2,412,652	\$ 52,914,726	\$ 4,041,042
HOOK-UP AND SERVICING FEES	523,787	-	439,761	388,220	-	-	1,351,768	-
MISCELLANEOUS REVENUES	178,455	73,407	5,315	234,244	-	14,430	505,851	-
TOTAL OPERATING REVENUES	5,849,523	8,633,725	3,007,372	33,692,286	1,162,357	2,427,082	54,772,345	4,041,042
OPERATING EXPENSES								
PERSONNEL	982,557	836,096	283,797	2,363,715	428,804	-	4,894,969	1,099,511
GENERAL ADMINISTRATION	124,105	121,337	40,204	766,601	34,859	14,845	1,101,951	-
OPERATING AND MAINTENANCE	1,879,791	7,014,137	1,613,177	23,774,795	223,755	2,434,093	36,939,748	2,508,401
INTERFUND CHARGES	209,340	181,000	75,000	778,385	47,000	-	1,290,725	-
DEPRECIATION	1,557,239	1,709,861	1,594,781	2,545,045	1,434,520	-	8,841,446	773,930
TOTAL OPERATING EXPENSES	4,753,032	9,862,431	3,606,959	30,228,541	2,168,938	2,448,938	53,068,839	4,381,842
OPERATING INCOME (LOSS)	1,096,491	(1,228,706)	(599,587)	3,463,745	(1,006,581)	(21,856)	1,703,506	(340,800)
NON-OPERATING REVENUES (EXPENSES)								
IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	2,643,651	729,150	1,403,509	4,671,076	503,353	-	9,950,739	-
DEVELOPER FEES	7,294,687	-	-	-	-	-	7,294,687	-
WATER ACCESS RIGHTS	(7,294,687)	-	-	-	-	-	(7,294,687)	-
INTEREST INCOME	99,185	94,178	26,206	290,428	45,861	4,902	560,760	85,925
INTEREST EXPENSE	(54,368)	(3,226)	(30,867)	(349,817)	(59,536)	-	(497,814)	-
MISCELLANEOUS REVENUES	-	-	-	-	-	-	-	1,228
GAIN ON SALE OF CAPITAL ASSETS	-	-	-	29,501	-	-	29,501	4,220
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,688,468	820,102	1,398,848	4,641,188	489,678	4,902	10,043,186	91,373
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	3,784,959	(408,604)	799,261	8,104,933	(516,903)	(16,954)	11,746,692	(249,427)
CAPITAL CONTRIBUTIONS	2,435,525	4,485,233	6,651,018	6,863,662	4,906,531	-	25,341,969	-
CHANGE IN NET POSITION	6,220,484	4,076,629	7,450,279	14,968,595	4,389,628	(16,954)	37,088,661	(249,427)
NET POSITION AT BEGINNING OF YEAR,	61,232,013	47,980,743	70,035,194	76,906,171	40,642,413	398,242		5,355,165
NET POSITION AT END OF YEAR	\$ 67,452,497	\$ 52,057,372	\$ 77,485,473	\$ 91,874,766	\$ 45,032,041	\$ 381,288		\$ 5,105,738
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS							(129,434)	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (page 33)							\$ 36,959,227	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	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	\$ 5,575,580	\$ 8,622,059	\$ 2,991,861	\$ 33,414,966	\$ 1,158,674	\$ 2,397,416	\$ 54,160,556	\$ -
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	-	-	-	-	-	-	-	4,039,416
CASH PAID TO SUPPLIERS	(2,518,252)	(7,198,925)	(1,829,848)	(19,709,748)	(539,836)	(2,442,301)	(34,238,910)	(1,851,693)
CASH PAID TO EMPLOYEES	(1,065,381)	(754,109)	(312,387)	(2,604,895)	(423,176)	-	(5,159,948)	(1,914,695)
CASH PAID FOR INTERFUND SERVICES	(209,340)	(181,000)	(75,000)	(778,385)	(47,000)	-	(1,290,725)	-
OTHER RECEIPTS	178,455	73,407	5,315	234,244	-	14,430	505,851	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,961,062	561,432	779,941	10,556,182	148,662	(30,455)	13,976,824	273,028
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
OTHER RECEIPTS (PAYMENTS)	-	-	-	-	-	-	-	1,228
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	(3,226)	-	-	-	-	(3,226)	1,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(697,043)	(165,784)	(1,695,270)	(26,369,260)	(868,888)	-	(29,796,245)	(734,482)
ADVANCE FUNDING OF UAMPS PROJECT	-	-	-	702,091	-	-	702,091	-
UNEARNED REVENUE COLLECTED	-	-	-	-	80,000	-	80,000	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	-	-	29,501	-	-	29,501	11,466
CONTRIBUTIONS FROM DEVELOPERS	-	-	-	5,152,472	117,564	-	5,270,036	-
PRINCIPAL PAID ON BONDS	(75,154)	-	-	(760,000)	(160,000)	-	(995,154)	-
INTEREST PAID	(39,224)	-	(15,723)	(310,151)	(58,620)	-	(423,718)	-
PRINCIPAL PAID ON NOTES PAYABLE	(19,172)	-	(94,326)	-	-	-	(113,498)	-
IMPACT FEES COLLECTED	2,635,275	730,870	1,416,447	4,772,669	509,002	-	10,064,263	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	1,804,682	565,086	(388,872)	1,378,236	(380,942)	-	2,978,190	(723,016)
CASH FLOWS FROM INVESTING ACTIVITIES								
PURCHASE OF INVESTMENTS	(3,346,006)	(3,447,924)	(877,725)	(8,522,410)	(1,448,392)	-	-	-
INTEREST INCOME COLLECTED	99,185	94,178	26,206	290,428	45,861	4,902	560,760	85,925
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(3,246,821)	(3,353,746)	(851,519)	(8,231,982)	(1,402,531)	4,902	560,760	85,925

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL	
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	DRAINAGE	NONMAJOR ENTERPRISE FUND (GARBAGE)	TOTALS	ACTIVITIES INTERNAL SERVICE FUNDS
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	518,923	(2,230,454)	(460,450)	3,702,436	(1,634,811)	(25,553)	(129,909)	(362,835)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,469,799	5,862,613	1,362,737	12,147,623	2,962,120	373,994	24,178,886	2,824,966
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,988,722</u>	<u>\$ 3,632,159</u>	<u>\$ 902,287</u>	<u>\$ 15,850,059</u>	<u>\$ 1,327,309</u>	<u>\$ 348,441</u>	<u>\$ 24,048,977</u>	<u>\$ 2,462,131</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:								
UNRESTRICTED CASH	\$ 1,988,722	\$ 3,573,817	\$ 902,287	\$ 8,001,398	\$ 1,327,094	\$ 348,441	\$ 16,141,759	\$ 2,462,131
RESTRICTED CASH	-	58,342	-	7,848,661	215	-	7,907,218	-
	<u>\$ 1,988,722</u>	<u>\$ 3,632,159</u>	<u>\$ 902,287</u>	<u>\$ 15,850,059</u>	<u>\$ 1,327,309</u>	<u>\$ 348,441</u>	<u>\$ 24,048,977</u>	<u>\$ 2,462,131</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 2,435,525	\$ 4,485,233	\$ 6,651,018	\$ 1,711,190	\$ 4,788,967	\$ -	\$ 20,071,933	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
OPERATING INCOME (LOSS)	\$ 1,096,491	\$ (1,228,706)	\$ (599,587)	\$ 3,463,745	\$ (1,006,581)	\$ (21,856)	\$ 1,703,506	\$ (340,800)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES								
DEPRECIATION	1,557,239	1,709,861	1,594,781	2,545,045	1,434,520	-	8,841,446	773,930
CHANGES IN ASSETS AND LIABILITIES								
ACCOUNTS RECEIVABLE	(115,678)	61,763	(8,343)	(24,384)	(2,827)	(12,857)	(102,326)	(1,626)
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	(2,860)	(22)	(1,853)	(16,617)	(856)	(2,379)	(24,587)	-
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	-	-	(296,680)	-	-	(296,680)	-
INVENTORY	(17,137)	1,547	3,584	(158,498)	(1,851)	-	(172,355)	(26,638)
ACCOUNTS PAYABLE	(497,219)	(64,998)	(180,051)	5,286,826	(279,371)	6,637	4,271,824	(23,606)
WAGES PAYABLE	2,846	903	1,758	8,988	313	-	14,808	4,098
COMPENSATED ABSENCES	532	37,881	57	26,200	7,598	-	72,268	(26,217)
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS								
RELATED TO PENSIONS	(86,202)	43,203	(30,405)	(276,368)	(2,283)	-	(352,055)	(86,113)
CUSTOMER DEPOSITS	23,050	-	-	(2,075)	-	-	20,975	-
	<u>\$ 1,961,062</u>	<u>\$ 561,432</u>	<u>\$ 779,941</u>	<u>\$ 10,556,182</u>	<u>\$ 148,662</u>	<u>\$ (30,455)</u>	<u>\$ 13,976,824</u>	<u>\$ 273,028</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

These financial statements present the City (primary government) and its component units, organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Blended component units, although legal separate entities are, in substance, part of the City's operations and data from these units are combined with data of the City. Entities that were evaluated by the City for presentation in the City's financial statements consist of the following:

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

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basic Financial Statements – Government-Wide Statements

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts – net investment in capital assets, restricted and unrestricted. The City first utilizes restricted resources to finance qualifying activities.

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

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

The City does not allocate indirect expenses.

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

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Fund Financial Statements

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

Governmental Funds

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

- **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounting for in another fund.
- **Special revenue funds** are used to account for the property taxes levied on properties within each RDA or EDA project area.
- **Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type proprietary funds). The City has only one capital projects fund and it is used to account for major road, sidewalk, parks and land improvements.

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

Proprietary Funds

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

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

The City's major enterprise funds are the Culinary Water Fund, the Sewer Fund, the Pressurized Irrigation Fund, the Electric Fund and the Drainage Fund.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- The purpose of the Pressurized Irrigation Fund is to provide the citizens of the City with an adequate supply of clean irrigation water and adequate working water pressure for the City Fire Department.
 - The Sewer Fund's mission is to ensure the proper and healthy collection and transmission of the City's sewage and to protect, maintain and expand the City's sewer system.
 - The purpose of the Electric Fund is to provide reliable electrical service to the City's customers at competitive rates. This includes the construction, operation and maintenance of the City's power distribution system including underground and overhead lines, meters, and substations.
 - The Drainage Fund is responsible for improving storm water conveyance throughout the City. This includes construction of new storm water conveyance and detention facilities to correct existing drainage problems in order to protect the City's citizens and their property from serious flooding.
- **Internal service funds** are used to account for the City's fleet maintenance, risk management, information technology, and property management services. The internal service fund activities have been combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided with the combining data elsewhere in this report.

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

Basis of Accounting

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

Accrual

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

Modified Accrual

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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.

Investments

State statutes authorize the City to invest in obligations of the U.S. Treasury, certain qualifying commercial paper, repurchase agreements and bankers' acceptances, and negotiable or nonnegotiable deposits of qualified depositories and the Utah Public Treasurers' Investment Fund. The Utah Public Treasurers' Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Investments for the City are reported at fair value determined on quoted market prices. Changes in the fair value of investments are recognized as a component of investment income.

Restricted cash and cash equivalents

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

Inventories and prepaid items

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

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

Intangible Assets

The City records donated intangible assets meeting the criteria outlined in GASB Statement No. 51 at fair value. The City records purchased intangible assets as capital assets. Water rights are the City's primary intangible asset.

Deferred outflows/inflows of resources

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital assets

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

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

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

The City bills utility customers once monthly when the meters are read. The City is divided into two billing districts. Unbilled accounts receivable were \$177,659 at June 30, 2018. The accounts receivable are reported net of the allowance for doubtful accounts of \$384,425 at June 30, 2018.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, up to 240 hours 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. The City had no nonspendable fund balance as of June 30, 2018.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Assigned fund balance. This classification reflects the amounts constrained by the City’s “intent” to be used for specific purposes, but are neither restricted nor committed, as established by the city council with the recommendation of the city administrator. It also includes all remaining amounts that are reported in governmental funds other than the general fund that are not classified as nonspendable, restricted, or committed.

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

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

Operating Revenues and Expenses

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

Pensions

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

Estimates and assumptions

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgets and budgetary control

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

Utah State law prohibits the appropriation of unassigned General Fund balance until it exceeds 5% of the General Fund revenues. Until unassigned fund balance is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. When unassigned fund balance is greater than 25% of the next year's budgeted revenues, the excess must be appropriated within the following two years.

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

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 the book value of cash on deposit was \$2,088,003 and the bank balance was \$5,369,065 (\$4,959,936 of which was exposed to custodial credit risk as uninsured and uncollateralized) with the difference being outstanding checks and deposits.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. The Act authorizes investments in both negotiable and nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Student Loan Marketing Association (Sallie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rate "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; and shares or certificates in a money market mutual fund as defined in the Act and the Utah State Public Treasurer's Investment Fund. (See Note C for additional information about the Utah State Public Treasurer's Investment Fund).

Fair Value of Investments

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

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS - CONTINUED

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

At June 30, 2018, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurement Classification</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Utah Public Treasurer's Investment Fund	\$ 42,991,581	\$ -	\$ 42,991,581	\$ -
U.S. Agencies	5,703,914	5,703,914	-	-
Corporate Debt Securities	11,377,474	-	11,377,474	-
Commercial Paper	467,676	-	467,676	-
Money Market Funds	283,106	283,106	-	-
	<u>\$ 60,823,751</u>	<u>\$ 5,987,020</u>	<u>\$ 54,836,731</u>	<u>\$ -</u>

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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

The following table shows the maturities of the City's investments as of June 30, 2018:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-5	6-10	More Than 10
Debt Securities					
U.S. Agencies	\$ 5,703,914	\$ -	\$ 5,703,914	\$ -	\$ -
Corporate Debt Securities	11,377,474	2,637,302	8,740,172	-	-
Commercial Paper	467,676	467,676	-	-	-
Money Market Funds	283,106	283,106	-	-	-
	17,832,170	\$ 3,388,084	\$14,444,086	\$ -	\$ -
Other Investments					
Utah Public Treasurer's Investment Fund	42,991,581				
	\$ 60,823,751				

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City follows the Money Management Act as previously discussed as its policy for reducing exposure to investment credit risk.

