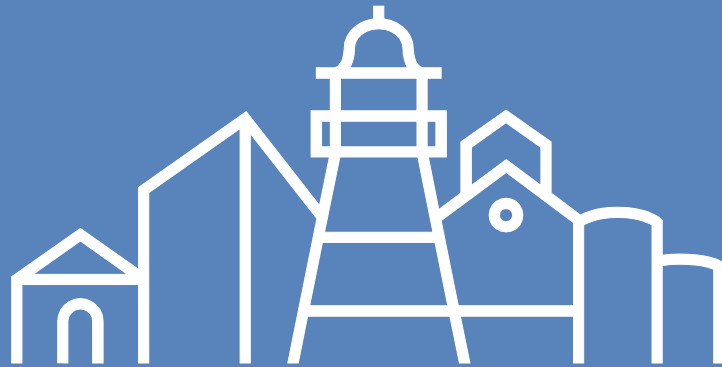


LEHI CITY CORPORATION

STATE OF UTAH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



LEHI CITY

PREPARED BY:

FINANCE DEPARTMENT

LEHI CITY CORPORATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2020

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LEHI CITY CORPORATION

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020

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INTRODUCTORY SECTION

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

November 30, 2020

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, 2020.

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, 2020, 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, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

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

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

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



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

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



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: Micron, Adobe, Microsoft, Lending Club, Canopy Tax, Ancestry.com, Xactware, WeWork, 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 49,753 to 69,724 over the past 10 years. With 45% 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 \$52,051,035 to \$77,016,327 from 2016 to 2020, and expenditures increased from \$52,290,827 to \$77,842,842. Operating revenues in enterprise funds grew from \$48,412,958 to

\$62,294,953 over the same time frame, while operating expenses rose from \$45,485,794 to \$62,031,761.

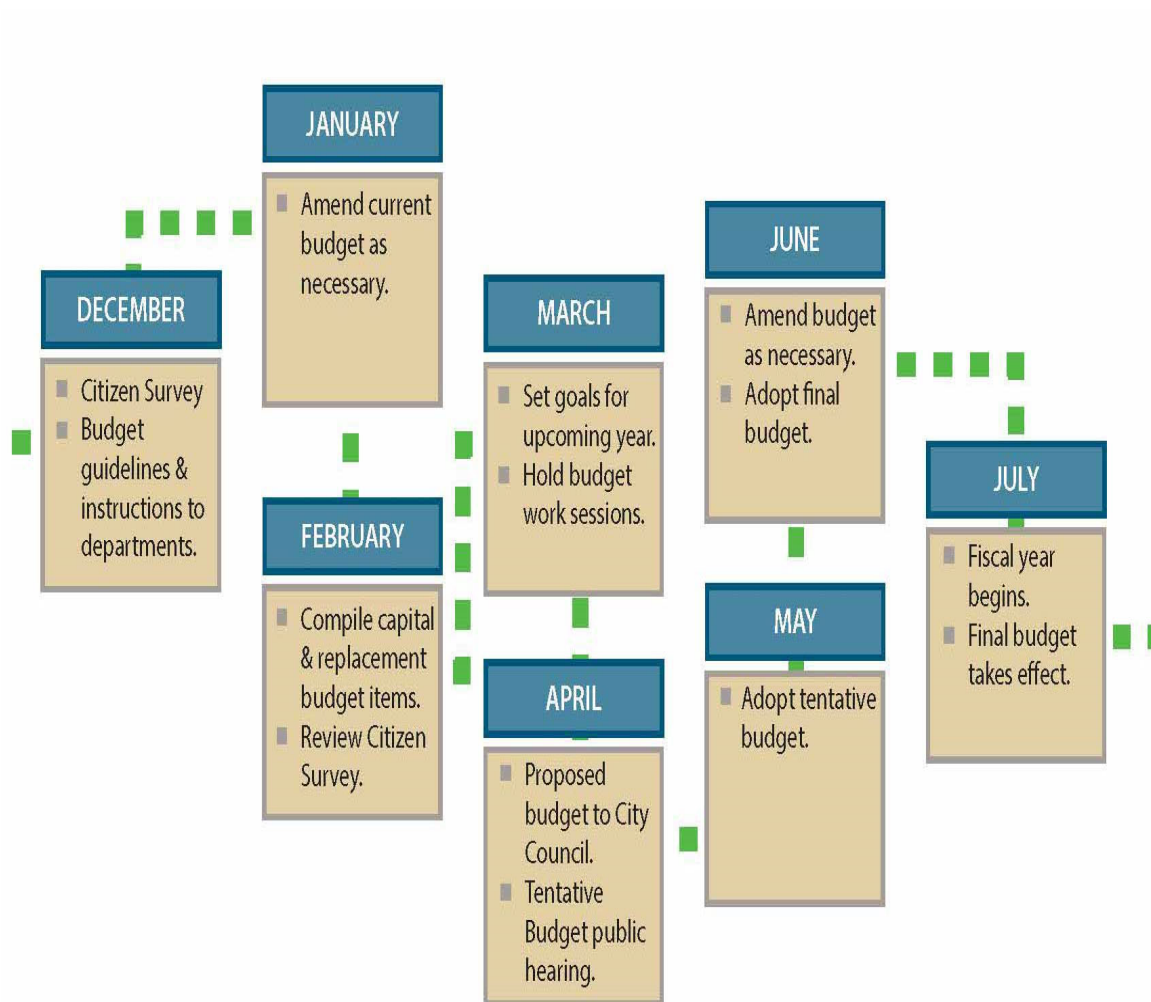
Growth in commercial office and technology continues. Lehi currently has approximately 5,000,000 square feet of class A office space with 885,000 square feet under construction and an additional 3,500,000 planned. Other projects, including car dealerships, hotels and retail establishments are also moving forward. The City has some of the best undeveloped commercial frontage along the Wasatch Front.

Brigham Young University, Utah Valley University (the largest University in the State) and the University of Utah campuses are within 25 minutes of the City center. These higher education facilities employ more than 3,000 people. These universities provide a strong educated work force for a large number of high tech businesses in the area. The region also provides some of the best medical facilities in the western United States. Utah County, the County in which the City is located, has an unemployment rate of 4.3%, Compared to a statewide rate of 5.0%.



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 14 and the final budget was adopted on May 12.

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



Within the existing budget, the level of the City’s budgetary control is established by activity and purpose within each individual fund. Department heads may make transfers of appropriations within their activity. Transfers of appropriations between activities, however, require the special approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and Redevelopment Agency, a major special revenue fund, the comparisons are presented on page 36. For capital projects and debt service funds, those comparisons are presented on pages 105 and 106.

Long-term Financial Planning

Lehi City continues to maintain rapid growth in commercial, retail, and residential development. This growth can put a strain on the City’s infrastructure resources. In an effort to look towards the future, the City maintains five-year and ten-year capital plans. Rate studies, which include future

capital expenditures have been completed for utility funds. The purpose of these studies is charge rates sufficient to maintain current infrastructure and plan for future needs.

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



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. The City also assumed management of Willow Park near the Jordan River. Willow Park provides day use, overnight camping, and access to the Jordan River waterway. The facility, owned by Utah County, will be managed through a land lease with the City. This new arrangement will provide opportunities for development and amenities not previously possible.

During the year, the City, in association with North Utah Water Conservancy District, began construction on Dry Creek Reservoir, currently the site of a debris basin. This reservoir will serve as a large storage facility for the City pressurized irrigation water system. Additionally, the reservoir created will provide recreational amenities and opportunities to the public. Construction is anticipated to be completed Spring 2021.

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. Construction of a new public safety building was completed November 2020.

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, 2019. 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, 2019. 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, 2019. 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,



Jason Walker
City Administrator



Dean Lundell
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

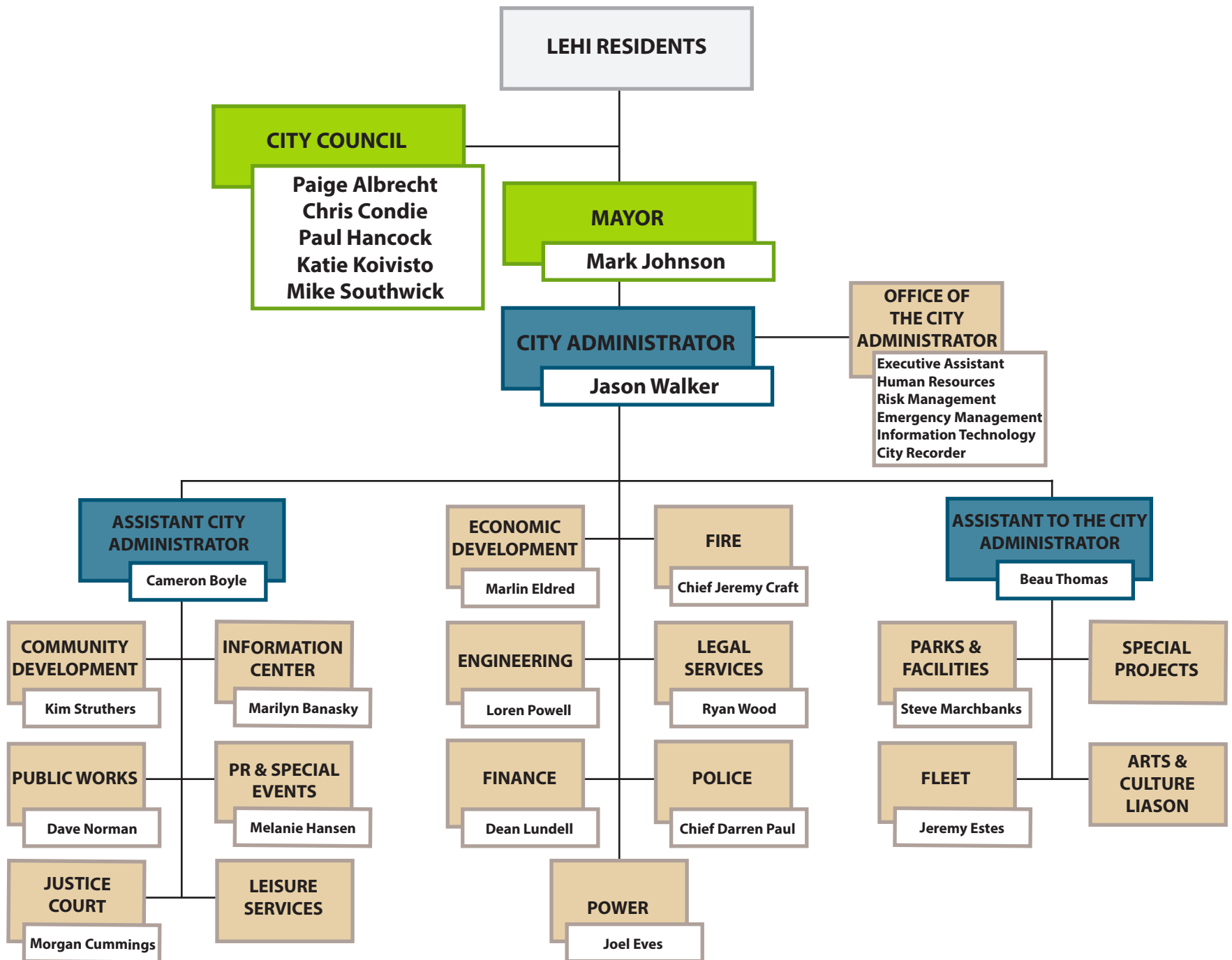
**Lehi City Corporation
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO





Elected Officials

For the Year Ended
June 30, 2020



Mayor
Mark Johnson



Councilperson
Paige Albrecht



Councilperson
Chris Condie



Councilperson
Paul Hancock



Councilperson
Katie Koivisto



Councilperson
Mike Southwick

APPOINTED OFFICIALS

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

FINANCIAL SECTION

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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, 2020, 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, 2020, 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 95 through 99 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 25, 2020 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 25, 2020

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-9 of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$649,933,195 (*net position*). This is an increase of 7.71% 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 \$44,347,778 which is a decrease of \$797,646 in fund balance reported for 2019 of \$45,145,424. The decrease is to be expected as the City used fund balance accumulated in the prior year for the construction of a new police station and to add to and replace infrastructure within the City.
- Growth in the City continues at a rapid pace with general fund tax revenues increasing 10.7% over the previous year and utility revenues increasing by 5.9%. No tax rates were increased during the year. Recent rate studies have resulted in moderate increases in rates for the Culinary, Pressurized Irrigation, and Storm Drain funds. During 2020, the City implemented the third of five scheduled annual increases in the Culinary and Pressurized Irrigation funds and the second of six scheduled annual increases for the Storm Drain fund.
- The City's total long-term obligations decreased by a net of \$11,751,751 during the current fiscal year.
 - Decreases to long-term debt were due to regularly scheduled principal payments.
 - In accordance with generally accepted accounting principles (GAAP), the City reported a net pension liability totaling \$6,269,223 as of June 30, 2020. This is a decrease of \$5,254,322 over the previous year.

Overview of the Financial Statements

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

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

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

- The *statement of net position* presents information on all the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial state of the City is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

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

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds, enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its culinary water, sewer, pressurized irrigation, electric, 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 43-93 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 95-99 of this report.

Individual fund schedules and combining statements and schedules can be found on pages 101-110 of this report.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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 \$649,933,195 at the close of the most recent year.

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

In governmental activities, the investment in capital assets is larger than total net position resulting in a deficit in unrestricted net position for governmental activities. This is in large part a result of potential tax abatement obligations included as part of long-term liabilities in governmental activities. These obligations can only be paid from tax increment revenues and not from general tax revenues. Of the City's \$649,933,195 in net position, \$4,042,878 is subject to external restrictions on how those resources may be used.

LEHI CITY CORPORATION
NET POSITION

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Current and other assets | \$ 82,778,464 | \$ 74,794,464 | \$ 70,577,749 | \$ 75,380,733 | \$ 153,356,213 | \$ 150,175,197 |
| Capital assets | 339,661,541 | 320,306,544 | 371,777,148 | 347,410,557 | 711,438,689 | 667,717,101 |
| Total assets | <u>\$ 422,440,005</u> | <u>\$ 395,101,008</u> | <u>\$ 442,354,897</u> | <u>\$ 422,791,290</u> | <u>\$ 864,794,902</u> | <u>\$ 817,892,298</u> |
| Deferred outflows of resources | <u>\$ 2,746,895</u> | <u>\$ 5,227,717</u> | <u>\$ 7,103,360</u> | <u>\$ 7,951,670</u> | <u>\$ 9,850,255</u> | <u>\$ 13,179,387</u> |
| Long-term liabilities | \$ 135,544,791 | \$ 144,426,934 | \$ 40,853,691 | \$ 43,723,299 | \$ 176,398,482 | \$ 188,150,233 |
| Other liabilities | 11,783,689 | 9,295,115 | 6,201,234 | 9,672,193 | 17,984,923 | 18,967,308 |
| Interfund balances | 543,531 | 639,117 | (543,531) | (639,117) | - | - |
| Total liabilities | <u>\$ 147,872,011</u> | <u>\$ 154,361,166</u> | <u>\$ 46,511,394</u> | <u>\$ 52,756,375</u> | <u>\$ 194,383,405</u> | <u>\$ 207,117,541</u> |
| Deferred inflows of resources | <u>\$ 29,570,555</u> | <u>\$ 20,486,335</u> | <u>\$ 758,002</u> | <u>\$ 57,724</u> | <u>\$ 30,328,557</u> | <u>\$ 20,544,059</u> |
| Net position | | | | | | |
| Net investment in capital assets | \$ 310,508,319 | \$ 302,586,651 | \$ 341,429,283 | \$ 325,775,552 | \$ 651,937,602 | \$ 628,362,203 |
| Restricted | 1,330,917 | 1,480,415 | 2,711,961 | 2,528,731 | 4,042,878 | 4,009,146 |
| Unrestricted | (64,094,902) | (78,585,842) | 58,047,617 | 49,624,578 | (6,047,285) | (28,961,264) |
| Total net position | <u>\$ 247,744,334</u> | <u>\$ 225,481,224</u> | <u>\$ 402,188,861</u> | <u>\$ 377,928,861</u> | <u>\$ 649,933,195</u> | <u>\$ 603,410,085</u> |

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

| LEHI CITY CORPORATION CHANGES IN NET POSITION | | | | | | |
|--|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 11,299,674 | \$ 13,736,669 | \$ 61,637,082 | \$ 58,617,853 | \$ 72,936,756 | \$ 72,354,522 |
| Operating grants and contributions | 7,488,372 | 2,734,035 | - | 5,250,596 | 7,488,372 | 7,984,631 |
| Capital grants and contributions | 17,986,306 | 28,364,171 | 24,840,140 | 41,980,410 | 42,826,446 | 70,344,581 |
| General revenues: | | | | | - | - |
| Property taxes | 26,503,325 | 20,483,605 | - | - | 26,503,325 | 20,483,605 |
| Sales and other taxes | 20,305,493 | 18,667,058 | - | - | 20,305,493 | 18,667,058 |
| Other | 2,381,620 | 1,631,931 | 2,141,324 | 2,037,704 | 4,522,944 | 3,669,635 |
| Total revenues | 85,964,790 | 85,617,469 | 88,618,546 | 107,886,563 | 174,583,336 | 193,504,032 |
| Expenses: | | | | | | |
| General government | 8,959,799 | 8,961,845 | - | - | 8,959,799 | 8,961,845 |
| Public safety | 16,559,907 | 15,513,181 | - | - | 16,559,907 | 15,513,181 |
| Community development | 5,777,381 | 4,836,058 | - | - | 5,777,381 | 4,836,058 |
| Highways/streets | 14,920,711 | 13,522,976 | - | - | 14,920,711 | 13,522,976 |
| Parks, recreation, and culture | 11,186,187 | 11,220,816 | - | - | 11,186,187 | 11,220,816 |
| Cemetery | 473,663 | 430,339 | - | - | 473,663 | 430,339 |
| Interest on long-term debt | 5,824,032 | 4,877,481 | - | - | 5,824,032 | 4,877,481 |
| Culinary Water | - | - | 6,969,504 | 10,336,143 | 6,969,504 | 10,336,143 |
| Sewer | - | - | 12,142,499 | 11,111,407 | 12,142,499 | 11,111,407 |
| Pressurized Irrigation | - | - | 5,808,312 | 5,425,243 | 5,808,312 | 5,425,243 |
| Electric | - | - | 33,265,006 | 33,073,473 | 33,265,006 | 33,073,473 |
| Drainage | - | - | 2,851,399 | 2,551,414 | 2,851,399 | 2,551,414 |
| Garbage | - | - | 3,321,826 | 2,649,266 | 3,321,826 | 2,649,266 |
| Total expenses | 63,701,680 | 59,362,696 | 64,358,546 | 65,146,946 | 128,060,226 | 124,509,642 |
| Increase (decrease) in net position before transfers | 22,263,110 | 26,254,773 | 24,260,000 | 42,739,617 | 46,523,110 | 68,994,390 |
| Transfers | - | - | - | - | - | - |
| Increase in net position | 22,263,110 | 26,254,773 | 24,260,000 | 42,739,617 | 46,523,110 | 68,994,390 |
| Net position, beginning | 225,481,224 | 199,226,451 | 377,928,861 | 335,189,244 | 603,410,085 | 534,415,695 |
| Net position, ending | \$ 247,744,334 | \$ 225,481,224 | \$ 402,188,861 | \$ 377,928,861 | \$ 649,933,195 | \$ 603,410,085 |

As of June 30, 2020, the net position of the City's governmental activities totaled \$247,744,334 compared to \$225,481,224 in 2019. The governmental activities reported an increase in net position of \$22,263,110. Capital grants and contributions, including contributions of infrastructure totaled \$17,986,306. The City also received \$46,808,818 in property, sales, and other taxes.

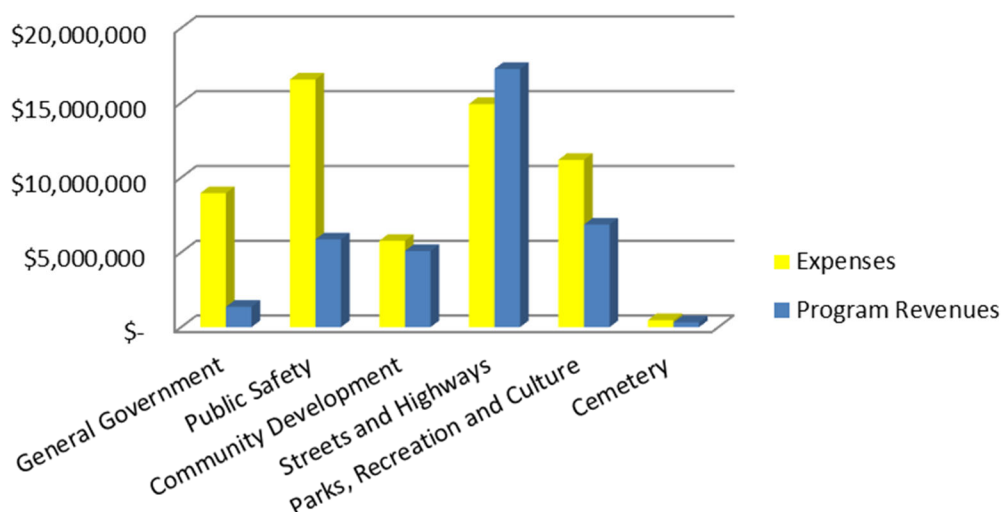
As of June 30, 2020, the net position of the City's business-type activities totaled \$402,188,861 compared to \$377,928,861 in 2019. The business-type activities reported an increase in net position of \$24,260,000. \$24,840,140 of this increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

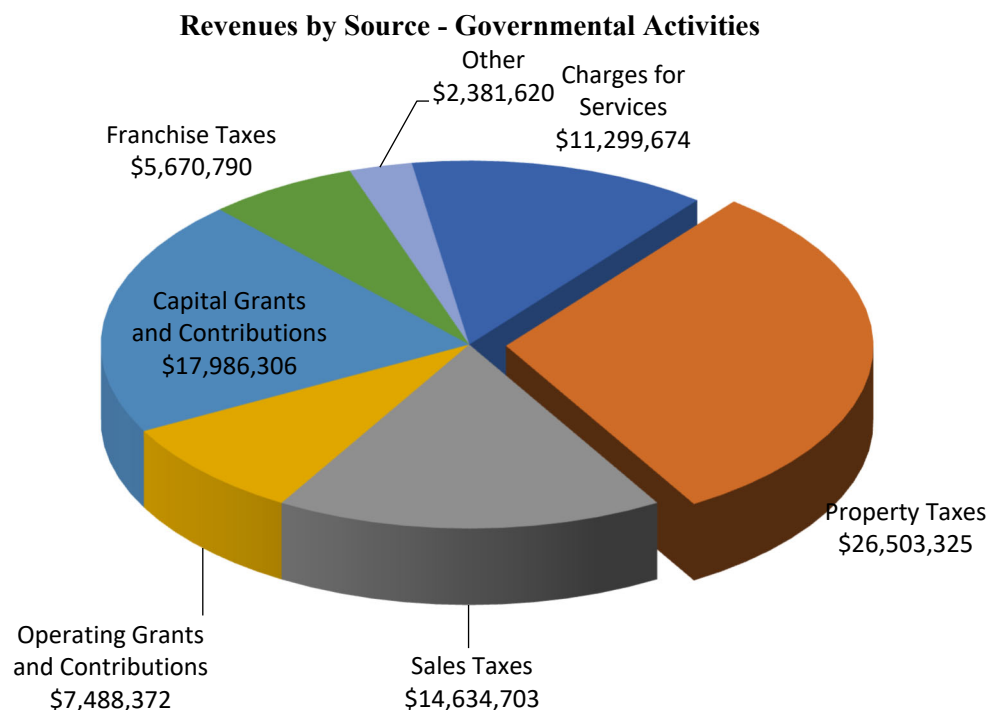
Governmental activities. During 2020 governmental activities increased the City's net position by \$22,263,110. Some specific factors making up the change in net position during 2020 include:

- Charges for services decreased in 2020 over the prior year by approximately \$2.4 million. These revenues include fees for development, such as building permits and plan reviews. These revenues were decreased in large part due to the Covid-19 shut downs that occurred in the last quarter of the fiscal year. Specifically, recreation revenues were \$1.1 million lower than in the prior year and development related fees were \$500,000 less than the previous year.
- Capital grants and contributions were lower than in 2019 by approximately \$10.3 million. The reduction in revenue was primarily a result of less developer-installed infrastructure. Developer-installed road infrastructure was \$7.7 lower in 2020 than 2019. Also, grants for road construction were less than 2019 by \$2.3 million.
- Expenses of the governmental activities increased from 2019 to 2020 by \$4,338,984 with the largest increases occurring in streets and highway expenses as well as public safety operating expenses. Depreciation in governmental activities increased \$946,551 from 2019 to 2020.

