

# LEHI CITY CORPORATION

STATE OF UTAH

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



# LEHI CITY

PREPARED BY:

FINANCE DEPARTMENT

LEHI CITY CORPORATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Year Ended June 30, 2021

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# LEHI CITY CORPORATION

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021

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## INTRODUCTORY SECTION

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

December 01, 2021

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Lehi City (the City) for the fiscal year ended June 30, 2021.

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, 2021, 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, 2021, 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, Weave, Ancestry, Xactware, WeWork, Lumio, 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 49,857 to 75,907 over the past 10 years. With 50% of the City's land still available for development, build-out population, which is estimated to be reached in 2060, is projected at 155,000.

Lehi is continuing to experience rapid growth in both commercial and residential construction. This growth is reflected in both the City's revenues and expenditures. Governmental fund revenues increased from \$52,051,035 to \$93,018,424 from 2016 to 2021, and expenditures increased from \$52,290,827 to \$81,563,047. Operating revenues in enterprise funds grew from \$48,412,958 to

\$68,181,814 over the same time frame, while operating expenses rose from \$45,485,794 to \$70,287,345.

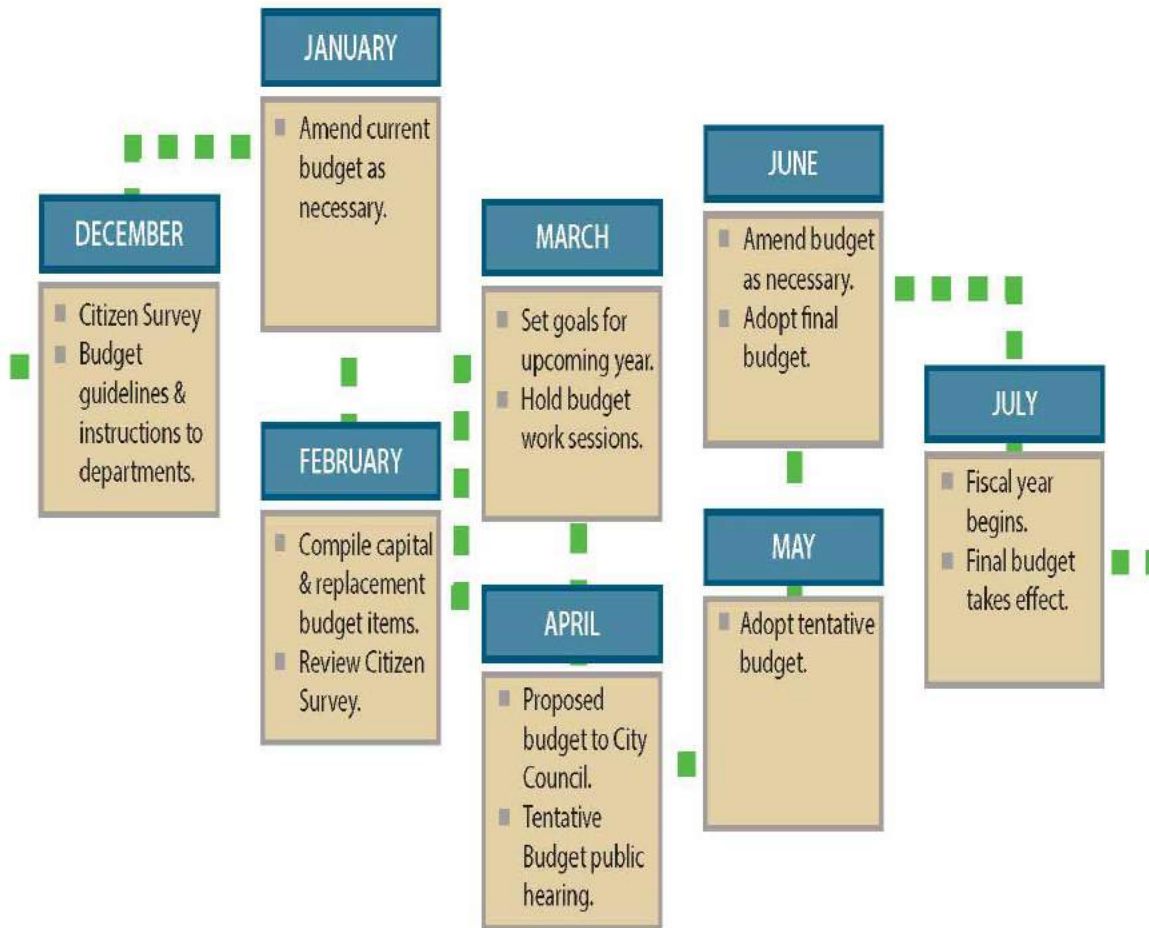
Growth in commercial office and technology continues. Lehi currently has approximately 5,500,000 square feet of class A office space with 150,000 square feet under construction and an additional 3,300,000 planned. Other projects, including car dealerships, hotels and retail establishments are also moving forward. The City has some of the best undeveloped commercial frontage along the Wasatch Front.

Brigham Young University, Utah Valley University (the largest University in the State) and the University of Utah campuses are within 25 minutes of the City center. These higher education facilities employ more than 3,000 people. These universities provide a strong educated work force for a large number of high-tech businesses in the area. The region also provides some of the best medical facilities in the western United States. Utah County, the County in which the City is located, has an unemployment rate of 1.8%, Compared to a statewide rate of 2.4%.



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 13 and the final budget was adopted on June 8.

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 108 and 109.