The quality ratings for the City's investments are presented below:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings</u>				
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>A-</u>	<u>Unrated</u>
Utah Public Treasurer's Investment Fund	\$ 42,991,581	\$ -	\$ -	\$ -	\$ -	\$42,991,581
U.S. Agencies	5,703,914	5,703,914	-	-	-	-
Corporate Debt Securities	11,377,474	-	1,815,777	6,694,527	2,867,170	-
Commercial Paper	467,676	-	-	467,676	-	-
Money Market Funds	283,106	-	-	-	-	283,106
	<u>\$ 60,823,751</u>	<u>\$ 5,703,914</u>	<u>\$ 1,815,777</u>	<u>\$7,162,203</u>	<u>\$ 2,867,170</u>	<u>\$43,274,687</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. All investments other than bank deposits or funds invested in the PTIF are to be held by a third party with securities delivered on a delivery vs. purchase basis.

As of June 30, 2018, the City kept all investments either in the PTIF or with custodian counterparty Moreton Asset Management and all investments which were held by the counterparty's trust department or agent are registered in the City's name. The City does not have a formal policy for custodial credit risk.

Concentration of Credit Risk – Investments

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

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

At June 30, 2018, 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.

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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE C – EXTERNAL INVESTMENT POOL – CONTINUED

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, 2018) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2018, the City had \$42,991,581 invested in the PTIF which had a fair value of \$43,154,431 for an unrealized gain of \$162,850. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

<u>Investment Type</u>	<u>Investment Percentage</u>
Corporate bonds and notes	87.57%
Certificates of deposit	0.64%
Money market accounts	0.66%
Commercial paper and other	11.13%
	<u>100.00%</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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	Business-type	
	Activities	Activities	Total
Reserves for future debt service	\$ 199,189	\$ 2,656	\$ 201,845
Unexpended bond proceeds	928,291	7,846,222	8,774,513
Unexpended B & C Road funds	95,387	-	95,387
Unexpended CDBG funds	69,038	-	69,038
Funds restricted for landfill post-closure costs	294,930	-	294,930
Fund restricted for library	163,077	-	163,077
Unexpended impact fees	849,283	58,340	907,623
	<u>\$ 2,599,195</u>	<u>\$ 7,907,218</u>	<u>\$ 10,506,413</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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			
		Special Revenue	Capital	
	General	Redevelopment Agency	Projects	Total
Restricted:				
Externally imposed by creditors				
Unexpended bond proceeds	\$ -	\$ -	\$ 928,291	\$ 928,291
Debt reserves	-	-	199,189	199,189
Externally imposed by grantors	163,077		69,038	232,115
Imposed by law or legislation				
C road funds	95,387	-	-	95,387
Less liabilities payable				
from C road funds	(95,387)	-	-	(95,387)
Landfill post-closure costs	294,930	-	-	294,930
Impact fees	-	-	849,283	849,283
Less liabilities payable	-	-	-	-
from impact fees				
or bond proceeds	-	-	(1,027,949)	(1,027,949)
Total restricted	458,007	-	1,017,852	1,475,859
Committed:				
Library Fund	552,705	-	-	552,705
Total committed	552,705	-	-	552,705
Assigned:				
Hutchings Museum	22,295	-	-	22,295
Redevelopment	-	1,350,316	-	1,350,316
Capital Projects	-	-	3,746,986	3,746,986
Total assigned	22,295	1,350,316	3,746,986	5,119,597
Unassigned:	10,887,280	-	-	10,887,280
Total fund balance	<u>\$ 11,920,287</u>	<u>\$ 1,350,316</u>	<u>\$ 4,764,838</u>	<u>\$ 18,035,441</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 is as follows:

	July 1, 2017	Increases	Decreases	June 30, 2018
Governmental Activities:				
Nondepreciable capital assets:				
Land	\$ 127,719,888	\$ 10,059,708	\$ -	\$ 137,779,596
Construction in progress	6,008,312	3,618,611	5,211,489	4,415,434
Total nondepreciable capital assets	<u>\$ 133,728,200</u>	<u>\$ 13,678,319</u>	<u>\$ 5,211,489</u>	<u>\$ 142,195,030</u>
Depreciable capital assets:				
Buildings	\$ 24,933,265	\$ 6,799,333	\$ -	\$ 31,732,598
Improvements, including infrastructure	226,430,548	15,361,996	-	241,792,544
Machinery, equipment and vehicles	20,697,595	1,575,418	344,130	21,928,883
Office furniture and equipment	1,659,251	-	-	1,659,251
Total depreciable capital assets at historical cost	<u>273,720,659</u>	<u>23,736,747</u>	<u>344,130</u>	<u>297,113,276</u>
Less accumulated depreciation:				
Buildings	10,791,312	1,116,583	-	11,907,895
Improvements, including infrastructure	93,852,064	11,336,971	-	105,189,035
Machinery, equipment and vehicles	13,260,089	1,427,666	336,885	14,350,870
Office furniture and equipment	1,545,516	33,558	-	1,579,074
Total accumulated depreciation	<u>119,448,981</u>	<u>13,914,778</u>	<u>336,885</u>	<u>133,026,874</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 154,271,678</u>	<u>\$ 9,821,969</u>	<u>\$ 7,245</u>	<u>\$ 164,086,402</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 1,682,204
Public safety	1,096,140
Community development	85,187
Streets and highways, including infrastructure	9,522,287
Parks, recreation and culture	1,491,239
Cemetery	37,721
	<u>\$ 13,914,778</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE F – CAPITAL ASSETS – CONTINUED

	<u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
Business-type Activities				
Nondepreciable capital assets:				
Land	\$ 3,146,725	\$ -	\$ -	\$ 3,146,725
Construction in progress	9,629,758	23,290,357	371,551	32,548,564
Intangibles	46,892,858	2,625,970	-	49,518,828
Total nondepreciable capital assets	<u>\$ 59,669,341</u>	<u>\$ 25,916,327</u>	<u>\$ 371,551</u>	<u>\$ 85,214,117</u>
Depreciable capital assets:				
Buildings	\$ 3,152,841	\$ -	\$ -	\$ 3,152,841
Improvements, including infrastructure	284,477,249	23,860,877	-	308,338,126
Machinery, equipment and vehicles	6,269,492	502,525	117,229	6,654,788
Office furniture and equipment	207,160	-	-	207,160
Total depreciable capital assets at historical cost	<u>294,106,742</u>	<u>24,363,402</u>	<u>117,229</u>	<u>318,352,915</u>
Less accumulated depreciation:				
Buildings	1,372,933	107,452	-	1,480,385
Improvements, including infrastructure	75,283,023	8,376,144	-	83,659,167
Machinery, equipment and vehicles	4,218,571	355,076	117,229	4,456,418
Office furniture and equipment	184,171	2,774	-	186,945
Total accumulated depreciation	<u>81,058,698</u>	<u>8,841,446</u>	<u>117,229</u>	<u>89,782,915</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 213,048,044</u>	<u>\$ 15,521,956</u>	<u>\$ -</u>	<u>\$ 228,570,000</u>
Depreciation was charged to functions as follows:				
Business-type activities:				
Culinary water			\$ 1,557,239	
Sewer			1,709,861	
Electric			2,545,045	
Pressurized irrigation			1,594,781	
Drainage			1,434,520	
			<u>\$ 8,841,446</u>	

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE G – CUSTOMER DEPOSITS

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

NOTE H – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2018:

Governmental activities

2018 Sales tax revenue and refunding bonds

\$5,000,000 sales tax revenue and refunding term bonds due
serially through June 1, 2038 with interest from
4.00% to 5.25%, premium paid on issue of \$768,588 \$ 5,768,588

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% 4,520,000

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% 53,978,465

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 18,834,375

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H – LONG-TERM DEBT - CONTINUED

Governmental activities - continued

Tax increment note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 95% of the tax increment received by the RDA from the Thanksgiving Park Economic Development Project area	1,393,276
Tax increment note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 100% of the property tax increment received by the RDA from the Traverse Mountain Community Development Project area, as well as varying levels of the sales tax collected from business within the project area, over the ten year tax increment period	10,451,021
Tax increment note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 93.33% of the tax increment received by the RDA from the Alpine Highway West Economic Development Project area	14,389,141
Note payable to developer	
Noninterest bearing note payable to developer, payable in annual installments equal to 25% of the sales and use taxes that are generated from sales on the site of the development	838,824
Note payable for purchase of land	
Noninterest bearing note payable to a partnership, payable in annual installments of \$300,000	300,000

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H – LONG-TERM DEBT – CONTINUED

Compensated absences	2,325,436
Net pension liability	4,749,654
Landfill closure and postclosure care liability	<u>250,917</u>
Total Governmental activities long-term debt	<u><u>\$ 125,754,697</u></u>

Business-type activities

2018 Electric refunding and revenue bonds \$15,640,000 electric refunding bonds due serially through 2038 with interest rates ranging from 4% to 5%, premium paid on issue of \$2,469,467	\$ 18,109,467
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%	1,560,000
2010 Storm Drain revenue and refunding bonds \$2,500,000 in drainage revenue and refunding bonds due serially through 2025 with interest rates at 3.51%	1,295,000
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	405,516
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%	886,120
Compensated absences	760,441
Net pension liability	<u>1,317,441</u>
Total Business-type activities long-term debt	<u><u>\$ 24,333,985</u></u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Current Amounts Due
Governmental activities					
Bonds and notes payable					
2018 Sales tax revenue bonds	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 145,000
Unamortized premium	-	768,588	-	768,588	-
2014 Sales tax revenue and refunding bonds	5,220,000	-	700,000	4,520,000	710,000
2004 Subordinated sales tax revenue bonds	7,955,000	-	-	7,955,000	-
Tax increment notes payable to developers	103,077,627	-	4,031,349	99,046,278	-
Other notes payable	4,091,442	-	2,952,618	1,138,824	300,000
Total bonds and notes payable	<u>120,344,069</u>	<u>5,768,588</u>	<u>7,683,967</u>	<u>118,428,690</u>	<u>1,155,000</u>
Other liabilities:					
Compensated absences	2,204,751	1,046,446	925,761	2,325,436	884,303
Net pension liability	5,845,925	(1,096,271)	-	4,749,654	-
Landfill closure and post- closure care liability	250,917	-	-	250,917	-
	<u>8,301,593</u>	<u>(49,825)</u>	<u>925,761</u>	<u>7,326,007</u>	<u>884,303</u>
Governmental activities long-term debt	<u>\$ 128,645,662</u>	<u>\$ 5,718,763</u>	<u>\$ 8,609,728</u>	<u>\$ 125,754,697</u>	<u>\$ 2,039,303</u>

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H - LONG-TERM DEBT - CONTINUED

As of June 30, 2018 annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30,	Sales Tax Revenue Bonds	
	Principal	Interest
2019	\$ 855,000	\$ 347,272
2020	880,000	323,692
2021	905,000	299,268
2022	935,000	274,132
2023	960,000	248,038
2024-2028	1,835,000	933,598
2029-2033	1,360,000	628,262
2034-2038	1,790,000	288,811
	<u>9,520,000</u>	<u>3,343,073</u>
Unamortized		
Premium	<u>768,588</u>	<u>(768,588)</u>
	<u>\$ 10,288,588</u>	<u>\$ 2,574,485</u>

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

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

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

- \$300,000 note payable for the purchase of land will be repaid in one final installment in 2019 under the terms of a contract for the purchase of land.
- The amortization of the remaining note payable of \$838,824 is unknown due to the uncertainty of the timing of the payments.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Current Amounts Due
Business-type activities					
Bonds and notes payable					
2018 Electric revenue bonds	\$ -	\$ 15,640,000	\$ -	\$ 15,640,000	\$ 475,000
Unamortized premium	-	2,469,467	-	2,469,467	-
2014 Electric refunding bonds	2,320,000	-	760,000	1,560,000	775,000
2010 Drainage refunding bonds	1,455,000	-	160,000	1,295,000	165,000
Note payable to Provo Reservoir					
Water Users Company	419,011	-	13,495	405,516	13,995
Note payable to Provo River					
Water Users Association	1,061,277	-	175,157	886,120	55,035
Total bonds and notes payable	5,255,288	18,109,467	1,108,652	22,256,103	1,484,030
Compensated absences	688,173	342,198	269,930	760,441	323,789
Net pension liability	2,528,126	(1,210,685)	-	1,317,441	-
	3,216,299	(868,487)	269,930	2,077,882	323,789
Business-type activities long-term debt	\$ 8,471,587	\$ 17,240,980	\$ 1,378,582	\$ 24,333,985	\$ 1,807,819

As of June 30, 2018, annual debt service requirements of business-type activities to maturity are as follows:

Year ending June 30,	Electric Revenue and Refunding Bonds		Drainage Revenue bonds	
	Principal	Interest	Principal	Interest
2019	\$ 1,250,000	\$ 809,245	\$ 165,000	\$ 45,454
2020	1,280,000	775,520	170,000	39,663
2021	520,000	733,500	180,000	33,696
2022	545,000	707,500	185,000	27,378
2023	575,000	680,250	190,000	20,885
2024-2028	3,340,000	2,939,750	405,000	21,411
2029-2033	4,255,000	2,017,500		
2034-2038	5,435,000	841,750		
	17,200,000	9,505,015	\$ 1,295,000	\$ 188,487
Unamortized Premium	2,469,467	(2,469,467)		
	\$ 19,669,467	\$ 7,035,548		