Expenses and Program Revenues - Governmental Activities



LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

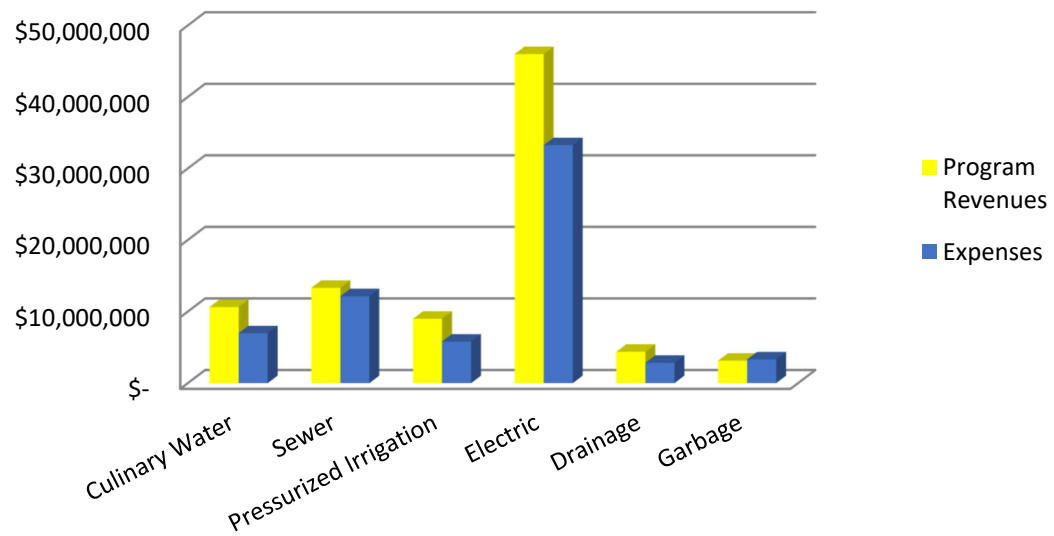


Business-type activities. Business-type activities increased the City's net position by \$24,260,000. At the end of the current fiscal year, all of the City's major business-type activities reported positive net position. Key elements of the increase in net position are as follows:

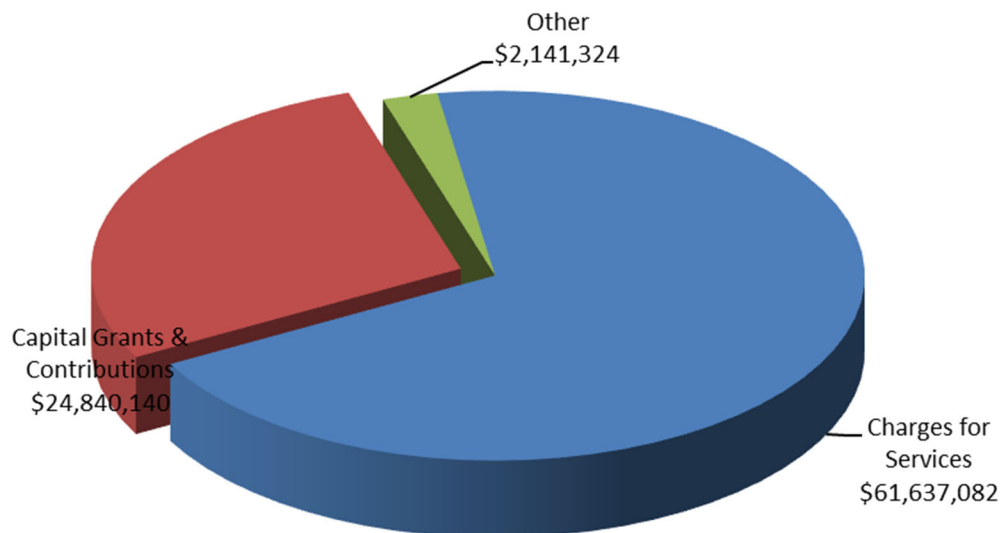
- Charges for services in the business-type activities increased over 2019 by \$3,019,229 (5.15%). Most of the enterprise funds experienced an increase in charges for services over 2019, a result of growth in the number of customers served as well as increase to the culinary water, pressurized irrigation, and storm water rates.
- Capital grants and contributions for the business-type activities added \$24,840,140 to the net position of the City. This amount was lower than in 2019 by \$17,140,270. Contributing causes were a reduction in impact fees of \$1.5 million and lower developer contributions of \$15 million.
- Expenses of the business-type activities decreased by \$788,400 from the prior year. The decrease is primarily due to decreases in system maintenance costs. Depreciation in business-type activities increased by \$1,466,891 from 2019 to 2020. 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, 2020

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, 2020

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 \$44,347,778. \$11,968,763 of this total amount (27.0%) 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 \$11,968,763, while total fund balance reached \$15,186,857. 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 30.1% of total general fund expenditures, while total fund balance represents 38.2% of that same amount. The fund balance of the City's general fund increased by \$3,017,316 during the current fiscal year, due largely to higher than anticipated tax revenues, and intergovernmental revenues, including Covid-19 related relief grant revenues.

The special revenue Redevelopment Agency Fund has an assigned fund balance of \$3,087,574. 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 \$902,317.

The capital projects fund had a decrease in fund balance in the amount of \$4,720,347, which resulted in a fund balance of \$26,070,279. The decrease in fund balance was the result of capital outlay totaling \$22,420,051 which included the construction of new public safety facilities. During the year, \$8,089,930 was transferred from the general fund to the capital projects fund to pay for future projects.

In 2020, the City established the debt service fund to account for the debt service on its outstanding 2019, 2018 and 2014 sales tax revenue bonds. The debt service fund has an assigned fund balance of \$3,068.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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 \$57,504,086. Individually, the electric fund's unrestricted net position totaled \$37,189,723, the drainage unrestricted net position totaled \$2,546,326, the sewer unrestricted net position totaled \$6,141,088, the water unrestricted net position totaled \$10,867,780 and the pressurized irrigation unrestricted net position totaled \$531,940. The non-major enterprise fund reported a positive unrestricted net position amount of \$227,229. Other factors concerning the finances of these proprietary funds can be found earlier in this section under business-type activities.

General Fund Budgetary Highlights

During the fiscal year, the general fund's budget was amended from budgeted expenditures totaling \$43,531,696 to a final budget of \$43,784,696, an increase of \$253,000, which is an increase of less than 1%. Increased budget allocations were made to various departments based on changing conditions. 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 2020 were \$2,442,567 more than budgeted. Property taxes, sales taxes and franchise taxes were all higher than originally budgeted.
- Intergovernmental revenue was higher than budgeted by approximately \$4.7 million, due largely to Covid-19 relief grant funds that became available and were recognized late in the fiscal year.
- Total expenditures were less than the final budgeted amounts by \$4,020,878.

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, 2020 amounts to \$711,438,689 (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 \$8,7456,629 and \$24,046,453, respectively.
- The City broke ground on a new police station during July 2019. Approximately \$11.3 million was incurred during the year on this project. Completion is anticipated in November 2020.
- In the pressurized irrigation fund, \$3.2 million was spent on the Dry Creek Reservoir.
- Approximately \$4.6 million was spent during the year on the Sandpit transmission line with half of that being recorded in the water fund and half in the pressurized irrigation fund.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

- In the electric fund, approximately \$4.0 million was spent on the Carter Substation upgrade project and another \$3.8 million on subdivision construction projects.

LEHI CITY CORPORATION
CAPITAL ASSETS
(net of depreciation)

| | Governmental Activities | | Business-type Activities | | Total | |
|--|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Land | \$ 150,619,027 | \$ 145,988,077 | \$ 3,426,304 | \$ 3,146,725 | \$ 154,045,331 | \$ 149,134,802 |
| Intangibles | - | - | 59,130,125 | 58,744,205 | 59,130,125 | 58,744,205 |
| Construction in progress | 20,851,855 | 11,095,840 | 19,541,657 | 17,740,730 | 40,393,512 | 28,836,570 |
| Buildings and structures | 17,764,888 | 18,626,258 | 11,029,316 | 11,478,615 | 28,794,204 | 30,104,873 |
| Improvements, including infrastructure | 141,449,974 | 138,183,209 | 276,710,000 | 254,027,480 | 418,159,974 | 392,210,689 |
| Machinery, equipment, and vehicles | 8,925,893 | 6,346,440 | 1,925,078 | 2,255,360 | 10,850,971 | 8,601,800 |
| Office furniture and equipment | 49,904 | 66,720 | 14,668 | 17,442 | 64,572 | 84,162 |
| Total | <u>\$ 339,661,541</u> | <u>\$ 320,306,544</u> | <u>\$ 371,777,148</u> | <u>\$ 347,410,557</u> | <u>\$ 711,438,689</u> | <u>\$ 667,717,101</u> |

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

Long-term obligations. At the end of the current fiscal year the City had total bonded debt outstanding of \$72,030,132, all of which represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

LEHI CITY CORPORATION
LONG-TERM OBLIGATIONS

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|-----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Tax increment notes payable to developers | \$ 89,515,210 | \$ 95,969,054 | \$ - | \$ - | \$ 89,515,210 | \$ 95,969,054 |
| Other notes payable | 655,769 | 751,629 | 1,185,284 | 1,226,142 | 1,841,053 | 1,977,771 |
| Revenue bonds | 34,721,528 | 35,736,583 | 37,308,604 | 39,099,984 | 72,030,132 | 74,836,567 |
| Capital lease obligations | 2,200,000 | - | - | - | 2,200,000 | - |
| Other liabilities | 8,452,284 | 11,969,668 | 2,359,803 | 3,397,173 | 10,812,087 | 15,366,841 |
| Total | <u>\$ 135,544,791</u> | <u>\$ 144,426,934</u> | <u>\$ 40,853,691</u> | <u>\$ 43,723,299</u> | <u>\$ 176,398,482</u> | <u>\$ 188,150,233</u> |

The City's long-term obligations decreased by \$11,751,751 in fiscal year 2020 due primarily to regularly scheduled debt service requirements. No new bonds were issued during the year. The City reported, in accordance with the requirements of GAAP, net pension liability totaling \$6,269,223.

The 2019 Sales Tax Revenue Bonds were assigned a municipal bond rating of AA- by Standard and Poor's. The 2019 Water Revenue Bonds were assigned a municipal bond rating of AA by Fitch and Aa3 by Moody's. Power Revenue Bonds are rated A+ by Standard and Poor's.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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 \$449,216,804 and the City currently has no general obligation debt. In addition, state statutes allow for an additional 4% to be used for business-type debt, thus resulting in a debt limit of 8% of total taxable value. The current debt limitation for business-type projects is \$898,433,608, which significantly exceeds the outstanding business-type debt the City currently has.

Additional information on the City's long-term obligations can be found in note H on pages 61-72 of this report.

Economic Factors and Next Year's Budgets and Rates

- Lehi continues to grow rapidly. During the year, property values increased by 25.13% to an estimated market value of \$11,230,420,097.
- The City is in the third year of a five-year rate study for culinary water and pressurized irrigation rates. The rates recommended by the study were adopted by the city council. Rates for both utilities are 3.0% higher in the 2021 fiscal year than the 2020 fiscal year. Storm drain rates were increased January 2020 from \$3.00 per month to \$4.50 per month. An additional increase to \$4.75 per month was implemented July 2020. \$0.25 annual increased are planned for ending in FY 2026.
- Despite negative effects related to the worldwide pandemic, Utah's economy continues to grow. Lehi City experienced growth in both tax and utility revenue over the previous year. After the state unemployment rate reached a high of 10.4% in April 2020, economic conditions improved drastically to realize a statewide rate of 5.0% in October 2020. While this is 2.7% higher than last year, it is a significant improvement from conditions of Spring 2020. The unemployment rate in Utah County is 4.3%, which is 2.0% higher than the previous year. Lehi's population estimate grew from 66,037 to 69,724 during the year.

The above factors were considered in preparing the City's budget for the 2021 fiscal year. The 2021 budget is balanced without a property tax rate increase. Budgeted revenues and expenditures for the upcoming year total \$181,197,237. This is an increase from the 2020 fiscal year opening budget of \$179,114,970. Expenditure increases are a result of a growing in population and infrastructure.

The City continues to expand with new residential and commercial development, with 707 residential and 148 commercial building permits issued. New companies which located or expanded office space in Lehi during the year include Carvana and Jaguar/Land Rover of Lehi. Adobe completed phase II of their project during the recently completed fiscal year as well. Lehi currently has approximately 5,000,000 square feet of class A office space with 885,000 currently under construction and an additional 3,500,000 planned. Intermountain Healthcare will break ground on second Primary Children's hospital. This facility is planned to encompass a 38-acre campus with a five-floor facility, 66 beds, and a three-story medical office building, with a combined 468,000 square feet. 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, 2020

Request for Information

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

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BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2020

| | PRIMARY GOVERNMENT | | |
|--|----------------------------|-----------------------------|-----------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS | \$ 33,165,137 | \$ 29,207,623 | \$ 62,372,760 |
| INVESTMENTS | - | 18,911,115 | 18,911,115 |
| RECEIVABLES (NET) | | | |
| ACCOUNTS | - | 6,375,402 | 6,375,402 |
| UNBILLED | - | 792,819 | 792,819 |
| TAXES | 27,995,459 | - | 27,995,459 |
| INTERGOVERNMENTAL | 6,541,355 | - | 6,541,355 |
| OTHER | 787,337 | 5,493 | 792,830 |
| ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER | - | 632,377 | 632,377 |
| INVENTORY | 55,767 | 3,690,198 | 3,745,965 |
| RESTRICTED CASH AND CASH EQUIVALENTS | 13,583,452 | 10,962,722 | 24,546,174 |
| NET PENSION ASSET | 649,957 | - | 649,957 |
| NON-DEPRECIABLE CAPITAL ASSETS | 171,470,882 | 82,098,086 | 253,568,968 |
| DEPRECIABLE CAPITAL ASSETS, NET | 168,190,659 | 289,679,062 | 457,869,721 |
| TOTAL ASSETS | \$ 422,440,005 | \$ 442,354,897 | \$ 864,794,902 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| ADVANCE FUNDING OF UAMPS PROJECT | \$ - | \$ 6,339,439 | \$ 6,339,439 |
| DEFERRED OUTFLOWS RELATED TO PENSIONS | 2,746,895 | 763,921 | 3,510,816 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ 2,746,895 | \$ 7,103,360 | \$ 9,850,255 |
| LIABILITIES | | | |
| INTERFUND BALANCES | \$ 543,531 | \$ (543,531) | \$ - |
| ACCOUNTS PAYABLE | 1,716,585 | 5,742,145 | 7,458,730 |
| LIABILITIES PAYABLE FROM RESTRICTED ASSETS | | | |
| ACCOUNTS PAYABLE | 4,109,069 | 95,533 | 4,204,602 |
| ACCRUED INTEREST | 124,243 | - | 124,243 |
| WAGES PAYABLE | 783,536 | 179,533 | 963,069 |
| ACCRUED LIABILITIES | 3,053,273 | - | 3,053,273 |
| ACCRUED INTEREST PAYABLE | 1,996,983 | 144,053 | 2,141,036 |
| CUSTOMER DEPOSITS | - | 39,970 | 39,970 |
| NON-CURRENT LIABILITIES | | | |
| DUE WITHIN ONE YEAR | 2,608,748 | 1,566,237 | 4,174,985 |
| DUE IN MORE THAN ONE YEAR: | | | |
| COMPENSATED ABSENCES | 1,884,421 | 588,679 | 2,473,100 |
| NET PENSION LIABILITY | 4,922,274 | 1,346,949 | 6,269,223 |
| LANDFILL POSTCLOSURE COSTS | 250,917 | - | 250,917 |
| CAPITAL LEASES | 1,890,924 | - | 1,890,924 |
| TAX INCREMENT NOTE PAYABLE TO DEVELOPER | 89,515,210 | - | 89,515,210 |
| OTHER NOTES PAYABLE | 655,769 | 1,133,222 | 1,788,991 |
| BONDS PAYABLE | 33,816,528 | 36,218,604 | 70,035,132 |
| TOTAL LIABILITIES | \$ 147,872,011 | \$ 46,511,394 | \$ 194,383,405 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| PROPERTY TAXES | \$ 25,112,281 | \$ - | \$ 25,112,281 |
| ADVANCE RECEIPT OF CARES GRANT REVENUE | 1,748,118 | - | 1,748,118 |
| DEFERRED INFLOWS RELATED TO PENSIONS | 2,710,156 | 758,002 | 3,468,158 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | \$ 29,570,555 | \$ 758,002 | \$ 30,328,557 |
| NET POSITION | | | |
| NET INVESTMENT IN CAPITAL ASSETS | \$ 310,508,319 | \$ 341,429,283 | \$ 651,937,602 |
| RESTRICTED FOR | | | |
| CAPITAL IMPROVEMENTS | 1,020,889 | 2,711,961 | 3,732,850 |
| DEBT SERVICE | 75,843 | - | 75,843 |
| OTHER PURPOSES | 234,185 | - | 234,185 |
| UNRESTRICTED (DEFICIT) | (64,094,902) | 58,047,617 | (6,047,285) |
| TOTAL NET POSITION | \$ 247,744,334 | \$ 402,188,861 | \$ 649,933,195 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

| | | | | | NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION | | |
|--------------------------------------|----------------|-------------------------|---------------|---------------|--|-----------------------------|----------------|
| | | | | | PRIMARY GOVERNMENT | | |
| | | PROGRAM REVENUES | | | | | |
| | | OPERATING | CAPITAL | | | | |
| | | GRANTS AND | GRANTS AND | | | | |
| | | CONTRIBUTIONS | CONTRIBUTIONS | | | | |
| FUNCTIONS/PROGRAMS | EXPENSES | CHARGES FOR SERVICES | | | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL |
| PRIMARY GOVERNMENT: | | | | | | | |
| GOVERNMENTAL ACTIVITIES | | | | | | | |
| GENERAL GOVERNMENT | \$ 8,959,799 | \$ 1,343,004 | \$ - | \$ 16,755 | \$ (7,600,040) | \$ - | \$ (7,600,040) |
| PUBLIC SAFETY | 16,559,907 | 1,685,241 | 3,641,743 | 543,675 | (10,689,248) | - | (10,689,248) |
| COMMUNITY DEVELOPMENT | 5,777,381 | 5,093,446 | - | - | (683,935) | - | (683,935) |
| STREETS AND HIGHWAYS | 14,920,711 | - | 3,809,524 | 13,457,557 | 2,346,370 | - | 2,346,370 |
| PARKS, RECREATION AND CULTURE | 11,186,187 | 2,855,378 | 37,105 | 3,968,319 | (4,325,385) | - | (4,325,385) |
| CEMETERY | 473,663 | 322,605 | - | - | (151,058) | - | (151,058) |
| INTEREST ON LONG-TERM DEBT | 5,824,032 | - | - | - | (5,824,032) | - | (5,824,032) |
| TOTAL GOVERNMENTAL ACTIVITIES | 63,701,680 | 11,299,674 | 7,488,372 | 17,986,306 | (26,927,328) | - | (26,927,328) |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| CULINARY WATER | 6,969,504 | 6,726,762 | - | 3,915,036 | - | 3,672,294 | 3,672,294 |
| SEWER | 12,142,499 | 9,399,488 | - | 3,922,082 | - | 1,179,071 | 1,179,071 |
| PRESSURIZED IRRIGATION | 5,808,312 | 4,148,148 | - | 4,847,807 | - | 3,187,643 | 3,187,643 |
| ELECTRIC | 33,265,006 | 36,526,512 | - | 9,470,157 | - | 12,731,663 | 12,731,663 |
| DRAINAGE | 2,851,399 | 1,700,605 | - | 2,685,058 | - | 1,534,264 | 1,534,264 |
| GARBAGE | 3,321,826 | 3,135,567 | - | - | - | (186,259) | (186,259) |
| TOTAL BUSINESS-TYPE ACTIVITIES | 64,358,546 | 61,637,082 | - | 24,840,140 | - | 22,118,676 | 22,118,676 |
| TOTAL PRIMARY GOVERNMENT | \$ 128,060,226 | \$ 72,936,756 | \$ 7,488,372 | \$ 42,826,446 | (26,927,328) | 22,118,676 | (4,808,652) |
| GENERAL REVENUES: | | | | | | | |
| PROPERTY TAXES | | | | | 26,503,325 | - | 26,503,325 |
| SALES TAXES | | | | | 14,634,703 | - | 14,634,703 |
| FRANCHISE TAXES | | | | | 5,670,790 | - | 5,670,790 |
| INVESTMENT EARNINGS | | | | | 1,137,458 | 1,483,453 | 2,620,911 |
| GAIN ON DISPOSAL OF CAPITAL ASSETS | | | | | 16,461 | - | 16,461 |
| OTHER | | | | | 1,227,701 | 657,871 | 1,885,572 |
| TOTAL GENERAL REVENUES | | | | | 49,190,438 | 2,141,324 | 51,331,762 |
| TRANSFERS | | | | | - | - | - |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | 49,190,438 | 2,141,324 | 51,331,762 |
| CHANGE IN NET POSITION | | | | | 22,263,110 | 24,260,000 | 46,523,110 |
| NET POSITION AT BEGINNING OF YEAR | | | | | 225,481,224 | 377,928,861 | 603,410,085 |
| NET POSITION AT END OF YEAR | | | | | \$ 247,744,334 | \$ 402,188,861 | \$ 649,933,195 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

| | GENERAL | SPECIAL REVENUE REDEVELOPMENT AGENCY | CAPITAL PROJECTS | OTHER GOVERNMENTAL FUND | TOTAL GOVERNMENTAL FUNDS |
|--|---------------|---|---------------------|-------------------------------|--------------------------------|
| ASSETS | | | | | |
| CASH AND CASH EQUIVALENTS | \$ 9,516,565 | \$ 3,015,832 | \$ 18,982,677 | \$ 3,068 | \$ 31,518,142 |
| RECEIVABLES | | | | | |
| TAXES | 12,985,459 | 15,010,000 | - | - | 27,995,459 |
| INTERGOVERNMENTAL | 5,780,865 | - | 760,490 | - | 6,541,355 |
| OTHER | 594,493 | 179,412 | 4,232 | - | 778,137 |
| RESTRICTED CASH AND CASH EQUIVALENTS | 3,179,694 | - | 10,214,017 | - | 13,393,711 |
| TOTAL ASSETS | \$ 32,057,076 | \$ 18,205,244 | \$ 29,961,416 | \$ 3,068 | \$ 80,226,804 |
| LIABILITIES | | | | | |
| ACCOUNTS PAYABLE | \$ 599,846 | \$ 107,670 | \$ 407,738 | \$ - | \$ 1,115,254 |
| LIABILITIES PAYABLE FROM RESTRICTED ASSETS | 625,670 | - | 3,483,399 | - | 4,109,069 |
| WAGES PAYABLE | 741,031 | - | - | - | 741,031 |
| ACCRUED LIABILITIES | 3,053,273 | - | - | - | 3,053,273 |
| TOTAL LIABILITIES | 5,019,820 | 107,670 | 3,891,137 | - | 9,018,627 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| TAXES | 10,102,281 | 15,010,000 | - | - | 25,112,281 |
| ADVANCE RECEIPT OF CARES | | | | | |
| GRANT REVENUE | 1,748,118 | - | - | - | 1,748,118 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 11,850,399 | 15,010,000 | - | - | 26,860,399 |
| FUND BALANCES | | | | | |
| RESTRICTED | 2,554,024 | - | 6,730,618 | - | 9,284,642 |
| COMMITTED | 640,659 | - | - | - | 640,659 |
| ASSIGNED | 23,411 | 3,087,574 | 19,339,661 | 3,068 | 22,453,714 |
| UNASSIGNED | 11,968,763 | - | - | - | 11,968,763 |
| TOTAL FUND BALANCE | 15,186,857 | 3,087,574 | 26,070,279 | 3,068 | 44,347,778 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 32,057,076 | \$ 18,205,244 | \$ 29,961,416 | \$ 3,068 | \$ 80,226,804 |

LEHI CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2020

| | |
|---|----------------|
| TOTAL GOVERNMENTAL FUND BALANCES | \$ 44,347,778 |
| 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 | 339,661,541 |
| LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS | (135,544,791) |
| INTEREST PAYABLE ON LONG-TERM FINANCIAL RESOURCES IS NOT REPORTED IN THE GOVERNMENTAL FUNDS | (2,121,226) |
| THE CURRENT ASSETS, RESTRICTED CASH AND LIABILITIES OF THE INTERNAL SERVICE FUNDS ARE INCLUDED IN THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION | 1,257,867 |
| 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 | 686,696 |
| 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 | (543,531) |
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 247,744,334 |

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, 2020**

| | GENERAL | SPECIAL REVENUE REDEVELOPMENT AGENCY | CAPITAL PROJECTS | OTHER GOVERNMENTAL FUND | TOTAL GOVERNMENTAL FUNDS |
|--|---------------|---|---------------------|-------------------------------|--------------------------------|
| REVENUES | | | | | |
| TAXES | \$ 30,269,379 | \$ 16,065,710 | \$ 473,729 | \$ - | \$ 46,808,818 |
| LICENSES, FEES AND PERMITS | 2,892,314 | - | 5,276,552 | - | 8,168,866 |
| INTERGOVERNMENTAL | 7,519,678 | - | 3,921,819 | - | 11,441,497 |
| CHARGES FOR SERVICES | 7,058,720 | - | - | - | 7,058,720 |
| FINES AND FORFEITURES | 790,458 | - | - | - | 790,458 |
| MISCELLANEOUS | 1,648,639 | - | - | - | 1,648,639 |
| INTEREST ON INVESTMENTS | 393,642 | 38,650 | 667,037 | - | 1,099,329 |
| TOTAL REVENUES | 50,572,830 | 16,104,360 | 10,339,137 | - | 77,016,327 |
| EXPENDITURES | | | | | |
| CURRENT | | | | | |
| GENERAL GOVERNMENT | 7,538,498 | - | - | - | 7,538,498 |
| PUBLIC SAFETY | 15,404,388 | - | - | - | 15,404,388 |
| COMMUNITY DEVELOPMENT | 3,056,339 | 2,391,339 | - | - | 5,447,678 |
| STREETS AND HIGHWAYS | 3,789,510 | - | - | - | 3,789,510 |
| PARKS, RECREATION AND CULTURE | 9,541,822 | - | - | - | 9,541,822 |
| CEMETERY | 433,261 | - | - | - | 433,261 |
| OTHER | - | - | 7,625 | 3,150 | 10,775 |
| CAPITAL OUTLAY | - | - | 22,420,051 | - | 22,420,051 |
| DEBT SERVICE | | | | | |
| PRINCIPAL | - | 6,453,844 | 95,861 | 880,000 | 7,429,705 |
| INTEREST AND FISCAL CHARGES | - | 4,472,991 | 377,863 | 976,300 | 5,827,154 |
| TOTAL EXPENDITURES | 39,763,818 | 13,318,174 | 22,901,400 | 1,859,450 | 77,842,842 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 10,809,012 | 2,786,186 | (12,562,263) | (1,859,450) | (826,515) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| TRANSFERS IN | 1,883,869 | - | 8,089,930 | 1,862,518 | 11,836,317 |
| TRANSFERS OUT | (9,704,434) | (1,883,869) | (248,014) | - | (11,836,317) |
| SALE OF CAPITAL ASSETS | 28,869 | - | - | - | 28,869 |
| TOTAL OTHER FINANCING SOURCES (USES) | (7,791,696) | (1,883,869) | 7,841,916 | 1,862,518 | 28,869 |
| NET CHANGE IN FUND BALANCE | 3,017,316 | 902,317 | (4,720,347) | 3,068 | (797,646) |
| FUND BALANCE AT BEGINNING OF YEAR | 12,169,541 | 2,185,257 | 30,790,626 | - | 45,145,424 |
| FUND BALANCE AT END OF YEAR | \$ 15,186,857 | \$ 3,087,574 | \$ 26,070,279 | \$ 3,068 | \$ 44,347,778 |