### 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. In the FY 2022 budget year \$5 million is allocated towards the construction of a regional park located in the Northeast section of the City to be known as Family Park. Another \$1.8 million is allocated toward Shadow Ridge Park, which is a local-area park.



Dry Creek Reservoir is a facility currently under construction. This reservoir is a project in cooperation with North Utah Water Conservancy District and began last year. Dry Creek 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 during Summer of 2022.

Construction and maintenance of City infrastructure assets is critical to the City's long-term financial health. A project was recently completed to construct a pedestrian bridge spanning SR-92. This bridge will allow safe passage over this busy roadway. A water tank project to rebuild and expand capacity was also begun with an estimated cost of \$3 million. Also, \$6.7 million was spent toward the expansion of Main St. This project was funded primarily by way of a grant from Utah County.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. This was the twenty-first consecutive year the government has received this prestigious award. In order to be awarded the Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 1, 2020. 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, 2020. In order to qualify for the PAFR Award, the government must obtain the ACFR award. The PAFR document provides summary information from the ACFR to citizens and is judged by a panel of GFOA professionals.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance, treasury, and administration departments. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jason Walker  
City Administrator



Dean Lundell  
Director of Finance



Government Finance Officers Association

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

Presented to

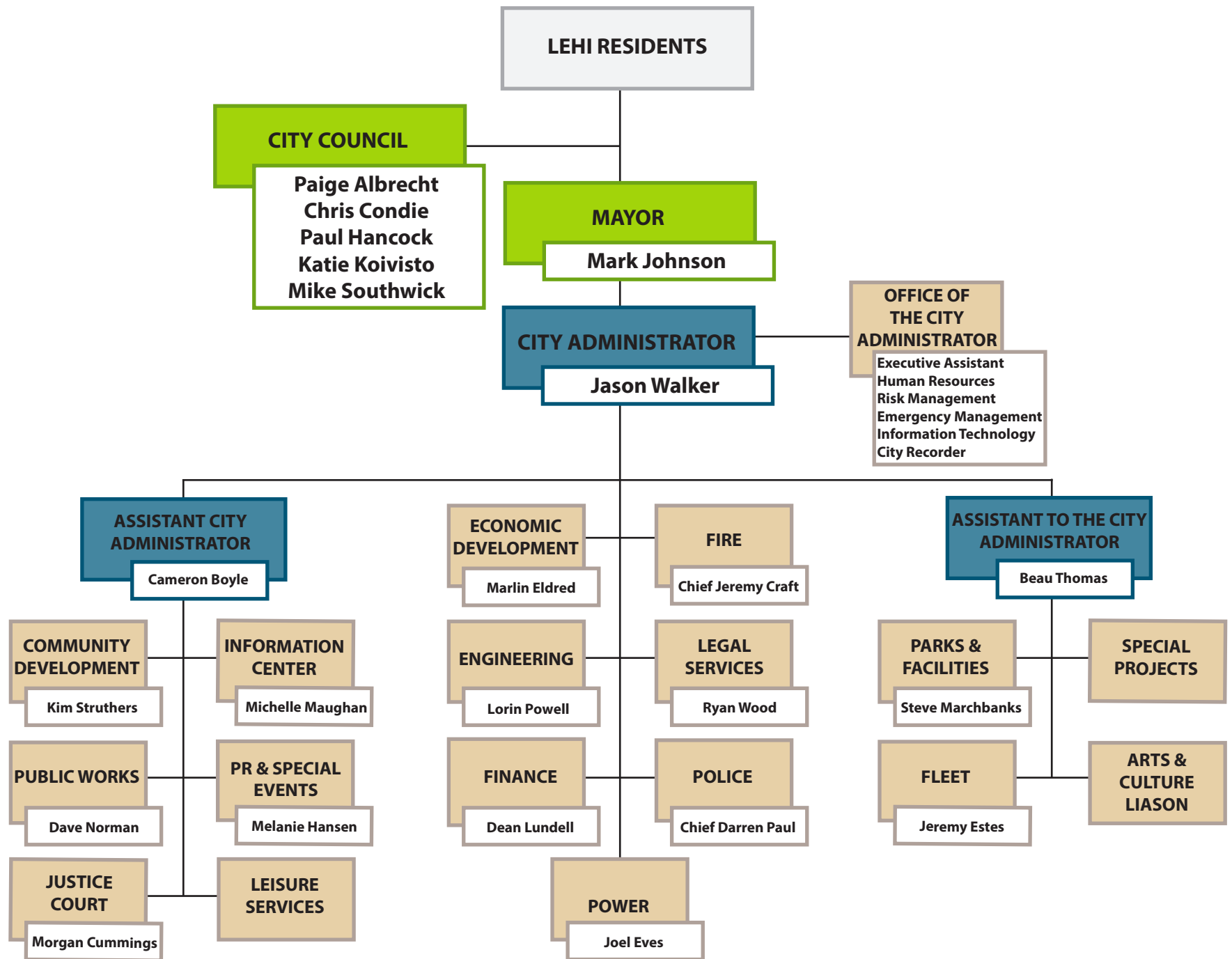
**Lehi City Corporation  
Utah**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrell*

Executive Director/CEO





## Elected Officials

For the Year Ended  
June 30, 2021



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, 2021, 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, 2021, 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 97 through 102 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021 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.

A handwritten signature in black ink that reads "Osborne Robbins & Buhler PLLC". The signature is written in a cursive, flowing style.