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H – LONG-TERM DEBT – CONTINUED

Year ending June 30,	Note Payable to Provo River Water Users Association		Note Payable to Provo Reservoir Water Users Co.	
	Principal	Interest	Principal	Interest
2019	\$ 55,035	\$ 34,399	\$ 13,995	\$ 14,191
2020	26,367	33,384	14,490	13,666
2021	37,041	32,330	15,023	13,122
2022	38,529	30,848	20,302	12,385
2023	40,054	29,307	21,034	11,623
2024-2028	225,595	121,184	117,228	45,672
2029-2033	274,535	72,301	140,054	22,002
2034-2036	188,964	15,600	63,390	1,169
	<u>\$ 886,120</u>	<u>\$ 369,353</u>	<u>\$ 405,516</u>	<u>\$ 133,830</u>

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H – LONG-TERM DEBT – CONTINUED

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

	Electric Revenues Bonds	Drainage Revenue Bonds
Net revenues		
Operating revenues	\$ 33,692,286	\$ 1,162,357
Operating expenses (excluding depreciation)	(27,683,496)	(734,418)
Impact fee revenues	4,671,076	503,353
Interest income	290,428	45,861
Net revenues	<u>\$ 10,970,294</u>	<u>\$ 977,153</u>
Aggregate debt service for 2019	<u>\$ 2,059,245</u>	<u>\$ 210,454</u>
Ratio of net revenues to aggregate debt service	<u>5.33</u>	<u>4.64</u>
Minimum ratio	<u>1.25</u>	<u>1.25</u>

Prior Years Defeasance of Debt

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

At June 30, 2018 the following bonds are considered defeased:

	Bond Series	Defeased Balance
Governmental Activities:	2000 Lease Revenue Bonds	\$2,850,000

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE H – LONG-TERM DEBT – CONTINUED

Pledged Revenues

The City has pledged sales tax revenues in the amount of \$12,863,073 to fund debt service payments on the sales tax revenue bonds. The 2014 bonds were used to finance infrastructure improvements within the City and the 2018 bonds were used primarily to finance the construction of a new fire station within the City. Sales tax revenue has been pledged for debt service payments through the year 2038. Total sales tax collections through 2038 have not been estimated. Sales tax revenue in the current year was \$12,062,139 and debt service for the sales tax bonds was \$1,357,722.

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 \$53,978,465. The interest associated with the note is uncertain because of the timing of payments on the note are contingent upon tax increment revenues collected in the area. The proceeds from the note were used to fund redevelopment expenditures. Tax increment has been pledged for debt service payments through the year 2028. Total tax increment collections through 2028 are not estimable. Tax increment revenue available for debt service in the current year was \$10,246,740. As explained previously, if tax increment revenues over the life of the note are insufficient to pay the note, the City will not be required to pay the remaining balance.

The City has pledged tax increment revenues to fund debt service payments on a tax increment note payable to developer of the Thanksgiving Park Project Area in the amount of \$1,393,276. 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 \$254,858. If tax increment revenues over the life of the note are insufficient to pay the note, the City will not be required to pay the remaining balance.

The City has pledged property and sales tax increment revenues to fund debt service payments on a tax increment note payable to developer of the Traverse Mountain Project Area in the amount of \$10,451,021. The note is noninterest bearing. Timing of the payments on the note is contingent upon tax increment revenues collected in the area. The note was issued to reimburse the developer for costs incurred in the project area. Tax increment revenues have been pledged for debt service payments through the year 2024. Tax increment revenue available for debt service in the current year was \$512,728. If tax increment revenues over the life of the note are insufficient to pay the note, the City will not be required to pay the remaining balance.

The City has pledged property tax increment revenues to fund debt service payments on a tax increment note payable to developer of the Alpine Highway West Project Area in the amount of \$14,389,141. 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 \$500,918. If tax increment revenues over the life of the note are insufficient to pay the note, the City will not be required to pay the remaining balance.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$18,834,375. The note is noninterest bearing. Timing of the payments on the note is contingent upon tax increment revenues collected in the area. The note was issued to reimburse the developer for costs incurred in the project area. Tax increment revenues have been pledged for debt service payments through the year 2035. Tax increment revenue available for debt service in the current year was \$329,431. 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 \$26,705,015 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 2038. Electric revenues are projected to produce 500 percent of the debt service requirements over the life of the bonds. In the current year, net electric revenues were \$10,970,294 and electric revenue bond debt service payments were \$1,047,365.

The City has pledged drainage revenues in the amount of \$1,483,487 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 \$977,153 and drainage revenue bond debt service payments were \$211,070.

NOTE I - RETIREMENT PLANS

General Information about the Pension Plan

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

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

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - RETIREMENT PLANS – CONTINUED

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

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

Summary of Benefits by System

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

* with actuarial reductions

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - RETIREMENT PLANS - CONTINUED

Contributions: As a condition of participation in the URS, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2018 are as follows:

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.11%	1.58%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
23 - Other Division A with 2.5% COLA	12.29%	22.75%	N/A
122 - Other Division A Contributory Tier 2	N/A	22.57%	1.26%
Noncontributory			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
Firefighters System			
31 - Other Division A	15.05%	3.93%	N/A
132 - Tier 2 DB Hybrid Firefighters	N/A	10.82%	1.26%
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	12.00%
232 - Firefighters	N/A	0.08%	12.00%

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

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

System	Employer Contributions	Employee Contributions
Noncontributory	\$ 1,424,802	N/A
Public Safety	611,262	-
Firefighters	64,687	-
Tier 2 Public Employees	426,116	-
Tier 2 Public Safety and Firefighter	340,795	-
Tier 2 DC Only	39,190	N/A
Tier 2 DC Public Safety and Firefighter	63	N/A
Total Contributions	<u>\$ 2,906,915</u>	<u>\$ -</u>

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - RETIREMENT PLANS - CONTINUED

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

At June 30, 2018, the City reported a net pension asset of \$352,784 and a net pension liability of \$6,067,095.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory system	0.8609147%	\$ -	\$ 3,944,993
Public Safety System	1.3909834%	-	2,100,423
Firefighters System	5.6106342%	337,393	-
Tier 2 Public Employees System	0.2082968%	-	21,679
Tier 2 Public Safety and Firefighter System	1.5220950%	15,391	-
Total Net Pension Asset/Liability		<u>\$ 352,784</u>	<u>\$ 6,067,095</u>

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2018, the City recognized pension expense of \$2,812,883.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - RETIREMENT PLANS - CONTINUED

At June 30, 2018, 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	\$ 96,839	\$ 729,117
Changes in assumptions	2,713,850	233,289
Net difference between projected and actual earnings on pension plan investments	1,458,735	3,834,396
Changes in proportion and differences between contributions and proportionate share of contributions	298,015	69,013
Contributions subsequent to the measurement date	<u>1,426,983</u>	<u>-</u>
Total	<u>\$ 5,994,422</u>	<u>\$ 4,865,815</u>

\$1,426,982 reported as deferred outflows of resources was related to contributions made by the City prior to its fiscal year end, but subsequent to the measurement date of December 31, 2017. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2019	\$ 414,063
2020	519,855
2021	(558,055)
2022	(806,003)
2023	58,750
Thereafter	73,014

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - RETIREMENT PLANS – CONTINUED

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

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

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

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the five year ending December 31, 2016.

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	13%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	18%	2.85%	0.46%
Cash and cash equivalents	-	-	-
Totals	100%		4.75%
Inflation			2.50%
Expected arithmetic nominal return			7.25%

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE I - RETIREMENT PLANS - CONTINUED

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

Discount rate: The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date. The discount rate was reduced to 6.95% from 7.20% in the prior measurement period.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
System			
Noncontributory	\$ 10,669,114	\$ 3,944,993	\$ (1,645,779)
Public Safety	5,292,122	2,100,423	(486,412)
Firefighters	1,439,556	(337,393)	(1,773,196)
Tier 2 Public Employees	255,262	21,679	(158,447)
Tier 2 Public Safety and Firefighter	136,297	(15,391)	(131,281)
Total	<u>\$ 17,792,351</u>	<u>\$ 5,714,311</u>	<u>\$ (4,195,115)</u>

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, was approximately \$19,000,000. 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, 2018, contributions totaling \$201,864 were made to the plan by employees and \$423,977 by the City.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, had an outstanding balance of \$165,910,000, of which the City's portion was \$18,906,830. During the year ended June 30, 2018, the City purchased power totaling \$21,829,012.

Effective April 1, 2018, the City entered into a Power Sales Contract with UAMPS. UAMPS is in the process of constructing a nuclear generating facility plant known as the Carbon Free Power Project (the Project). Under the contract, the City will purchase from UAMPS an Entitlement Share of up to 10,000 KW of capacity generated by the Project. UAMPS has prepared a budget for the project reflecting total costs of approximately \$4.2 billion. Each participant will fund its pro rata share of the project with either an initial capital contribution, or by funding its pro rata share of debt service on any bonds that UAMPS will issue to finance the project. At this time, the City is anticipating it will be responsible for 1.6667% of the project, or approximately \$70 million. Construction is expected to begin on the project in July 2023. Until that time there are several milestones at which point the City could exercise the option to withdraw from the agreement. If the City chooses to discontinue participation in the project, the resulting cost to the City would be approximately \$100,000.

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

The City has entered into an agreement with Central Utah Water Conservancy District (the District) for the purchase of water. Under the agreement, the City will be required to pay a one-time development fee of \$5,850 per acre foot of water for the City's commitment to purchase 2,500 acre feet of water, or \$14,625,000. Through June 30, 2018, the City had paid \$8,341,997 of the total development fee, leaving a remaining balance of \$6,283,003. This fee must be paid by June 30, 2020.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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 2018. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

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

	<u>2018</u>	<u>2017</u>
Claims liability, July 1	\$ 92,657	\$ 57,708
Claims incurred during the year and changes in estimates	356,740	102,494
Payments on claims during the year		
Payments made by insurance	10,609	67,545
Coinsurance and deductible insurance payments made by the City	<u>170,212</u>	<u>-</u>
Claims liability, June 30	<u><u>\$ 268,576</u></u>	<u><u>\$ 92,657</u></u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE M - INTERFUND TRANSFERS

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

A summary of interfund transfers by fund is as follows:

	Transfers in to:		
	General	Capital Projects	Total
<u>Transfers out from:</u>			
General Fund	\$ -	\$ 2,684,015	\$ 2,684,015
Redevelopment Agency	1,414,754	-	1,414,754
	<u>\$ 1,414,754</u>	<u>\$ 2,684,015</u>	<u>\$ 4,098,769</u>

NOTE N – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE O - REDEVELOPMENT AGENCY OF THE CITY OF LEHI

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

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

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

In August 2010, the Redevelopment Agency passed an ordinance adopting an economic development project area known as the Alpine Highway West Economic Development Project Area. The project will be funded with tax increment financing for a period not to exceed twenty years and up to a maximum of \$17,953,052, with the Agency electing to receive 93.33% of the tax increment from the project area.

During 2012, the Redevelopment Agency approved a community development project area known as the Traverse Mountain Community Development Project Area. The project will be funded with tax increment financing for a period not to exceed twenty years and up to a maximum of \$7,895,934 of property tax increment and \$5,716,119 of sales tax increment. The Agency will receive 100% of the property tax and sales tax increment from the project area.

In August 2014, the Redevelopment Agency passed a resolution adopting an economic development project area known as the West Timpanogos Community Development Project Area. The project will be funded with tax increment financing for a period not to exceed twenty years and up to a maximum of \$19,557,363, with the Agency distributing 97% of the tax increment from the project area to the developer and keeping the remaining 3% for administrative services.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

For the year ended June 30, 2018 the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for the project area	
Millpond Project Area	\$ 362,448
Alpine Highway Project Area	10,246,740
Alpine Highway West Project Area	500,918
West Timpanogos Project Area	329,431
Traverse Mountain Project Area	512,728
Thanksgiving Park Project Area	254,858
	<u>\$ 12,207,123</u>
Outstanding loans to finance RDA projects	<u>\$ 99,046,278</u>
Expenditures:	
Tax increments paid to other taxing agencies	\$ 1,852,278
Principal	4,031,349
Interest	4,215,886
Redevelopment costs	488,862
	<u>\$ 10,588,375</u>

NOTE P – TAX ABATEMENTS

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

For the fiscal year ended June 30, 2018, the City abated the following taxes:

	Property Taxes	Sales Taxes
<u>RDA Project Area tax abatements</u>		
Millpond Project Area	\$ 62,232	\$ -
Alpine Highway Project Area	1,310,858	-
Alpine Highway West Project Area	90,003	-
West Timpanogos Project Area	111,582	-
Traverse Mountain Project Area	92,121	375,755
Thanksgiving Park Project Area	55,567	-
	<u>1,722,363</u>	<u>375,755</u>
Other relocation incentive projects	-	83,426
	<u>\$ 1,722,363</u>	<u>\$ 459,181</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE Q – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expenditure in the General fund in each period based on landfill capacity used as of each balance sheet date. The landfill closure and postclosure care liability is evaluated every three years and as of June 30, 2018, 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, 2018	<u>77%</u>
Cumulative closure and postclosure care liability, as revised during 2012	250,917
Amounts previously recognized	<u>250,917</u>
Amount to be recognized as of June 30, 2018	-
Amount reported as a long-term liability in the governmental activities statement of net position	<u><u>\$ 250,917</u></u>

The total estimated closure and postclosure care costs are based on estimates of what it would cost to perform all closure and postclosure care in 2018. 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.