**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, 2020**

| | |
|--|----------------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ (797,646) |
| 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 | 22,501,064 (15,160,017) |
| 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 | (442,328) |
| REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION | 7,429,705 |
| THE NET REVENUE OF INTERNAL SERVICES FUNDS IS ALLOCATED BETWEEN GOVERNMENTAL ACTIVITIES AND BUSINESS-TYPE ACTIVITIES. INTERNAL SERVICE FUND NET LOSS LESS AMOUNT ALLOCATED TO BUSINESS-TYPE ACTIVITIES | (107,475) 95,586 |
| 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 | - |
| GOVERNMENTAL FUNDS REPORT THE DISPOSAL OF ASSETS TO THE EXTENT PROCEEDS ARE RECEIVED, IN THE STATEMENT OF NET POSITION, A GAIN OR LOSS IS REPORTED FOR EACH DISPOSAL | (12,408) |
| DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS | 8,756,629 |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 22,263,110 |

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, 2020

| | GENERAL FUND | | | | REDEVELOPMENT AGENCY | | | |
|--|--------------------|--------------------|--------------------|---|----------------------|--------------------|--------------------|---|
| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
| | ORIGINAL | FINAL | | | ORIGINAL | FINAL | | |
| REVENUES | | | | | | | | |
| TAXES | \$ 27,826,812 | \$ 27,826,812 | \$ 30,269,379 | \$ 2,442,567 | \$ 11,830,000 | 16,715,000 | \$ 16,065,710 | \$ (649,290) |
| LICENSES, FEES AND PERMITS | 3,020,000 | 3,020,000 | 2,892,314 | (127,686) | - | - | - | - |
| INTERGOVERNMENTAL REVENUE | 2,818,568 | 2,819,568 | 7,519,678 | 4,700,110 | - | - | - | - |
| CHARGES FOR SERVICE | 7,755,535 | 7,755,535 | 7,058,720 | (696,815) | - | - | - | - |
| FINES AND FORFEITURES | 655,000 | 655,000 | 790,458 | 135,458 | - | - | - | - |
| MISCELLANEOUS REVENUE | 1,454,500 | 1,454,500 | 1,648,639 | 194,139 | - | - | - | - |
| INTEREST ON INVESTMENTS | 61,000 | 61,000 | 393,642 | 332,642 | 7,500 | 7,500 | 38,650 | 31,150 |
| TOTAL REVENUES | 43,591,415 | 43,592,415 | 50,572,830 | 6,980,415 | 11,837,500 | 16,722,500 | 16,104,360 | (618,140) |
| EXPENDITURES | | | | | | | | |
| GENERAL GOVERNMENT | 8,491,648 | 8,438,648 | 7,538,498 | 900,150 | - | - | - | - |
| PUBLIC SAFETY | 16,233,507 | 16,416,507 | 15,404,388 | 1,012,119 | - | - | - | - |
| COMMUNITY DEVELOPMENT | 3,309,008 | 3,349,008 | 3,056,339 | 292,669 | 2,224,100 | 3,036,600 | 2,391,339 | 645,261 |
| STREETS AND HIGHWAYS | 4,143,556 | 4,143,556 | 3,789,510 | 354,046 | - | - | - | - |
| PARKS, RECREATIONS AND CULTURE | 10,843,590 | 10,926,590 | 9,541,822 | 1,384,768 | - | - | - | - |
| CEMETERY | 510,387 | 510,387 | 433,261 | 77,126 | - | - | - | - |
| DEBT SERVICE | - | - | - | - | 8,350,228 | 11,812,728 | 10,926,835 | 885,893 |
| TOTAL EXPENDITURES | 43,531,696 | 43,784,696 | 39,763,818 | 4,020,878 | 10,574,328 | 14,849,328 | 13,318,174 | 1,531,154 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 59,719 | (192,281) | 10,809,012 | 11,001,293 | 1,263,172 | 1,873,172 | 2,786,186 | 913,014 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| ISSUANCE OF NOTES | - | - | - | - | - | - | - | - |
| TRANSFERS IN | 1,500,000 | 1,500,000 | 1,883,869 | 383,869 | - | - | - | - |
| TRANSFERS OUT | (2,734,635) | (5,034,635) | (9,704,434) | (4,669,799) | (1,263,172) | (1,873,172) | (1,883,869) | (10,697) |
| SALE OF CAPITAL ASSETS | 10,000 | 10,000 | 28,869 | 18,869 | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (1,224,635) | (3,524,635) | (7,791,696) | (4,267,061) | (1,263,172) | (1,873,172) | (1,883,869) | (10,697) |
| NET CHANGE IN FUND BALANCE | (1,164,916) | (3,716,916) | 3,017,316 | 6,734,232 | - | - | 902,317 | 902,317 |
| FUND BALANCE AT BEGINNING OF YEAR | 12,169,541 | 12,169,541 | 12,169,541 | - | 2,185,257 | 2,185,257 | 2,185,257 | - |
| FUND BALANCE AT END OF YEAR | \$ 11,004,625 | \$ 8,452,625 | \$ 15,186,857 | \$ 6,734,232 | \$ 2,185,257 | \$ 2,185,257 | \$ 3,087,574 | \$ 902,317 |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

| | BUSINESS-TYPE ACTIVITIES | | | | | | | GOVERNMENTAL |
|---------------------------------------|--------------------------|---------------|----------------|----------------|---------------|------------|----------------|--------------|
| | CULINARY | | PRESSURIZED | | | NONMAJOR | TOTAL | GOVERNMENTAL |
| | WATER | SEWER | IRRIGATION | ELECTRIC | DRAINAGE | ENTERPRISE | BUSINESS- | ACTIVITIES |
| | | | | | | FUND | TYPE | INTERNAL |
| | | | | | | (GARBAGE) | FUNDS | SERVICE |
| | | | | | | | | FUNDS |
| ASSETS | | | | | | | | |
| CURRENT ASSETS | | | | | | | | |
| CASH AND CASH EQUIVALENTS | \$ 6,114,734 | 3,630,401 | \$ 1,091,733 | \$ 16,610,218 | \$ 1,567,709 | \$ 192,828 | \$ 29,207,623 | \$ 1,646,995 |
| INVESTMENTS, CURRENT PORTION | 718,720 | 426,714 | - | 1,952,350 | 184,267 | - | 3,282,051 | - |
| RECEIVABLES (NET): | | | | | | | | |
| ACCOUNTS | 657,681 | 899,015 | 339,835 | 3,914,823 | 195,921 | 368,127 | 6,375,402 | 9,200 |
| UNBILLED | 94,689 | 119,228 | 58,779 | 435,365 | 20,206 | 64,552 | 792,819 | - |
| OTHER | 1,194 | 761 | 1,182 | 1,980 | 376 | - | 5,493 | - |
| REFUND DUE FROM DEPOSIT | | | | | | | | |
| WITH POWER SUPPLIER | - | - | - | 632,377 | - | - | 632,377 | - |
| INVENTORY | 222,024 | 14,363 | 45,578 | 3,402,672 | 5,561 | - | 3,690,198 | 55,767 |
| TOTAL CURRENT ASSETS | 7,809,042 | 5,090,482 | 1,537,107 | 26,949,785 | 1,974,040 | 625,507 | 43,985,963 | 1,711,962 |
| NON-CURRENT ASSETS | | | | | | | | |
| RESTRICTED CASH AND CASH EQUIVALENTS | 1,835,555 | 1,809,065 | 6,644,120 | 310,286 | 363,696 | - | 10,962,722 | 189,741 |
| INVESTMENTS, LONG TERM PORTION | 3,422,531 | 2,032,004 | - | 9,297,053 | 877,476 | - | 15,629,064 | - |
| NONDEPRECIABLE CAPITAL ASSETS | 26,920,771 | 191,268 | 47,404,001 | 6,880,680 | 701,366 | - | 82,098,086 | - |
| DEPRECIABLE CAPITAL ASSETS, NET | 43,779,402 | 49,568,530 | 56,726,907 | 90,924,213 | 48,680,010 | - | 289,679,062 | 5,732,499 |
| TOTAL NON-CURRENT ASSETS | 75,958,259 | 53,600,867 | 110,775,028 | 107,412,232 | 50,622,548 | - | 398,368,934 | 5,922,240 |
| TOTAL ASSETS | \$ 83,767,301 | \$ 58,691,349 | \$ 112,312,135 | \$ 134,362,017 | \$ 52,596,588 | \$ 625,507 | \$ 442,354,897 | \$ 7,634,202 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | |
| ADVANCE FUNDING OF UAMPS PROJECT | \$ - | \$ - | \$ - | \$ 6,339,439 | \$ - | \$ - | \$ 6,339,439 | \$ - |
| DEFERRED OUTFLOWS RELATED TO PENSIONS | 149,108 | 59,764 | 42,078 | 415,549 | 97,422 | - | 763,921 | 156,437 |
| TOTAL DEFERRED OUTFLOWS | | | | | | | | |
| OF RESOURCES | \$ 149,108 | \$ 59,764 | \$ 42,078 | \$ 6,754,988 | \$ 97,422 | \$ - | \$ 7,103,360 | \$ 156,437 |

CONTINUED

LEHI CITY CORPORATION
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
JUNE 30, 2020

| | 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 | \$ 123,082 | \$ 820,749 | \$ 424,140 | \$ 3,928,217 | \$ 47,679 | \$ 398,278 | \$ 5,742,145 | \$ 601,331 |
| WAGES PAYABLE | 36,193 | 12,323 | 9,543 | 103,269 | 18,205 | - | 179,533 | 42,505 |
| ACCRUED INTEREST PAYABLE | 21,483 | - | 63,070 | 58,119 | 1,381 | - | 144,053 | - |
| PAYABLE FROM RESTRICTED ASSETS: | | | | | | | | |
| ACCOUNTS PAYABLE | 66,738 | 700 | 25,651 | 2,444 | - | - | 95,533 | - |
| ACCRUED INTEREST | - | - | - | - | - | - | - | 21,691 |
| CUSTOMER DEPOSITS | 32,550 | - | - | 7,420 | - | - | 39,970 | - |
| CURRENT PORTION COMPENSATED ABSENCES | 95,660 | 29,523 | 24,236 | 244,736 | 30,020 | - | 424,175 | 88,466 |
| CURRENT MATURITIES OF LONG-TERM OBLIGATIONS | 100,131 | - | 341,931 | 520,000 | 180,000 | - | 1,142,062 | 309,076 |
| TOTAL CURRENT LIABILITIES | 475,837 | 863,295 | 888,571 | 4,864,205 | 277,285 | 398,278 | 7,767,471 | 1,063,069 |
| NON-CURRENT LIABILITIES | | | | | | | | |
| COMPENSATED ABSENCES | 187,364 | 13,890 | 24,191 | 326,330 | 36,904 | - | 588,679 | 79,205 |
| NET PENSION LIABILITY | 262,909 | 105,376 | 74,191 | 732,698 | 171,775 | - | 1,346,949 | 275,833 |
| NOTES PAYABLE | 566,611 | - | 566,611 | - | - | - | 1,133,222 | - |
| CAPITAL LEASE PAYABLE, LESS CURRENT MATURITIES | - | - | - | - | - | - | - | 1,890,924 |
| BONDS PAYABLE, LESS CURRENT MATURITIES | 3,623,153 | - | 15,446,071 | 16,369,380 | 780,000 | - | 36,218,604 | - |
| TOTAL NON-CURRENT LIABILITIES | 4,640,037 | 119,266 | 16,111,064 | 17,428,408 | 988,679 | - | 39,287,454 | 2,245,962 |
| TOTAL LIABILITIES | \$ 5,115,874 | \$ 982,561 | \$ 16,999,635 | \$ 22,292,613 | \$ 1,265,964 | \$ 398,278 | \$ 47,054,925 | \$ 3,309,031 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| DEFERRED INFLOWS RELATED TO PENSIONS | \$ 147,953 | \$ 59,301 | \$ 41,752 | \$ 412,329 | \$ 96,667 | \$ - | \$ 758,002 | \$ 155,226 |
| NET POSITION | | | | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | \$ 67,946,003 | \$ 49,759,798 | \$ 94,386,593 | \$ 80,915,513 | \$ 48,421,376 | \$ - | \$ 341,429,283 | \$ 3,722,240 |
| RESTRICTED FOR | | | | | | | | |
| CAPITAL PROJECTS | 233,092 | 1,808,365 | - | 306,827 | 363,677 | - | 2,711,961 | - |
| UNRESTRICTED | 10,473,487 | 6,141,088 | 926,233 | 37,189,723 | 2,546,326 | 227,229 | 57,504,086 | 604,142 |
| TOTAL NET POSITION | \$ 78,652,582 | \$ 57,709,251 | \$ 95,312,826 | \$ 118,412,063 | \$ 51,331,379 | \$ 227,229 | 401,645,330 | \$ 4,326,382 |
| ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS | | | | | | | | |
| CURRENT YEAR ADJUSTMENT | | | | | | | (95,586) | |
| CUMULATIVE ADJUSTMENT FROM PRIOR YEARS | | | | | | | 639,117 | |
| NET POSITION OF BUSINESS-TYPE ACTIVITIES | | | | | | | \$ 402,188,861 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | BUSINESS-TYPE ACTIVITIES | | | | | | | GOVERNMENTAL |
|---|--------------------------|---------------|---------------|----------------|---------------|---------------------------------|---------------|------------------------------|
| | CULINARY | | PRESSURIZED | | | NONMAJOR | | ACTIVITIES |
| | WATER | SEWER | IRRIGATION | ELECTRIC | DRAINAGE | ENTERPRISE FUND (GARBAGE) | TOTALS | INTERNAL SERVICE FUNDS |
| OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS) | | | | | | | | |
| CHARGES FOR SERVICES | \$ 6,312,901 | \$ 9,399,488 | \$ 3,822,436 | \$ 36,145,090 | \$ 1,700,605 | \$ 3,135,567 | \$ 60,516,087 | \$ 5,842,284 |
| HOOK-UP AND SERVICING FEES | 413,861 | - | 325,712 | 381,422 | - | - | 1,120,995 | - |
| MISCELLANEOUS REVENUES | 235,319 | 29,088 | 335 | 282,819 | 89,500 | 20,810 | 657,871 | - |
| TOTAL OPERATING REVENUES | 6,962,081 | 9,428,576 | 4,148,483 | 36,809,331 | 1,790,105 | 3,156,377 | 62,294,953 | 5,842,284 |
| OPERATING EXPENSES | | | | | | | | |
| PERSONNEL | 1,513,449 | 708,184 | 440,983 | 3,136,739 | 608,471 | - | 6,407,826 | 1,795,641 |
| GENERAL ADMINISTRATION | 233,041 | 128,555 | 46,088 | 529,319 | 99,774 | 10,283 | 1,047,060 | - |
| OPERATING AND MAINTENANCE | 2,261,404 | 9,079,179 | 2,565,498 | 23,813,587 | 242,162 | 3,311,543 | 41,273,373 | 3,363,867 |
| INTERFUND CHARGES | 275,122 | 182,004 | 75,000 | 1,220,004 | 46,992 | - | 1,799,122 | - |
| DEPRECIATION | 1,828,144 | 2,044,577 | 1,993,451 | 3,823,626 | 1,814,582 | - | 11,504,380 | 947,958 |
| TOTAL OPERATING EXPENSES | 6,111,160 | 12,142,499 | 5,121,020 | 32,523,275 | 2,811,981 | 3,321,826 | 62,031,761 | 6,107,466 |
| OPERATING INCOME (LOSS) | 850,921 | (2,713,923) | (972,537) | 4,286,056 | (1,021,876) | (165,449) | 263,192 | (265,182) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | | | |
| WATER ACCESS RIGHTS | (688,291) | - | - | - | - | - | (688,291) | - |
| INTEREST INCOME | 437,565 | 187,735 | 164,527 | 616,947 | 70,950 | 5,729 | 1,483,453 | 38,129 |
| INTEREST EXPENSE | (170,053) | - | (687,292) | (646,145) | (39,418) | - | (1,542,908) | (21,691) |
| MISCELLANEOUS REVENUES | - | - | - | - | - | - | - | 141,269 |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | (420,779) | 187,735 | (522,765) | (29,198) | 31,532 | 5,729 | (747,746) | 157,707 |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 430,142 | (2,526,188) | (1,495,302) | 4,256,858 | (990,344) | (159,720) | (484,554) | (107,475) |
| CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS) | 1,288,669 | 933,630 | 1,110,068 | 3,538,641 | 98,596 | - | 6,969,604 | - |
| CAPITAL CONTRIBUTIONS | 2,626,367 | 2,988,452 | 3,737,739 | 5,931,516 | 2,586,462 | - | 17,870,536 | - |
| CHANGE IN NET POSITION | 4,345,178 | 1,395,894 | 3,352,505 | 13,727,015 | 1,694,714 | (159,720) | 24,355,586 | (107,475) |
| NET POSITION AT BEGINNING OF YEAR | 74,307,404 | 56,313,357 | 91,960,321 | 104,685,048 | 49,636,665 | 386,949 | | 4,433,857 |
| NET POSITION AT END OF YEAR | \$ 78,652,582 | \$ 57,709,251 | \$ 95,312,826 | \$ 118,412,063 | \$ 51,331,379 | \$ 227,229 | | \$ 4,326,382 |
| ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS | | | | | | | (95,586) | |
| CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (page 33) | | | | | | | \$ 24,260,000 | |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | BUSINESS-TYPE ACTIVITIES | | | | | | GOVERNMENTAL | |
|--|--------------------------|--------------|---------------------------|---------------|--------------|---|---------------|--|
| | CULINARY WATER | SEWER | PRESSURIZED IRRIGATION | ELECTRIC | DRAINAGE | NONMAJOR ENTERPRISE FUND (GARBAGE) | TOTALS | ACTIVITIES INTERNAL SERVICE FUNDS |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| CASH RECEIVED FROM CUSTOMERS | \$ 6,650,074 | \$ 9,344,003 | \$ 4,116,882 | \$ 35,817,232 | \$ 1,623,652 | \$ 3,029,342 | \$ 60,581,185 | \$ - |
| CASH RECEIVED FROM INTERFUND SERVICES PROVIDED | - | - | - | - | - | - | - | 5,860,179 |
| CASH PAID TO SUPPLIERS | (3,677,084) | (10,194,210) | (4,099,802) | (22,542,863) | (391,670) | (3,178,514) | (44,084,143) | (2,060,284) |
| CASH PAID TO EMPLOYEES | (1,369,636) | (769,115) | (421,674) | (3,020,342) | (513,062) | - | (6,093,829) | (2,686,675) |
| CASH PAID FOR INTERFUND SERVICES | (275,122) | (182,004) | (75,000) | (1,220,004) | (46,992) | - | (1,799,122) | - |
| OTHER RECEIPTS | 235,319 | 29,088 | 335 | 282,819 | 89,500 | 20,810 | 657,871 | - |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | 1,563,551 | (1,772,238) | (479,259) | 9,316,842 | 761,428 | (128,362) | 9,261,962 | 1,113,220 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | | | | |
| OTHER RECEIPTS (PAYMENTS) | (688,291) | - | - | - | - | - | (688,291) | 141,269 |
| NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES | (688,291) | - | - | - | - | - | (688,291) | 141,269 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | |
| ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS | (3,521,266) | (211,419) | (8,596,077) | (10,310,030) | (876,938) | - | (23,515,730) | (4,217,687) |
| CONTRIBUTIONS FROM DEVELOPERS | 319,750 | - | - | 5,090,073 | 105,472 | - | 5,515,295 | - |
| PRINCIPAL PAID ON BONDS | (21,850) | - | (93,150) | (1,280,000) | (170,000) | - | (1,565,000) | - |
| INTEREST PAID | (239,086) | - | (984,449) | (775,520) | (39,663) | - | (2,038,718) | - |
| PROCEEDS FROM CAPITAL LEASE | - | - | - | - | - | - | - | 2,200,000 |
| PRINCIPAL PAID ON NOTES PAYABLE | (20,429) | - | (20,429) | - | - | - | (40,858) | - |
| IMPACT FEES COLLECTED | 1,287,475 | 932,869 | 1,108,886 | 3,536,661 | 98,220 | - | 6,964,111 | - |
| NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES | (2,195,406) | 721,450 | (8,585,219) | (3,738,816) | (882,909) | - | (14,680,900) | (2,017,687) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| PURCHASE OF INVESTMENTS | (3,307,287) | (1,979,163) | (3,273) | (8,939,592) | (850,229) | - | (15,079,544) | - |
| PROCEEDS FROM SALE OF INVESTMENTS | 3,474,647 | 3,087,776 | 215,060 | 6,526,573 | 1,105,050 | - | 14,409,106 | - |
| INTEREST INCOME COLLECTED | 437,565 | 187,735 | 164,527 | 616,947 | 70,950 | 5,729 | 1,483,453 | 38,129 |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | 604,925 | 1,296,348 | 376,314 | (1,796,072) | 325,771 | 5,729 | 813,015 | 38,129 |

CONTINUED

STATEMENT OF CASH FLOWS - CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

| | 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 | (715,221) | 245,560 | (8,688,164) | 3,781,954 | 204,290 | (122,633) | (5,294,214) | (725,069) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 8,665,510 | 5,193,906 | 16,424,017 | 13,138,550 | 1,727,115 | 315,461 | 45,464,559 | 2,561,805 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 7,950,289</u> | <u>\$ 5,439,466</u> | <u>\$ 7,735,853</u> | <u>\$ 16,920,504</u> | <u>\$ 1,931,405</u> | <u>\$ 192,828</u> | <u>\$ 40,170,345</u> | <u>\$ 1,836,736</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF: | | | | | | | | |
| UNRESTRICTED CASH | \$ 6,114,734 | \$ 3,630,401 | \$ 1,091,733 | \$ 16,610,218 | \$ 1,567,709 | \$ 192,828 | \$ 29,207,623 | \$ 1,646,995 |
| RESTRICTED CASH | <u>1,835,555</u> | <u>1,809,065</u> | <u>6,644,120</u> | <u>310,286</u> | <u>363,696</u> | <u>-</u> | <u>10,962,722</u> | <u>189,741</u> |
| | <u>\$ 7,950,289</u> | <u>\$ 5,439,466</u> | <u>\$ 7,735,853</u> | <u>\$ 16,920,504</u> | <u>\$ 1,931,405</u> | <u>\$ 192,828</u> | <u>\$ 40,170,345</u> | <u>\$ 1,836,736</u> |
| NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | | | | |
| CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS | \$ 2,306,617 | \$ 2,988,452 | \$ 3,737,739 | \$ 841,443 | \$ 2,480,990 | \$ - | \$ 12,355,241 | \$ - |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | | | | | |
| OPERATING INCOME (LOSS) | \$ 850,921 | \$ (2,713,923) | \$ (972,537) | \$ 4,286,056 | \$ (1,021,876) | \$ (165,449) | \$ 263,192 | \$ (265,182) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | | | | | |
| DEPRECIATION | 1,828,144 | 2,044,577 | 1,993,451 | 3,823,626 | 1,814,582 | - | 11,504,380 | 947,958 |
| CHANGES IN ASSETS AND LIABILITIES | | | | | | | | |
| ACCOUNTS RECEIVABLE | (80,798) | (60,477) | (32,639) | (697,321) | (74,077) | (103,479) | (1,048,791) | (9,200) |
| ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS | 2,560 | 4,992 | 1,373 | (10,924) | (2,876) | (2,746) | (7,621) | - |
| ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER | - | - | - | 269,061 | - | - | 269,061 | - |
| INVENTORY | (144,220) | (4,301) | (18,457) | 1,142,002 | (2,972) | - | 972,052 | 26,276 |
| ACCOUNTS PAYABLE | (1,038,419) | (982,175) | (1,469,759) | 145,155 | (46,762) | 143,312 | (3,248,648) | 368,865 |
| WAGES PAYABLE | 9,713 | (2,941) | 2,244 | 26,952 | 10,636 | - | 46,604 | 9,065 |
| COMPENSATED ABSENCES | 89,344 | (29,510) | 12,901 | 46,259 | 12,030 | - | 131,024 | 32,782 |
| AMORTIZATION OF ADVANCE FUNDING OF UAMPS PROJECT | - | - | - | 243,825 | - | - | 243,825 | - |
| CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS | 44,756 | (28,480) | 4,164 | 43,186 | 72,743 | - | 136,369 | 2,656 |
| CUSTOMER DEPOSITS | <u>1,550</u> | <u>-</u> | <u>-</u> | <u>(1,035)</u> | <u>-</u> | <u>-</u> | <u>515</u> | <u>-</u> |
| | <u>\$ 1,563,551</u> | <u>\$ (1,772,238)</u> | <u>\$ (479,259)</u> | <u>\$ 9,316,842</u> | <u>\$ 761,428</u> | <u>\$ (128,362)</u> | <u>\$ 9,261,962</u> | <u>\$ 1,113,220</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

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 regard to interfund activities, payables and receivables. Interfund services provided and used are not eliminated in the process of consolidation.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Fund Financial Statements

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

Governmental Funds

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

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

The City has three major governmental funds – the General Fund, the Capital Projects Fund, and the Special Revenue Redevelopment Agency Fund which is used to account for revenues generated by development projects overseen by the Redevelopment Agency of the City of Lehi. The City has one other, nonmajor governmental fund, the Debt Service Fund which is used to account for the debt service associated with the City's outstanding sales tax revenue bonds.

Proprietary Funds

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

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

The City's major enterprise funds are the Culinary Water Fund, the Sewer Fund, the Pressurized Irrigation Fund, the Electric Fund and the 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, 2020

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. GAAP sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Basis of Accounting

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

Accrual

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

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, 2020

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

Deferred outflows/inflows of resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net 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, 2020

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 \$792,819 at June 30, 2020. The accounts receivable are reported net of the allowance for doubtful accounts of \$372,564 at June 30, 2020.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 240 hours at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination, unpaid accrued vacation is paid to the beneficiary. Proprietary funds expense all accrued vacation amounts when incurred. Governmental funds report an expenditure as the vacation is paid or at termination. The current portion is determined by the City to be the portion of vacation pay due employees who terminated prior to year-end.

Accumulated sick leave is earned at a rate of one day per month. Employees may accumulate unlimited sick leave. Upon retirement, employees may have 75% of outstanding sick pay deposited into a Retirement Health Savings Account in their name, which is administered by a third party. Proprietary funds expense 75% of sick pay when it is earned by the employee. Governmental funds report an expenditure when the sick pay is paid. The current portion is the accrued sick pay for employees of governmental funds who terminated prior to year end.

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

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, 2020.