November 30, 2021

# LEHI CITY CORPORATION

## Management's Discussion and Analysis

### For the Year Ended June 30, 2021

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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, 2021. 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 \$720,745,618 (*net position*). This is an increase of 10.9% 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 \$57,505,233 which is an increase of \$13,157,455 in fund balance reported for 2020 of \$44,347,778. The increase is due in large part to an increase in tax revenues, intergovernmental revenues and impact fees.
- Growth in the City continues at a rapid pace with general fund tax revenues increasing 13.4% over the previous year and utility revenues increasing by 8.2%. 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 2021, the City implemented the fourth of five scheduled annual increases in the Culinary and Pressurized Irrigation funds and the third of six scheduled annual increases for the Storm Drain fund.
- The City's total long-term obligations increased by a net of \$54,260,700 during the current fiscal year.
  - The City issued \$63 million in franchise and sales tax revenue bonds during 2021. The proceeds will be used to fund the construction and installation of a fiber-optic network within the City.
  - 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 \$1,988,813 as of June 30, 2021. This is a decrease of \$4,280,410 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, 2021**

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- 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 (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, 2021**

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

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

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 43-95 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 97-102 this report.

Individual fund schedules and combining statements and schedules can be found on pages 104-119 of this report.

**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

**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 \$720,745,618 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 \$720,745,618 in net position, \$17,451,361 is subject to external restrictions on how those resources may be used.

LEHI CITY CORPORATION  
NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 95,467,119	\$ 82,778,464	\$ 153,282,722	\$ 70,577,749	\$ 248,749,841	\$ 153,356,213
Capital assets	364,051,051	339,661,541	385,454,696	371,777,148	749,505,747	711,438,689
Total assets	\$ 459,518,170	\$ 422,440,005	\$ 538,737,418	\$ 442,354,897	\$ 998,255,588	\$ 864,794,902
Deferred outflows of resources	\$ 3,054,995	\$ 2,746,895	\$ 7,505,843	\$ 7,103,360	\$ 10,560,838	\$ 9,850,255
Long-term liabilities	\$ 128,685,648	\$ 135,544,791	\$ 101,973,534	\$ 40,853,691	\$ 230,659,182	\$ 176,398,482
Other liabilities	8,963,555	11,783,689	13,619,046	6,201,234	22,582,601	17,984,923
Interfund balances	729,018	543,531	(729,018)	(543,531)	-	-
Total liabilities	\$ 138,378,221	\$ 147,872,011	\$ 114,863,562	\$ 46,511,394	\$ 253,241,783	\$ 194,383,405
Deferred inflows of resources	\$ 33,413,562	\$ 29,570,555	\$ 1,415,463	\$ 758,002	\$ 34,829,025	\$ 30,328,557
Net position						
Net investment in capital assets	\$ 327,670,060	\$ 310,508,319	\$ 355,733,226	\$ 341,429,283	\$ 683,403,286	\$ 651,937,602
Restricted	7,486,352	1,330,917	9,965,009	2,711,961	17,451,361	4,042,878
Unrestricted	(44,375,030)	(64,094,902)	64,266,001	58,047,617	19,890,971	(6,047,285)
Total net position	\$ 290,781,382	\$ 247,744,334	\$ 429,964,236	\$ 402,188,861	\$ 720,745,618	\$ 649,933,195

**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

LEHI CITY CORPORATION  
CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 13,666,806	\$ 11,299,674	\$ 67,069,850	\$ 61,637,082	\$ 80,736,656	\$ 72,936,756
Operating grants and contributions	9,901,485	7,488,372	3,338,726	-	13,240,211	7,488,372
Capital grants and contributions	34,122,734	17,986,306	31,170,218	24,840,140	65,292,952	42,826,446
General revenues:						
Property taxes	23,321,339	26,503,325	-	-	23,321,339	26,503,325
Sales and other taxes	23,397,161	20,305,493	-	-	23,397,161	20,305,493
Other	3,680,323	2,381,620	1,537,194	2,141,324	5,217,517	4,522,944
Total revenues	108,089,848	85,964,790	103,115,988	88,618,546	211,205,836	174,583,336
Expenses:						
General government	8,608,259	8,959,799	-	-	8,608,259	8,959,799
Public safety	17,095,653	16,559,907	-	-	17,095,653	16,559,907
Community development	5,280,007	5,777,381	-	-	5,280,007	5,777,381
Highways/streets	16,003,682	14,920,711	-	-	16,003,682	14,920,711
Parks, recreation, and culture	12,020,031	11,186,187	-	-	12,020,031	11,186,187
Cemetery	491,598	473,663	-	-	491,598	473,663
Interest on long-term debt	5,553,570	5,824,032	-	-	5,553,570	5,824,032
Culinary Water	-	-	10,165,480	6,969,504	10,165,480	6,969,504
Sewer	-	-	11,360,091	12,142,499	11,360,091	12,142,499
Pressurized Irrigation	-	-	5,469,142	5,808,312	5,469,142	5,808,312
Electric	-	-	40,214,545	33,265,006	40,214,545	33,265,006
Fiber	-	-	1,149,570	2,851,399	1,149,570	2,851,399
Nonmajor activities	-	-	6,981,785	3,321,826	6,981,785	3,321,826
Total expenses	65,052,800	63,701,680	75,340,613	64,358,546	140,393,413	128,060,226
Increase in net position before transfers	43,037,048	22,263,110	27,775,375	24,260,000	70,812,423	46,523,110
Transfers	-	-	-	-	-	-
Increase in net position	43,037,048	22,263,110	27,775,375	24,260,000	70,812,423	46,523,110
Net position, beginning	247,744,334	225,481,224	402,188,861	377,928,861	649,933,195	603,410,085
Net position, ending	\$ 290,781,382	\$ 247,744,334	\$ 429,964,236	\$ 402,188,861	\$ 720,745,618	\$ 649,933,195

As of June 30, 2021, the net position of the City's governmental activities totaled \$290,781,382 compared to \$247,744,334 in 2020. The governmental activities reported an increase in net position of \$43,037,048. Capital grants and contributions, including contributions of infrastructure totaled \$34,122,734. The City also received \$46,718,500 in property, sales, and other taxes.