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, 2018
With a Measurement Date of December 31, 2017
Last Ten Fiscal Years*

Noncontributory System for the Fiscal Years Ended June 30,

	2018	2017	2016	2015
Proportion of the net pension liability (asset)	90.0416200%	86.0914700%	83.6834000%	0.8252402%
Proportionate share of the net pension liability (asset)	\$ 3,944,993	\$ 5,528,126	\$ 4,735,214	\$ 3,583,385
Covered employee payroll	\$ 7,400,491	\$ 7,264,143	\$ 7,048,506	\$ 6,956,642
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	53.3%	76.1%	67.2%	51.5%
Plan fiduciary net position as a percentage of the total pension liability	91.9%	87.3%	87.8%	90.2%

Public Safety System for the Fiscal Years Ended June 30,

	2018	2017	2016	2015
Proportion of the net pension liability (asset)	1.3389936%	1.3909834%	1.3094092%	1.2531910%
Proportionate share of the net pension liability (asset)	\$ 2,100,423	\$ 2,822,689	\$ 2,345,629	\$ 1,575,992
Covered employee payroll	\$ 1,857,970	\$ 2,050,939	\$ 1,983,624	\$ 2,112,919
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	113.0%	137.6%	118.2%	74.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	86.5%	87.1%	90.5%

Firefighters Retirement System for the Fiscal Years Ended June 30,

	2017	2017	2016	2015
Proportion of the net pension liability (asset)	5.4021529%	5.6106342%	5.4181698%	5.2918057%
Proportionate share of the net pension liability (asset)	\$ (337,393)	\$ (44,231)	\$ (98,134)	\$ (301,971)
Covered employee payroll	\$ 1,698,209	\$ 1,704,194	\$ 1,573,859	\$ 1,523,975
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-19.9%	-2.6%	-6.2%	-19.8%
Plan fiduciary net position as a percentage of the total pension liability	103.0%	100.4%	101.0%	103.5%

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –
UTAH RETIREMENT SYSTEMS - CONTINUED
For the fiscal Year Ended June 30, 2018
With a Measurement Date of December 31, 2017
Last Ten Fiscal Years*

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	24.5887100%	0.2829680%	0.1455133%	0.1454933%
Proportionate share of the net pension liability (asset)	\$ 21,679	\$ 23,236	\$ (318)	\$ (4,409)
Covered employee payroll	\$ 2,404,504	\$ 1,708,206	\$ 940,334	\$ 713,760
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	0.9%	1.4%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	97.4%	95.1%	100.2%	103.5%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	1.3301614%	1.1522095%	0.1455133%	0.1454933%
Proportionate share of the net pension liability (asset)	\$ (15,391)	\$ (10,003)	\$ (318)	\$ (4,409)
Covered employee payroll	\$ 1,403,195	\$ 951,984	\$ 940,334	\$ 713,760
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-1.1%	-1.1%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	103.0%	103.6%	100.2%	103.5%

*In accordance with paragraph 81.a of GASB 68, the City will need to disclose a 10 year history of its proportionate share of the net pension liability (asset) in its RSI. The City will continue to present information for available years until a full 10 year trend is compiled.

LEHI CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS
June 30, 2018
Last Ten Fiscal Years**

	As of fiscal year ended June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contribution as a percentage of covered employee
Noncontributory System	2014	\$ 1,165,022	\$ 1,165,022	\$ -	\$6,864,580	16.97%
	2015	1,282,664	1,282,664	-	7,052,771	18.19%
	2016	1,268,549	1,268,549	-	6,981,779	18.17%
	2017	1,309,056	1,309,056	-	7,475,118	17.51%
	2018	1,424,802	1,424,802	-	8,093,782	17.60%
Public Safety System	2014	559,089	559,089	-	2,134,344	26.19%
	2015	625,298	625,298	-	2,036,078	30.71%
	2016	629,374	629,374	-	1,983,967	31.72%
	2017	620,098	620,098	-	2,025,956	30.61%
	2018	611,262	611,262	-	1,948,987	31.36%
Firefighters System	2014	41,630	41,630	-	1,559,356	2.67%
	2015	54,021	54,021	-	1,527,355	3.54%
	2016	58,367	58,367	-	1,581,637	3.69%
	2017	62,382	62,382	-	1,795,409	3.47%
	2018	64,687	64,687	-	1,795,471	3.60%
Tier 2 Public Employees System*	2014	102,833	102,833	-	735,043	13.99%
	2015	113,924	113,924	-	762,543	14.94%
	2016	191,737	191,737	-	1,285,962	14.91%
	2017	302,455	302,455	-	2,107,941	14.35%
	2018	426,116	426,116	-	2,918,623	14.60%
Tier 2 Public Safety and Firefighter System*	2014	48,582	48,582	-	275,951	17.61%
	2015	73,202	73,202	-	393,710	18.59%
	2016	139,579	139,579	-	745,270	18.73%
	2017	205,341	205,341	-	1,119,520	18.34%
	2018	340,795	340,795	-	2,021,465	16.86%
Tier 2 Public Employees DC Only System*	2014	17,563	17,563	-	303,986	5.78%
	2015	33,416	33,416	-	506,307	6.60%
	2016	33,262	33,262	-	497,195	6.69%
	2017	34,392	34,392	-	530,379	6.48%
	2018	39,190	39,190	-	609,291	6.43%
Tier 2 Public Safety and Firefighter DC Only System*	2014	-	-	-	-	0.00%
	2015	55	55	-	38,946	0.14%
	2016	36	36	-	45,001	0.08%
	2017	39	39	-	50,870	0.08%
	2018	63	63	-	82,150	0.08%

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

**In accordance with paragraph 81.b of GASB 68, the City will need to disclose a 10 year history of its proportionate share of the net pension liability (asset) in its RSI. The City will continue to present information for available years until a full 10 year trend is compiled.

LEHI CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
WITH A MEASUREMENT DATE OF DECEMBER 31, 2017

Changes in assumptions

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

- The assumed investment return was decreased from 7.20% to 6.95%.
- The assumed inflation rate was decreased from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost of living adjustment assumption for the funds with a 4.0% annual COLA max).

**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, 2018

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
TAXES				
PROPERTY TAXES	\$ 8,600,000	\$ 8,600,000	\$ 9,293,263	\$ 693,263
GENERAL SALES TAX	11,065,000	11,065,000	11,591,889	526,889
911 TAX	325,000	325,000	-	(325,000)
FRANCHISE TAX	4,450,000	4,450,000	5,073,080	623,080
TOTAL	24,440,000	24,440,000	25,958,232	1,518,232
LICENSES, FEES AND PERMITS				
BUSINESS LICENSES	115,000	115,000	101,030	(13,970)
BUILDING PERMITS	2,500,000	2,500,000	3,474,337	974,337
TOTAL	2,615,000	2,615,000	3,575,367	960,367
INTERGOVERNMENTAL REVENUE				
CLASS "C" ROAD FUNDS	1,600,000	1,600,000	2,229,760	629,760
FIRE DEPARTMENT GRANT	80,000	80,000	261,451	181,451
POLICE SALARY REIMBURSEMENT	68,000	68,000	68,000	-
STATE LIQUOR FUNDS ALLOTMENT	60,000	60,000	60,628	628
COUNTY FIRE ALLOCATION	15,000	15,000	11,753	(3,247)
STATE GRANTS	75,000	75,000	41,263	(33,737)
OTHER GRANTS	100,000	100,000	45,062	(54,938)
TOTAL	1,998,000	1,998,000	2,717,917	719,917
CHARGES FOR SERVICE				
PLANNING/INSPECTION FEES	2,295,000	2,295,000	3,178,426	883,426
AMBULANCE FEES	1,000,000	1,000,000	1,342,763	342,763
FIRE FEES	185,000	185,000	63,991	(121,009)
CEMETERY FEES	186,500	186,500	232,520	46,020
RECREATION FEES	3,089,435	3,171,435	3,683,582	512,147
LIBRARY FEES	95,000	110,000	81,512	(28,488)
OTHER SERVICE REVENUE	120,000	120,000	53,885	(66,115)
TOTAL	6,970,935	7,067,935	8,636,679	1,568,744
FINES AND FORFEITURES				
COURT'S FINES AND FORFEITURES	657,500	657,500	799,079	141,579
MISCELLANEOUS	1,229,000	1,229,000	1,508,819	279,819
INTEREST ON INVESTMENTS	69,500	69,500	163,562	94,062
TOTAL REVENUES	37,979,935	38,076,935	43,359,655	5,282,720
EXPENDITURES				
GENERAL GOVERNMENT				
COURT				
PERSONNEL	501,290	501,290	395,771	105,519
OPERATIONS AND MAINTENANCE	142,660	142,660	121,298	21,362
CAPITAL	17,050	17,050	17,908	(858)
TOTAL	661,000	661,000	534,977	126,023
ADMINISTRATIVE				
PERSONNEL	847,960	847,960	760,494	87,466
OPERATIONS AND MAINTENANCE	216,100	216,100	201,333	14,767
TOTAL	1,064,060	1,064,060	961,827	102,233
TREASURY				
PERSONNEL	456,144	456,144	362,808	93,336
OPERATIONS AND MAINTENANCE	37,700	37,700	49,261	(11,561)
TOTAL	493,844	493,844	412,069	81,775

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2018

				VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		BUDGETED AMOUNTS		
		ORIGINAL	FINAL	ACTUAL
FINANCE				
PERSONNEL		470,862	512,862	580,110
OPERATIONS AND MAINTENANCE		86,796	86,796	77,701
	TOTAL	557,658	599,658	657,811
HUMAN RESOURCES				
PERSONNEL		233,898	233,898	184,809
OPERATIONS AND MAINTENANCE		39,800	39,800	32,789
	TOTAL	273,698	273,698	217,598
CITY RECORDER				
PERSONNEL		114,255	114,255	116,360
OPERATIONS AND MAINTENANCE		147,650	147,650	94,423
CAPITAL		-	-	-
	TOTAL	261,905	261,905	210,783
LEGAL SERVICES				
PERSONNEL		482,476	482,476	448,789
OPERATIONS AND MAINTENANCE		100,000	100,000	72,249
	TOTAL	582,476	582,476	521,038
LEGISLATIVE				
PERSONNEL		204,382	284,382	275,819
OPERATIONS AND MAINTENANCE		98,000	98,000	84,744
	TOTAL	302,382	382,382	360,563
NONDEPARTMENTAL				
OPERATIONS AND MAINTENANCE		2,996,424	2,859,424	2,023,300
CAPITAL		275,000	275,000	251,902
	TOTAL	3,271,424	3,134,424	2,275,202
EMERGENCY MANAGEMENT				
PERSONNEL		20,000	20,000	8,259
OPERATIONS AND MAINTENANCE		46,250	46,250	19,628
CAPITAL		-	-	-
	TOTAL	66,250	66,250	27,887
FACILITIES MAINTENANCE				
PERSONNEL		542,463	542,463	476,018
OPERATIONS AND MAINTENANCE		192,900	192,900	183,424
CAPITAL		17,000	17,000	16,850
	TOTAL	752,363	752,363	676,292
TOTAL GENERAL GOVERNMENT		8,287,060	8,272,060	6,856,047
PUBLIC SAFETY				
POLICE				
PERSONNEL		6,336,368	6,336,368	5,975,109
OPERATIONS AND MAINTENANCE		956,361	956,361	881,045
CAPITAL		154,725	154,725	148,708
	TOTAL	7,447,454	7,447,454	7,004,862
CODE ENFORCEMENT				
PERSONNEL		103,464	103,464	106,226
OPERATIONS AND MAINTENANCE		22,294	22,294	17,000
	TOTAL	125,758	125,758	123,226
FIRE				
PERSONNEL		5,265,659	5,265,659	4,593,013
OPERATIONS AND MAINTENANCE		792,431	792,431	735,640
	TOTAL	6,058,090	6,058,090	5,328,653
ANIMAL CONTROL				
PERSONNEL		93,145	93,145	77,861
OPERATIONS AND MAINTENANCE		76,100	76,100	87,497
	TOTAL	169,245	169,245	165,358
TOTAL PUBLIC SAFETY		13,800,547	13,800,547	12,622,099