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, 2020

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, 2020

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, 2020

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, 2020 the book value of cash on deposit was \$6,632,241 and the bank balance was \$8,522,821 (\$7,824,910 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, 2020

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, 2020, 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 | \$ 80,096,095 | \$ - | \$ 80,096,095 | \$ - |
| Corporate Debt Securities | 11,406,849 | - | 11,406,849 | - |
| Certificates of Deposit | 7,493,224 | - | 7,493,224 | - |
| Money Market Funds | 201,640 | 201,640 | - | - |
| | <u>\$ 99,197,808</u> | <u>\$ 201,640</u> | <u>\$ 98,996,168</u> | <u>\$ -</u> |

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

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

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

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices;
- Bond Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers’ Investment Fund: application of the June 30, 2019 fair value factor, as calculated by the Utah State Treasurer, to Lehi City’s average daily balance in the Fund; and,
- Donated Real Estate: recent appraisals of the real estate’s value.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

Interest Rate Risk – Investments

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

The following table shows the maturities of the City's investments as of June 30, 2020:

| <u>Investment Type</u> | Fair Value | Investment Maturities (in years) | | | |
|--|---------------|----------------------------------|----------------------|-------------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| Debt Securities | | | | | |
| Certificates of Deposit | \$ 7,493,224 | \$ - | \$ 7,493,224 | \$ - | \$ - |
| Corporate Debt Securities | 11,406,849 | 3,271,008 | 8,135,841 | - | - |
| Money Market Funds | 201,640 | 201,640 | - | - | - |
| | 19,101,713 | <u>\$ 3,472,648</u> | <u>\$ 15,629,065</u> | <u>\$ -</u> | <u>\$ -</u> |
| Other Investments | | | | | |
| Utah Public Treasurer's Investment Fund | 80,096,095 | | | | |
| | \$ 99,197,808 | | | | |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE B – DEPOSITS AND INVESTMENTS-CONTINUED

Credit Risk of Debt Securities

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

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

| Investment Type | Fair Value | Quality Ratings | | | | |
|---|----------------------|-----------------|---------------------|---------------------|-------------------|----------------------|
| | | AAA | AA | A | BBB | Unrated |
| Utah Public Treasurer's Investment Fund | \$ 80,096,095 | \$ - | \$ - | \$ - | \$ - | \$ 80,096,095 |
| Corporate Debt Securities | 11,406,849 | - | 4,310,227 | 7,096,622 | | - |
| Certificates of Deposit | 7,493,224 | - | 1,568,684 | 1,731,563 | 479,481 | 3,713,496 |
| Money Market Funds | 201,640 | - | | - | - | 201,640 |
| | <u>\$ 99,197,808</u> | <u>\$ -</u> | <u>\$ 5,878,911</u> | <u>\$ 8,828,185</u> | <u>\$ 479,481</u> | <u>\$ 84,011,231</u> |

Custodial Credit Risk – Investments

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

As of June 30, 2020, 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, 2020, the City did not have more than 5 percent of its investments in any single issuer other than the amounts invested with the Utah Public Treasurer's Investment Fund. The Utah Public Treasurer's Investment Fund is not categorized as to concentration of credit risk.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE C – EXTERNAL INVESTMENT POOL

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

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

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

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security’s fair value in accordance with GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 2020) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2020, the City had \$80,294,862 invested in the PTIF which had a fair value of \$80,292,206 for an unrealized gain of \$196,111. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment. The table below shows statistical information about the investment pool:

| <u>Investment Type</u> | <u>Investment Percentage</u> |
|---------------------------|----------------------------------|
| Corporate bonds and notes | 77.74% |
| Money market accounts | 16.02% |
| U.S Treasury bills | 6.24% |
| | <u>100.00%</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 | \$ 200,086 | \$ 9,206 | \$ 209,292 |
| Unexpended bond proceeds | 7,768,306 | 8,192,530 | 15,960,836 |
| Unexpended B & C Road funds | 1,419,849 | - | 1,419,849 |
| Utah County transportation funds | 1,274,743 | - | 1,274,743 |
| Unexpended CDBG funds | 69,038 | - | 69,038 |
| Funds restricted for landfill post-closure costs | 309,687 | - | 309,687 |
| Fund restricted for library | 175,415 | - | 175,415 |
| Unexpended impact fees | 2,366,328 | 2,760,986 | 5,127,314 |
| | <u>\$ 13,583,452</u> | <u>\$ 10,962,722</u> | <u>\$ 24,546,174</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE E – FUND BALANCES

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

| | Major Governmental Funds | | | | Total |
|--|--------------------------|---|----------------------|-------------------------------|----------------------|
| | General | Special Revenue Redevelopment Agency | Capital Projects | Other Governmental Fund | |
| Restricted: | | | | | |
| Externally imposed by creditors | | | | | |
| Unexpended bond proceeds | \$ - | \$ - | \$ 7,578,565 | \$ - | \$ 7,578,565 |
| Debt reserves | - | - | 200,086 | - | 200,086 |
| Externally imposed by grantors | 175,415 | | 69,038 | - | 244,453 |
| Imposed by law or legislation | | | | | |
| C road funds | 1,419,849 | - | - | - | 1,419,849 |
| Less liabilities payable from C road funds | (625,670) | - | - | - | (625,670) |
| Utah County transportation funds | 1,274,743 | - | - | - | 1,274,743 |
| Landfill post-closure costs | 309,687 | - | - | - | 309,687 |
| Impact fees | - | - | 2,366,328 | - | 2,366,328 |
| Less liabilities payable from impact fees or bond proceeds | - | - | (3,483,399) | - | (3,483,399) |
| Total restricted | 2,554,024 | - | 6,730,618 | - | 9,284,642 |
| Committed: | | | | | |
| Library Fund | 640,659 | - | - | - | 640,659 |
| Total committed | 640,659 | - | - | - | 640,659 |
| Assigned: | | | | | |
| Hutchings Museum | 23,411 | - | - | - | 23,411 |
| Redevelopment | - | 3,087,574 | - | - | 3,087,574 |
| Capital Projects | | | 19,339,661 | | 19,339,661 |
| Debt Service | - | - | - | 3,068 | 3,068 |
| Total assigned | 23,411 | 3,087,574 | 19,339,661 | 3,068 | 22,453,714 |
| Unassigned: | 11,968,763 | - | - | - | 11,968,763 |
| Total fund balance | <u>\$ 15,186,857</u> | <u>\$ 3,087,574</u> | <u>\$ 26,070,279</u> | <u>\$ 3,068</u> | <u>\$ 44,347,778</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE F – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 is as follows:

| | <u>July 1, 2019</u> | <u>Increases</u> | <u>Decreases</u> | <u>June 30, 2020</u> |
|---|-----------------------|----------------------|---------------------|-----------------------|
| Governmental Activities: | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 145,988,077 | \$ 4,630,950 | \$ - | \$ 150,619,027 |
| Construction in progress | 11,095,840 | 14,906,684 | 5,150,669 | 20,851,855 |
| Total nondepreciable capital assets | <u>\$ 157,083,917</u> | <u>\$ 19,537,634</u> | <u>\$ 5,150,669</u> | <u>\$ 171,470,882</u> |
| Depreciable capital assets: | | | | |
| Buildings | \$ 31,803,180 | \$ 514,715 | \$ - | \$ 32,317,895 |
| Improvements, including infrastructure | 255,684,977 | 16,347,890 | - | 272,032,867 |
| Machinery, equipment and vehicles | 21,897,009 | 4,225,810 | 159,844 | 25,962,975 |
| Office furniture and equipment | 1,666,761 | - | - | 1,666,761 |
| Total depreciable capital assets at historical cost | <u>311,051,927</u> | <u>21,088,415</u> | <u>159,844</u> | <u>331,980,498</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 13,176,922 | 1,376,085 | - | 14,553,007 |
| Improvements, including infrastructure | 117,501,768 | 13,081,125 | - | 130,582,893 |
| Machinery, equipment and vehicles | 15,550,569 | 1,633,949 | 147,436 | 17,037,082 |
| Office furniture and equipment | 1,600,041 | 16,816 | - | 1,616,857 |
| Total accumulated depreciation | <u>147,829,300</u> | <u>16,107,975</u> | <u>147,436</u> | <u>163,789,839</u> |
| Depreciable capital assets, net of accumulated depreciation | <u>\$ 163,222,627</u> | <u>\$ 4,980,440</u> | <u>\$ 12,408</u> | <u>\$ 168,190,659</u> |

Depreciation was charged to functions as follows:

| | |
|--|----------------------|
| Governmental activities: | |
| General government | \$ 1,808,549 |
| Public safety | 1,311,130 |
| Community development | 91,315 |
| Streets and highways, including infrastructure | 11,197,140 |
| Parks, recreation and culture | 1,659,439 |
| Cemetery | 40,402 |
| | <u>\$ 16,107,975</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE F – CAPITAL ASSETS – CONTINUED

| | July 1, 2019 | Increases | Decreases | June 30, 2020 |
|---|-----------------------|----------------------|----------------------|-----------------------|
| Business-type Activities | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 3,146,725 | \$ 279,579 | \$ - | \$ 3,426,304 |
| Construction in progress | 17,740,730 | 14,433,457 | 12,632,530 | 19,541,657 |
| Intangibles | 58,744,205 | 385,920 | - | 59,130,125 |
| Total nondepreciable capital assets | <u>\$ 79,631,660</u> | <u>\$ 15,098,956</u> | <u>\$ 12,632,530</u> | <u>\$ 82,098,086</u> |
| Depreciable capital assets: | | | | |
| Buildings | \$ 13,408,298 | \$ - | \$ - | \$ 13,408,298 |
| Improvements, including infrastructure | 346,907,467 | 33,361,565 | - | 380,269,032 |
| Machinery, equipment and vehicles | 6,945,671 | 42,980 | - | 6,988,651 |
| Office furniture and equipment | 207,160 | - | - | 207,160 |
| Total depreciable capital assets at historical cost | <u>367,468,596</u> | <u>33,404,545</u> | <u>-</u> | <u>400,873,141</u> |
| Less accumulated depreciation: | | | | |
| Buildings | 1,929,683 | 449,299 | - | 2,378,982 |
| Improvements, including infrastructure | 92,879,987 | 10,679,045 | - | 103,559,032 |
| Machinery, equipment and vehicles | 4,690,311 | 373,262 | - | 5,063,573 |
| Office furniture and equipment | 189,718 | 2,774 | - | 192,492 |
| Total accumulated depreciation | <u>99,689,699</u> | <u>11,504,380</u> | <u>-</u> | <u>111,194,079</u> |
| Depreciable capital assets, net of accumulated depreciation | <u>\$ 267,778,897</u> | <u>\$ 21,900,165</u> | <u>\$ -</u> | <u>\$ 289,679,062</u> |

Depreciation was charged to functions as follows:

Business-type activities:

| | |
|------------------------|----------------------|
| Culinary water | \$ 1,828,144 |
| Sewer | 2,044,577 |
| Electric | 3,823,626 |
| Pressurized irrigation | 1,993,451 |
| Drainage | 1,814,582 |
| | <u>\$ 11,504,380</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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 OBLIGATIONS

A summary of long-term obligation activity for the year ended June 30, 2020 is as follows:

| | Balance July 1, 2019 | Additions | Deletions | Balance June 30, 2020 | Current Amounts Due |
|--|-------------------------|--------------|---------------|--------------------------|------------------------|
| Governmental activities | | | | | |
| Direct Placements | | | | | |
| 2014 Sales tax revenue and refunding bonds | \$ 3,810,000 | \$ - | \$ 725,000 | \$ 3,085,000 | \$ 745,000 |
| 2004 Subordinated sales tax revenue bonds | 7,955,000 | - | - | 7,955,000 | - |
| Other bonds and notes payable | | | | | |
| 2019 Sales tax revenue bonds | 16,470,000 | - | - | 16,470,000 | - |
| Unamortized premium | 1,916,424 | - | 96,626 | 1,819,798 | - |
| 2018 Sales tax revenue bonds | 4,855,000 | - | 155,000 | 4,700,000 | 160,000 |
| Unamortized premium | 730,159 | - | 38,429 | 691,730 | - |
| Tax increment notes payable to developers | 95,969,054 | - | 6,453,844 | 89,515,210 | - |
| Other notes payable | 751,629 | - | 95,860 | 655,769 | - |
| Total bonds and notes payable | 132,457,266 | - | 7,564,759 | 124,892,507 | 905,000 |
| Other liabilities: | | | | | |
| Capital lease obligations | - | 2,200,000 | - | 2,200,000 | 309,076 |
| Compensated absences | 2,710,549 | 1,475,592 | 907,048 | 3,279,093 | 1,394,672 |
| Net pension liability | 9,008,202 | - | 4,085,928 | 4,922,274 | - |
| Landfill closure and post- closure care liability | 250,917 | - | - | 250,917 | - |
| | 11,969,668 | 3,675,592 | 4,992,976 | 10,652,284 | 1,703,748 |
| Governmental activities long-term debt | \$ 144,426,934 | \$ 3,675,592 | \$ 12,557,735 | \$ 135,544,791 | \$ 2,608,748 |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

| | July 1, 2019 | Additions | Deletions | June 30, 2020 | Amounts Due |
|---|---------------|------------|--------------|---------------|--------------|
| Business-type activities | | | | | |
| Direct Placements | | | | | |
| 2014 Electric refunding bonds | \$ 785,000 | \$ - | \$ 785,000 | \$ - | \$ - |
| 2010 Drainage refunding bonds | 1,130,000 | - | 170,000 | 960,000 | 180,000 |
| Other bonds and notes payable | | | | | |
| 2019 Water revenue bonds | 17,205,000 | | 115,000 | 17,090,000 | 390,000 |
| Unamortized premium | 2,469,558 | | 38,795 | 2,369,224 | - |
| 2018 Electric revenue bonds | 15,165,000 | - | 495,000 | 14,670,000 | 520,000 |
| Unamortized premium | 2,345,426 | - | 126,046 | 2,219,380 | - |
| Note payable to Provo Reservoir | | | | | |
| Water Users Company | 391,522 | - | 14,490 | 377,032 | 15,021 |
| Note payable to Provo River | | | | | |
| Water Users Association | 834,620 | - | 26,368 | 808,252 | 37,041 |
| Total bonds and notes payable | 40,326,126 | - | 1,770,699 | 38,493,888 | 1,142,062 |
| Compensated absences | 881,830 | 455,784 | 324,760 | 1,012,854 | 424,175 |
| Net pension liability | 2,515,343 | - | 1,168,394 | 1,346,949 | - |
| | 3,397,173 | 455,784 | 1,493,154 | 2,359,803 | 424,175 |
| Business-type activities long-term debt | \$ 43,723,299 | \$ 455,784 | \$ 3,263,853 | \$ 40,853,691 | \$ 1,566,237 |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

The City has issued the following notes and bonds payable as of June 30, 2020:

| Series | Original Issue | Interest Rate | Premium Paid on Issue | Maturity Date | Principal and Unamortized Premium Outstanding |
|---|-----------------------|----------------------|----------------------------------|--------------------------|--|
| Governmental Activities | | | | | |
| Bonds Payable | | | | | |
| 2019 Sales tax revenue bonds | \$ 16,470,000 | 2.41% - 5.00% | \$ 1,932,528 | 2039 | \$ 18,289,798 |
| 2018 Sales tax revenue bonds | 5,000,000 | 4.00% - 5.25% | 768,588 | 2038 | 5,391,730 |
| 2014 Sales tax revenue and refunding bonds | 7,210,000 | 2.30% | - | 2024 | 3,085,000 |
| 2004 Subordinated sales tax revenue bonds | 9,000,000 | 4.75% | - | 2024 | 7,955,000 |
| Notes Payable | | | | | |
| Tax increment note payable to developer - Alpine Highway Project | 75,744,432 | 6.50% | - | 2028 | 46,856,201 |
| Tax increment note payable to developer - West Timpanogos Community Development Project Area | 19,557,363 | - | - | 2034 | 18,223,571 |
| Tax increment note payable to developer - Thanksgiving Park Economic Development Project Area | 2,500,000 | - | - | 2024 | 899,119 |
| Tax increment note payable to developer - Traverse Mountain Community Development Project Area | 13,612,053 | - | - | 2031 | 10,451,021 |
| Tax increment note payable to developer - Alpine Highway West Economic Development Project Area | 17,478,052 | - | - | 2031 | 13,085,298 |
| Note payable to developer | 1,000,000 | - | - | 2025 | 655,769 |
| Total governmental activities | | | | | \$ 124,892,507 |
| Business-type activities | | | | | |
| Bonds Payable | | | | | |
| 2018 Electric revenue bonds | \$ 15,640,000 | 4.00% - 5.00% | \$ 2,469,467 | 2038 | \$ 16,889,380 |
| 2019 Water revenue bonds | 17,205,000 | 4.00% - 5.00% | 2,508,353 | 2044 | 19,459,224 |
| 2010 Storm Drain revenue and refunding bonds | 2,500,000 | 3.51% | - | 2025 | 960,000 |
| Notes Payable | | | | | |
| Note payable to Provo Reservoir Water User Company | 419,011 | 4.00% | - | 2035 | 377,032 |
| Note payable to Provo River Water Users Association | 884,380 | 4.00% | - | 2035 | 808,252 |
| Total governmental activities | | | | | \$ 38,493,888 |

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS – CONTINUED

As of June 30, 2020 annual debt service requirements of governmental activities to maturity are as follows:

| Year ending June 30, | Direct Placement | | Other | |
|----------------------|-------------------------|-------------------|----------------------|----------------------|
| | Sales Tax | | Sales Tax | |
| | Revenue Bonds | | Revenue Bonds | |
| | Principal | Interest | Principal | Interest |
| 2021 | \$ 745,000 | \$ 70,954 | \$ 160,000 | \$ 881,913 |
| 2022 | 765,000 | 53,820 | 170,000 | 873,912 |
| 2023 | 780,000 | 36,224 | 180,000 | 865,413 |
| 2024 | 795,000 | 18,285 | 190,000 | 856,413 |
| 2025 | - | - | 1,025,000 | 846,912 |
| 2026-2030 | - | - | 5,770,000 | 3,613,750 |
| 2031-2035 | - | - | 7,140,000 | 2,287,800 |
| 2036-2039 | - | - | 6,535,000 | 8,845,926 |
| | <u>\$ 3,085,000</u> | <u>\$ 179,283</u> | 21,170,000 | 19,072,039 |
| Unamortized Premium | | | 2,511,528 | (2,511,528) |
| | | | <u>\$ 23,681,528</u> | <u>\$ 16,560,511</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.

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 of \$655,769 is unknown due to the uncertainty of the timing of the payments.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

As of June 30, 2020, annual debt service requirements of business-type activities to maturity are as follows:

| | | Direct Placements | |
|----------------------|--|--------------------------|-------------------|
| | | Drainage | |
| | | Revenue bonds | |
| Year ending June 30, | | Principal | Interest |
| 2021 | | \$ 180,000 | \$ 33,696 |
| 2022 | | 185,000 | 27,378 |
| 2023 | | 190,000 | 20,885 |
| 2024 | | 200,000 | 14,215 |
| 2025 | | 205,000 | 7,196 |
| 2026-2029 | | - | - |
| | | <u>\$ 960,000</u> | <u>\$ 103,370</u> |

| | | Other Bonds and Notes | | | |
|----------------------|--|------------------------------|----------------------|----------------------|---------------------|
| | | Water | | Electric | |
| | | Revenue Bonds | | Revenue Bonds | |
| Year ending June 30, | | Principal | Interest | Principal | Interest |
| 2021 | | \$ 390,000 | \$ 846,550 | \$ 520,000 | \$ 733,500 |
| 2022 | | 405,000 | 830,950 | 545,000 | 707,500 |
| 2023 | | 425,000 | 814,750 | 575,000 | 680,250 |
| 2024 | | 445,000 | 793,500 | 605,000 | 651,500 |
| 2025 | | 465,000 | 771,250 | 635,000 | 621,250 |
| 2026-2030 | | 2,705,000 | 3,482,500 | 3,680,000 | 2,597,500 |
| 2031-2035 | | 3,455,000 | 2,735,250 | 4,690,000 | 1,581,250 |
| 2036-2040 | | 4,410,000 | 1,780,500 | 3,420,000 | 347,500 |
| 2041-2044 | | 4,390,000 | 562,000 | - | - |
| | | <u>17,090,000</u> | <u>12,617,250</u> | <u>14,670,000</u> | <u>7,920,250</u> |
| Unamortized | | | | | |
| Premium | | <u>2,369,224</u> | <u>(2,369,224)</u> | <u>2,219,380</u> | <u>(2,219,380)</u> |
| | | <u>\$ 19,459,224</u> | <u>\$ 10,248,026</u> | <u>\$ 16,889,380</u> | <u>\$ 5,700,870</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

| Year ending June 30, | Note Payable to Provo River Water Users Association | | Note Payable to Provo Reservoir Water Users Co. | |
|----------------------|---|-------------------|--|-------------------|
| | Principal | Interest | Principal | Interest |
| 2021 | \$ 37,041 | \$ 32,330 | \$ 15,021 | \$ 13,666 |
| 2022 | 38,529 | 30,848 | 20,302 | 13,122 |
| 2023 | 40,054 | 29,307 | 21,034 | 12,385 |
| 2024 | 41,653 | 27,705 | 21,800 | 11,623 |
| 2025 | 43,326 | 26,039 | 22,602 | 10,833 |
| 2026-2030 | 244,041 | 102,775 | 125,889 | 41,269 |
| 2031-2035 | 296,923 | 49,899 | 150,384 | 16,742 |
| 2036 | 66,685 | 2,666 | - | - |
| | <u>\$ 808,252</u> | <u>\$ 301,569</u> | <u>\$ 377,032</u> | <u>\$ 119,640</u> |

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

Collateral and Events of Default:

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

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 | Water Revenue Bonds |
|---|-------------------------------|------------------------------|---------------------------|
| Net revenues | | | |
| Operating revenues | \$ 36,809,331 | \$ 1,790,105 | \$ 11,110,564 |
| Operating expenses (excluding depreciation) | (28,699,649) | (997,399) | (7,410,585) |
| Impact fee revenues | 3,538,641 | 98,596 | 2,398,737 |
| Interest income | 616,947 | 70,950 | 602,092 |
| Net revenues | <u>\$ 12,265,270</u> | <u>\$ 962,252</u> | <u>\$ 6,700,808</u> |
| Aggregate debt service for 2021 | <u>\$ 1,253,500</u> | <u>\$ 213,696</u> | <u>\$ 1,236,550</u> |
| Ratio of net revenues to aggregate debt service | 9.78 | 4.50 | 5.42 |
| Minimum ratio | 1.25 | 1.25 | 1.25 |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

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

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

Details of Direct Placement Bonds – Governmental Activities

Series 2014 Sales Tax Revenue and Refunding Bonds

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

Debt service requirements, including interest:

| Year ending June 30: | Principal | Interest | Total |
|----------------------|---------------------|-------------------|---------------------|
| 2021 | \$ 745,000 | \$ 70,954 | \$ 815,954 |
| 2022 | 765,000 | 53,820 | 818,820 |
| 2023 | 780,000 | 36,224 | 816,224 |
| 2024 | 795,000 | 18,285 | 813,285 |
| | <u>\$ 3,085,000</u> | <u>\$ 179,283</u> | <u>\$ 3,264,283</u> |

Series 2004 Subordinated Sales Tax Revenue Bonds

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

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

Details of Other Bonds – Governmental Activities

Series 2019 Sales Tax Revenue Bonds

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

Debt service requirements, including interest:

| Year ending June 30: | Principal | Interest | Total |
|----------------------|----------------------|--------------------|----------------------|
| 2021 | \$ - | \$ 653,600 | \$ 653,600 |
| 2022 | - | 653,600 | 653,600 |
| 2023 | - | 653,600 | 653,600 |
| 2024 | - | 653,600 | 653,600 |
| 2025 | 830,000 | 653,600 | 1,483,600 |
| 2026 | 860,000 | 623,200 | 1,483,200 |
| 2027 | 880,000 | 602,550 | 1,482,550 |
| 2028 | 925,000 | 558,550 | 1,483,550 |
| 2029 | 960,000 | 521,550 | 1,481,550 |
| 2030 | 985,000 | 499,950 | 1,484,950 |
| 2031 | 1,030,000 | 450,700 | 1,480,700 |
| 2032 | 1,085,000 | 399,200 | 1,484,200 |
| 2033 | 1,125,000 | 355,800 | 1,480,800 |
| 2034 | 1,170,000 | 310,800 | 1,480,800 |
| 2035 | 1,220,000 | 264,000 | 1,484,000 |
| 2036 | 1,265,000 | 215,200 | 1,480,200 |
| 2037 | 1,320,000 | 164,600 | 1,484,600 |
| 2038 | 1,370,000 | 111,800 | 1,481,800 |
| 2039 | 1,445,000 | 57,000 | 1,502,000 |
| | <u>\$ 16,470,000</u> | <u>\$8,402,900</u> | <u>\$ 24,872,900</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

Series 2018 Sales Tax Revenue Bonds

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

Debt service requirements, including interest:

| Year ending June 30: | Principal | Interest | Total |
|----------------------|---------------------|--------------------|---------------------|
| 2021 | \$ 160,000 | \$ 228,313 | \$ 388,313 |
| 2022 | 170,000 | 220,312 | 390,312 |
| 2023 | 180,000 | 211,813 | 391,813 |
| 2024 | 190,000 | 202,813 | 392,813 |
| 2025 | 195,000 | 193,312 | 388,312 |
| 2026 | 205,000 | 183,563 | 388,563 |
| 2027 | 220,000 | 173,312 | 393,312 |
| 2028 | 230,000 | 162,313 | 392,313 |
| 2029 | 245,000 | 150,812 | 395,812 |
| 2030 | 260,000 | 137,950 | 397,950 |
| 2031 | 275,000 | 124,300 | 399,300 |
| 2032 | 285,000 | 113,300 | 398,300 |
| 2033 | 295,000 | 101,900 | 396,900 |
| 2034 | 310,000 | 90,100 | 400,100 |
| 2035 | 345,000 | 77,700 | 422,700 |
| 2036 | 360,000 | 59,587 | 419,587 |
| 2037 | 380,000 | 40,687 | 420,687 |
| 2038 | 395,000 | 20,737 | 415,737 |
| | <u>\$ 4,700,000</u> | <u>\$2,492,824</u> | <u>\$ 7,192,824</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

Details of Direct Placement Bonds – Business-type Activities

Series 2010 Drainage Refunding Bonds

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

Debt service requirements, including interest:

| Year ending June 30: | Principal | Interest | Total |
|----------------------|-------------------|-------------------|---------------------|
| 2021 | \$ 180,000 | \$ 33,696 | \$ 213,696 |
| 2022 | 185,000 | 27,378 | 212,378 |
| 2023 | 190,000 | 20,885 | 210,885 |
| 2024 | 200,000 | 14,215 | 214,215 |
| 2025 | 205,000 | 7,196 | 212,196 |
| | <u>\$ 960,000</u> | <u>\$ 103,370</u> | <u>\$ 1,063,370</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