As of June 30, 2021, the net position of the City's business-type activities totaled \$429,964,236 compared to \$402,188,861 in 2020. The business-type activities reported an increase in net position of \$27,775,375. This increase in net position can be attributed to capital grants and contributions, including contributions of infrastructure.

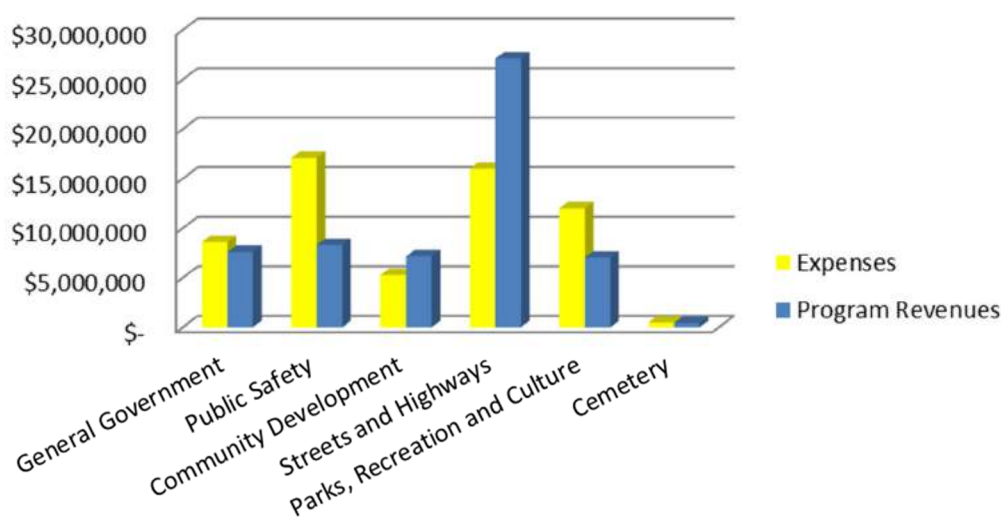
**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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**Governmental activities.** During 2021 governmental activities increased the City's net position by \$43,037,048. Some specific factors making up the change in net position during 2021 include:

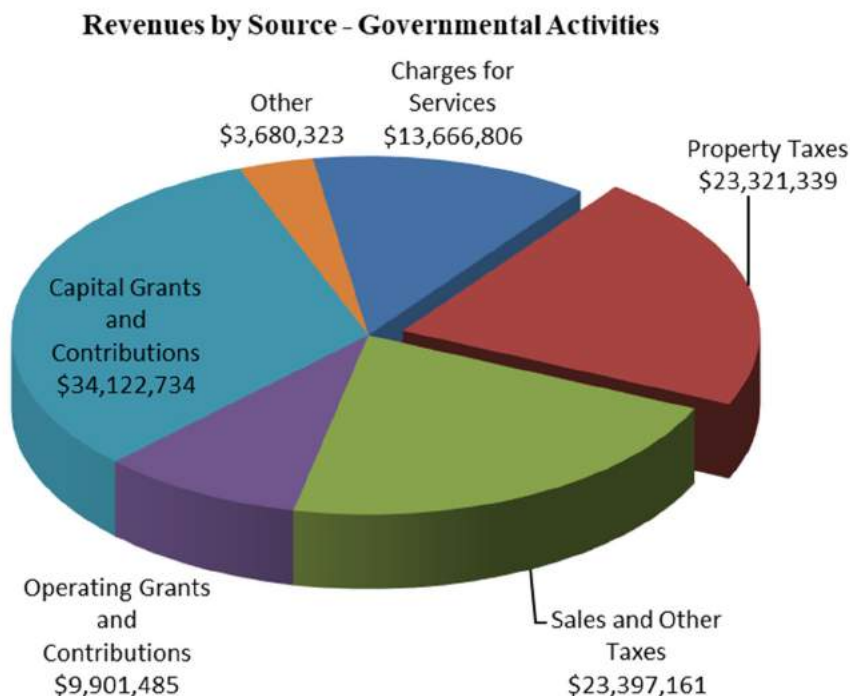
- Charges for services increased in 2021 over the prior year by approximately \$2.4 million. These revenues include fees for development, such as building permits and plan reviews. Development fees as well as recreation revenues were lower in 2020 due in large part due to the Covid-19 shut downs that occurred in the last quarter of that fiscal year. These fees rebounded as the impact of Covid-19 eased during the year ended June 30, 2021.
- Capital grants and contributions were higher than in 2020 by approximately \$16.1 million. The increase in revenue was primarily a result of increased developer-installed infrastructure as development returned to more typical levels following the Covid-19 related drop off. Developer-installed road infrastructure was \$5.1 higher in 2021 than 2020. Also, grants for road construction were more than 2020 by \$4.4 million.
- Expenses of the governmental activities increased from 2020 to 2021 by \$1,351,120 with the largest increases occurring in streets and highway expenses as well as public safety operating expenses. Depreciation in governmental activities increased \$1,423,604 from 2020 to 2021.