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2018

				VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
		BUDGETED AMOUNTS			
		ORIGINAL	FINAL	ACTUAL	
COMMUNITY DEVELOPMENT					
PUBLIC WORKS ADMINISTRATION					
PERSONNEL		228,672	228,672	226,417	2,255
OPERATIONS AND MAINTENANCE		20,100	20,100	19,143	957
	TOTAL	248,772	248,772	245,560	3,212
ENGINEERING					
PERSONNEL		643,266	643,266	646,624	(3,358)
OPERATIONS AND MAINTENANCE		56,800	56,800	66,278	(9,478)
	TOTAL	700,066	700,066	712,902	(12,836)
PLANNING AND ZONING					
PERSONNEL		598,964	598,964	553,453	45,511
OPERATIONS AND MAINTENANCE		105,615	105,615	93,627	11,988
CAPITAL		72,000	72,000	65,932	6,068
	TOTAL	776,579	776,579	713,012	63,567
INSPECTIONS					
PERSONNEL		798,322	798,322	794,535	3,787
OPERATIONS AND MAINTENANCE		85,110	85,110	108,052	(22,942)
CAPITAL		33,250	33,250	26,046	7,204
	TOTAL	916,682	916,682	928,633	(11,951)
ECONOMIC DEVELOPMENT					
PERSONNEL		141,177	141,177	147,692	(6,515)
OPERATIONS AND MAINTENANCE		36,775	36,775	32,263	4,512
	TOTAL	177,952	177,952	179,955	(2,003)
TOTAL COMMUNITY DEVELOPMENT		2,820,051	2,820,051	2,780,062	39,989
STREETS AND HIGHWAYS					
STREETS AND PUBLIC IMPROVEMENTS					
PERSONNEL		1,307,214	1,307,214	1,278,573	28,641
OPERATIONS AND MAINTENANCE		172,216	172,216	188,923	(16,707)
CAPITAL		-	-	-	-
	TOTAL	1,479,430	1,479,430	1,467,496	11,934
C ROAD					
OPERATIONS AND MAINTENANCE		1,902,500	1,883,700	1,852,055	31,645
CAPITAL		50,000	83,200	52,500	30,700
	TOTAL	1,952,500	1,966,900	1,904,555	62,345
TOTAL STREETS AND HIGHWAYS		3,431,930	3,446,330	3,372,051	74,279
PARKS, RECREATION AND CULTURE					
PARKS					
PERSONNEL		1,620,169	1,620,169	1,421,767	198,402
OPERATIONS AND MAINTENANCE		576,380	576,380	644,189	(67,809)
CAPITAL		69,600	129,600	214,660	(85,060)
	TOTAL	2,266,149	2,326,149	2,280,616	45,533
COMMUNITY ARTS AND EVENTS					
OPERATIONS AND MAINTENANCE		482,700	482,700	339,073	143,627
	TOTAL	482,700	482,700	339,073	143,627
SENIOR CITIZENS					
PERSONNEL		181,863	181,863	162,924	18,939
OPERATIONS AND MAINTENANCE		56,650	56,650	60,774	(4,124)
	TOTAL	238,513	238,513	223,698	14,815

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
RECREATION				
PERSONNEL	2,728,861	2,728,861	2,556,543	172,318
OPERATIONS AND MAINTENANCE	1,769,317	1,769,317	1,669,087	100,230
CAPITAL	137,100	626,100	591,712	34,388
TOTAL	4,635,278	5,124,278	4,817,342	306,936
MUSEUM				
PERSONNEL	172,381	172,381	13,191	159,190
OPERATIONS AND MAINTENANCE	123,050	295,618	428,863	(133,245)
CAPITAL	25,000	25,000	4,795	20,205
TOTAL	320,431	492,999	446,849	46,150
LITERACY CENTER				
PERSONNEL	301,986	301,986	245,712	56,274
OPERATIONS AND MAINTENANCE	15,250	15,250	43,629	(28,379)
TOTAL	317,236	317,236	289,341	27,895
LIBRARY				
PERSONNEL	898,064	913,064	911,059	2,005
OPERATIONS AND MAINTENANCE	373,897	373,897	353,555	20,342
CAPITAL	-	15,000	13,593	1,407
TOTAL	1,271,961	1,301,961	1,278,207	23,754
TOTAL PARKS, RECREATION AND CULTURE	9,532,268	10,283,836	9,675,126	608,710
CEMETERY				
PERSONNEL	358,510	358,510	301,553	56,957
OPERATIONS AND MAINTENANCE	87,057	87,057	72,130	14,927
CAPITAL	18,022	18,022	16,464	1,558
TOTAL	463,589	463,589	390,147	73,442
DEBT SERVICE				
PRINCIPAL	700,772	700,772	700,000	772
INTEREST	120,060	120,060	120,060	-
TOTAL	820,832	820,832	820,060	772
TOTAL EXPENDITURES	39,156,277	39,907,245	36,515,592	3,391,653
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,176,342)	(1,830,310)	6,844,063	8,674,373
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,500,000	1,907,000	1,414,754	(492,246)
TRANSFERS OUT	(2,684,015)	(2,684,015)	(2,684,015)	-
SALE OF CAPITAL ASSETS	10,000	10,000	51,932	41,932
TOTAL OTHER FINANCING SOURCES	(1,174,015)	(767,015)	(1,217,329)	(450,314)
NET CHANGE IN FUND BALANCE	(2,350,357)	(2,597,325)	5,626,734	8,224,059
FUND BALANCE AT BEGINNING OF YEAR	6,293,553	6,293,553	6,293,553	-
FUND BALANCE AT END OF YEAR	\$ 3,943,196	\$ 3,696,228	\$ 11,920,287	\$ 8,224,059

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
JUNE 30, 2018

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
IMPACT FEE REVENUE	\$ 4,700,000	\$ 4,700,000	\$ 4,424,709	\$ (275,291)
SALES TAX REVENUE	429,500	505,873	470,250	(35,623)
INTERGOVERNMENTAL REVENUES	20,925,000	22,525,000	3,535,658	(18,989,342)
MISCELLANEOUS	-	-	200,000	200,000
INTEREST ON INVESTMENTS	32,000	32,000	124,516	92,516
TOTAL REVENUES	26,086,500	27,762,873	8,755,133	(19,007,740)
EXPENDITURES				
CURRENT				
OTHER	52,500	52,500	63,900	(11,400)
CAPITAL OUTLAY	34,026,865	37,182,865	9,962,532	27,220,333
DEBT SERVICE				
PRINCIPAL	-	2,575,000	2,952,618	(377,618)
INTEREST AND FISCAL CHARGES	427,500	503,873	554,820	(50,947)
TOTAL EXPENDITURES	34,506,865	40,314,238	13,533,870	26,780,368
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(8,420,365)	(12,551,365)	(4,778,737)	7,772,628
OTHER FINANCING SOURCES				
TRANSFERS IN	2,684,015	2,684,015	2,684,015	-
ISSUANCE OF NOTES AND BONDS	5,000,000	5,768,600	5,768,588	12
TOTAL OTHER FINANCING SOURCES	7,684,015	8,452,615	8,452,603	12
NET CHANGE IN FUND BALANCE	(736,350)	(4,098,750)	3,673,866	7,772,640
FUND BALANCE AT BEGINNING OF YEAR	1,090,972	1,090,972	1,090,972	-
FUND BALANCE AT END OF YEAR	\$ 354,622	\$ (3,007,778)	\$ 4,764,838	\$ 7,772,640

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, 2018

INTERNAL SERVICE FUNDS					
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	\$ 718,785	\$ 504,032	\$ 767,186	\$ 472,128	\$ 2,462,131
ACCOUNTS RECEIVABLE	-	1,626	-	-	1,626
INVENTORY	-	71,115	-	-	71,115
TOTAL CURRENT ASSETS	718,785	576,773	767,186	472,128	2,534,872
NON-CURRENT ASSETS					
DEPRECIABLE CAPITAL ASSETS, NET	278,592	2,610,913	-	194,591	3,084,096
TOTAL NON-CURRENT ASSETS	278,592	2,610,913	-	194,591	3,084,096
TOTAL ASSETS	\$ 997,377	\$ 3,187,686	\$ 767,186	\$ 666,719	\$ 5,618,968
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	\$ 79,605	\$ 62,559	\$ 30,794	\$ 39,794	\$ 212,752
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	\$ 9,352	\$ 148,333	\$ 26,287	\$ 24,522	\$ 208,494
WAGES PAYABLE	8,627	9,760	3,174	9,705	31,266
CURRENT PORTION COMPENSATED ABSENCES	8,783	13,101	8,502	14,056	44,442
TOTAL CURRENT LIABILITIES	26,762	171,194	37,963	48,283	284,202
NON-CURRENT LIABILITIES					
COMPENSATED ABSENCES	5,589	20,649	18,611	8,905	53,754
NET PENSION LIABILITY	80,570	63,317	31,168	40,276	215,331
TOTAL NON-CURRENT LIABILITIES	86,159	83,966	49,779	49,181	269,085
TOTAL LIABILITIES	\$ 112,921	\$ 255,160	\$ 87,742	\$ 97,464	\$ 553,287
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	\$ 64,617	\$ 50,780	\$ 24,997	\$ 32,301	\$ 172,695
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	278,592	2,610,913	-	194,591	3,084,096
UNRESTRICTED	620,852	333,392	685,241	382,157	2,021,642
TOTAL NET POSITION	\$ 899,444	\$ 2,944,305	\$ 685,241	\$ 576,748	\$ 5,105,738

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2018

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
OPERATING REVENUES					
CHARGES FOR SERVICES - INTERNAL	\$ 790,149	\$ 1,645,294	\$ 641,991	\$ 963,608	\$ 4,041,042
TOTAL OPERATING REVENUES	790,149	1,645,294	641,991	963,608	4,041,042
OPERATING EXPENSES					
PERSONNEL	312,965	329,748	113,397	343,401	1,099,511
OPERATING AND MAINTENANCE	276,336	1,044,873	820,316	366,876	2,508,401
DEPRECIATION	68,565	660,254	-	45,111	773,930
TOTAL OPERATING EXPENSES	657,866	2,034,875	933,713	755,388	4,381,842
OPERATING INCOME (LOSS)	132,283	(389,581)	(291,722)	208,220	(340,800)
NON-OPERATING REVENUES (EXPENSES)					
GAIN ON DISPOSAL OF CAPITAL ASSETS	-	4,220	-	-	4,220
MISCELLANEOUS REVENUES	-	1,228	-	-	1,228
INTEREST INCOME	31,758	11,333	37,727	5,107	85,925
TOTAL NON-OPERATING REVENUES (EXPENSES)	31,758	16,781	37,727	5,107	91,373
CHANGE IN NET POSTION	164,041	(372,800)	(253,995)	213,327	(249,427)
NET POSITION AT BEGINNING OF YEAR	735,403	3,317,105	939,236	363,421	5,355,165
NET POSTION AT END OF YEAR	\$ 899,444	\$ 2,944,305	\$ 685,241	\$ 576,748	\$ 5,105,738

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2018

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	\$ 790,149	\$ 1,643,668	\$ 641,991	\$ 963,608	\$ 4,039,416
CASH PAID TO SUPPLIERS	(321,909)	(995,693)	(128,687)	(405,404)	(1,851,693)
CASH PAID TO EMPLOYEES	(375,561)	(340,872)	(835,639)	(362,623)	(1,914,695)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	92,679	307,103	(322,335)	195,581	273,028
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
MISCELLANEOUS RECEIPTS	-	1,228	-	-	1,228
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	1,228	-	-	1,228
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	11,466	-	-	11,466
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	-	(705,303)	-	(29,179)	(734,482)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	-	(693,837)	-	(29,179)	(723,016)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST INCOME COLLECTED	31,758	11,333	37,727	5,107	85,925
NET CASH PROVIDED BY INVESTING ACTIVITIES	31,758	11,333	37,727	5,107	85,925
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	124,437	(374,173)	(284,608)	171,509	(362,835)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	594,348	878,205	1,051,794	300,619	2,824,966
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 718,785</u>	<u>\$ 504,032</u>	<u>\$ 767,186</u>	<u>\$ 472,128</u>	<u>\$ 2,462,131</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:					
UNRESTRICTED CASH	\$ 718,785	\$ 504,032	\$ 767,186	\$ 472,128	\$ 2,462,131
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ 132,283	\$ (389,581)	\$ (291,722)	\$ 208,220	\$ (340,800)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
DEPRECIATION	68,565	660,254	-	45,111	773,930
CHANGES IN ASSETS AND LIABILITIES					
ACCOUNTS RECEIVABLE	-	(1,626)	-	-	(1,626)
INVENTORY	-	(26,638)	-	-	(26,638)
PREPAID EXPENSES	-	-	-	-	-
ACCOUNTS PAYABLE	(45,573)	75,818	(15,323)	(38,528)	(23,606)
WAGES PAYABLE	513	1,136	92	2,357	4,098
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS	(41,521)	(4,608)	(15,677)	(24,307)	(86,113)
COMPENSATED ABSENCES	(21,588)	(7,652)	295	2,728	(26,217)
	<u>\$ 92,679</u>	<u>\$ 307,103</u>	<u>\$ (322,335)</u>	<u>\$ 195,581</u>	<u>\$ 273,028</u>

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

	<u>Page</u>
FINANCIAL TRENDS	102 - 110
These schedules provide trend information to help the reader understand how the City's financial performance and economic conditions have changed over time.	
REVENUE CAPACITY	111 - 114
These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues.	
DEBT CAPACITY	115 - 123
These schedules provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	124 - 125
These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
OPERATING INFORMATION	126 - 128
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.	