Details of Other Bonds – Business-type Activities

Series 2019 Water Revenue Bonds

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

Debt service requirements, including interest:

| Year ending June 30: | Principal | Interest | Total |
|----------------------|----------------------|---------------------|----------------------|
| 2021 | \$ 390,000 | \$ 846,550 | \$ 1,236,550 |
| 2022 | 405,000 | 830,950 | 1,235,950 |
| 2023 | 425,000 | 814,750 | 1,239,750 |
| 2024 | 445,000 | 793,500 | 1,238,500 |
| 2025 | 465,000 | 771,250 | 1,236,250 |
| 2026 | 490,000 | 748,000 | 1,238,000 |
| 2027 | 515,000 | 723,500 | 1,238,500 |
| 2028 | 540,000 | 697,750 | 1,237,750 |
| 2029 | 565,000 | 670,750 | 1,235,750 |
| 2030 | 595,000 | 642,500 | 1,237,500 |
| 2031 | 625,000 | 612,750 | 1,237,750 |
| 2032 | 655,000 | 581,500 | 1,236,500 |
| 2033 | 690,000 | 548,750 | 1,238,750 |
| 2034 | 725,000 | 514,250 | 1,239,250 |
| 2035 | 760,000 | 478,000 | 1,238,000 |
| 2036 | 800,000 | 440,000 | 1,240,000 |
| 2037 | 835,000 | 400,000 | 1,235,000 |
| 2038 | 880,000 | 358,250 | 1,238,250 |
| 2039 | 925,000 | 314,250 | 1,239,250 |
| 2040 | 970,000 | 268,000 | 1,238,000 |
| 2041 | 1,020,000 | 219,500 | 1,239,500 |
| 2042 | 1,070,000 | 168,500 | 1,238,500 |
| 2043 | 1,120,000 | 115,000 | 1,235,000 |
| 2044 | 1,180,000 | 59,000 | 1,239,000 |
| | <u>\$ 17,090,000</u> | <u>\$12,617,250</u> | <u>\$ 29,707,250</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

Series 2018 Electric Revenue Bonds

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

Debt service requirements, including interest:

| Year ending June 30: | Principal | Interest | Total |
|----------------------|----------------------|---------------------|----------------------|
| 2021 | \$ 520,000 | \$ 733,500 | \$ 1,253,500 |
| 2022 | 545,000 | 707,500 | 1,252,500 |
| 2023 | 575,000 | 680,250 | 1,255,250 |
| 2024 | 605,000 | 651,500 | 1,256,500 |
| 2025 | 635,000 | 621,250 | 1,256,250 |
| 2026 | 665,000 | 589,500 | 1,254,500 |
| 2027 | 700,000 | 556,250 | 1,256,250 |
| 2028 | 735,000 | 521,250 | 1,256,250 |
| 2029 | 770,000 | 484,500 | 1,254,500 |
| 2030 | 810,000 | 446,000 | 1,256,000 |
| 2031 | 850,000 | 405,500 | 1,255,500 |
| 2032 | 890,000 | 363,000 | 1,253,000 |
| 2033 | 935,000 | 318,500 | 1,253,500 |
| 2034 | 985,000 | 271,750 | 1,256,750 |
| 2035 | 1,030,000 | 222,500 | 1,252,500 |
| 2036 | 1,085,000 | 171,000 | 1,256,000 |
| 2037 | 1,140,000 | 116,750 | 1,256,750 |
| 2038 | 1,195,000 | 59,750 | 1,254,750 |
| | <u>\$ 14,670,000</u> | <u>\$ 7,920,250</u> | <u>\$ 22,590,250</u> |

Prior Years Defeasance of Debt

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

At June 30, 2020 the following bonds are considered defeased:

| | Bond Series | Defeased Balance |
|--------------------------|--------------------------|------------------|
| Governmental Activities: | 2000 Lease Revenue Bonds | \$2,140,000 |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE I – PLEDGED REVENUES

The City has pledged sales tax revenues in the amount of \$43,506,322 to fund debt service payments on the sales tax revenue bonds. The 2014 bonds were used to refund the 2003 and 2004 sales tax revenue and to finance infrastructure improvements. The 2018 bonds were used primarily to finance the construction of a new fire station within the City, and the 2019 bonds are being used primarily to finance the construction of a new police station within the City. Sales tax revenue has been pledged for debt service payments through the year 2039. Total sales tax collections through 2039 have not been estimated. Sales tax revenue in the current year was \$14,449,857 and debt service for the sales tax bonds was \$2,234,163.

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 \$46,856,201. 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 \$13,572,636. 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 \$899,119. 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 \$263,822. 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 \$541,159. 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 \$13,085,298. 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 \$914,355. 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, 2020

NOTE I – PLEDGED REVENUES – CONTINUED

The City has pledged property tax increment revenues to fund debt service payments on a tax increment note payable to developer of the West Timpanogos Community Development Project Area in the amount of \$18,223,571. 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 \$331,951. 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 \$22,590,250 to fund debt service payments on the electric revenue bonds. The bonds were issued to fund electric system improvements within the City. Electric revenues have been pledged for debt service payments through the year 2038. Electric revenues are projected to produce 500 percent of the debt service requirements over the life of the bonds. In the current year, net electric revenues were \$12,265,270 and electric revenue bond debt service payments were \$2,055,520.

The City has pledged drainage revenues in the amount of \$1,063,370 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 \$962,252 and drainage revenue bond debt service payments were \$209,663.

The City has pledged water and pressurized irrigation revenues in the amount of \$29,707,250 to fund debt service payments on the water revenue bonds. The bonds were issued to fund water and pressurized irrigation system improvements within the City. Water and pressurized irrigation revenues have been pledged to fund debt service payments through the year 2044. Water and pressurized irrigation revenues are expected to produce approximately 400 percent of the debt service requirements over the life of the bonds. In the current year, net water and pressurized irrigation revenues were \$6,700,808 and water revenue bond debt service payments were \$1,235,679.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE J – CAPITAL LEASE OBLIGATION

During 2020, the City entered into a lease agreement for the acquisition of several fire trucks and related equipment. The lease agreement qualifies as a capital lease for accounting purposes and has been recorded at the present value of its future minimum lease payments as of the inception date.

The assets acquired through this capital lease are as follows as of June 30, 2020:

| | Governmental Activities |
|---------------------------|----------------------------|
| Fire trucks and equipment | \$ 2,016,365 |
| Accumulated depreciation | 74,190 |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

| Year ending June 30: | Governmental Activities |
|--|----------------------------|
| 2021 | \$ 334,010 |
| 2022 | 334,010 |
| 2023 | 334,010 |
| 2024 | 334,010 |
| 2025 | 334,010 |
| 2026 | 334,010 |
| 2027 | 334,010 |
| Less amount representing interest | (138,070) |
| Present value of future minimum lease payments | 2,200,000 |
| Current portion | 309,076 |
| Long-term portion | <u>\$ 1,890,924</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS

General Information about the Pension Plan

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

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

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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

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

Summary of Benefits by System

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

** with actuarial reductions applied*

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS - CONTINUED

Contribution Rate Summary

As a condition of participation in the URS, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2020 are as follows:

| | Employee Paid | Employer Contribution Rates | Employer Rate for 401(k) Plan |
|--|------------------|-----------------------------------|-------------------------------------|
| Contributory System | | | |
| 111 - Local Governmental Division Tier 2 | N/A | 15.66% | 1.03% |
| Noncontributory System | | | |
| 15 - Local Governmental Division Tier 1 | N/A | 18.47% | N/A |
| Public Safety Retirement System | | | |
| Contributory | | | |
| 23 - Other Division A with 2.5% COLA | 12.29% | 22.79% | N/A |
| 122 - Other Division A Contributory Tier 2 | N/A | 23.13% | 0.70% |
| Noncontributory | | | |
| 43 - Other Division A with 2.5% COLA | N/A | 34.04% | N/A |
| Firefighters System | | | |
| 31 - Other Division A | 15.05% | 4.61% | N/A |
| 132 - Tier 2 DB Hybrid Firefighters | N/A | 11.38% | 0.70% |
| 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, 2020, the employer and employee contributions to the Systems were as follows:

| System | Employer Contributions | Employee Contributions |
|---|---------------------------|---------------------------|
| Noncontributory | \$ 1,449,852 | N/A |
| Public Safety | 669,305 | 23,336 |
| Firefighters | 79,145 | 258,381 |
| Tier 2 Public Employees | 667,703 | - |
| Tier 2 Public Safety and Firefighter | 520,464 | - |
| Tier 2 DC Only | 57,441 | N/A |
| Tier 2 DC Public Safety and Firefighter | 181 | N/A |
| Total Contributions | <u>\$ 3,444,091</u> | <u>\$ 281,717</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, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

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

At June 30, 2020, the City reported a net pension asset of \$649,957 and a net pension liability of \$6,269,223.

| | Proportionate Share | Net Pension Asset | Net Pension Liability |
|---|------------------------|-------------------------|-----------------------------|
| Noncontributory system | 0.9715484% | \$ - | \$ 3,661,638 |
| Public Safety System | 1.4913241% | - | 2,394,496 |
| Firefighters System | 5.2407494% | 649,957 | - |
| Tier 2 Public Employees System | 0.2766880% | - | 62,229 |
| Tier 2 Public Safety and Firefighter System | 1.6037989% | - | 150,860 |
| | | <u>\$ 649,957</u> | <u>\$ 6,269,223</u> |
| Total Net Pension Asset/Liability | | <u>\$ 649,957</u> | <u>\$ 6,269,223</u> |

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 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, 2020, the City recognized pension expense of \$3,512,665.

At June 30, 2020, 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 | \$ 563,507 | \$ 216,023 |
| Changes in assumptions | 809,060 | 55,726 |
| Net difference between projected and actual earnings on pension plan investments | - | 3,179,944 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 409,814 | 16,465 |
| Contributions subsequent to the measurement date | 1,728,435 | - |
| Total | <u>\$ 3,510,816</u> | <u>\$ 3,468,158</u> |

\$1,728,435 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, 2019.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

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

| Year Ended June 30, | Deferred Outflows (Inflows) of Resources |
|---------------------|---|
| 2021 | \$ (246,046) |
| 2022 | (575,975) |
| 2023 | 171,843 |
| 2024 | (1,153,363) |
| 2025 | 20,746 |
| Thereafter | 97,018 |

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

For the year ended June 30, 2020, the City recognized pension expense of \$2,007,852.

At June 30, 2020, 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 | \$ 333,068 | \$ 52,598 |
| Changes in assumptions | 387,810 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 1,851,723 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 213,705 | - |
| Contributions subsequent to the measurement date | 715,644 | - |
| Total | <u>\$ 1,650,227</u> | <u>\$ 1,904,321</u> |

\$715,644 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, 2019.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

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

| Year Ended June 30, | Deferred Outflows (Inflows) of Resources |
|---------------------|---|
| 2021 | \$ (8,313) |
| 2022 | (324,218) |
| 2023 | 66,786 |
| 2024 | (703,993) |
| 2025 | - |
| Thereafter | - |

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

For the year ended June 30, 2020, the City recognized pension expense of \$1,139,252.

At June 30, 2020, 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 | \$ 41,644 | \$ 51,129 |
| Changes in assumptions | 81,702 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 817,643 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 129,162 | 8,961 |
| Contributions subsequent to the measurement date | 334,559 | - |
| Total | <u>\$ 587,067</u> | <u>\$ 877,733</u> |

\$334,559 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, 2019.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

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

| Year Ended June 30, | Deferred Outflows (Inflows) of Resources |
|---------------------|---|
| 2021 | \$ (139,555) |
| 2022 | (178,583) |
| 2023 | 3,590 |
| 2024 | (310,677) |
| 2025 | - |
| Thereafter | - |

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

For the year ended June 30, 2020, the City recognized pension expense of \$(428,487).

At June 30, 2020, 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 | \$ 126,284 | \$ 90,890 |
| Changes in assumptions | 277,146 | 52,576 |
| Net difference between projected and actual earnings on pension plan investments | - | 425,662 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 8,250 | 5,697 |
| Contributions subsequent to the measurement date | 39,010 | - |
| Total | <u>\$ 450,690</u> | <u>\$ 574,825</u> |

\$39,010 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, 2019.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

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

| Year Ended June 30, | Deferred Outflows (Inflows) of Resources |
|---------------------|---|
| 2021 | \$ (87,500) |
| 2022 | (64,067) |
| 2023 | 96,688 |
| 2024 | (117,003) |
| 2025 | 8,694 |
| Thereafter | 43 |

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

For the year ended June 30, 2020, the City recognized pension expense of \$349,964.

At June 30, 2020, 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 | \$ 17,409 | \$ 21,357 |
| Changes in assumptions | 26,572 | 1,788 |
| Net difference between projected and actual earnings on pension plan investments | - | 47,835 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 48,904 | - |
| Contributions subsequent to the measurement date | 368,873 | - |
| Total | <u>\$ 461,758</u> | <u>\$ 70,980</u> |

\$368,873 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, 2019.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

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

| Year Ended June 30, | Deferred Outflows (Inflows) of Resources |
|---------------------|---|
| 2021 | \$ (6,527) |
| 2022 | (5,596) |
| 2023 | 2,577 |
| 2024 | (12,755) |
| 2025 | 6,383 |
| Thereafter | 37,823 |

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

For the year ended June 30, 2020, the City recognized pension expense of \$444,085.

At June 30, 2020, 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 | \$ 45,102 | \$ 49 |
| Changes in assumptions | 35,830 | 1,362 |
| Net difference between projected and actual earnings on pension plan investments | - | 37,081 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 9,793 | 1,807 |
| Contributions subsequent to the measurement date | 270,349 | - |
| Total | <u>\$ 361,074</u> | <u>\$ 40,299</u> |

\$270,349 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, 2019.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

| Year Ended June 30, | Deferred Outflows (Inflows) of Resources |
|---------------------|---|
| 2021 | \$ (4,151) |
| 2022 | (3,511) |
| 2023 | 2,200 |
| 2024 | (8,934) |
| 2025 | 5,671 |
| Thereafter | 59,151 |

Actuarial Assumptions

The total pension liability in the December 31, 2019, 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, 2019 valuation were based on the results of an actuarial experience study for the five year period 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:

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

| Asset class | Expected Return Arithmetic Basis | | |
|---------------------------|----------------------------------|---------------------------------------|---|
| | Target Asset Allocation | Real Return Arithmetic Basis | Long-term Expected Portfolio Real Rate of Return |
| Equity securities | 40% | 6.15% | 2.46% |
| Debt securities | 20% | 0.40% | 0.08% |
| Real assets | 15% | 5.75% | 0.86% |
| Private equity | 9% | 9.95% | 0.89% |
| Absolute return | 16% | 2.85% | 0.46% |
| Cash and cash equivalents | - | - | - |
| Totals | 100% | | 4.75% |
| | | | 2.50% |
| | | | 7.25% |

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. The discount rate remained unchanged from the prior measurement period at 6.95%.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE K - RETIREMENT PLANS – CONTINUED

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, 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 | \$11,436,572 | \$ 3,661,638 | \$ (2,822,575) |
| Public Safety | 6,202,675 | 2,394,496 | (700,383) |
| Firefighters | 1,329,174 | (649,957) | (2,255,443) |
| Tier 2 Public Employees | 536,630 | 62,229 | (304,395) |
| Tier 2 Public Safety and Firefighter | 532,932 | 150,860 | (132,765) |
| Total | <u>\$20,037,983</u> | <u>\$ 5,619,266</u> | <u>\$ (6,215,561)</u> |

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

NOTE L – 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, 2020, was approximately \$22,500,000. Employees with proof of other health insurance may choose to opt out of the City's health insurance plan and in lieu of those benefits, receive a contribution to a deferred compensation plan. During the year ended June 30, 2020, contributions totaling \$118,065 were made to the plan by employees and \$111,714 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, 2020

NOTE M – 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, 2020, had an outstanding balance of \$141,375,000, of which the City's portion was \$15,073,394. During the year ended June 30, 2020, the City purchased power totaling \$21,968,640.

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 would purchase from UAMPS an Entitlement Share of up to 10,000 KW of capacity generated by the Project. UAMPS prepared a budget for the project reflecting total costs of approximately \$4.2 billion. Each participant would be responsible to 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. As of August 25, 2020, the City chose to withdraw from the project and the resulting cost to the City is expected to be between \$350,000 and \$400,000.

The City has entered into a contract for the construction of a new police station. The total of the contract is approximately \$14,100,000, \$11,317,917 of which had been completed as of June 30, 2020. The City has also entered into a contract for the construction of a reservoir, a sediment basin and a pump station as part of the pressurized irrigation system. The total of the contracts for those projects is approximately \$5,800,000, \$5,595,025 of which had been completed as of June 30, 2020.

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE N – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City self-insures for claim under \$100,000 and carries commercial insurance for risks in excess of that amount, except for risks associated with natural disasters. There were no decreases in coverage during 2020. 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>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Claims liability, July 1 | \$ 56,615 | \$ 268,576 |
| Claims incurred during the year and changes in estimates | 135,758 | 93,452 |
| Payments on claims during the year | | |
| Payments made by insurance | 153,811 | 211,961 |
| Coinsurance and deductible insurance payments made by the City | - | 93,452 |
| Claims liability, June 30 | <u>\$ 38,562</u> | <u>\$ 56,615</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE O - 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 | Other Governmental Fund | Total |
| <u>Transfers out from:</u> | | | | |
| General Fund | \$ - | \$ 8,089,930 | \$ 1,614,504 | \$ 9,704,434 |
| Capital Projects Fund | - | - | 248,014 | 248,014 |
| Redevelopment Agency | 1,883,869 | - | - | 1,883,869 |
| | <u>\$ 1,883,869</u> | <u>\$ 8,089,930</u> | <u>\$ 1,862,518</u> | <u>\$ 11,836,317</u> |

NOTE P – SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

NOTE Q – EXPENDITURES EXCEEDING APPROPRIATIONS

During the year ended June 30, 2020, the City incurred expenditures in excess of appropriations in the General Fund and the Redevelopment Agency Special Revenue Fund as follows:

| | <u>Expenditures In Excess of Appropriations</u> |
|----------------------|---|
| General Fund | |
| Transfers Out | \$ 4,669,799 |
| Redevelopment Agency | |
| Transfers Out | 10,697 |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE R - REDEVELOPMENT AGENCY OF THE CITY OF LEHI

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

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

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

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

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

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

In January 2020, the Redevelopment Agency passed a resolution adopting a community reinvestment project area known as the Meadow Pointe Community Reinvestment Project Area. The project will be funded with tax increment financing for a period not to exceed twenty years and up to a maximum of \$6,019,890. The Agency will receive 50% of the property tax and sales tax increment from the project area. If the project area generates more than \$100,000 of annual funds to be distributed to the Agency, the Agency will remit an additional 10% of the annual tax increment for housing allocation.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

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

For the year ended June 30, 2020 the following activity occurred in the City's Redevelopment Agency:

| | |
|--|----------------------|
| Tax increment collected from other taxing agencies for the project area | |
| Millpond Project Area | \$ 441,787 |
| Alpine Highway Project Area | 13,572,636 |
| Alpine Highway West Project Area | 914,355 |
| West Timpanogos Project Area | 331,951 |
| Traverse Mountain Project Area | 541,159 |
| Thanksgiving Park Project Area | 263,822 |
| | <u>\$ 16,065,710</u> |
| Outstanding loans to finance RDA projects | <u>\$ 89,515,210</u> |
| Expenditures: | |
| Tax increments paid to other taxing agencies | \$ 2,282,866 |
| Principal | 6,453,844 |
| Interest | 4,472,991 |
| Redevelopment costs | 108,473 |
| | <u>\$ 13,318,174</u> |

NOTE S – 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, 2020, the City abated the following taxes:

| | Property Taxes | Sales Taxes |
|--|---------------------|-------------------|
| <u>RDA Project Area tax abatements</u> | | |
| Millpond Project Area | \$ 74,577 | \$ - |
| Alpine Highway Project Area | 1,603,810 | - |
| Alpine Highway West Project Area | 111,087 | - |
| West Timpanogos Project Area | 112,267 | - |
| Traverse Mountain Project Area | 110,712 | 372,404 |
| Thanksgiving Park Project Area | 54,199 | - |
| | <u>2,066,652</u> | <u>372,404</u> |
| Other relocation incentive projects | - | 95,861 |
| | <u>\$ 2,066,652</u> | <u>\$ 468,265</u> |

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE T – 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, 2020, 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, 2020 | <u>77%</u> |
| Cumulative closure and postclosure care liability, as revised during 2020 | 250,917 |
| Amounts previously recognized | <u>250,917</u> |
| Amount to be recognized as of June 30, 2019 | - |
| Amount reported as a long-term liability in the governmental activities statement of net position | <u>\$ 250,917</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 2020. The City has a capacity of 230,000 cubic yards. The landfill is only used for City purposes. The City anticipates the landfill not reaching full capacity until at least 2035. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

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

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, 2020
With a Measurement Date of December 31, 2019
Last Ten Fiscal Years*

Noncontributory System for the Fiscal Years Ended June 30,

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability (asset) | 0.9715484% | 0.9518516% | 0.9004162% | 0.8609147% | 0.8368340% | 0.8252402% |
| Proportionate share of the net pension liability (asset) | \$ 3,661,638 | \$ 7,009,172 | \$ 3,944,993 | \$ 5,528,126 | \$ 4,735,214 | \$ 3,583,385 |
| Covered payroll | \$ 7,934,823 | \$ 7,802,584 | \$ 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 payroll | 46.1% | 89.8% | 53.3% | 76.1% | 67.2% | 51.5% |
| Plan fiduciary net position as a percentage of the total pension liability | 93.7% | 87.0% | 91.9% | 87.3% | 87.8% | 90.2% |

Public Safety System for the Fiscal Years Ended June 30,

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability (asset) | 1.4913241% | 1.4826790% | 1.3389936% | 1.3909834% | 1.3094092% | 1.2531910% |
| Proportionate share of the net pension liability (asset) | \$ 2,394,496 | \$ 3,674,341 | \$ 2,100,423 | \$ 2,822,689 | \$ 2,345,629 | \$ 1,575,992 |
| Covered payroll | \$ 1,983,001 | \$ 1,922,593 | \$ 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 payroll | 120.8% | 191.1% | 113.0% | 137.6% | 118.2% | 74.6% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.9% | 84.7% | 90.2% | 86.5% | 87.1% | 90.5% |

Firefighters Retirement System for the Fiscal Years Ended June 30,

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Proportion of the net pension liability (asset) | 5.2407494% | 5.2830772% | 5.4021529% | 5.6106342% | 5.4181698% | 5.2918057% |
| Proportionate share of the net pension liability (asset) | \$ (649,957) | \$ 685,993 | \$ (337,393) | \$ (44,231) | \$ (98,134) | \$ (301,971) |
| Covered payroll | \$ 1,805,883 | \$ 1,716,828 | \$ 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 payroll | -36.0% | 40.0% | -19.9% | -2.6% | -6.2% | -19.8% |
| Plan fiduciary net position as a percentage of the total pension liability | 105.0% | 94.3% | 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, 2020
With a Measurement Date of December 31, 2019
Last Ten Fiscal Years*

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|------------|------------|
| Proportion of the net pension liability (asset) | 0.2766880% | 0.2619050% | 0.2458871% | 0.2829680% | 0.1455133% | 0.1454933% |
| Proportionate share of the net pension liability (asset) | \$ 62,229 | \$ 112,168 | \$ 21,679 | \$ 23,236 | \$ (318) | \$ (4,409) |
| Covered payroll | \$ 3,844,219 | \$ 3,057,042 | \$ 2,404,504 | \$ 1,708,206 | \$ 940,334 | \$ 713,760 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 1.6% | 3.7% | 0.9% | 1.4% | -0.03% | -0.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 96.5% | 90.8% | 97.4% | 95.1% | 100.2% | 103.5% |

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|-------------|------------|------------|
| Proportion of the net pension liability (asset) | 1.6037989% | 1.6711253% | 1.3301614% | 1.1522095% | 0.1455133% | 0.1454933% |
| Proportionate share of the net pension liability (asset) | \$ 150,860 | \$ 41,871 | \$ (15,391) | \$ (10,003) | \$ (318) | \$ (4,409) |
| Covered payroll | \$ 2,643,299 | \$ 2,236,149 | \$ 1,403,195 | \$ 951,984 | \$ 940,334 | \$ 713,760 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 5.7% | 1.9% | -1.1% | -1.1% | -0.03% | -0.60% |
| Plan fiduciary net position as a percentage of the total pension liability | 89.6% | 95.6% | 103.0% | 103.6% | 100.2% | 103.5% |

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

LEHI CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS
June 30, 2020
Last Ten Fiscal Years**

| | As of fiscal year ended June 30, | Actuarial determined contributions | Contributions in relation to the contractually required contribution | Contribution deficiency (excess) | Covered payroll | Contribution as a percentage of covered payroll** |
|---|---|--|--|--|--------------------|---|
| Noncontributory System | 2014 | \$ 1,165,022 | \$ 1,165,022 | \$ - | \$ 6,864,580 | 16.97% |
| | 2015 | 1,282,664 | 1,282,664 | - | 7,052,771 | 18.19% |
| | 2016 | 1,268,549 | 1,268,549 | - | 6,981,779 | 18.17% |
| | 2017 | 1,309,056 | 1,309,056 | - | 7,475,118 | 17.51% |
| | 2018 | 1,424,802 | 1,424,802 | - | 8,093,782 | 17.60% |
| | 2019 | 1,438,487 | 1,438,487 | - | 7,923,875 | 18.15% |
| | 2020 | 1,449,852 | 1,449,852 | - | 7,939,103 | 18.26% |
| Public Safety System | 2014 | 559,089 | 559,089 | - | 2,134,344 | 26.19% |
| | 2015 | 625,298 | 625,298 | - | 2,036,078 | 30.71% |
| | 2016 | 629,374 | 629,374 | - | 1,983,967 | 31.72% |
| | 2017 | 620,098 | 620,098 | - | 2,025,956 | 30.61% |
| | 2018 | 611,262 | 611,262 | - | 1,948,987 | 31.36% |
| | 2019 | 653,299 | 653,299 | - | 1,991,955 | 32.80% |
| | 2020 | 669,305 | 669,305 | - | 2,028,984 | 32.99% |
| Firefighters System | 2014 | 41,630 | 41,630 | - | 1,559,356 | 2.67% |
| | 2015 | 54,021 | 54,021 | - | 1,527,355 | 3.54% |
| | 2016 | 58,367 | 58,367 | - | 1,581,637 | 3.69% |
| | 2017 | 62,382 | 62,382 | - | 1,795,409 | 3.47% |
| | 2018 | 64,687 | 64,687 | - | 1,795,471 | 3.60% |
| | 2019 | 75,547 | 75,547 | - | 1,737,870 | 4.35% |
| | 2020 | 79,145 | 79,145 | - | 1,855,490 | 4.27% |
| Tier 2 Public Employees System* | 2014 | 102,833 | 102,833 | - | 735,043 | 13.99% |
| | 2015 | 113,924 | 113,924 | - | 762,543 | 14.94% |
| | 2016 | 191,737 | 191,737 | - | 1,285,962 | 14.91% |
| | 2017 | 302,455 | 302,455 | - | 2,107,941 | 14.35% |
| | 2018 | 426,116 | 426,116 | - | 2,918,623 | 14.60% |
| | 2019 | 526,354 | 526,354 | - | 3,387,092 | 15.54% |
| | 2020 | 667,703 | 667,703 | - | 4,264,085 | 15.66% |
| Tier 2 Public Safety and Firefighter System* | 2014 | 48,582 | 48,582 | - | 275,951 | 17.61% |
| | 2015 | 73,202 | 73,202 | - | 393,710 | 18.59% |
| | 2016 | 139,579 | 139,579 | - | 745,270 | 18.73% |
| | 2017 | 205,341 | 205,341 | - | 1,119,520 | 18.34% |
| | 2018 | 340,795 | 340,795 | - | 2,021,465 | 16.86% |
| | 2019 | 420,325 | 420,325 | - | 2,391,478 | 17.58% |
| | 2020 | 520,464 | 520,464 | - | 2,984,517 | 17.44% |