**Expenses and Program Revenues - Governmental Activities**



**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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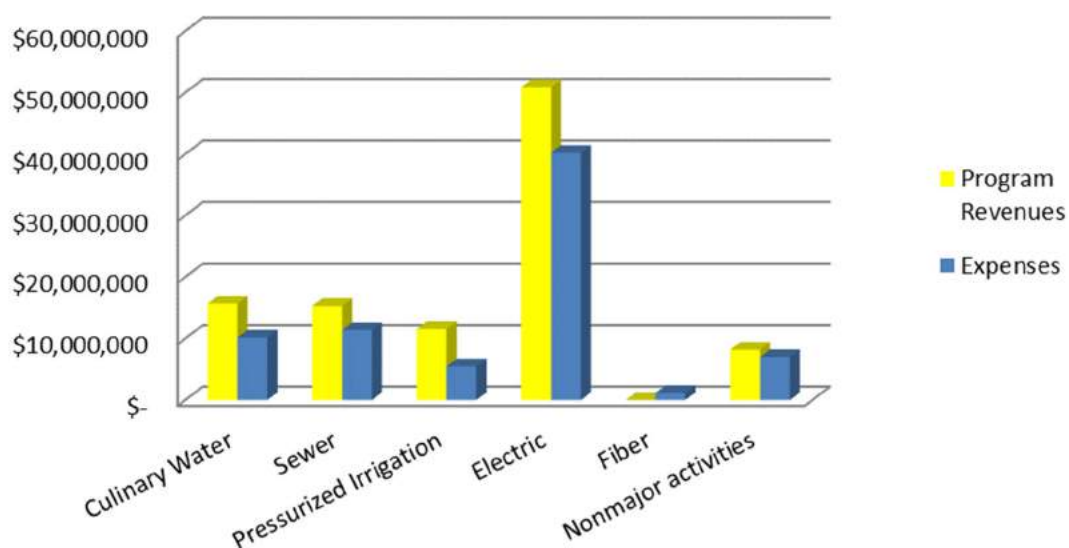
**Business-type activities.** Business-type activities increased the City's net position by \$27,775,375. At the end of the current fiscal year, all of the City's major business-type activities other than the fiber fund reported positive net position. The fiber fund was established in 2021 and will experience a deficit net position for the first few years until the fiber-optic network is installed and the City can begin to collect revenues generated from that system. Key elements of the increase in net position are as follows:

- Charges for services in the business-type activities increased over 2020 by \$5,432,768 (8.8%). Most of the enterprise funds experienced an increase in charges for services over 2020, 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 \$31,170,218 to the total revenues of the City. This amount was higher than in 2020 by \$6,330,078. Contributing causes were an increase in impact fees of \$2.7 million and higher developer contributions of \$3.5 million.
- Expenses of the business-type activities increased by \$10,982,067 from the prior year. The increase is primarily due to increases in system maintenance costs. Depreciation in business-type activities increased by \$1,331,908 from 2020 to 2021. Because the City's customer base has been expanding, the cost of providing services has also increased.

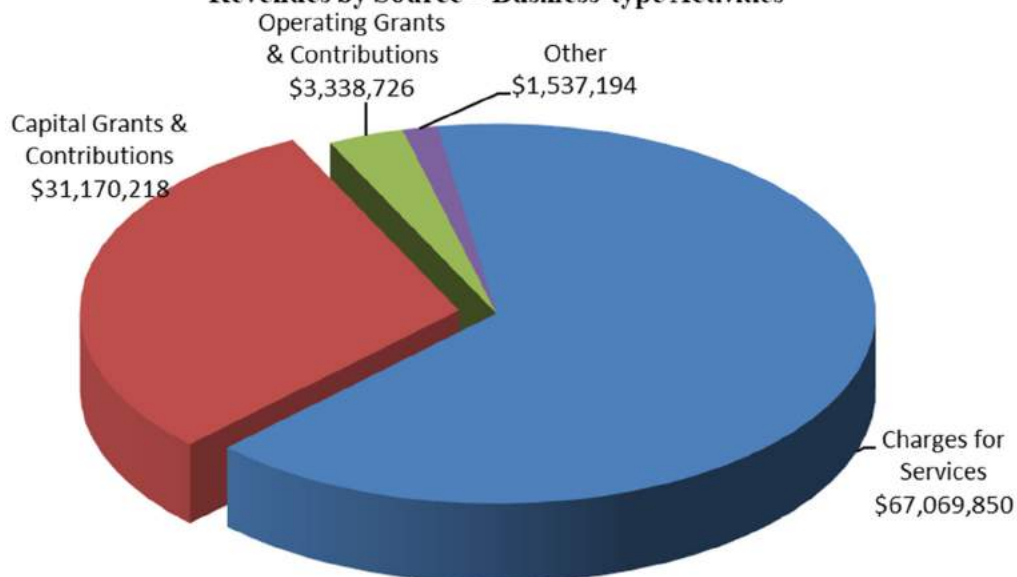
**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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**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, 2021**

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**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 \$57,505,233. \$16,114,294 of this total amount (28.0%) 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 \$16,114,294, while total fund balance reached \$21,420,728. 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 35.7% of total general fund expenditures, while total fund balance represents 47.5% of that same amount. The fund balance of the City's general fund increased by \$6,233,871 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 \$3,888,172. 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, the Traverse Mountain Community Development Area and the Meadow Point Project Area. Overall, the fund experienced an increase in fund balance of \$800,598.