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

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 219,129,389	\$ 229,907,904	\$ 242,558,256	\$ 270,733,436	\$ 288,966,135
Restricted	8,560,047	6,565,677	4,262,799	590,207	349,363
Unrestricted	(88,715,100)	(108,048,049)	(101,045,130)	(101,325,874)	(90,089,047)
Total governmental activities net position	138,974,336	128,425,532	145,775,925	169,997,769	199,226,451
Business-type activities					
Net investment in capital assets	202,621,488	224,324,128	238,650,352	267,462,097	299,404,845
Restricted	9,063,049	4,293,339	4,555,304	126,965	547,651
Unrestricted	16,429,759	19,502,118	24,970,618	30,640,955	35,236,748
Total business-type activities net position	228,114,296	248,119,585	268,176,274	298,230,017	335,189,244
Primary government					
Net investment in capital assets	421,750,877	454,232,032	481,208,608	538,195,533	588,370,980
Restricted	17,623,096	10,859,016	8,818,103	717,172	897,014
Unrestricted	(72,285,341)	(88,545,931)	(76,074,512)	(70,684,919)	(54,852,299)
Total primary government net position	\$ 367,088,632	\$ 376,545,117	\$ 413,952,199	\$ 468,227,786	\$ 534,415,695

	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	\$ 213,579,310	\$ 211,805,645	\$ 211,722,660	\$ 215,235,149	\$ 214,537,806
Restricted	2,488,688	3,500,816	9,514,316	6,905,380	6,470,224
Unrestricted	(74,678,852)	(72,015,133)	(71,391,471)	(66,936,366)	(73,872,812)
Total governmental activities net position	141,389,146	143,291,328	149,845,505	155,204,163	147,135,218
Business-type activities					
Net investment in capital assets	137,407,148	172,095,833	171,920,314	176,523,733	184,918,965
Restricted	5,622,428	5,638,545	5,166,369	5,681,780	8,545,937
Unrestricted	(1,728,272)	(2,125,977)	49,034	5,025,384	13,515,909
Total business-type activities net position	141,301,304	175,608,401	177,135,717	187,230,897	206,980,811
Primary government					
Net investment in capital assets	350,986,458	383,901,478	383,642,974	391,758,882	399,456,771
Restricted	8,111,116	9,139,361	14,680,685	12,587,160	15,016,161
Unrestricted	(76,407,124)	(74,141,110)	(71,342,437)	(61,910,982)	(60,356,903)
Total primary government net position	\$ 282,690,450	\$ 318,899,729	\$ 326,981,222	\$ 342,435,060	\$ 354,116,029

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				
	2014	2015	2016	2017	2018
Expenses					
Governmental activities					
General government	\$ 6,608,885	\$ 7,536,526	\$ 6,904,634	\$ 9,041,919	\$ 8,274,466
Public Safety	10,046,876	10,178,031	11,170,823	12,096,387	13,656,195
Community Development	21,231,389	23,302,007	4,079,029	5,796,634	4,928,368
Streets and Highways	9,473,624	9,676,339	10,632,298	11,727,234	12,764,811
Parks, recreation, and culture	8,023,291	8,503,024	9,251,152	9,856,045	10,486,576
Cemetery	362,172	386,084	443,058	406,824	414,906
Interest on long-term debt	4,520,957	4,437,878	4,832,597	4,834,457	4,906,081
Total governmental activities	60,267,194	64,019,889	47,313,591	53,759,500	55,431,403
Business-type activities					
Culinary Water	3,409,071	3,935,066	4,110,256	6,233,288	4,807,400
Sewer	6,248,401	7,415,879	8,188,182	9,525,964	9,865,657
Pressurized Irrigation	2,747,577	2,811,392	2,933,070	3,412,437	3,637,826
Electric	24,328,858	25,550,168	26,793,013	28,132,875	30,707,792
Drainage	1,301,784	1,377,942	1,610,648	1,968,846	2,228,474
Garbage	2,427,119	2,354,165	2,123,488	2,310,261	2,448,938
Total business-type activities	40,462,810	43,444,612	45,758,657	51,583,671	53,696,087
Total primary government expenses	\$ 100,730,004	\$ 107,464,501	\$ 93,072,248	\$ 105,343,171	\$ 109,127,490
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 1,280,770	\$ 922,395	\$ 1,225,124	\$ 1,035,384	\$ 1,270,675
Public Safety	735,826	713,288	772,926	1,515,823	1,510,422
Community Development	3,380,948	3,996,282	4,122,688	4,539,888	6,753,793
Parks, recreation, and culture	3,442,123	3,538,275	3,669,216	3,701,396	3,989,072
Cemetery	200,865	235,200	240,285	219,065	232,520
Operating grants and contributions	1,652,937	1,879,304	1,921,433	3,449,482	2,687,038
Capital grants and contributions	6,669,536	10,177,225	13,859,305	21,055,729	23,638,826
Total governmental activities	17,363,005	21,461,969	25,810,977	35,516,767	40,082,346
Business-type activities					
Charges for services					
Culinary Water	3,387,526	3,606,036	4,282,274	6,623,580	5,671,068
Sewer	7,518,893	8,561,592	8,632,614	8,515,717	8,560,318
Pressurized Irrigation	2,236,370	2,678,561	2,697,436	2,649,309	3,002,057
Electric	24,730,251	26,168,996	28,967,401	31,303,180	33,458,042
Drainage	1,072,401	958,281	1,018,434	1,098,866	1,162,357
Garbage	2,025,666	2,075,810	2,196,940	2,300,452	2,412,652
Capital grants and contributions	13,031,629	13,302,030	12,816,991	23,080,154	25,341,969
Total business-type activities	54,002,736	57,351,306	60,612,090	75,571,258	79,608,463
Total primary government program revenues	\$ 71,365,741	\$ 78,813,275	\$ 86,423,067	\$ 111,088,025	\$ 119,690,809

CONTINUED

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

Expenses	Fiscal Year				
	2009	2010	2011	2012	2013
Governmental activities					
General government	\$ 4,790,376	\$ 4,429,526	\$ 5,307,139	\$ 5,664,766	\$ 5,602,138
Public Safety	6,917,410	8,294,302	8,781,592	8,759,020	9,487,082
Community Development	7,845,367	3,915,440	4,264,439	3,826,912	17,364,548
Streets and Highways	6,833,204	7,533,656	10,227,496	11,731,075	8,696,026
Parks, recreation, and culture	6,154,035	6,181,189	6,369,274	6,740,823	7,585,566
Cemetery	179,180	343,280	269,700	261,054	315,796
Interest on long-term debt	4,818,132	4,677,116	4,545,032	4,457,480	4,498,839
Total governmental activities	37,537,704	35,374,509	39,764,672	41,441,130	53,549,995
Business-type activities					
Culinary Water	2,738,379	2,502,822	2,544,131	2,562,929	2,848,555
Sewer	4,427,260	4,867,521	6,102,340	6,372,255	6,218,600
Pressurized Irrigation	1,867,549	1,882,960	2,676,304	2,277,980	2,604,120
Electric	20,728,252	20,554,351	20,787,596	19,951,247	23,776,549
Drainage	906,252	1,006,380	1,225,380	1,161,325	1,299,785
Garbage	1,934,512	2,021,030	1,816,865	2,120,558	2,243,542
Total business-type activities	32,602,204	32,835,064	35,152,616	34,446,294	38,991,151
Total primary government expenses	\$ 70,139,908	\$ 68,209,573	\$ 74,917,288	\$ 75,887,424	\$ 92,541,146
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 1,704,170	\$ 1,145,665	\$ 1,021,657	\$ 901,786	\$ 852,069
Public Safety	492,808	591,731	505,979	491,458	639,389
Community Development	1,023,732	1,363,643	1,487,215	2,331,513	3,697,018
Parks, recreation, and culture	2,874,871	2,987,914	2,949,442	3,103,973	3,261,742
Cemetery	136,252	70,780	161,502	147,453	170,515
Operating grants and contributions	823,303	1,545,098	2,153,477	3,443,139	1,990,385
Capital grants and contributions	13,239,384	5,596,760	12,581,519	7,656,824	2,693,363
Total governmental activities	20,294,520	13,301,591	20,860,791	18,076,146	13,304,481
Business-type activities					
Charges for services					
Culinary Water	1,984,451	2,597,686	2,634,733	2,843,567	3,353,732
Sewer	3,682,833	3,959,930	4,886,485	6,292,827	7,329,883
Pressurized Irrigation	1,630,416	1,850,135	2,200,146	2,296,606	2,160,964
Electric	19,110,795	18,975,668	19,856,320	21,222,943	23,493,768
Drainage	866,809	933,646	1,070,910	1,107,979	1,023,980
Garbage	2,011,309	2,125,792	2,193,629	2,291,890	2,155,728
Capital grants and contributions	8,470,064	5,034,797	4,245,278	5,631,871	9,991,274
Total business-type activities	37,756,677	35,477,654	37,087,501	41,687,683	49,509,329
Total primary government revenues	\$ 58,051,197	\$ 48,779,245	\$ 57,948,292	\$ 59,763,829	\$ 62,813,810

CONTINUED

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Net (Expense)/Revenue					
Governmental activities	\$ (42,927,489)	\$ (42,542,388)	\$ (22,076,340)	\$ (18,242,733)	\$ (15,349,057)
Business-type activities	13,539,926	13,906,694	14,853,433	23,987,587	25,912,376
Total primary government net (expense)/revenue	<u>\$ (29,387,563)</u>	<u>\$ (28,635,694)</u>	<u>\$ (7,222,907)</u>	<u>\$ 5,744,854</u>	<u>\$ 10,563,319</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 16,373,300	\$ 17,134,391	\$ 18,943,311	\$ 21,435,929	\$ 21,124,631
Sales taxes	7,904,519	9,060,843	9,830,594	11,034,838	12,222,987
Franchise taxes	4,285,907	4,626,674	5,221,608	4,886,832	5,287,987
Impact fees	4,899,084	4,980,287	3,872,262	3,378,791	4,424,709
Earnings on investments	98,028	81,658	153,854	193,325	337,123
Gain on disposal of capital assets	-	-	-	-	256,152
Other	18,862	75,314	100,458	1,534,862	924,150
Transfers	730,920	485,920	730,920	-	-
Total governmental activities	<u>34,310,620</u>	<u>36,445,087</u>	<u>38,853,007</u>	<u>42,464,577</u>	<u>44,577,739</u>
Business-type activities					
Earnings on investments	106,836	114,557	151,462	304,489	560,760
Impact fees	7,617,749	7,239,384	5,097,841	5,331,228	9,950,739
Gain on disposal of capital assets	68,690	6,164	67,014	38,613	29,501
Other	531,204	411,696	617,859	391,826	505,851
Transfers	(730,920)	(485,920)	(730,920)	-	-
Total business-type activities	<u>7,593,559</u>	<u>7,285,881</u>	<u>5,203,256</u>	<u>6,066,156</u>	<u>11,046,851</u>
Total primary government	<u>\$ 41,904,179</u>	<u>\$ 43,730,968</u>	<u>\$ 44,056,263</u>	<u>\$ 48,530,733</u>	<u>\$ 55,624,590</u>
Change in Net Position					
Governmental activities	\$ (8,593,569)	\$ (6,112,833)	\$ 17,350,393	\$ 24,221,844	\$ 29,228,682
Business-type activities	21,133,485	21,192,575	20,056,689	30,053,743	36,959,227
Total primary government	<u>\$ 12,539,916</u>	<u>\$ 15,079,742</u>	<u>\$ 37,407,082</u>	<u>\$ 54,275,587</u>	<u>\$ 66,187,909</u>

CONTINUED

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Net (Expense)/Revenue					
Governmental activities	\$ (17,243,184)	\$ (22,072,918)	\$ (18,903,881)	\$ (23,364,984)	\$ (40,303,264)
Business-type activities	5,154,473	2,642,590	1,934,885	7,241,389	10,518,178
Total primary government net (expense)/revenue	<u>\$ (12,088,711)</u>	<u>\$ (19,430,328)</u>	<u>\$ (16,968,996)</u>	<u>\$ (16,123,595)</u>	<u>\$ (29,785,086)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 18,072,425	\$ 14,221,477	\$ 15,216,011	\$ 14,967,910	\$ 14,564,416
Sales taxes	5,727,822	5,741,667	5,985,133	6,818,129	7,361,030
Franchise taxes	3,191,822	3,127,311	3,418,306	3,374,229	3,733,118
Earnings on investments	177,236	98,348	74,775	2,719,390	4,727,508
Gain (Loss) on disposal of assets	(159,412)	55,297	28,511	95,889	108,596
Other	-	-	4,402	17,175	47,656
Transfers	2,231,004	731,000	730,920	730,920	730,920
Total governmental activities	<u>29,240,897</u>	<u>23,975,100</u>	<u>25,458,058</u>	<u>28,723,642</u>	<u>31,273,244</u>
Business-type activities					
Earnings on investments	280,778	49,956	48,967	159,686	99,922
Impact fees				3,127,551	4,273,216
Gain on disposal of assets	-	(115,728)	-	33,221	1,800
Other	196,858	169,979	274,384	264,253	286,009
Transfers	(2,231,004)	(731,000)	(730,920)	(730,920)	(730,920)
Total business-type activities	<u>(1,753,368)</u>	<u>(626,793)</u>	<u>(407,569)</u>	<u>2,853,791</u>	<u>3,930,027</u>
Total primary government	<u>\$ 27,487,529</u>	<u>\$ 23,348,307</u>	<u>\$ 25,050,489</u>	<u>\$ 31,577,433</u>	<u>\$ 35,203,271</u>
Change in Net Position					
Governmental activities	\$ 11,999,713	1,902,182	6,554,177	\$ 5,358,658	\$ (8,972,270)
Business-type activities	3,401,105	2,015,797	1,527,316	10,095,180	14,448,205
Total primary government	<u>\$ 15,400,818</u>	<u>\$ 3,917,979</u>	<u>\$ 8,081,493</u>	<u>\$ 15,453,838</u>	<u>\$ 5,475,935</u>

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

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 29,902	\$ 24,000	\$ 103,000	\$ 197,599	\$ -
Restricted	1,028,085	799,082	574,992	306,630	458,007
Committed	466,584	496,802	624,936	542,731	552,705
Assigned	190,349	191,324	192,026	194,253	22,295
Unassigned	6,645,733	6,758,479	6,918,012	5,052,340	10,887,280
Total general fund	8,360,653	8,269,687	8,412,966	6,293,553	11,920,287
All Other Governmental Funds					
Nonspendable	-	24,877	-	-	-
Restricted	8,274,991	6,245,868	4,738,086	711,561	1,017,852
Assigned	2,617,559	2,536,176	5,043,913	1,403,153	5,097,302
Total all other governmental funds	10,892,550	8,806,921	9,781,999	2,114,714	6,115,154
Total governmental funds	\$ 19,253,203	\$ 17,076,608	\$ 18,194,965	\$ 8,408,267	\$ 18,035,441