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS - CONTINUED
June 30, 2020
Last Ten Fiscal Years**

| | As of fiscal year ended June 30, | Actuarial determined contributions | Contributions in relation to the contractually required contribution | Contribution deficiency (excess) | Covered payroll | Contribution as a percentage of covered payroll** |
|---|---|--|--|--|--------------------|---|
| Tier 2 Public Employees DC Only System* | 2014 | 17,563 | 17,563 | - | 303,986 | 5.78% |
| | 2015 | 33,416 | 33,416 | - | 506,307 | 6.60% |
| | 2016 | 33,262 | 33,262 | - | 497,195 | 6.69% |
| | 2017 | 34,392 | 34,392 | - | 530,379 | 6.48% |
| | 2018 | 39,190 | 39,190 | - | 609,291 | 6.43% |
| | 2019 | 52,248 | 52,248 | - | 780,986 | 6.69% |
| | 2020 | 57,441 | 57,441 | - | 858,607 | 6.69% |
| Tier 2 Public Safety and Firefighter DC Only System* | 2014 | - | - | - | - | 0.00% |
| | 2015 | 55 | 55 | - | 38,946 | 0.14% |
| | 2016 | 36 | 36 | - | 45,001 | 0.08% |
| | 2017 | 39 | 39 | - | 50,870 | 0.08% |
| | 2018 | 63 | 63 | - | 82,150 | 0.08% |
| | 2019 | 110 | 110 | - | 137,353 | 0.08% |
| | 2020 | 181 | 181 | - | 225,335 | 0.08% |

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

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

LEHI CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH A MEASUREMENT DATE OF DECEMBER 31, 2019

Changes in assumptions

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

**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, 2020

| | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|-----------------------------------|------------------|--------------|---------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES | | | | |
| TAXES | | | | |
| PROPERTY TAXES | \$ 9,850,000 | \$ 9,850,000 | \$ 10,810,019 | \$ 960,019 |
| GENERAL SALES TAX | 12,551,812 | 12,551,812 | 13,976,128 | 1,424,316 |
| 911 TAX | 325,000 | 325,000 | - | (325,000) |
| FRANCHISE TAX | 5,100,000 | 5,100,000 | 5,483,232 | 383,232 |
| TOTAL | 27,826,812 | 27,826,812 | 30,269,379 | 2,442,567 |
| LICENSES, FEES AND PERMITS | | | | |
| BUSINESS LICENSES | 115,000 | 115,000 | 97,099 | (17,901) |
| BUILDING PERMITS | 2,905,000 | 2,905,000 | 2,795,215 | (109,785) |
| TOTAL | 3,020,000 | 3,020,000 | 2,892,314 | (127,686) |
| INTERGOVERNMENTAL REVENUE | | | | |
| CLASS "C" ROAD FUNDS | 2,200,000 | 2,200,000 | 3,809,524 | 1,609,524 |
| FIRE DEPARTMENT GRANT | 268,568 | 268,568 | 104,880 | (163,688) |
| POLICE SALARY REIMBURSEMENT | 100,000 | 100,000 | 103,000 | 3,000 |
| STATE LIQUOR FUNDS ALLOTMENT | 60,000 | 60,000 | 63,167 | 3,167 |
| COUNTY FIRE ALLOCATION | 15,000 | 15,000 | 7,337 | (7,663) |
| STATE GRANTS | 75,000 | 75,000 | 37,105 | (37,895) |
| OTHER GRANTS | 100,000 | 101,000 | 3,394,665 | 3,293,665 |
| TOTAL | 2,818,568 | 2,819,568 | 7,519,678 | 4,700,110 |
| CHARGES FOR SERVICE | | | | |
| PLANNING/INSPECTION FEES | 2,420,000 | 2,420,000 | 2,201,132 | (218,868) |
| AMBULANCE FEES | 1,224,000 | 1,224,000 | 1,518,619 | 294,619 |
| FIRE FEES | 195,600 | 195,600 | 84,116 | (111,484) |
| CEMETERY FEES | 186,500 | 186,500 | 322,605 | 136,105 |
| RECREATION FEES | 3,569,435 | 3,569,435 | 2,773,092 | (796,343) |
| LIBRARY FEES | 95,000 | 95,000 | 27,144 | (67,856) |
| OTHER SERVICE REVENUE | 65,000 | 65,000 | 132,012 | 67,012 |
| TOTAL | 7,755,535 | 7,755,535 | 7,058,720 | (696,815) |
| FINES AND FORFEITURES | | | | |
| COURTS FINES AND FORFEITURES | 655,000 | 655,000 | 790,458 | 135,458 |
| MISCELLANEOUS | | | | |
| | 1,454,500 | 1,454,500 | 1,648,639 | 194,139 |
| INTEREST ON INVESTMENTS | | | | |
| | 61,000 | 61,000 | 393,642 | 332,642 |
| TOTAL REVENUES | 43,591,415 | 43,592,415 | 50,572,830 | 6,980,415 |
| EXPENDITURES | | | | |
| GENERAL GOVERNMENT | | | | |
| COURT | | | | |
| PERSONNEL | 453,199 | 453,199 | 483,052 | (29,853) |
| OPERATIONS AND MAINTENANCE | 146,660 | 121,660 | 85,085 | 36,575 |
| TOTAL | 599,859 | 574,859 | 568,137 | 6,722 |
| ADMINISTRATIVE | | | | |
| PERSONNEL | 960,371 | 975,371 | 984,798 | (9,427) |
| OPERATIONS AND MAINTENANCE | 250,062 | 250,062 | 170,755 | 79,307 |
| TOTAL | 1,210,433 | 1,225,433 | 1,155,553 | 69,880 |
| TREASURY | | | | |
| PERSONNEL | 362,732 | 431,832 | 434,823 | (2,991) |
| OPERATIONS AND MAINTENANCE | 37,700 | 37,700 | 48,340 | (10,640) |
| TOTAL | 400,432 | 469,532 | 483,163 | (13,631) |

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2020

| | | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|----------------------------|-------|------------------|------------|------------|---|
| | | ORIGINAL | FINAL | ACTUAL | |
| FINANCE | | | | | |
| PERSONNEL | | 493,265 | 493,265 | 496,065 | (2,800) |
| OPERATIONS AND MAINTENANCE | | 86,796 | 86,796 | 77,051 | 9,745 |
| | TOTAL | 580,061 | 580,061 | 573,116 | 6,945 |
| HUMAN RESOURCES | | | | | |
| PERSONNEL | | 235,981 | 235,981 | 217,836 | 18,145 |
| OPERATIONS AND MAINTENANCE | | 39,800 | 39,800 | 31,952 | 7,848 |
| | TOTAL | 275,781 | 275,781 | 249,788 | 25,993 |
| CITY RECORDER | | | | | |
| PERSONNEL | | 119,221 | 119,221 | 115,251 | 3,970 |
| OPERATIONS AND MAINTENANCE | | 164,650 | 164,650 | 136,207 | 28,443 |
| | TOTAL | 283,871 | 283,871 | 251,458 | 32,413 |
| LEGAL SERVICES | | | | | |
| PERSONNEL | | 542,051 | 542,051 | 531,487 | 10,564 |
| OPERATIONS AND MAINTENANCE | | 105,000 | 105,000 | 66,602 | 38,398 |
| | TOTAL | 647,051 | 647,051 | 598,089 | 48,962 |
| LEGISLATIVE | | | | | |
| PERSONNEL | | 250,949 | 250,949 | 239,614 | 11,335 |
| OPERATIONS AND MAINTENANCE | | 107,000 | 107,000 | 115,593 | (8,593) |
| | TOTAL | 357,949 | 357,949 | 355,207 | 2,742 |
| NONDEPARTMENTAL | | | | | |
| OPERATIONS AND MAINTENANCE | | 3,249,705 | 3,194,705 | 2,511,728 | 682,977 |
| CAPITAL | | 275,000 | 275,000 | 253,111 | 21,889 |
| | TOTAL | 3,524,705 | 3,469,705 | 2,764,839 | 704,866 |
| EMERGENCY MANAGEMENT | | | | | |
| PERSONNEL | | 20,000 | 32,000 | 31,942 | 58 |
| OPERATIONS AND MAINTENANCE | | 54,700 | 54,700 | 35,444 | 19,256 |
| | TOTAL | 74,700 | 86,700 | 67,386 | 19,314 |
| INFORMATION CENTER | | | | | |
| PERSONNEL | | 516,206 | 447,106 | 452,626 | (5,520) |
| OPERATIONS AND MAINTENANCE | | 20,600 | 20,600 | 19,136 | 1,464 |
| | TOTAL | 536,806 | 467,706 | 471,762 | (4,056) |
| TOTAL GENERAL GOVERNMENT | | 8,491,648 | 8,438,648 | 7,538,498 | 900,150 |
| PUBLIC SAFETY | | | | | |
| POLICE | | | | | |
| PERSONNEL | | 7,186,468 | 7,414,468 | 6,974,704 | 439,764 |
| OPERATIONS AND MAINTENANCE | | 975,188 | 990,188 | 872,754 | 117,434 |
| | TOTAL | 8,161,656 | 8,404,656 | 7,847,458 | 557,198 |
| CODE ENFORCEMENT | | | | | |
| PERSONNEL | | 257,892 | 290,892 | 304,463 | (13,571) |
| OPERATIONS AND MAINTENANCE | | 22,294 | 22,294 | 17,050 | 5,244 |
| | TOTAL | 280,186 | 313,186 | 321,513 | (8,327) |
| FIRE | | | | | |
| PERSONNEL | | 6,258,855 | 6,165,855 | 5,828,272 | 337,583 |
| OPERATIONS AND MAINTENANCE | | 1,323,088 | 1,323,088 | 1,215,893 | 107,195 |
| | TOTAL | 7,581,943 | 7,488,943 | 7,044,165 | 444,778 |
| ANIMAL CONTROL | | | | | |
| PERSONNEL | | 107,662 | 107,662 | 107,485 | 177 |
| OPERATIONS AND MAINTENANCE | | 102,060 | 102,060 | 83,767 | 18,293 |
| | TOTAL | 209,722 | 209,722 | 191,252 | 18,470 |
| TOTAL PUBLIC SAFETY | | 16,233,507 | 16,416,507 | 15,404,388 | 1,012,119 |

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2020

| | | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) | |
|---------------------------------|--|------------------|-----------|---|----------|
| | | BUDGETED AMOUNTS | | | |
| | | ORIGINAL | FINAL | ACTUAL | |
| COMMUNITY DEVELOPMENT | | | | | |
| PUBLIC WORKS ADMINISTRATION | | | | | |
| PERSONNEL | | 75,447 | 75,447 | 75,278 | 169 |
| OPERATIONS AND MAINTENANCE | | 20,100 | 20,100 | 12,954 | 7,146 |
| TOTAL | | 95,547 | 95,547 | 88,232 | 7,315 |
| ENGINEERING | | | | | |
| PERSONNEL | | 693,055 | 693,055 | 688,053 | 5,002 |
| OPERATIONS AND MAINTENANCE | | 76,000 | 76,000 | 84,971 | (8,971) |
| TOTAL | | 769,055 | 769,055 | 773,024 | (3,969) |
| PLANNING AND ZONING | | | | | |
| PERSONNEL | | 773,147 | 773,147 | 627,094 | 146,053 |
| OPERATIONS AND MAINTENANCE | | 108,215 | 138,215 | 95,700 | 42,515 |
| TOTAL | | 881,362 | 911,362 | 722,794 | 188,568 |
| INSPECTIONS | | | | | |
| PERSONNEL | | 1,264,210 | 1,264,210 | 1,175,067 | 89,143 |
| OPERATIONS AND MAINTENANCE | | 102,011 | 102,011 | 107,199 | (5,188) |
| TOTAL | | 1,366,221 | 1,366,221 | 1,282,266 | 83,955 |
| ECONOMIC DEVELOPMENT | | | | | |
| PERSONNEL | | 160,048 | 170,048 | 169,946 | 102 |
| OPERATIONS AND MAINTENANCE | | 36,775 | 36,775 | 20,077 | 16,698 |
| TOTAL | | 196,823 | 206,823 | 190,023 | 16,800 |
| TOTAL COMMUNITY DEVELOPMENT | | 3,309,008 | 3,349,008 | 3,056,339 | 292,669 |
| STREETS AND HIGHWAYS | | | | | |
| STREETS AND PUBLIC IMPROVEMENTS | | | | | |
| PERSONNEL | | 1,522,026 | 1,522,026 | 1,279,590 | 242,436 |
| OPERATIONS AND MAINTENANCE | | 412,730 | 412,730 | 442,606 | (29,876) |
| CAPITAL | | 8,800 | 8,800 | - | 8,800 |
| TOTAL | | 1,943,556 | 1,943,556 | 1,722,196 | 221,360 |
| C ROAD | | | | | |
| OPERATIONS AND MAINTENANCE | | 1,980,000 | 1,910,000 | 1,843,588 | 66,412 |
| CAPITAL | | 220,000 | 290,000 | 223,726 | 66,274 |
| TOTAL | | 2,200,000 | 2,200,000 | 2,067,314 | 132,686 |
| TOTAL STREETS AND HIGHWAYS | | 4,143,556 | 4,143,556 | 3,789,510 | 354,046 |
| PARKS, RECREATION AND CULTURE | | | | | |
| PARKS | | | | | |
| PERSONNEL | | 1,633,916 | 1,633,916 | 1,646,178 | (12,262) |
| OPERATIONS AND MAINTENANCE | | 942,437 | 993,437 | 978,775 | 14,662 |
| CAPITAL | | 55,000 | 86,000 | 89,024 | (3,024) |
| TOTAL | | 2,631,353 | 2,713,353 | 2,713,977 | (624) |
| COMMUNITY ARTS AND EVENTS | | | | | |
| OPERATIONS AND MAINTENANCE | | 490,700 | 491,700 | 286,039 | 205,661 |
| TOTAL | | 490,700 | 491,700 | 286,039 | 205,661 |
| SENIOR CITIZENS | | | | | |
| PERSONNEL | | 221,003 | 221,003 | 172,987 | 48,016 |
| OPERATIONS AND MAINTENANCE | | 112,650 | 112,650 | 49,765 | 62,885 |
| TOTAL | | 333,653 | 333,653 | 222,752 | 110,901 |

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2020

| | BUDGETED AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|------------------|--------------|---------------|---|
| | ORIGINAL | FINAL | | |
| RECREATION | | | | |
| PERSONNEL | 3,285,005 | 3,285,005 | 2,805,647 | 479,358 |
| OPERATIONS AND MAINTENANCE | 1,895,567 | 1,895,567 | 1,456,839 | 438,728 |
| CAPITAL | 179,000 | 179,000 | 119,256 | 59,744 |
| TOTAL | 5,359,572 | 5,359,572 | 4,381,742 | 977,830 |
| MUSEUM | | | | |
| PERSONNEL | - | - | - | - |
| OPERATIONS AND MAINTENANCE | 299,750 | 299,750 | 294,176 | 5,574 |
| TOTAL | 299,750 | 299,750 | 294,176 | 5,574 |
| LITERACY CENTER | | | | |
| PERSONNEL | 332,436 | 332,436 | 250,477 | 81,959 |
| OPERATIONS AND MAINTENANCE | 28,250 | 28,250 | 35,693 | (7,443) |
| TOTAL | 360,686 | 360,686 | 286,170 | 74,516 |
| LIBRARY | | | | |
| PERSONNEL | 981,469 | 981,469 | 970,827 | 10,642 |
| OPERATIONS AND MAINTENANCE | 386,407 | 386,407 | 386,139 | 268 |
| TOTAL | 1,367,876 | 1,367,876 | 1,356,966 | 10,910 |
| TOTAL PARKS, RECREATION AND CULTURE | 10,843,590 | 10,926,590 | 9,541,822 | 1,384,768 |
| CEMETERY | | | | |
| PERSONNEL | 417,530 | 417,530 | 346,723 | 70,807 |
| OPERATIONS AND MAINTENANCE | 92,857 | 92,857 | 86,538 | 6,319 |
| TOTAL | 510,387 | 510,387 | 433,261 | 77,126 |
| TOTAL EXPENDITURES | 43,531,696 | 43,784,696 | 39,763,818 | 4,020,878 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 59,719 | (192,281) | 10,809,012 | 11,001,293 |
| OTHER FINANCING SOURCES (USES) | | | | |
| TRANSFERS IN | 1,500,000 | 1,500,000 | 1,883,869 | 383,869 |
| TRANSFERS OUT | (2,734,635) | (5,034,635) | (9,704,434) | (4,669,799) |
| SALE OF CAPITAL ASSETS | 10,000 | 10,000 | 28,869 | 18,869 |
| TOTAL OTHER FINANCING SOURCES | (1,224,635) | (3,524,635) | (7,791,696) | (4,267,061) |
| NET CHANGE IN FUND BALANCE | (1,164,916) | (3,716,916) | 3,017,316 | 6,734,232 |
| FUND BALANCE AT BEGINNING OF YEAR | 12,169,541 | 12,169,541 | 12,169,541 | - |
| FUND BALANCE AT END OF YEAR | \$ 11,004,625 | \$ 8,452,625 | \$ 15,186,857 | \$ 6,734,232 |

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
JUNE 30, 2020

| | BUDGETED AMOUNTS | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|------------------|---------------|---------------|---|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES | | | | |
| IMPACT FEE REVENUE | \$ 4,700,000 | \$ 4,700,000 | \$ 5,276,552 | \$ 576,552 |
| SALES TAX REVENUE | 432,500 | 432,500 | 473,729 | 41,229 |
| INTERGOVERNMENTAL REVENUES | 16,820,000 | 17,150,000 | 3,921,819 | (13,228,181) |
| MISCELLANEOUS REVENUES | 500,000 | 2,000,000 | - | (2,000,000) |
| INTEREST ON INVESTMENTS | 32,000 | 32,000 | 667,037 | 635,037 |
| TOTAL REVENUES | 22,484,500 | 24,314,500 | 10,339,137 | (13,975,363) |
| EXPENDITURES | | | | |
| CURRENT | | | | |
| OTHER | 250,500 | 250,500 | 7,625 | 242,875 |
| CAPITAL OUTLAY | 41,786,140 | 45,571,140 | 22,420,051 | 23,151,089 |
| DEBT SERVICE | | | | |
| PRINCIPAL | 96,000 | 96,000 | 95,861 | 139 |
| INTEREST AND FISCAL CHARGES | 381,500 | 381,500 | 377,863 | 3,637 |
| TOTAL EXPENDITURES | 42,514,140 | 46,299,140 | 22,901,400 | 23,397,740 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (20,029,640) | (21,984,640) | (12,562,263) | 9,422,377 |
| OTHER FINANCING SOURCES | | | | |
| TRANSFERS IN | 1,120,140 | 3,420,140 | 8,089,930 | 4,669,790 |
| TRANSFERS OUT | - | (248,014) | (248,014) | - |
| TOTAL OTHER FINANCING SOURCES | 1,120,140 | 3,172,126 | 7,841,916 | 4,669,790 |
| NET CHANGE IN FUND BALANCE | (18,909,500) | (18,812,514) | (4,720,347) | 14,092,167 |
| FUND BALANCE AT BEGINNING OF YEAR | 30,790,626 | 30,790,626 | 30,790,626 | - |
| FUND BALANCE AT END OF YEAR | \$ 11,881,126 | \$ 11,978,112 | \$ 26,070,279 | \$ 14,092,167 |

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
OTHER GOVERNMENTAL FUND – DEBT SERVICE
JUNE 30, 2020

| | <u>BUDGETED AMOUNTS</u> | | | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--|-------------------------|---------------------|--------------------|---|
| | <u>ORIGINAL</u> | <u>FINAL</u> | <u>ACTUAL</u> | |
| REVENUES | | | | |
| INTEREST ON INVESTMENTS | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| TOTAL REVENUES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | | |
| CURRENT | | | | |
| OTHER | 7,500 | 7,500 | 3,150 | 4,350 |
| DEBT SERVICE | | | | |
| PRINCIPAL | 855,000 | 855,000 | 880,000 | (25,000) |
| INTEREST AND FISCAL CHARGES | 1,151,995 | 1,151,995 | 976,300 | 175,695 |
| | | | | |
| TOTAL EXPENDITURES | <u>2,014,495</u> | <u>2,014,495</u> | <u>1,859,450</u> | <u>155,045</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(2,014,495)</u> | <u>(2,014,495)</u> | <u>(1,859,450)</u> | <u>155,045</u> |
| OTHER FINANCING SOURCES | | | | |
| TRANSFERS IN | 1,614,495 | 1,862,509 | 1,862,518 | 9 |
| TOTAL OTHER FINANCING SOURCES | <u>1,614,495</u> | <u>1,862,509</u> | <u>1,862,518</u> | <u>9</u> |
| NET CHANGE IN FUND BALANCE | (400,000) | (151,986) | 3,068 | 155,054 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ (400,000)</u> | <u>\$ (151,986)</u> | <u>\$ 3,068</u> | <u>\$ 155,054</u> |

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

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

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

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

Risk Management-This fund is used to account for the costs of general liability insurance premiums, property damage, and claims for which the City is responsibility. The City employs a risk manager whose salary and benefits are recorded in this fund.