The capital projects fund had an increase in fund balance in the amount of \$6,112,686, which resulted in a fund balance of \$32,182,965. During the year, \$8,300,000 was transferred from the general fund to the capital projects fund to pay for future projects. The City also sold its former police station, recognizing proceeds from that sale of \$1,575,155.

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 \$13,368.

# LEHI CITY CORPORATION

## Management's Discussion and Analysis

### For the Year Ended June 30, 2021

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**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 \$63,536,983. Individually, the electric fund's unrestricted net position totaled \$41,037,398, the water unrestricted net position totaled \$12,382,295, the pressurized irrigation unrestricted net position totaled \$1,531,937, the sewer unrestricted net position totaled \$6,154,485 and the non-major enterprise funds reported a positive unrestricted net position of \$3,527,243. The fiber fund reported a deficit net position of \$1,096,375. 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 \$48,679,167 to a final budget of \$49,238,341, an increase of \$559,174, an increase of approximately 1.2%. 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 2021 were \$4,450,732 more than budgeted. Property taxes, sales taxes and franchise taxes were all higher than originally budgeted.
- Intergovernmental revenue was higher than budgeted by approximately \$5.5 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 \$4,126,117.

### 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, 2021 amounts to \$749,505,747 (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 \$13,869,134 and \$21,423,958, respectively.
- The City broke ground on a new police station during July 2019. Approximately \$11.3 million was incurred during 2020 and another \$5 million was incurred as the project was completed in 2021.
- Approximately \$6.7 million was spent on construction and improvements for Main Street from 2300 West to the crossroads.

**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

- The City received grants from the Utah Transit Authority and the Mountainland Association of Governments to fund the construction of the pedestrian overpass totaling approximately \$6 million.
- In the water fund, approximately \$1.8 was spent on the Sandpit Tank and Pump.
- In the electric fund, approximately \$3.9 million was spent on subdivision construction projects.

LEHI CITY CORPORATION  
CAPITAL ASSETS  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 159,563,386	\$ 150,619,027	\$ 3,426,304	\$ 3,426,304	\$ 162,989,690	\$ 154,045,331
Intangibles	-	-	60,386,565	59,130,125	60,386,565	59,130,125
Construction in progress	35,180,392	20,851,855	8,552,207	19,541,657	43,732,599	40,393,512
Buildings and structures	16,049,913	17,764,888	10,580,209	11,029,316	26,630,122	28,794,204
Improvements, including infrastructure	143,881,612	141,449,974	300,914,693	276,710,000	444,796,305	418,159,974
Machinery, equipment, and vehicles	9,339,474	8,925,893	1,582,823	1,925,078	10,922,297	10,850,971
Office furniture and equipment	36,274	49,904	11,895	14,668	48,169	64,572
Total	<u>\$ 364,051,051</u>	<u>\$ 339,661,541</u>	<u>\$ 385,454,696</u>	<u>\$ 371,777,148</u>	<u>\$ 749,505,747</u>	<u>\$ 711,438,689</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 \$133,215,671, 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	
	2021	2020	2021	2020	2021	2020
Tax increment notes payable to developers	\$ 85,804,166	\$ 89,515,210	\$ -	\$ -	\$ 85,804,166	\$ 89,515,210
Other notes payable	546,903	655,769	1,114,588	1,185,284	1,661,491	1,841,053
Revenue bonds	33,681,473	34,721,528	99,534,198	37,308,604	133,215,671	72,030,132
Capital lease obligations	2,700,924	2,200,000	-	-	2,700,924	2,200,000
Other liabilities	5,952,182	8,452,284	1,324,748	2,359,803	7,276,930	10,812,087
Total	<u>\$ 128,685,648</u>	<u>\$ 135,544,791</u>	<u>\$ 101,973,534</u>	<u>\$ 40,853,691</u>	<u>\$ 230,659,182</u>	<u>\$ 176,398,482</u>

The City's long-term obligations increased by a net of \$54,260,700 in fiscal year 2021. As mentioned earlier, the City issued \$63,667,323 in franchise and sales tax revenue bonds. Other bonds and notes payable decreased due to regularly scheduled debt service requirements. The City reported, in accordance with the requirements of GAAP, net pension liability totaling \$1,988,813.

**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$488,063,089 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 \$976,126,178, 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 61-74 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The City continues to grow rapidly. During the year, property values increased by 8.65% to an estimated market value of \$12,201,577,217.
- The City is in the fourth 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 2021 from \$4.75 per month to \$5.00 per month. Sewer rates were also adjusted July 2021 with the base rate increasing from \$19.00 to \$20.00 per month and usage rates increasing from \$2.00 to \$2.06 per thousand gallons.
- Consistent with conditions throughout the State of Utah, the City's economic conditions continue to trend positively. Sales tax revenues increased 23% from fiscal year 2020 to fiscal year 2021. As of September 2021, the State of Utah reports an unemployment rate of 2.4% with a rate of 1.8% in Utah County. Results of the 2020 census increases the City's population from 69,724 to 75,907.
- The City issued bonds during the 2021 fiscal year to be used for the construction of a citywide fiber network. The construction of this network follows many months of study and analysis and a feasibility study. Construction of the network is anticipated to begin during Spring 2022.