	Fiscal Year				
	2009	2010	2011	2012	2013
General Fund					
Nonspendable	\$ 34,398	\$ -	\$ 2,637	\$ -	\$ 25,858
Restricted	1,963,731	2,226,954	1,079,347	1,160,885	652,048
Committed	319,499	321,627	355,345	398,166	448,237
Assigned	179,765	180,961	181,923	183,210	184,415
Unassigned	526,590	913,681	1,590,564	3,410,473	6,439,616
Total general fund	3,023,983	3,643,223	3,209,816	5,152,734	7,750,174
All Other Governmental Funds					
Restricted	1,055,460	1,509,304	8,566,451	6,121,394	6,195,047
Assigned	297,990	481,634	(1,008,431)	37,941	2,690,851
Total all other governmental funds	1,353,450	1,990,938	7,558,020	6,159,335	8,885,898
Total governmental funds	\$ 4,377,433	\$ 5,634,161	\$ 10,767,836	\$ 11,312,069	\$ 16,636,072

Lehi City implemented GASB 54 for the fiscal year ended June 30, 2011. The fund balances from prior fiscal years (2009 – 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				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 28,563,726	\$ 30,821,908	\$ 33,995,513	\$ 37,357,599	\$ 38,635,605
Licenses, fees and permits	6,444,720	7,372,672	6,533,438	6,866,680	8,000,076
Intergovernmental	1,671,598	2,056,379	3,539,749	3,316,413	6,253,575
Charges for services	5,762,720	6,081,697	6,519,088	7,502,520	8,636,679
Fines and forfeitures	547,825	554,622	668,151	629,104	799,079
Miscellaneous	806,898	433,344	649,434	1,252,405	1,818,819
Interest on investments	88,992	72,298	145,662	181,076	300,658
Total revenues	43,886,479	47,392,920	52,051,035	57,105,797	64,444,491
Expenditures					
General government	5,512,993	7,432,107	6,804,485	8,390,690	6,856,047
Public Safety	9,830,309	9,745,736	10,602,138	11,934,981	12,622,099
Community development	21,215,648	23,120,657	3,820,164	6,179,501	5,121,202
Streets and highways	2,462,221	2,790,957	3,114,886	4,096,908	3,372,051
Parks, recreation and culture	8,295,691	7,656,136	8,279,958	8,628,939	9,675,126
Cemetery	334,730	358,145	415,615	385,537	390,147
Other	77,920	12,476	3,600	3,600	63,900
Capital outlay	4,245,051	10,087,085	9,752,734	20,976,507	9,962,532
Debt Service					
Principal	10,722,440	4,353,681	4,764,670	5,201,440	7,683,967
Interest and fiscal charges	4,636,091	4,246,198	4,732,577	5,277,161	4,890,766
Total expenditures	67,333,094	69,803,178	52,290,827	71,075,264	60,637,837
Excess (deficiency) of revenues over (under) expenditures	(23,446,615)	(22,410,258)	(239,792)	(13,969,467)	3,806,654
Other Financing Sources (Uses)					
Transfers in	4,408,662	3,917,960	5,818,343	6,791,536	4,098,769
Transfers out	(3,677,742)	(3,432,040)	(5,087,423)	(6,791,536)	(4,098,769)
Sale of capital assets	52,930	190,380	627,229	13,577	51,932
Bond and note proceeds	25,163,052	19,557,363	-	4,169,192	5,768,588
Total other financing sources (uses)	25,946,902	20,233,663	1,358,149	4,182,769	5,820,520
Net change in fund balances	\$ 2,500,287	\$ (2,176,595)	\$ 1,118,357	\$ (9,786,698)	\$ 9,627,174
Debt service as a percentage of noncapital expenditures	24.34%	14.59%	22.41%	21.93%	25.12%

CONTINUED

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

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 26,992,069	\$ 23,090,455	\$ 24,619,450	\$ 25,160,268	\$ 25,658,564
Licenses, fees and permits	1,753,077	3,295,183	3,070,742	4,187,195	6,695,905
Intergovernmental	1,604,255	2,589,244	10,694,110	7,031,764	2,015,152
Charges for services	3,951,453	4,111,773	4,209,859	4,554,976	5,668,980
Fines and forfeitures	1,133,215	828,467	835,010	651,848	593,424
Special assessment revenue	1,271,000	-	-	-	-
Miscellaneous	570,955	441,419	335,460	365,682	357,656
Interest on investments	179,236	92,336	67,281	83,006	96,393
Total revenues	37,455,260	34,448,877	43,831,912	42,034,739	41,086,074
Expenditures					
General government	4,390,714	4,431,166	4,928,570	4,926,429	4,756,942
Public Safety	7,897,722	8,071,323	8,453,897	8,430,152	9,108,300
Community development	7,667,029	3,707,335	4,388,643	3,775,472	17,383,350
Streets and highways	1,834,279	1,689,097	1,770,865	1,873,444	2,094,633
Parks, recreation and culture	5,542,788	5,793,779	6,058,330	6,927,077	6,805,808
Cemetery	297,062	289,208	223,569	244,481	291,914
Other	32,623	33,225	798,307	312,483	13,780
Capital outlay	8,617,325	1,695,944	5,362,725	8,858,638	3,569,430
Debt Service					
Principal	7,937,343	4,062,549	3,848,822	3,508,069	3,136,951
Interest and fiscal charges	3,774,216	4,568,005	4,603,039	4,032,356	4,405,021
Total expenditures	47,991,101	34,341,631	40,436,767	42,888,601	51,566,129
Excess (deficiency) of revenues over (under) expenditures	(10,535,841)	107,246	3,395,145	(853,862)	(10,480,055)
Other Financing Sources (Uses)					
Transfers in	8,224,855	2,100,180	5,254,970	2,522,057	3,708,947
Transfers out	(5,993,851)	(1,369,180)	(4,524,050)	(1,791,137)	(2,978,027)
Sale of capital assets	-	56,297	49,110	17,175	82,760
Bond and note proceeds	4,470,865	362,185	958,500	650,000	14,087,053
Total other financing sources (uses)	6,701,869	1,149,482	1,738,530	1,398,095	14,900,733
Net change in fund balances	\$ (3,833,972)	\$ 1,256,728	\$ 5,133,675	\$ 544,233	\$ 4,420,678
Debt service as a percentage of noncapital expenditures	30.65%	25.13%	22.90%	20.55%	16.62%

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
2009	\$ 17,539,314	\$ 5,727,822	\$ 3,191,822	\$ 533,111	\$ 26,992,069
2010	13,900,358	5,741,667	3,127,311	321,119	23,090,455
2011	14,704,702	5,985,133	3,418,306	511,309	24,619,450
2012	14,430,126	6,818,129	3,374,229	537,784	25,160,268
2013	14,014,696	7,361,030	3,733,118	549,720	25,658,564
2014	15,812,205	7,904,519	4,285,907	561,095	28,563,726
2015	16,576,423	9,060,843	4,626,674	557,968	30,821,908
2016	18,985,237	9,377,782	5,067,062	581,027	34,011,108
2017	21,295,398	10,757,971	4,698,705	605,525	37,357,599
2018	20,843,539	12,062,139	5,073,080	656,847	38,635,605
Growth 2009-2018	18.8%	110.6%	58.9%	23.2%	43.1%

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
2009	\$ 2,729,016,625	\$ 1,232,130,764	\$ 3,961,147,389	0.001901	\$ 5,620,741,015	70.5%
2010	2,678,798,948	827,519,256	3,506,318,204	0.001789	4,763,264,294	73.6%
2011	2,512,537,899	716,232,799	3,228,770,698	0.002370	4,449,089,196	72.6%
2012	2,413,402,390	595,908,946	3,009,311,336	0.002519	4,177,983,527	72.0%
2013	2,471,989,979	552,044,117	3,024,034,096	0.002585	4,207,485,475	71.9%
2014	2,781,443,616	636,160,403	3,417,604,019	0.002432	4,740,895,420	72.1%
2015	3,260,372,368	679,951,110	3,940,323,478	0.002172	5,515,472,867	71.4%
2016	3,659,970,869	841,344,071	4,501,314,940	0.002090	6,273,725,606	71.7%
2017	4,179,645,929	1,001,269,708	5,180,915,637	0.002005	7,122,345,588	72.7%
2018	4,694,115,192	1,049,063,478	5,743,178,670	0.001830	7,936,815,060	72.4%

(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	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 4,834,566	\$ 4,387,425	90.75%	\$ 446,950	\$ 4,834,375	100.00%
2010	5,235,678	4,605,762	87.97%	629,747	5,235,509	100.00%
2011	5,676,477	5,203,186	91.66%	472,879	5,676,065	99.99%
2012	5,822,681	5,293,437	90.91%	520,694	5,814,131	99.85%
2013	6,149,530	5,660,924	92.05%	455,422	6,116,346	99.46%
2014	6,343,087	6,020,853	94.92%	218,213	6,239,066	98.36%
2015	8,631,183	8,222,670	95.27%	303,443	8,526,113	98.78%
2016	9,388,153	8,960,710	95.45%	349,731	9,310,441	99.17%
2017	10,467,968	10,028,134	95.80%	370,879	10,399,013	99.34%
2018	10,682,184	10,215,281	95.63%	-	10,215,281	95.63%

Source: Utah County Treasurer

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

Fiscal Year	Lehi City Direct Rates			Overlapping Rates					Total
	General Fund	Debt Service Fund	Total Direct Rate	Alpine School District	Utah County	Central Utah Water Conservancy District	North Utah County Water Conservancy District	Lehi Metropolitan Water District	
2009	0.001901	-	0.001901	0.008153	0.001092	0.000310	0.000022	0.000008	0.011486
2010	0.001789	-	0.001789	0.008152	0.001091	0.000310	0.000021	0.000008	0.011371
2011	0.002370	-	0.002370	0.008152	0.001091	0.000500	0.000021	0.000008	0.012142
2012	0.002519	-	0.002519	0.008120	0.001342	0.000500	0.000028	0.000013	0.012522
2013	0.002585	-	0.002585	0.008120	0.001342	0.000500	0.000028	0.000013	0.012588
2014	0.002432	-	0.002432	0.008699	0.001259	0.000446	0.000028	0.000012	0.012876
2015	0.002172	-	0.002172	0.008096	0.001149	0.000422	0.000025	0.000011	0.011875
2016	0.002090	-	0.002090	0.008177	0.001098	0.000405	0.000024	0.000011	0.011805
2017	0.002005	-	0.002005	0.007167	0.000969	0.000400	0.000021	0.000010	0.010572
2018	0.001830	-	0.001830	0.007033	0.000911	0.000400	0.000019	0.000009	0.010202

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

Source: Utah State Tax Commission, Utah County Treasurer

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

Taxpayer	2018			2009		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
IM Flash Technologies LLC	\$ 351,230,500	1	4.43%	\$ 513,655,486	1	9.14%
Thanksgiving Park Five and Six LLC	64,213,900	2	0.81%	-	-	0.00%
Adobe Systems Inc.	50,365,700	3	0.63%	-	-	0.00%
Outlets at Traverse Mountain LLC	47,990,300	4	0.60%	-	-	0.00%
MPT of Lehi-Steward LLC	45,096,500	5	0.57%	-	-	0.00%
TMCV #2 LLC	40,252,600	6	0.51%	-	-	0.00%
TMCV #1 LLC	40,099,900	7	0.51%	-	-	0.00%
T-Stat One LLC	34,342,100	8	0.43%	-	-	0.00%
Traverse Ridge Center I LLC	31,006,900	9	0.39%	-	-	0.00%
Questar Gas	30,966,900	10	0.39%	-	-	0.00%
Thanksgiving Point LC				37,558,495	2	0.67%
Cabelas				28,045,550	3	0.50%
Fox Ridge Investments LLC				21,576,893	4	0.38%
Thai Properties LLC				17,568,499	5	0.31%
Whistle Stop Development Corp				7,985,550	6	0.14%
Point Development LC				7,152,667	7	0.13%
Qwest Corp				6,958,003	8	0.12%
Museum of Ancient History				5,879,554	9	0.10%
Costco Wholesale Corp				5,755,534	10	0.10%
Total	<u>\$ 735,565,300</u>		<u>9.27%</u>	<u>\$ 652,136,231</u>		<u>11.60%</u>

Source: Utah County Assessor

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

Fiscal Year	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Sales Tax Revenue Bonds	Excise Tax Road Bonds	Capital Leases	Notes Payable	Water Revenue Bonds	Electric Revenue Bonds	Dainage Revenue Bonds	Capital Leases	Special Assessment: Bonds/Other Notes Payable			
2009	\$ 18,401,997	\$ 2,190,000	\$ 305,665	\$ 74,097,585	\$ 3,200,536	\$ 7,457,501	\$ 1,095,000	\$ 118,935	\$ -	\$ 106,867,219	10.53%	2,283
2010	17,610,000	1,665,000	234,551	71,785,332	2,853,981	6,881,750	935,000	24,317	-	101,989,931	8.74%	2,054
2011	16,670,000	1,125,000	160,014	72,133,133	2,497,427	6,306,000	2,335,492	-	1,686,586	102,913,652	8.80%	2,068
2012	16,110,000	575,000	81,888	68,779,604	2,125,873	5,730,250	2,200,369	-	1,672,366	97,275,350	8.30%	1,951
2013	15,570,000	-	-	80,926,594	1,739,319	5,200,000	2,070,000	-	1,636,904	107,142,817	8.90%	2,094
2014	15,165,000	-	-	95,772,209	140,000	4,560,000	1,920,000	-	1,600,010	119,157,219	9.19%	2,191
2015	14,515,000	-	-	111,625,886	-	3,820,000	1,760,000	-	1,561,666	133,282,552	9.92%	2,368
2016	13,855,000	-	-	107,521,217	-	3,075,000	1,610,000	-	1,521,786	127,583,003	8.78%	2,238
2017	13,175,000	-	-	107,169,069	-	2,320,000	1,455,000	-	1,480,286	125,599,355	8.09%	2,055
2018	18,243,588	-	-	100,185,102	-	19,669,467	1,295,000	-	1,291,636	140,684,793	8.20%	2,243