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

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

| INTERNAL SERVICE FUNDS | | | | | |
|---|---------------------------|--------------|--------------------|-------------------------|--------------|
| | INFORMATION TECHNOLOGY | FLEET | RISK MANAGEMENT | BUILDING AND GROUNDS | TOTALS |
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| CASH AND CASH EQUIVALENTS | \$ 641,492 | \$ 309,902 | \$ 94,117 | \$ 601,484 | \$ 1,646,995 |
| ACCOUNTS RECEIVABLE | - | 9,200 | - | - | 9,200 |
| INVENTORY | - | 55,767 | - | - | 55,767 |
| TOTAL CURRENT ASSETS | 641,492 | 374,869 | 94,117 | 601,484 | 1,711,962 |
| NON-CURRENT ASSETS | | | | | |
| RESTRICTED CASH AND CASH EQUIVALENTS | - | 189,741 | - | - | 189,741 |
| NONDEPRECIABLE CAPITAL ASSETS | - | - | - | - | - |
| DEPRECIABLE CAPITAL ASSETS, NET | 282,702 | 5,058,424 | - | 391,373 | 5,732,499 |
| TOTAL NON-CURRENT ASSETS | 282,702 | 5,248,165 | - | 391,373 | 5,922,240 |
| TOTAL ASSETS | \$ 924,194 | \$ 5,623,034 | \$ 94,117 | \$ 992,857 | \$ 7,634,202 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS | | | | | |
| | \$ 38,516 | \$ 37,185 | \$ 14,003 | \$ 66,733 | \$ 156,437 |
| LIABILITIES | | | | | |
| CURRENT LIABILITIES | | | | | |
| ACCOUNTS PAYABLE | \$ 116,922 | \$ 389,765 | \$ 21,339 | \$ 73,305 | \$ 601,331 |
| WAGES PAYABLE | 8,648 | 9,059 | 3,145 | 21,653 | 42,505 |
| PAYABLE FROM RESTRICTED ASETS: | | | | | |
| ACCRUED INTEREST | - | 21,691 | - | - | 21,691 |
| CURRENT PORTION CAPITAL LEASE | - | 309,076 | - | - | 309,076 |
| CURRENT PORTION COMPENSATED ABSENCES | 16,951 | 23,216 | 9,845 | 38,454 | 88,466 |
| TOTAL CURRENT LIABILITIES | 142,521 | 752,807 | 34,329 | 133,412 | 1,063,069 |
| NON-CURRENT LIABILITIES | | | | | |
| COMPENSATED ABSENCES | 7,927 | 29,944 | 21,985 | 19,349 | 79,205 |
| NET PENSION LIABILITY | 67,912 | 65,565 | 24,691 | 117,665 | 275,833 |
| CAPITAL LEASE PAYABLE, LESS CURRENT MATURITIES | - | 1,890,924 | - | - | 1,890,924 |
| TOTAL NON-CURRENT LIABILITIES | 75,839 | 1,986,433 | 46,676 | 137,014 | 2,245,962 |
| TOTAL LIABILITIES | \$ 218,360 | \$ 2,739,240 | \$ 81,005 | \$ 270,426 | \$ 3,309,031 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS | | | | | |
| | \$ 38,218 | \$ 36,897 | \$ 13,895 | \$ 66,216 | \$ 155,226 |
| NET POSITION | | | | | |
| NET INVESTMENT IN CAPITAL ASSETS | 282,702 | 3,048,165 | - | 391,373 | 3,722,240 |
| UNRESTRICTED | 423,430 | (164,083) | 13,220 | 331,575 | 604,142 |
| TOTAL NET POSITION | \$ 706,132 | \$ 2,884,082 | \$ 13,220 | \$ 722,948 | \$ 4,326,382 |

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2020

| | INTERNAL SERVICE FUNDS | | | | |
|---|---------------------------|--------------|--------------------|-------------------------|--------------|
| | INFORMATION TECHNOLOGY | FLEET | RISK MANAGEMENT | BUILDING AND GROUNDS | TOTALS |
| OPERATING REVENUES | | | | | |
| CHARGES FOR SERVICES - INTERNAL | \$ 804,348 | \$ 2,828,796 | \$ 650,016 | \$ 1,559,124 | \$ 5,842,284 |
| TOTAL OPERATING REVENUES | 804,348 | 2,828,796 | 650,016 | 1,559,124 | 5,842,284 |
| OPERATING EXPENSES | | | | | |
| PERSONNEL | 375,539 | 402,392 | 136,424 | 881,286 | 1,795,641 |
| OPERATING AND MAINTENANCE | 601,814 | 1,195,632 | 1,082,138 | 484,283 | 3,363,867 |
| DEPRECIATION | 63,522 | 827,839 | - | 56,597 | 947,958 |
| TOTAL OPERATING EXPENSES | 1,040,875 | 2,425,863 | 1,218,562 | 1,422,166 | 6,107,466 |
| OPERATING INCOME (LOSS) | (236,527) | 402,933 | (568,546) | 136,958 | (265,182) |
| NON-OPERATING REVENUES (EXPENSES) | | | | | |
| MISCELLANEOUS REVENUES | 2,873 | 18,438 | 119,958 | - | 141,269 |
| INTEREST INCOME | 16,923 | 6,669 | 1,540 | 12,997 | 38,129 |
| INTEREST EXPENSE | - | (21,691) | - | - | (21,691) |
| TOTAL NON-OPERATING REVENUES (EXPENSES) | 19,796 | 3,416 | 121,498 | 12,997 | 157,707 |
| CHANGE IN NET POSTION | (216,731) | 406,349 | (447,048) | 149,955 | (107,475) |
| NET POSITION AT BEGINNING OF YEAR | 922,863 | 2,477,733 | 460,268 | 572,993 | 4,433,857 |
| NET POSTION AT END OF YEAR | \$ 706,132 | \$ 2,884,082 | \$ 13,220 | \$ 722,948 | \$ 4,326,382 |

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2020

| | INTERNAL SERVICE FUNDS | | | | |
|--|---------------------------|--------------|--------------------|-------------------------|--------------|
| | INFORMATION TECHNOLOGY | FLEET | RISK MANAGEMENT | BUILDING AND GROUNDS | TOTALS |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| CASH RECEIVED FROM INTERFUND SERVICES PROVIDED | \$ 804,348 | \$ 2,819,596 | \$ 677,111 | \$ 1,559,124 | \$ 5,860,179 |
| CASH PAID TO SUPPLIERS | (525,123) | (951,720) | (133,109) | (450,332) | (2,060,284) |
| CASH PAID TO EMPLOYEES | (373,511) | (380,650) | (1,068,646) | (863,868) | (2,686,675) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | (94,286) | 1,487,226 | (524,644) | 244,924 | 1,113,220 |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | | |
| MISCELLANEOUS RECEIPTS | 2,873 | 18,438 | 119,958 | - | 141,269 |
| NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES | 2,873 | 18,438 | 119,958 | - | 141,269 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| PROCEEDS FROM CAPITAL LEASE ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS | - | 2,200,000 | - | - | 2,200,000 |
| NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES | (89,821) | (3,872,582) | - | (255,284) | (4,217,687) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| INTEREST INCOME COLLECTED | 16,923 | 6,669 | 1,540 | 12,997 | 38,129 |
| NET CASH PROVIDED BY INVESTING ACTIVITIES | 16,923 | 6,669 | 1,540 | 12,997 | 38,129 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (164,311) | (160,249) | (403,146) | 2,637 | (725,069) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 805,803 | 659,892 | 497,263 | 598,847 | 2,561,805 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 641,492 | \$ 499,643 | \$ 94,117 | \$ 601,484 | \$ 1,836,736 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF: | | | | | |
| UNRESTRICTED CASH | \$ 641,492 | \$ 309,902 | \$ 94,117 | \$ 601,484 | \$ 1,646,995 |
| RESTRICTED CASH | - | 189,741 | - | - | 189,741 |
| | \$ 641,492 | \$ 499,643 | \$ 94,117 | \$ 601,484 | \$ 1,836,736 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | | | | |
| OPERATING INCOME (LOSS) | \$ (236,527) | \$ 402,933 | \$ (568,546) | \$ 136,958 | \$ (265,182) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | |
| DEPRECIATION | 63,522 | 827,839 | - | 56,597 | 947,958 |
| CHANGES IN ASSETS AND LIABILITIES | | | | | |
| ACCOUNTS RECEIVABLE | - | (9,200) | - | - | (9,200) |
| INVENTORY | - | (819) | 27,095 | - | 26,276 |
| PREPAID EXPENSES | - | - | - | - | - |
| ACCOUNTS PAYABLE | 76,691 | 244,731 | 13,492 | 33,951 | 368,865 |
| WAGES PAYABLE | 2,558 | 2,039 | 643 | 3,825 | 9,065 |
| CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS | (7,759) | 3,693 | 92 | 6,630 | 2,656 |
| COMPENSATED ABSENCES | 7,229 | 16,010 | 2,580 | 6,963 | 32,782 |
| | \$ (94,286) | \$ 1,487,226 | \$ (524,644) | \$ 244,924 | \$ 1,113,220 |

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

This part of the Lehi City Corporation 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.

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|---|-------------|
| FINANCIAL TRENDS | 112 - 118 |
| 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 | 119 - 122 |
| These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues. | |
| DEBT CAPACITY | 123 - 131 |
| 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 | 132 - 133 |
| 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 | 134 - 136 |
| 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 | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 242,558,256 | \$ 270,733,436 | \$ 288,966,135 | \$ 302,586,651 | \$ 310,508,319 |
| Restricted | 4,262,799 | 590,207 | 349,363 | 1,480,415 | 1,330,917 |
| Unrestricted | (101,045,130) | (101,325,874) | (90,089,047) | (78,585,842) | (64,094,902) |
| Total governmental activities net position | <u>145,775,925</u> | <u>169,997,769</u> | <u>199,226,451</u> | <u>225,481,224</u> | <u>247,744,334</u> |
| Business-type activities | | | | | |
| Net investment in capital assets | 238,650,352 | 267,462,097 | 299,404,845 | 325,775,552 | 341,429,283 |
| Restricted | 4,555,304 | 126,965 | 547,651 | 2,528,731 | 2,711,961 |
| Unrestricted | 24,970,618 | 30,640,955 | 35,236,748 | 49,624,578 | 58,047,617 |
| Total business-type activities net position | <u>268,176,274</u> | <u>298,230,017</u> | <u>335,189,244</u> | <u>377,928,861</u> | <u>402,188,861</u> |
| Primary government | | | | | |
| Net investment in capital assets | 481,208,608 | 538,195,533 | 588,370,980 | 628,362,203 | 651,937,602 |
| Restricted | 8,818,103 | 717,172 | 897,014 | 4,009,146 | 4,042,878 |
| Unrestricted | (76,074,512) | (70,684,919) | (54,852,299) | (28,961,264) | (6,047,285) |
| Total primary government net position | <u>\$ 413,952,199</u> | <u>\$ 468,227,786</u> | <u>\$ 534,415,695</u> | <u>\$ 603,410,085</u> | <u>\$ 649,933,195</u> |
| | | | | | |
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 211,722,660 | \$ 215,235,149 | \$ 214,537,806 | \$ 219,129,389 | \$ 229,907,904 |
| Restricted | 9,514,316 | 6,905,380 | 6,470,224 | 8,560,047 | 6,565,677 |
| Unrestricted | (71,391,471) | (66,936,366) | (73,872,812) | (88,715,100) | (108,048,049) |
| Total governmental activities net position | <u>149,845,505</u> | <u>155,204,163</u> | <u>147,135,218</u> | <u>138,974,336</u> | <u>128,425,532</u> |
| Business-type activities | | | | | |
| Net investment in capital assets | 171,920,314 | 176,523,733 | 184,918,965 | 202,621,488 | 224,324,128 |
| Restricted | 5,166,369 | 5,681,780 | 8,545,937 | 9,063,049 | 4,293,339 |
| Unrestricted | 49,034 | 5,025,384 | 13,515,909 | 16,429,759 | 19,502,118 |
| Total business-type activities net position | <u>177,135,717</u> | <u>187,230,897</u> | <u>206,980,811</u> | <u>228,114,296</u> | <u>248,119,585</u> |
| Primary government | | | | | |
| Net investment in capital assets | 383,642,974 | 391,758,882 | 399,456,771 | 421,750,877 | 454,232,032 |
| Restricted | 14,680,685 | 12,587,160 | 15,016,161 | 17,623,096 | 10,859,016 |
| Unrestricted | (71,342,437) | (61,910,982) | (60,356,903) | (72,285,341) | (88,545,931) |
| Total primary government net position | <u>\$ 326,981,222</u> | <u>\$ 342,435,060</u> | <u>\$ 354,116,029</u> | <u>\$ 367,088,632</u> | <u>\$ 376,545,117</u> |

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

| | Fiscal Year | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses | | | | | |
| Governmental activities | | | | | |
| General government | \$ 6,904,634 | \$ 9,041,919 | \$ 8,274,466 | \$ 8,961,845 | \$ 8,959,799 |
| Public Safety | 11,170,823 | 12,096,387 | 13,656,195 | 15,513,181 | 16,559,907 |
| Community Development | 4,079,029 | 5,796,634 | 4,928,368 | 4,836,058 | 5,777,381 |
| Streets and Highways | 10,632,298 | 11,727,234 | 12,764,811 | 13,522,976 | 14,920,711 |
| Parks, recreation, and culture | 9,251,152 | 9,856,045 | 10,486,576 | 11,220,816 | 11,186,187 |
| Cemetery | 443,058 | 406,824 | 414,906 | 430,339 | 473,663 |
| Interest on long-term debt | 4,832,597 | 4,834,457 | 4,906,081 | 4,877,481 | 5,824,032 |
| Total governmental activities | <u>47,313,591</u> | <u>53,759,500</u> | <u>55,431,403</u> | <u>59,362,696</u> | <u>63,701,680</u> |
| Business-type activities | | | | | |
| Culinary Water | 4,110,256 | 6,233,288 | 12,102,087 | 10,336,143 | 6,969,504 |
| Sewer | 8,188,182 | 9,525,964 | 9,865,657 | 11,111,407 | 12,142,499 |
| Pressurized Irrigation | 2,933,070 | 3,412,437 | 3,637,826 | 5,425,243 | 5,808,312 |
| Electric | 26,793,013 | 28,132,875 | 30,707,792 | 33,073,473 | 33,265,006 |
| Drainage | 1,610,648 | 1,968,846 | 2,228,474 | 2,551,414 | 2,851,399 |
| Garbage | 2,123,488 | 2,310,261 | 2,448,938 | 2,649,266 | 3,321,826 |
| Total business-type activities | <u>45,758,657</u> | <u>51,583,671</u> | <u>60,990,774</u> | <u>65,146,946</u> | <u>64,358,546</u> |
| Total primary government expenses | <u>\$ 93,072,248</u> | <u>\$ 105,343,171</u> | <u>\$ 116,422,177</u> | <u>\$ 124,509,642</u> | <u>\$ 128,060,226</u> |
| Program Revenues | | | | | |
| Governmental activities | | | | | |
| Charges for services | | | | | |
| General government | \$ 1,225,124 | \$ 1,035,384 | \$ 1,270,675 | \$ 1,431,761 | \$ 1,343,004 |
| Public Safety | 772,926 | 1,515,823 | 1,510,422 | 1,897,103 | 1,685,241 |
| Community Development | 4,122,688 | 4,539,888 | 6,753,793 | 6,115,690 | 5,093,446 |
| Parks, recreation, and culture | 3,669,216 | 3,701,396 | 3,989,072 | 4,035,165 | 2,855,378 |
| Cemetery | 240,285 | 219,065 | 232,520 | 256,950 | 322,605 |
| Operating grants and contributions | 1,921,433 | 3,449,482 | 2,687,038 | 2,734,035 | 7,488,372 |
| Capital grants and contributions | 17,731,567 | 24,434,520 | 28,063,535 | 28,364,171 | 17,986,306 |
| Total governmental activities | <u>29,683,239</u> | <u>38,895,558</u> | <u>44,507,055</u> | <u>44,834,875</u> | <u>36,774,352</u> |
| Business-type activities | | | | | |
| Charges for services | | | | | |
| Culinary Water | 4,282,274 | 6,623,580 | 5,671,068 | 6,324,393 | 6,726,762 |
| Sewer | 8,632,614 | 8,515,717 | 8,560,318 | 9,213,563 | 9,399,488 |
| Pressurized Irrigation | 2,697,436 | 2,649,309 | 3,002,057 | 3,716,615 | 4,148,148 |
| Electric | 28,967,401 | 31,303,180 | 33,458,042 | 35,473,772 | 36,526,512 |
| Drainage | 1,018,434 | 1,098,866 | 1,162,357 | 1,263,529 | 1,700,605 |
| Garbage | 2,196,940 | 2,300,452 | 2,412,652 | 2,625,981 | 3,135,567 |
| Operating grants and contributions | - | - | 7,294,687 | 5,250,596 | - |
| Capital grants and contributions | 17,914,832 | 28,411,382 | 35,292,708 | 41,980,410 | 24,840,140 |
| Total business-type activities | <u>65,709,931</u> | <u>80,902,486</u> | <u>96,853,889</u> | <u>105,848,859</u> | <u>86,477,222</u> |
| Total primary government program revenues | <u>\$ 95,393,170</u> | <u>\$ 119,798,044</u> | <u>\$ 141,360,944</u> | <u>\$ 150,683,734</u> | <u>\$ 123,251,574</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental activities | \$ (22,076,340) | \$ (18,242,733) | \$ (15,349,057) | \$ (14,527,821) | \$ (26,927,328) |
| Business-type activities | <u>14,853,433</u> | <u>23,987,587</u> | <u>25,912,376</u> | <u>40,701,913</u> | <u>22,118,676</u> |
| Total primary government net (expense)/revenue | <u>\$ (7,222,907)</u> | <u>\$ 5,744,854</u> | <u>\$ 10,563,319</u> | <u>\$ 26,174,092</u> | <u>\$ (4,808,652)</u> |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 18,943,311 | \$ 21,435,929 | \$ 21,124,631 | \$ 20,483,605 | \$ 26,503,325 |
| Sales taxes | 9,830,594 | 11,034,838 | 12,222,987 | 13,156,245 | 14,634,703 |
| Franchise taxes | 5,221,608 | 4,886,832 | 5,287,987 | 5,510,813 | 5,670,790 |
| Earnings on investments | 153,854 | 193,325 | 337,123 | 756,650 | 1,137,458 |
| Gain on disposal of capital assets | - | - | 256,152 | - | 16,461 |
| Other | 100,458 | 1,534,862 | 924,150 | 875,281 | 1,227,701 |
| Transfers | 730,920 | - | - | - | - |
| Total governmental activities | <u>34,980,745</u> | <u>39,085,786</u> | <u>40,153,030</u> | <u>40,782,594</u> | <u>49,190,438</u> |
| Business-type activities | | | | | |
| Earnings on investments | 151,462 | 304,489 | 560,760 | 1,357,423 | 1,483,453 |
| Gain on disposal of capital assets | 67,014 | 38,613 | 29,501 | 41,107 | - |
| Other | 617,859 | 391,826 | 505,851 | 639,174 | 657,871 |
| Transfers | (730,920) | - | - | - | - |
| Total business-type activities | <u>105,415</u> | <u>734,928</u> | <u>1,096,112</u> | <u>2,037,704</u> | <u>2,141,324</u> |
| Total primary government | <u>\$ 35,086,160</u> | <u>\$ 39,820,714</u> | <u>\$ 41,249,142</u> | <u>\$ 42,820,298</u> | <u>\$ 51,331,762</u> |
| Change in Net Position | | | | | |
| Governmental activities | \$ 17,350,393 | \$ 24,221,844 | \$ 29,228,682 | \$ 26,254,773 | \$ 22,263,110 |
| Business-type activities | <u>20,056,689</u> | <u>30,053,743</u> | <u>36,959,227</u> | <u>42,739,617</u> | <u>24,260,000</u> |
| Total primary government | <u>\$ 37,407,082</u> | <u>\$ 54,275,587</u> | <u>\$ 66,187,909</u> | <u>\$ 68,994,390</u> | <u>\$ 46,523,110</u> |

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

| Expenses | Fiscal Year | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Governmental activities | | | | | |
| General government | \$ 5,307,139 | \$ 5,664,766 | \$ 5,602,138 | \$ 6,608,885 | \$ 7,536,526 |
| Public Safety | 8,781,592 | 8,759,020 | 9,487,082 | 10,046,876 | 10,178,031 |
| Community Development | 4,264,439 | 3,826,912 | 17,364,548 | 21,231,389 | 23,302,007 |
| Streets and Highways | 10,227,496 | 11,731,075 | 8,696,026 | 9,473,624 | 9,676,339 |
| Parks, recreation, and culture | 6,369,274 | 6,740,823 | 7,585,566 | 8,023,291 | 8,503,024 |
| Cemetery | 269,700 | 261,054 | 315,796 | 362,172 | 386,084 |
| Interest on long-term debt | 4,545,032 | 4,457,480 | 4,498,839 | 4,520,957 | 4,437,878 |
| Total governmental activities | 39,764,672 | 41,441,130 | 53,549,995 | 60,267,194 | 64,019,889 |
| Business-type activities | | | | | |
| Culinary Water | 2,544,131 | 2,562,929 | 2,848,555 | 3,409,071 | 3,935,066 |
| Sewer | 6,102,340 | 6,372,255 | 6,218,600 | 6,248,401 | 7,415,879 |
| Pressurized Irrigation | 2,676,304 | 2,277,980 | 2,604,120 | 2,747,577 | 2,811,392 |
| Electric | 20,787,596 | 19,951,247 | 23,776,549 | 24,328,858 | 25,550,168 |
| Drainage | 1,225,380 | 1,161,325 | 1,299,785 | 1,301,784 | 1,377,942 |
| Garbage | 1,816,865 | 2,120,558 | 2,243,542 | 2,427,119 | 2,354,165 |
| Total business-type activities | 35,152,616 | 34,446,294 | 38,991,151 | 40,462,810 | 43,444,612 |
| Total primary government expenses | \$ 74,917,288 | \$ 75,887,424 | \$ 92,541,146 | \$ 100,730,004 | \$ 107,464,501 |
| Program Revenues | | | | | |
| Governmental activities | | | | | |
| Charges for services | | | | | |
| General government | \$ 1,021,657 | \$ 901,786 | \$ 852,069 | \$ 1,280,770 | \$ 922,395 |
| Public Safety | 505,979 | 491,458 | 639,389 | 735,826 | 713,288 |
| Community Development | 1,487,215 | 2,331,513 | 3,697,018 | 3,380,948 | 3,996,282 |
| Parks, recreation, and culture | 2,949,442 | 3,103,973 | 3,261,742 | 3,442,123 | 3,538,275 |
| Cemetery | 161,502 | 147,453 | 170,515 | 200,865 | 235,200 |
| Operating grants and contributions | 2,153,477 | 3,443,139 | 1,990,385 | 1,652,937 | 1,879,304 |
| Capital grants and contributions | 12,581,519 | 7,656,824 | 2,693,363 | 6,669,536 | 15,157,512 |
| Total governmental activities | 20,860,791 | 18,076,146 | 13,304,481 | 17,363,005 | 26,442,256 |
| Business-type activities | | | | | |
| Charges for services | | | | | |
| Culinary Water | 2,634,733 | 2,843,567 | 3,353,732 | 3,387,526 | 3,606,036 |
| Sewer | 4,886,485 | 6,292,827 | 7,329,883 | 7,518,893 | 8,561,592 |
| Pressurized Irrigation | 2,200,146 | 2,296,606 | 2,160,964 | 2,236,370 | 2,678,561 |
| Electric | 19,856,320 | 21,222,943 | 23,493,768 | 24,730,251 | 26,168,996 |
| Drainage | 1,070,910 | 1,107,979 | 1,023,980 | 1,072,401 | 958,281 |
| Garbage | 2,193,629 | 2,291,890 | 2,155,728 | 2,025,666 | 2,075,810 |
| Capital grants and contributions | 4,245,278 | 5,631,871 | 9,991,274 | 13,031,629 | 20,541,414 |
| Total business-type activities | 37,087,501 | 41,687,683 | 49,509,329 | 54,002,736 | 64,590,690 |
| Total primary government revenues | \$ 57,948,292 | \$ 59,763,829 | \$ 62,813,810 | \$ 71,365,741 | \$ 91,032,946 |
| Net (Expense)/Revenue | | | | | |
| Governmental activities | \$ (18,903,881) | \$ (23,364,984) | \$ (40,303,264) | \$ (42,927,489) | \$ (42,542,388) |
| Business-type activities | 1,934,885 | 7,241,389 | 10,518,178 | 13,539,926 | 13,906,694 |
| Total primary government net (expense)/revenue | \$ (16,968,996) | \$ (16,123,595) | \$ (29,785,086) | \$ (29,387,563) | \$ (28,635,694) |
| General Revenues and Other Changes in Net Position | | | | | |
| Governmental activities | | | | | |
| Taxes | | | | | |
| Property taxes | \$ 15,216,011 | \$ 14,967,910 | \$ 14,564,416 | \$ 16,373,300 | \$ 17,134,391 |
| Sales taxes | 5,985,133 | 6,818,129 | 7,361,030 | 7,904,519 | 9,060,843 |
| Franchise taxes | 3,418,306 | 3,374,229 | 3,733,118 | 4,285,907 | 4,626,674 |
| Impact Fees | - | 2,719,390 | 4,727,508 | 4,899,084 | - |
| Earnings on investments | 74,775 | 95,889 | 108,596 | 98,028 | 81,658 |
| Gain on disposal of assets | 28,511 | - | 57,750 | - | - |
| Other | 4,402 | 17,175 | 47,656 | 18,862 | 75,314 |
| Transfers | 730,920 | 730,920 | 730,920 | 730,920 | 485,920 |
| Total governmental activities | 25,458,058 | 28,723,642 | 31,330,994 | 34,310,620 | 31,464,800 |
| Business-type activities | | | | | |
| Earnings on investments | 48,967 | 159,686 | 99,922 | 106,836 | 114,557 |
| Impact fees | - | 3,127,551 | 4,273,216 | 7,617,749 | - |
| Gain on disposal of assets | - | 33,221 | 1,800 | 68,690 | 6,164 |
| Other | 274,384 | 264,253 | 286,009 | 531,204 | 411,696 |
| Transfers | (730,920) | (730,920) | (730,920) | (730,920) | (485,920) |
| Total business-type activities | (407,569) | 2,853,791 | 3,930,027 | 7,593,559 | 46,497 |
| Total primary government | \$ 25,050,489 | \$ 31,577,433 | \$ 35,261,021 | \$ 41,904,179 | \$ 31,511,297 |
| Change in Net Position | | | | | |
| Governmental activities | 1,902,182 | \$ 6,554,177 | \$ (8,972,270) | \$ (8,593,569) | \$ (6,112,833) |
| Business-type activities | 2,015,797 | 1,527,316 | 14,448,205 | 21,133,485 | 21,192,575 |
| Total primary government | \$ 3,917,979 | \$ 8,081,493 | \$ 5,475,935 | \$ 12,539,916 | \$ 15,079,742 |

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

| | Fiscal Year | | | | |
|------------------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Fund | | | | | |
| Nonspendable | \$ 103,000 | \$ 197,599 | \$ - | \$ - | \$ - |
| Restricted | 574,992 | 306,630 | 458,007 | 893,511 | 2,554,024 |
| Committed | 624,936 | 542,731 | 552,705 | 568,378 | 640,659 |
| Assigned | 192,026 | 194,253 | 22,295 | 22,927 | 23,411 |
| Unassigned | 6,918,012 | 5,052,340 | 10,887,280 | 10,684,725 | 11,968,763 |
| Total general fund | 8,412,966 | 6,293,553 | 11,920,287 | 12,169,541 | 15,186,857 |
| All Other Governmental Funds | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 4,738,086 | 711,561 | 1,017,852 | 18,980,465 | 6,730,618 |
| Assigned | 5,043,913 | 1,403,153 | 5,097,302 | 13,995,418 | 22,430,303 |
| Total all other governmental funds | 9,781,999 | 2,114,714 | 6,115,154 | 32,975,883 | 29,160,921 |
| Total governmental funds | <u>\$ 18,194,965</u> | <u>\$ 8,408,267</u> | <u>\$ 18,035,441</u> | <u>\$ 45,145,424</u> | <u>\$ 44,347,778</u> |

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

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

| | Fiscal Year | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 |
| Revenues | | | | | |
| Taxes | \$ 33,995,513 | \$ 37,357,599 | \$ 38,635,605 | \$ 39,150,663 | \$ 46,808,818 |
| Licenses, fees and permits | 6,533,438 | 6,533,438 | 8,000,076 | 9,613,360 | 8,168,866 |
| Intergovernmental | 3,539,749 | 3,539,749 | 6,253,575 | 8,648,408 | 11,441,497 |
| Charges for services | 6,519,088 | 6,519,088 | 8,636,679 | 8,739,191 | 7,058,720 |
| Fines and forfeitures | 668,151 | 668,151 | 799,079 | 844,289 | 790,458 |
| Miscellaneous | 649,434 | 649,434 | 1,818,819 | 1,451,781 | 1,648,639 |
| Interest on investments | 145,662 | 145,662 | 300,658 | 692,189 | 1,099,329 |
| Total revenues | 52,051,035 | 55,413,121 | 64,444,491 | 69,139,881 | 77,016,327 |
| Expenditures | | | | | |
| General government | 6,804,485 | 6,804,485 | 6,856,047 | 7,112,048 | 7,538,498 |
| Public Safety | 10,602,138 | 10,602,138 | 12,622,099 | 13,821,781 | 15,404,388 |
| Community development | 3,820,164 | 3,820,164 | 5,121,202 | 4,556,038 | 5,447,678 |
| Streets and highways | 3,114,886 | 3,114,886 | 3,372,051 | 3,455,349 | 3,789,510 |
| Parks, recreation and culture | 8,279,958 | 8,279,958 | 9,675,126 | 9,750,314 | 9,541,822 |
| Cemetery | 415,615 | 415,615 | 390,147 | 403,066 | 433,261 |
| Other | 3,600 | 3,600 | 63,900 | 8,250 | 10,775 |
| Capital outlay | 9,752,734 | 9,752,734 | 9,962,532 | 12,490,153 | 22,420,051 |
| Debt Service | | | | | |
| Principal | 4,764,670 | 4,764,670 | 7,683,967 | 4,319,419 | 7,429,705 |
| Interest and fiscal charges | 4,732,577 | 4,732,577 | 4,890,766 | 4,904,070 | 5,827,154 |
| Total expenditures | 52,290,827 | 52,290,827 | 60,637,837 | 60,820,488 | 77,842,842 |
| Excess (deficiency) of revenues over (under) expenditures | (239,792) | 3,122,294 | 3,806,654 | 8,319,393 | (826,515) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 5,818,343 | 5,818,343 | 4,098,769 | 9,572,504 | 11,836,317 |
| Transfers out | (5,087,423) | (5,087,423) | (4,098,769) | (9,572,504) | (11,836,317) |
| Sale of capital assets | 627,229 | 627,229 | 51,932 | 388,062 | 28,869 |
| Bond and note proceeds | - | - | 5,768,588 | 18,402,528 | - |
| Total other financing sources (uses) | 1,358,149 | 1,358,149 | 5,820,520 | 18,790,590 | 28,869 |
| Net change in fund balances | \$ 1,118,357 | \$ 4,480,443 | \$ 9,627,174 | \$ 27,109,983 | \$ (797,646) |
| Debt service as a percentage of noncapital expenditures | 22.33% | 22.33% | 24.81% | 19.08% | 23.92% |