The above factors were considered in preparing the City's budget for the 2022 fiscal year. The 2022 budget is balanced without a property tax rate increase. Budgeted revenues and expenditures for the upcoming year total \$211,602,214. This is an increase from the 2021 fiscal year opening budget of \$181,197,237. Increases to expenditure are the result of a growing population and as well as large capital expenditures for water, power and parks.

The City continues to expand with new residential and commercial development, with 907 residential and 161 commercial building permits issued. Several new companies have located or expanded office space in Lehi recently, including: Lumio, Podium, Weave, and Ancestry. Lehi currently has approximately 5,500,000 square feet of class A office space with 150,000 currently under construction and an additional

**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2021**

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3,300,000 planned. During the year, Intermountain Healthcare broke ground on a 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.

**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, 2021**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL	BUSINESS-TYPE	
	ACTIVITIES	ACTIVITIES	TOTAL
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 28,378,110	\$ 58,213,033	\$ 86,591,143
INVESTMENTS	19,059,357	-	19,059,357
RECEIVABLES (NET)			
ACCOUNTS	-	7,432,448	7,432,448
UNBILLED	-	935,550	935,550
TAXES	27,047,168	-	27,047,168
INTERGOVERNMENTAL	7,896,712	-	7,896,712
OTHER	1,382,882	2,670	1,385,552
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	304,188	304,188
INVENTORY	54,946	6,029,323	6,084,269
RESTRICTED CASH AND CASH EQUIVALENTS	10,158,361	80,365,510	90,523,871
NET PENSION ASSET	1,489,583	-	1,489,583
NON-DEPRECIABLE CAPITAL ASSETS	194,743,778	72,365,076	267,108,854
DEPRECIABLE CAPITAL ASSETS, NET	169,307,273	313,089,620	482,396,893
TOTAL ASSETS	\$ 459,518,170	\$ 538,737,418	\$ 998,255,588
DEFERRED OUTFLOWS OF RESOURCES			
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ 6,095,614	\$ 6,095,614
PREPAID BOND INSURANCE	-	640,847	640,847
DEFERRED OUTFLOWS RELATED TO PENSIONS	3,054,995	769,382	3,824,377
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 3,054,995	\$ 7,505,843	\$ 10,560,838
LIABILITIES			
INTERFUND BALANCES	\$ 729,018	\$ (729,018)	\$ -
ACCOUNTS PAYABLE	857,478	12,037,032	12,894,510
LIABILITIES PAYABLE FROM RESTRICTED ASSETS			
ACCOUNTS PAYABLE	1,179,459	522,785	1,702,244
ACCRUED INTEREST	124,243	630,511	754,754
WAGES PAYABLE	1,061,227	260,437	1,321,664
ACCRUED LIABILITIES	3,814,800	-	3,814,800
ACCRUED INTEREST PAYABLE	1,926,348	128,761	2,055,109
CUSTOMER DEPOSITS	-	39,520	39,520
NON-CURRENT LIABILITIES			
DUE WITHIN ONE YEAR	2,908,684	1,677,366	4,586,050
DUE IN MORE THAN ONE YEAR:			
COMPENSATED ABSENCES	2,091,620	655,971	2,747,591
NET PENSION LIABILITY	1,790,473	198,340	1,988,813
LANDFILL POSTCLOSURE COSTS	512,372	-	512,372
CAPITAL LEASES	2,284,957	-	2,284,957
TAX INCREMENT NOTE PAYABLE TO DEVELOPER	85,804,166	-	85,804,166
OTHER NOTES PAYABLE	546,903	1,042,659	1,589,562
BONDS PAYABLE	32,746,473	98,399,198	131,145,671
TOTAL LIABILITIES	\$ 138,378,221	\$ 114,863,562	\$ 253,241,783
DEFERRED INFLOWS OF RESOURCES			
PROPERTY TAXES	\$ 23,367,745	\$ -	\$ 23,367,745
ADVANCE RECEIPT OF COVID-19 GRANT REVENUE	4,725,314	-	4,725,314
DEFERRED INFLOWS RELATED TO PENSIONS	5,320,503	1,415,463	6,735,966
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 33,413,562	\$ 1,415,463	\$ 34,829,025
NET POSITION			
NET INVESTMENT IN CAPITAL ASSETS	\$ 327,670,060	\$ 355,733,226	\$ 683,403,286
RESTRICTED FOR			
CAPITAL IMPROVEMENTS	6,717,904	9,965,009	16,682,913
DEBT SERVICE	588,265	-	588,265
OTHER PURPOSES	180,183	-	180,183
UNRESTRICTED (DEFICIT)	(44,375,030)	64,266,001	19,890,971
TOTAL NET POSITION	\$ 290,781,382	\$ 429,964,236	\$ 720,745,618

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION**  
**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2021**