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)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Other Bonds</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita (2)</u>
2009	\$ -	\$ -	\$ -	- %	- %
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-

(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, 2018)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Lehi (1)</u>	<u>Estimated Amount Applicable to Lehi</u>
Central Utah Water Conservancy District	\$ 213,942,622	13.53%	\$ 28,944,593
Utah County	260,478,688	13.53%	35,240,522
Alpine School District	<u>563,155,067</u>	21.25%	<u>119,682,256</u>
Subtotal, overlapping debt	1,037,576,377		183,867,371
Lehi City direct debt	<u>118,428,690</u>	100.00%	<u>118,428,690</u>
Total direct and overlapping debt	<u>\$ 1,156,005,067</u>		<u>\$ 302,296,061</u>

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

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

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

LEHI CITY CORPORATION
SCHEDULE 13
LEGAL DEBT MARGIN INFORMATION
(LAST TEN FISCAL YEARS)

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total debt</u>	<u>Legal debt margin</u>
2009	\$ 224,829,641	\$ -	\$ 224,829,641
2010	190,530,572	-	190,530,572
2011	177,963,568	-	177,963,568
2012	167,119,341	-	167,119,341
2013	168,299,419	-	168,299,419
2014	189,635,817	-	189,635,817
2015	220,618,915	-	220,618,915
2016	250,949,024	-	250,949,024
2017	284,893,824	-	284,893,824
2018	317,472,602	-	317,472,602

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

Legal Debt Margin Calculation for Fiscal Year 2018

Estimated market value	\$ 7,936,815,060
Debt limit (4% of market value)	317,472,602
Debt applicable to limit	-
Legal debt margin	<u><u>\$ 317,472,602</u></u>

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

LEHI CITY CORPORATION
SCHEDULE 14
PLEDGED-REVENUE COVERAGE
WATER REVENUE BONDS (LAST TEN FISCAL YEARS)

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest	Total	
2009	\$ 5,200,893	\$ 2,668,401	\$ 2,532,492	\$ 430,000	\$ 133,951	\$ 563,951	4.49
2010	5,722,876	2,375,972	3,346,904	345,000	119,327	464,327	7.21
2011	5,901,420	3,195,015	2,706,405	355,000	107,178	462,178	5.86
2012	6,611,424	2,708,050	3,903,374	370,000	94,383	464,383	8.41
2013	6,956,808	3,215,600	3,741,208	385,000	73,148	458,148	8.17
2014	8,692,057	3,926,658	4,765,399	400,000	66,428	466,428	10.22
2015	9,113,818	4,447,560	4,666,258	140,000	6,860	146,860	31.77
2016	8,561,431	4,448,967	4,112,464	-	-	-	-
2017	11,583,625	6,744,977	4,838,648	-	-	-	-
2018	13,029,446	5,207,971	7,821,475	-	-	-	-

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) for culinary water and secondary water combined.

Amounts are exclusive of any developer fees that are passed through to the Central Valley Water Conservancy District.

(2) Total operating expenses exclusive of depreciation. Amounts shown are for culinary water and secondary water combined.

(3) Amounts shown are for culinary water and secondary water combined.

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	
2009	\$	5,727,822	\$ 515,000	\$ 427,576	\$ 942,576	6.08
2010		5,741,667	525,000	414,058	939,058	6.11
2011		5,985,133	550,000	389,371	939,371	6.37
2012		6,818,129	560,000	380,434	940,434	7.25
2013		7,361,030	540,000	358,034	898,034	8.20
2014		7,904,519	560,000	337,473	897,473	8.81
2015		9,060,843	650,000	165,824	815,824	11.11
2016		9,377,782	660,000	150,880	810,880	11.56
2017		10,757,971	680,000	135,700	815,700	13.19
2018	(1)	12,062,139	700,000	196,433	896,433	13.46

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

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

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	
2009	\$ 1,298,469	\$ 505,000	\$ 84,070	\$ 589,070	2.20
2010	1,446,611	525,000	64,525	589,525	2.45
2011	1,534,646	540,000	51,100	591,100	2.60
2012	1,520,746	550,000	34,900	584,900	2.60
2013	1,586,980	575,000	18,400	593,400	2.56
2014	1,513,953	-	-	-	-
2015	1,592,893	-	-	-	-
2016	1,785,860	-	-	-	-
2017	2,169,616	-	-	-	-
2018	2,229,760	-	-	-	-

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	
2009	\$ 20,144,969	\$ 18,942,731	\$ 1,202,238	\$ 540,000	\$ 296,110	\$ 836,110	1.44
2010	20,228,879	18,942,921	1,285,958	600,000	143,957	743,957	1.73
2011	20,907,913	19,138,670	1,769,243	600,000	128,398	728,398	2.43
2012	22,771,390	18,216,123	4,555,267	600,000	117,490	717,490	6.35
2013	25,857,917	21,786,781	4,071,136	630,000	119,249	749,249	5.43
2014	28,948,402	22,324,365	6,624,037	700,000	94,032	794,032	8.34
2015	29,919,796	23,489,726	6,430,070	740,000	64,703	804,703	7.99
2016	32,413,055	24,643,464	7,769,591	745,000	58,782	803,782	9.67
2017	34,068,518	26,050,071	8,018,447	755,000	52,078	807,078	9.94
2018 (3)	38,653,790	27,683,496	10,970,294	760,000	287,365	1,047,365	10.47

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

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

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

(3) The City issued \$18,109,467 in electric revenue bonds in fiscal year 2018 to finance the construction of a new power plant.

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

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2009	\$ 984,694	\$ 242,283	\$ 742,411	\$ 150,000	\$ 68,715	\$ 218,715	3.39
2010	1,083,110	273,040	810,070	160,000	60,840	220,840	3.67
2011 (3)	1,225,501	457,221	768,280	145,000	62,156	207,156	3.71
2012	1,332,332	358,815	973,517	140,000	82,661	222,661	4.37
2013	1,334,947	394,904	940,043	145,000	77,747	222,747	4.22
2014	1,480,016	363,271	1,116,745	150,000	72,657	222,657	5.02
2015	1,394,965	368,077	1,026,888	160,000	67,393	227,393	4.52
2016	1,427,089	457,652	969,437	150,000	61,776	211,776	4.58
2017	1,491,237	696,897	794,340	155,000	56,511	211,511	3.76
2018	1,711,571	734,418	977,153	160,000	51,986	211,986	4.61

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.

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>
2009	46,802	\$ 1,015,041,776	\$ 21,688	4.9
2010	49,646	1,167,376,044	23,514	7.2
2011	49,753	1,169,892,042	23,514	7.6
2012	49,857	1,172,337,498	23,514	6.5
2013	51,173	1,203,281,922	23,514	4.9
2014	54,382	1,296,640,685	23,843	3.5
2015	56,275	1,343,453,075	23,873	3.4
2016	57,000	1,453,767,554	25,504	3.4
2017	61,130	1,552,978,545	25,405	3.3
2018	62,712	1,715,886,931	27,361	3.1

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

Amounts for calendar year 2010 are estimated at 2 percent greater than calendar year 2009 amounts.

(2) Unemployment rates are for Utah County, Utah.

Sources: Population information provided by the Lehi Planning Department.

Personal income information found at <http://www.tax.utah.gov/econstats/income>.

Unemployment rates provided by the U.S. Department of Labor, Bureau of Labor Statistics.

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

Employer	2018	2009	
	Range of Employees	Estimated Employees	Rank
IM Flash	1000-1999	1,668	1
Adobe	1000-1999		
Young Living Essential Oils	1000-1999	123	8
Vivint Solar	1000-1999		
Alpine School District	850-1800		
Ancestry.com	500-999		
Xactware	500-999		
Younique	500-999		
Workfront	500-999		
Solutionreach	500-999		
Entrata	500-999		
Xango	-	710	2
Cabela's	250-499	413	3
Thanksgiving Point	250-499	375	4
Hadco	250-499	274	5
Jack B Parson Co.	-	250	6
Costco	250-499	213	7
Lowes	100-249	123	9
Albertsons	-	95	10

Source: Utah Department of Workforce Services

Note: The State of Utah only tracks employees by range of employees. The City does not collect employee information as part of the business license or any other process. Therefore, we are not able to report each employer as a percentage of total employment.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Court	6	6	6	6	6	6	6	6	6	6
Administrative	4.5	4.5	4.5	4.5	6.5	9.5	11.5	11.5	11.5	15
Treasury	6	6	6	6	6	5	5	6	6	6
Finance	5	5	5	5	5	7	7	7	7	4
Legal Services	-	-	-	-	4.5	4.5	5.3	5.3	5.3	5
Legislative (1)	6	6	6	6	6	6	6	6	6	6
Public safety										
Police	41.5	41.5	41.5	44.5	45	48	51	54	59	59
Fire	39	39	39	40	40	42	43	46	50	66
Animal Control	1.5	1.5	1.5	1.5	2	2	2	2	2	1
Community development										
Public Works Administration	5	5	5	5	5	5	5	5	5	5
Planning and Zoning	7.5	6.5	6.5	6	6	6	6	6	6	6
Inspections	9	8	8	8	8	9	9	9	9	9
Streets and Highways										
Streets and Public Improvements	10	9	9	12	12	12	14	15	15	15
Park, recreation and culture										
Parks	18	19	19	21	22	27	27	29	29	29
Senior Citizens	3	3	3	3	3	2	2	2	2.5	3
Recreation	115.5	115.5	115.5	73.5	75.5	84.5	84.5	87.5	82	91
Library	13	13	13	18	20	20	20	21	21	21
Literacy Center	-	-	-	5.5	5.5	6.5	6.5	6.5	6	6
Cemetery	3.5	2.5	2.5	2.5	3	3.5	3.5	4	4	6
Culinary Water	8	8	8	8	8	9	9	10	10	12
Sewer	3	3	3	3	3	3	3	4	8	8
Power	19	19	19	24.5	24.5	23.5	25.5	27.5	29	32
Secondary Water	3.5	3.5	3.5	3.5	3.5	6.5	5.5	6.5	6.5	5
Storm Drain	3	3	3	3	3	3	3.65	4.65	5.65	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 oversees drainage. The cleaning and necessary repairs are done by all three water departments.

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Community development										
Residential building permits issued	298	243	286	590	569	340	464	548	489	781
Commercial building permits issued	35	28	28	38	25	26	165	195	195	183
Court										
Traffic and Misdemeanor cases handled	7,244	7,997	8,333	7,102	5,896	5,845	4,705	6,387	5,547	7,321
Police										
Calls for service	14,041	14,326	14,062	15,278	15,575	27,087	32,130	32,534	28,602	29,832
Arrests	1,876	1,902	1,950	1,235	1,089	1,261	1,188	1,179	1,436	1,414
Fire										
Fire/Medical responses	2,201	2,322	2,050	2,136	2,232	2,200	2,480	2,708	2,946	3,162
Recreation										
Recreation programs	70	72	75	72	71	70	69	72	80	74
Participants in recreation programs	22,868	22,992	22,500	23,690	24,555	25,983	27,445	28,396	27,999	28,549
Library										
Books in collection	81,603	82,606	95,611	108,669	121,168	125,220	114,442	150,158	115,022	122,055
Books circulated	340,629	342,819	451,362	509,764	511,130	529,218	532,094	597,433	474,778	486,687
Cemetery										
Acres maintained	52	53	55	55	55	55	55	55	55	55
Total gravesites	23,031	23,953	24,791	25,659	26,428	26,485	27,645	27,955	27,966	29,528
Culinary Water										
Residential accounts serviced	10,555	10,826	12,568	13,121	13,152	14,419	14,987	15,691	16,043	16,562
Average daily consumption (thousands of gallons)	1,765	1,767	357	350	263	274	321	349	421	384
Sewer										
Sewer lines miles inspected	54	65	80	78	78	78	47	47	58	62
Power										
Accounts serviced	10,953	11,212	14,817	15,010	16,279	16,764	17,873	18,879	19,656	20,693
Megawatt hours sold	176	177	223	220	259	270	286	315	342	314
Secondary Water										
Accounts serviced	9,859	10,580	11,426	11,632	12,574	13,019	13,247	15,584	14,119	14,799

Source: City records

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Streets and Highways										
Street lights	1,801	1,803	2,355	2,412	2,446	2,506	2,600	2,689	2,910	3,027
Street miles	209	210	202	204	206	221	224	233	244	246
Police										
Vehicles	35	36	43	46	51	57	59	60	65	63
Fire										
Fire stations	1	1	2	2	2	2	2	2	2	3
Fire vehicles	7	7	12	12	12	12	15	16	17	17
Ambulances	3	3	3	3	3	4	5	4	5	5
Public works										
Incorporated area in square miles	32	32	32	32	32	32	28	28	29	29
City buildings in square feet	221,000	235,000	235,000	235,000	235,000	235,000	235,000	235,000	321,600	321,600
Parks and recreation										
Park acreage	196	216	333	333	333	333	339	339	522	522
Baseball/softball diamonds	9	9	9	9	8	8	8	8	8	8
Soccer fields	4	4	4	4	9	9	9	9	9	9
Culinary water										
Water main line miles	204	206	243	263	256	271	281	297	310	322
Storage capacity (thousands of gallons)	10,000	10,000	9,800	9,800	9,800	8,400	10,400	10,400	10,400	10,400
Sewer										
Sewer line miles	142	144	205	210	212	223	226	241	253	262
Secondary water										
Secondary water main line miles	188	189	243	249	258	272	282	298	312	325
Power										
Power main feeder line miles	214	217	219	231	240	248	258	275	515	680
Overhead line miles	44	48	52	64	64	64	67	65	147	117

Source: City records