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

| | Fiscal Year | | | | |
|---|---------------------|-------------------|---------------------|---------------------|-----------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | | |
| Taxes | \$ 24,619,450 | \$ 25,160,268 | \$ 25,658,564 | \$ 28,563,726 | \$ 30,821,908 |
| Licenses, fees and permits | 3,070,742 | 4,187,195 | 6,695,905 | 6,444,720 | 7,372,672 |
| Intergovernmental | 10,694,110 | 7,031,764 | 2,015,152 | 1,671,598 | 2,056,379 |
| Charges for services | 4,209,859 | 4,554,976 | 5,668,980 | 5,762,720 | 6,081,697 |
| Fines and forfeitures | 835,010 | 651,848 | 593,424 | 547,825 | 554,622 |
| Miscellaneous | 335,460 | 365,682 | 357,656 | 806,898 | 433,344 |
| Interest on investments | 67,281 | 83,006 | 96,393 | 88,992 | 72,298 |
| Total revenues | <u>43,831,912</u> | <u>42,034,739</u> | <u>41,086,074</u> | <u>43,886,479</u> | <u>47,392,920</u> |
| Expenditures | | | | | |
| General government | 4,928,570 | 4,926,429 | 4,756,942 | 5,512,993 | 7,432,107 |
| Public Safety | 8,453,897 | 8,430,152 | 9,108,300 | 9,830,309 | 9,745,736 |
| Community development | 4,388,643 | 3,775,472 | 17,383,350 | 21,215,648 | 23,120,657 |
| Streets and highways | 1,770,865 | 1,873,444 | 2,094,633 | 2,462,221 | 2,790,957 |
| Parks, recreation and culture | 6,058,330 | 6,927,077 | 6,805,808 | 8,295,691 | 7,656,136 |
| Cemetery | 223,569 | 244,481 | 291,914 | 334,730 | 358,145 |
| Other | 798,307 | 312,483 | 13,780 | 77,920 | 12,476 |
| Capital outlay | 5,362,725 | 8,858,638 | 3,569,430 | 4,245,051 | 10,087,085 |
| Debt Service | | | | | |
| Principal | 3,848,822 | 3,508,069 | 3,136,951 | 10,722,440 | 4,353,681 |
| Interest and fiscal charges | 4,603,039 | 4,032,356 | 4,405,021 | 4,636,091 | 4,246,198 |
| Total expenditures | <u>40,436,767</u> | <u>42,888,601</u> | <u>51,566,129</u> | <u>67,333,094</u> | <u>69,803,178</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,395,145</u> | <u>(853,862)</u> | <u>(10,480,055)</u> | <u>(23,446,615)</u> | <u>(22,410,258)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 5,254,970 | 2,522,057 | 3,708,947 | 4,408,662 | 3,917,960 |
| Transfers out | (4,524,050) | (1,791,137) | (2,978,027) | (3,677,742) | (3,432,040) |
| Sale of capital assets | 49,110 | 17,175 | 82,760 | 52,930 | 190,380 |
| Bond and note proceeds | 958,500 | 650,000 | 14,087,053 | 25,163,052 | 19,557,363 |
| Total other financing sources (uses) | <u>1,738,530</u> | <u>1,398,095</u> | <u>14,900,733</u> | <u>25,946,902</u> | <u>20,233,663</u> |
| Net change in fund balances | <u>\$ 5,133,675</u> | <u>\$ 544,233</u> | <u>\$ 4,420,678</u> | <u>\$ 2,500,287</u> | <u>\$ (2,176,595)</u> |
| Debt service as a percentage of noncapital expenditures | 24.10% | 22.16% | 15.71% | 24.34% | 14.40% |

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 |
|---------------------|----------------------------|---------------------------------|------------------|--|---------------|
| 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 |
| 2019 | 19,787,689 | 13,381,416 | 5,285,642 | 695,916 | 39,150,663 |
| 2020 | 26,181,863 | 14,449,857 | 5,483,232 | 693,866 | 46,808,818 |
| Growth 2011-2020 | 78.1% | 141.4% | 60.4% | 35.7% | 90.1% |

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 |
|-------------|------------------|-----------------------|------------------------------|-----------------------|------------------------|--|
| 2011 | \$ 2,512,537,899 | \$ 716,232,799 | \$ 3,228,770,698 | 0.002519 | \$ 4,449,089,196 | 72.6% |
| 2012 | 2,413,402,390 | 595,908,946 | 3,009,311,336 | 0.002585 | 4,177,983,527 | 72.0% |
| 2013 | 2,471,989,979 | 552,044,117 | 3,024,034,096 | 0.002432 | 4,207,485,475 | 71.9% |
| 2014 | 2,781,443,616 | 636,160,403 | 3,417,604,019 | 0.002172 | 4,740,895,420 | 72.1% |
| 2015 | 3,260,372,368 | 679,951,110 | 3,940,323,478 | 0.002090 | 5,515,472,867 | 71.4% |
| 2016 | 3,659,970,869 | 841,344,071 | 4,501,314,940 | 0.002005 | 6,273,725,606 | 71.7% |
| 2017 | 4,179,645,929 | 1,001,269,708 | 5,180,915,637 | 0.001830 | 7,122,345,588 | 72.7% |
| 2018 | 4,694,115,192 | 1,049,063,478 | 5,743,178,670 | 0.001678 | 7,936,815,060 | 72.4% |
| 2019 | 5,435,544,143 | 999,783,768 | 6,435,327,911 | 0.001538 | 8,975,243,406 | 71.7% |
| 2020 | 6,664,194,033 | 1,580,861,282 | 8,245,055,315 | 0.001451 | 11,230,420,097 | 73.4% |

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

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

LEHI CITY CORPORATION
SCHEDULE 7
PROPERTY TAX 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 |
| 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% | 448,752 | 10,664,033 | 99.83% |
| 2019 | 10,934,267 | 10,244,566 | 93.69% | 503,735 | 10,748,301 | 98.30% |
| 2020 | 12,883,259 | 12,306,550 | 95.52% | - | 12,306,550 | 95.52% |

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 | | | | | |
|----------------|------------------------|-------------------------|-------------------------|------------------------------|----------------|--|---|---|----------|
| | General Fund | Debt Service Fund | Total Direct Rate | Alpine School District | Utah County | Central Utah Water Conservancy District | North Utah County Water Conservancy District | Lehi Metropolitan Water District | Total |
| 2011 | 0.002519 | - | 0.002519 | 0.008812 | 0.001091 | 0.000500 | 0.000028 | 0.000008 | 0.012958 |
| 2012 | 0.002585 | - | 0.002585 | 0.008828 | 0.001342 | 0.000500 | 0.000029 | 0.000013 | 0.013297 |
| 2013 | 0.002432 | - | 0.002432 | 0.008699 | 0.001342 | 0.000500 | 0.000028 | 0.000013 | 0.013014 |
| 2014 | 0.002172 | - | 0.002172 | 0.008096 | 0.001259 | 0.000446 | 0.000025 | 0.000012 | 0.012010 |
| 2015 | 0.002090 | - | 0.002090 | 0.008177 | 0.001149 | 0.000422 | 0.000024 | 0.000011 | 0.011873 |
| 2016 | 0.002005 | - | 0.002005 | 0.007718 | 0.001098 | 0.000405 | 0.000023 | 0.000011 | 0.011260 |
| 2017 | 0.001830 | - | 0.001830 | 0.007167 | 0.000969 | 0.000400 | 0.000021 | 0.000010 | 0.010397 |
| 2018 | 0.001678 | - | 0.001678 | 0.007033 | 0.000911 | 0.000400 | 0.000019 | 0.000009 | 0.010050 |
| 2019 | 0.001538 | | 0.001538 | 0.006699 | 0.000839 | 0.000400 | 0.000017 | 0.000008 | 0.009501 |
| 2020 | 0.001451 | | 0.001451 | 0.006800 | 0.001202 | 0.000400 | 0.000016 | 0.000008 | 0.009877 |

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 | 2020 | | | 2011 | | |
|----------------------------------|----------------------------|------|--|----------------------------|------|--|
| | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation |
| IM Flash Technologies | \$ 312,682,400 | 1 | 3.79% | \$ 523,680,513 | 1 | 16.22% |
| Adobe Systems Inc. | 92,330,900 | 2 | 1.12% | | | |
| Young Living Warm Springs LLC | 74,694,500 | 3 | 0.91% | | | |
| Geneva Rock Products Inc. | 60,665,969 | 4 | 0.74% | | | |
| Outlets at Traverse Mountain LLC | 57,706,400 | 5 | 0.70% | | | |
| MPT of Lehi-Steward LLC | 51,659,200 | 6 | 0.63% | | | |
| Traverse Ridge Center III LLC | 47,477,200 | 7 | 0.58% | | | |
| TMCV #2 LLC | 46,069,700 | 8 | 0.56% | | | |
| TMCV #1 LLC | 43,976,800 | 9 | 0.53% | | | |
| TMCV Retail #1 Retail Center LLC | 38,999,400 | 10 | 0.47% | | | |
| Thanksgiving Point LC | | | | 70,685,444 | 2 | 2.19% |
| Cabela's | | | | 29,950,435 | 3 | 0.93% |
| Fox Ridge Investments LLC | | | | 23,983,959 | 4 | 0.74% |
| Thai Properties LLC | | | | 17,744,236 | 5 | 0.55% |
| Point Development LC | | | | 11,535,677 | 7 | 0.36% |
| Whistle Stop Development Corp | | | | 7,355,868 | 6 | 0.23% |
| Smiths | | | | 7,045,990 | 8 | 0.22% |
| Century Link | | | | 6,958,003 | 9 | 0.22% |
| Museum of Ancient History | | | | 5,879,554 | 10 | 0.18% |
| Total | <u>\$ 826,262,469</u> | | <u>10.02%</u> | <u>\$ 704,819,679</u> | | <u>21.83%</u> |

Source: Utah County Treasurer's Office

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

| Fiscal Year | Governmental Activities | | | | Business-Type Activities | | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|----------------|-------------------------------|-----------------------------|-------------------|------------------|---------------------------|------------------------------|------------------------------|---|--------------------------------|---|-------------------|
| | Sales Tax Revenue Bonds | Excise Tax Road Bonds | Capital Leases | Notes Payable | Water Revenue Bonds | Electric Revenue Bonds | Drainage Revenue Bonds | Special Assessments Bonds/Other Notes Payable | | | |
| 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 |
| 2019 | 35,736,583 | - | - | 96,720,683 | 19,674,558 | 18,295,426 | 1,130,000 | 1,226,142 | 172,783,392 | 8.91% | 2,616 |
| 2020 | 34,721,528 | - | - | 90,170,979 | 19,459,224 | 16,889,380 | 960,000 | 1,185,284 | 163,386,395 | 7.99% | 2,343 |

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</u> | <u>Per Capita</u> |
|------------------------|---|------------------------|--------------|---|-----------------------|
| 2011 | \$ - | \$ - | \$ - | - % | - % |
| 2012 | - | - | - | - | - |
| 2013 | - | - | - | - | - |
| 2014 | - | - | - | - | - |
| 2015 | - | - | - | - | - |
| 2016 | - | - | - | - | - |
| 2017 | - | - | - | - | - |
| 2018 | - | - | - | - | - |
| 2019 | - | - | - | - | - |
| 2020 | - | - | - | - | - |

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

LEHI CITY CORPORATION
SCHEDULE 12
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(AS OF JUNE 30, 2020)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable to Lehi (1)</u> | <u>Estimated Amount Applicable to Lehi</u> |
|---|------------------------------|--|--|
| Overlapping Debt: | | | |
| Central Utah Water Conservancy District | \$ 192,855,487 | 14.94% | \$ 28,809,220 |
| Alpine School District | <u>654,067,031</u> | 22.96% | <u>150,147,043</u> |
| Subtotal, overlapping debt | 846,922,518 | | 178,956,264 |
| Direct Debt: | | | |
| Lehi City | <u>124,892,507</u> | 100.00% | <u>124,892,507</u> |
| Total direct and overlapping debt | <u><u>\$ 971,815,025</u></u> | | <u><u>\$ 303,848,771</u></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 applicable to limit</u> | <u>Legal debt margin</u> |
|--------------------|-------------------|---|--------------------------|
| 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 |
| 2019 | 359,009,736 | - | 359,009,736 |
| 2020 | 449,216,804 | - | 449,216,804 |

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

Legal Debt Margin Calculation for Fiscal Year 2020

| | |
|---------------------------------|------------------------------|
| Estimated market value | \$ 11,230,420,097 |
| Debt limit (4% of market value) | 449,216,804 |
| Debt applicable to limit | - |
| Legal debt margin | <u><u>\$ 449,216,804</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 | |
| 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 | - | - | - | - |
| 2019 (4) | 13,377,347 | 6,569,152 | 6,808,195 | - | - | - | - |
| 2020 | 14,111,393 | 7,410,585 | 6,700,808 | 115,000 | 1,120,679 | 1,235,679 | 5.42 |

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.
- (4) The City issued \$17,205,000 in water revenue bonds in fiscal year 2019 to finance improvements to the culinary water distribution system and pressurized irrigation system.

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

| Fiscal Year | Sales Tax Revenue | | Debt Service Requirements | | | Coverage |
|----------------|----------------------|------------|---------------------------|------------|------------|----------|
| | | | Principal | Interest | Total | |
| 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 |
| 2019 | (2) | 13,381,416 | 855,000 | 725,135 | 1,580,135 | 8.47 |
| 2020 | | 14,449,857 | 880,000 | 979,108 | 1,859,108 | 7.77 |

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

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

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

LEHI CITY CORPORATION
SCHEDULE 16
PLEDGED REVENUE COVERAGE
EXCISE TAX ROAD BONDS (LAST TEN FISCAL YEARS)

| Fiscal Year | Excise Tax Revenue | Debt Service Requirements | | | Coverage |
|----------------|-----------------------|---------------------------|-----------|------------|----------|
| | | Principal | Interest | Total | |
| 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 | - | - | - | - |
| 2019 | 2,511,008 | - | - | - | - |
| 2020 | 3,809,524 | - | - | - | - |

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 | |
| 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 | 38,653,790 | 27,683,496 | 10,970,294 | 760,000 | 287,365 | 1,047,365 | 10.47 |
| 2019 | 40,759,383 | 28,965,807 | 11,793,576 | 1,250,000 | 819,648 | 2,069,648 | 5.70 |
| 2020 | 40,964,919 | 28,699,649 | 12,265,270 | 1,280,000 | 775,520 | 2,055,520 | 5.97 |

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

(1) Total revenue including interest and impact fees.

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

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

| Fiscal Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|----------------|-----------------------|---------------------------|---|---------------------------|-----------|------------|----------|
| | | | | Principal | Interest | Total | |
| 2011 | \$ 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 |
| 2019 | 1,739,673 | 874,651 | 865,022 | 165,000 | 51,873 | 216,873 | 3.99 |
| 2020 | 1,959,651 | 997,399 | 962,252 | 170,000 | 39,663 | 209,663 | 4.59 |

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

(1) Total revenue including interest and impact fees.

(2) Total operating expenses exclusive of depreciation.

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

| Fiscal Year | Population | Personal Income | Per Capita Personal Income (1) | Unemployment Rate (2) |
|----------------|------------|--------------------|--------------------------------------|--------------------------|
| 2011 | 49,753 | \$ 1,169,892,042 | \$ 23,514 | 7.2% |
| 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% |
| 2019 | 66,037 | 1,939,815,006 | 29,375 | 2.7% |
| 2020 | 69,724 | 2,045,205,540 | 29,333 | 2.7% |

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

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

Sources: Population information provided by the Lehi Planning Department.
Personal income information found at <http://www.tax.utah.gov/econstats/income> (Federal AGI).
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 | 2020 | 2011 | |
|-------------------------------|--------------------|---------------------|------|
| | Range of Employees | Estimated Employees | Rank |
| Adobe | 1000-1999 | | |
| Micron Technology (IM Flash) | 1000-1999 | 1,668 | 1 |
| Vivint Solar | 1000-1999 | | |
| Young Living Essential Oils | 1000-1999 | 123 | 9 |
| Alpine School District | 1000-1999 | | |
| Ancestry.com | 500-999 | | |
| Entrata | 500-999 | | |
| Hadco Construction | 500-999 | 274 | 5 |
| Repdrive | 500-999 | | |
| Workfront | 500-999 | | |
| Xactware | 500-999 | | |
| Weave Communications | 500-999 | | |
| Younique | 250-499 | | |
| Digicert | 250-499 | | |
| Moneydesktop MX | 250-499 | | |
| Mountain Point Medical Center | 250-499 | | |
| Thanksgiving Point | 250-499 | 375 | 4 |
| Costco | 250-499 | 213 | 7 |
| Pure Storage | 250-499 | | |
| Solutionreach | 250-499 | | |
| Smiths Marketplace | 250-499 | 178 | 8 |
| Cabela's | 100-249 | 413 | 3 |
| Lowes | 100-249 | 123 | 10 |
| Xango | - | 710 | 2 |
| Jack B Parson Co. | - | 250 | 6 |

Source: Utah Department of Workforce Services

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

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

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|-------|------|------|------|------|------|------|------|------|------|
| General Government | | | | | | | | | | |
| Court | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Administrative | 4.5 | 4.5 | 6.5 | 9.5 | 11.5 | 11.5 | 11.5 | 15 | 15 | 15 |
| Treasury | 6 | 6 | 6 | 5 | 5 | 6 | 6 | 6 | 6.5 | 5 |
| Finance | 5 | 5 | 5 | 7 | 7 | 7 | 7 | 4 | 4 | 4 |
| Information Center | - | - | - | - | - | - | - | - | - | 7 |
| Legal | - | - | 4.5 | 4.5 | 5.3 | 5.3 | 5.3 | 5 | 5 | 5 |
| Legislative (1) | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Public Safety | | | | | | | | | | |
| Police | 41.5 | 44.5 | 45 | 48 | 51 | 54 | 59 | 59 | 59 | 59 |
| Fire | 39 | 40 | 40 | 42 | 43 | 46 | 50 | 66 | 66 | 67 |
| Animal Control | 1.5 | 1.5 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 |
| Community Development | | | | | | | | | | |
| Public Works Administration | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 7 | 8 |
| Planning and Zoning | 6.5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Inspections | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 12 |
| Streets and Highways | | | | | | | | | | |
| Streets and Public Improvements | 9 | 12 | 12 | 12 | 14 | 15 | 15 | 15 | 16 | 16 |
| Parks, Recreation and Culture | | | | | | | | | | |
| Parks | 19 | 21 | 22 | 27 | 27 | 29 | 29 | 29 | 31 | 30 |
| Senior Citizens | 3 | 3 | 3 | 2 | 2 | 2 | 2.5 | 3 | 4 | 3 |
| Recreation | 115.5 | 73.5 | 75.5 | 84.5 | 84.5 | 87.5 | 82 | 91 | 84 | 64 |
| Library | 13 | 18 | 20 | 20 | 20 | 21 | 21 | 21 | 21 | 16 |
| Literacy Center | - | 5.5 | 5.5 | 6.5 | 6.5 | 6.5 | 6 | 6 | 6 | 6 |
| Cemetery | 2.5 | 2.5 | 3 | 3.5 | 3.5 | 4 | 4 | 6 | 6 | 6 |
| Culinary Water | 8 | 8 | 8 | 9 | 9 | 10 | 10 | 12 | 12 | 13 |
| Sewer | 3 | 3 | 3 | 3 | 3 | 4 | 8 | 8 | 8 | 7 |
| Power | 19 | 24.5 | 24.5 | 23.5 | 25.5 | 27.5 | 29 | 32 | 33 | 33 |
| Secondary Water | 3.5 | 3.5 | 3.5 | 6.5 | 5.5 | 6.5 | 6.5 | 5 | 5 | 5 |
| Storm Drain | 3 | 3 | 3 | 3 | 3.65 | 4.65 | 5.65 | 5 | 7 | 12 |

Source: City records

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

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

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

| Function/Program | Fiscal Year | | | | | | | | | |
|---|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Community development | | | | | | | | | | |
| Residential building permits issued | 286 | 590 | 569 | 340 | 464 | 548 | 489 | 781 | 871 | 707 |
| Commercial building permits issued | 28 | 38 | 25 | 26 | 165 | 195 | 195 | 183 | 172 | 148 |
| Court | | | | | | | | | | |
| Traffic and Misdemeanor cases handled | 8,333 | 7,102 | 5,896 | 5,845 | 4,705 | 6,387 | 5,547 | 7,321 | 7,349 | 6,988 |
| Police | | | | | | | | | | |
| Calls for service | 14,062 | 15,278 | 15,575 | 27,087 | 32,130 | 32,534 | 28,602 | 29,832 | 22,770 | 25,438 |
| Arrests | 1,950 | 1,235 | 1,089 | 1,261 | 1,188 | 1,179 | 1,436 | 1,414 | 1,443 | 1,173 |
| Fire | | | | | | | | | | |
| Fire/Medical responses | 2,050 | 2,136 | 2,232 | 2,200 | 2,480 | 2,708 | 2,946 | 3,162 | 3,717 | 3,866 |
| Recreation | | | | | | | | | | |
| Recreation programs | 75 | 72 | 71 | 70 | 69 | 72 | 80 | 74 | 78 | 62 |
| Participants in recreation programs | 22,500 | 23,690 | 24,555 | 25,983 | 27,445 | 28,396 | 27,999 | 28,549 | 28,324 | 20,777 |
| Library | | | | | | | | | | |
| Books in collection | 95,611 | 108,669 | 121,168 | 125,220 | 114,442 | 150,158 | 115,022 | 122,055 | 129,002 | 129,826 |
| Books circulated | 451,362 | 509,764 | 511,130 | 529,218 | 532,094 | 597,433 | 474,778 | 486,687 | 502,167 | 402,543 |
| Cemetery | | | | | | | | | | |
| Acres maintained | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 | 55 |
| Total gravesites | 24,791 | 25,659 | 26,428 | 26,485 | 27,645 | 27,955 | 27,966 | 29,528 | 29,543 | 29,713 |
| Culinary Water | | | | | | | | | | |
| Residential accounts serviced | 12,568 | 13,121 | 13,152 | 14,419 | 14,987 | 15,691 | 16,043 | 16,562 | 17,872 | 18,811 |
| Average daily consumption (thousands of gallons) | 3,570 | 3,500 | 2,630 | 2,740 | 3,210 | 3,490 | 4,210 | 3,840 | 4,490 | 4,638 |
| Sewer | | | | | | | | | | |
| Sewer lines miles inspected | 80 | 78 | 78 | 78 | 47 | 47 | 58 | 62 | 54 | 52 |
| Power | | | | | | | | | | |
| Accounts serviced | 14,817 | 15,010 | 16,279 | 16,764 | 17,873 | 18,879 | 19,656 | 20,693 | 22,193 | 23,611 |
| Energy sold (megawatts in thousands) | 223 | 220 | 259 | 270 | 286 | 315 | 342 | 364 | 383 | 402 |
| Secondary Water | | | | | | | | | | |
| Accounts serviced | 11,426 | 11,632 | 12,574 | 13,019 | 13,247 | 15,584 | 14,119 | 14,799 | 15,669 | 16,314 |

Source: City records

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

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Streets and Highways | | | | | | | | | | |
| Street lights | 2,355 | 2,412 | 2,446 | 2,506 | 2,600 | 2,689 | 2,910 | 3,027 | 3,359 | 3,495 |
| Street miles | 202 | 204 | 206 | 221 | 224 | 233 | 244 | 246 | 256 | 262 |
| Police | | | | | | | | | | |
| Vehicles | 43 | 46 | 51 | 57 | 59 | 60 | 65 | 63 | 63 | 66 |
| Fire | | | | | | | | | | |
| Fire stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Fire vehicles | 12 | 12 | 12 | 12 | 15 | 16 | 17 | 17 | 17 | 20 |
| Ambulances | 3 | 3 | 3 | 4 | 5 | 4 | 5 | 5 | 5 | 5 |
| Public works | | | | | | | | | | |
| Incorporated area in square miles | 32 | 32 | 32 | 32 | 28 | 28 | 29 | 29 | 29 | 29 |
| City buildings in square feet | 235,000 | 235,000 | 235,000 | 235,000 | 235,000 | 235,000 | 321,600 | 321,600 | 321,600 | 321,600 |
| Parks and recreation | | | | | | | | | | |
| Park acreage | 333 | 333 | 333 | 333 | 339 | 339 | 522 | 522 | 531 | 592 |
| Baseball/softball diamonds | 9 | 9 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Soccer fields | 4 | 4 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Culinary water | | | | | | | | | | |
| Water main line miles | 243 | 263 | 256 | 271 | 281 | 297 | 310 | 322 | 339 | 355 |
| Storage capacity (thousands of gallons) | 9,800 | 9,800 | 9,800 | 8,400 | 10,400 | 10,400 | 10,400 | 10,400 | 12,600 | 12,700 |
| Sewer | | | | | | | | | | |
| Sewer line miles | 205 | 210 | 212 | 223 | 226 | 241 | 253 | 262 | 271 | 279 |
| Secondary water | | | | | | | | | | |
| Secondary water main line miles | 243 | 249 | 258 | 272 | 282 | 298 | 312 | 325 | 343 | 360 |
| Power | | | | | | | | | | |
| Power main feeder line miles | 219 | 231 | 240 | 248 | 258 | 275 | 515 | 680 | 756 | 795 |
| Overhead line miles | 52 | 64 | 64 | 64 | 67 | 65 | 147 | 117 | 117 | 116 |

Source: City records