		PROGRAM REVENUES			NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION		
					PRIMARY GOVERNMENT		
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES							
GENERAL GOVERNMENT	\$ 8,608,259	\$ 1,410,528	\$ -	\$ 6,200,143	\$ (997,588)	\$ -	\$ (997,588)
PUBLIC SAFETY	17,095,653	1,755,288	5,403,369	1,152,071	(8,784,925)	-	(8,784,925)
COMMUNITY DEVELOPMENT	5,280,007	7,175,492	-	-	1,895,485	-	1,895,485
STREETS AND HIGHWAYS	16,003,682	-	4,458,718	22,665,796	11,120,832	-	11,120,832
PARKS, RECREATION AND CULTURE	12,020,031	2,890,148	39,398	4,104,724	(4,985,761)	-	(4,985,761)
CEMETERY	491,598	435,350	-	-	(56,248)	-	(56,248)
INTEREST ON LONG-TERM DEBT	5,553,570	-	-	-	(5,553,570)	-	(5,553,570)
TOTAL GOVERNMENTAL ACTIVITIES	65,052,800	13,666,806	9,901,485	34,122,734	(7,361,775)	-	(7,361,775)
BUSINESS-TYPE ACTIVITIES							
CULINARY WATER	10,165,480	7,466,508	3,338,726	4,882,100	-	5,521,854	5,521,854
SEWER	11,360,091	9,553,148	-	5,733,179	-	3,926,236	3,926,236
PRESSURIZED IRRIGATION	5,469,142	4,519,801	-	7,053,128	-	6,103,787	6,103,787
ELECTRIC	40,214,545	39,460,193	-	11,398,367	-	10,644,015	10,644,015
FIBER	1,149,570	-	-	-	-	(1,149,570)	(1,149,570)
NONMAJOR ACTIVITIES	6,981,785	6,070,200	-	2,103,444	-	1,191,859	1,191,859
TOTAL BUSINESS-TYPE ACTIVITIES	75,340,613	67,069,850	3,338,726	31,170,218	-	26,238,181	26,238,181
TOTAL PRIMARY GOVERNMENT	\$ 140,393,413	\$ 80,736,656	\$ 13,240,211	\$ 65,292,952	(7,361,775)	26,238,181	18,876,406
GENERAL REVENUES:							
PROPERTY TAXES					23,321,339	-	23,321,339
SALES TAXES					17,659,174	-	17,659,174
FRANCHISE TAXES					5,737,987	-	5,737,987
INVESTMENT EARNINGS					269,757	415,605	685,362
GAIN ON DISPOSAL OF CAPITAL ASSETS					1,196,294	9,625	1,205,919
OTHER					2,214,272	1,111,964	3,326,236
TOTAL GENERAL REVENUES					50,398,823	1,537,194	51,936,017
TRANSFERS					-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					50,398,823	1,537,194	51,936,017
CHANGE IN NET POSITION					43,037,048	27,775,375	70,812,423
NET POSITION AT BEGINNING OF YEAR					247,744,334	402,188,861	649,933,195
NET POSITION AT END OF YEAR					\$ 290,781,382	\$ 429,964,236	\$ 720,745,618

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
CASH AND CASH EQUIVALENTS	\$ 10,905,594	\$ 2,224,457	\$ 13,405,323	\$ 13,368	\$ 26,548,742
INVESTMENTS	6,327,161	1,484,303	11,247,893	-	19,059,357
RECEIVABLES					
TAXES	14,569,252	12,477,916	-	-	27,047,168
INTERGOVERNMENTAL	4,881,823	-	3,014,889	-	7,896,712
OTHER	966,815	179,412	207,145	-	1,353,372
RESTRICTED CASH AND CASH EQUIVALENTS	4,765,478	-	5,392,163	-	10,157,641
<b>TOTAL ASSETS</b>	<b>\$ 42,416,123</b>	<b>\$ 16,366,088</b>	<b>\$ 33,267,413</b>	<b>\$ 13,368</b>	<b>\$ 92,062,992</b>
<b>LIABILITIES</b>					
ACCOUNTS PAYABLE	\$ 439,773	\$ -	\$ 32,324	\$ -	\$ 472,097
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	126,382	-	1,052,124	-	1,178,506
WAGES PAYABLE	999,297	-	-	-	999,297
ACCRUED LIABILITIES	3,814,800	-	-	-	3,814,800
<b>TOTAL LIABILITIES</b>	<b>5,380,252</b>	<b>-</b>	<b>1,084,448</b>	<b>-</b>	<b>6,464,700</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
TAXES	10,889,829	12,477,916	-	-	23,367,745
ADVANCE RECEIPT OF COVID-19 GRANT REVENUE	4,725,314	-	-	-	4,725,314
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>15,615,143</b>	<b>12,477,916</b>	<b>-</b>	<b>-</b>	<b>28,093,059</b>
<b>FUND BALANCES</b>					
RESTRICTED	4,639,096	-	4,340,039	-	8,979,135
COMMITTED	643,812	-	-	-	643,812
ASSIGNED	23,526	3,888,172	27,842,926	13,368	31,767,992
UNASSIGNED	16,114,294	-	-	-	16,114,294
<b>TOTAL FUND BALANCE</b>	<b>21,420,728</b>	<b>3,888,172</b>	<b>32,182,965</b>	<b>13,368</b>	<b>57,505,233</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 42,416,123</b>	<b>\$ 16,366,088</b>	<b>\$ 33,267,413</b>	<b>\$ 13,368</b>	<b>\$ 92,062,992</b>

**LEHI CITY CORPORATION  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2021**

TOTAL GOVERNMENTAL FUND BALANCES	\$ 57,505,233
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	364,051,051
LONG-TERM LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND THEREFORE ARE NOT REPORTED IN THE FUNDS	(128,685,648)
INTEREST PAYABLE ON LONG-TERM FINANCIAL RESOURCES IS NOT REPORTED IN THE GOVERNMENTAL FUNDS	(2,050,591)
THE CURRENT ASSETS, RESTRICTED CASH AND LIABILITIES OF THE INTERNAL SERVICE FUNDS ARE INCLUDED IN THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	1,466,280
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	(775,925)
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	(729,018)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 290,781,382</b>

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, 2021**

	GENERAL	SPECIAL REVENUE REDEVELOPMENT AGENCY	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
TAXES	\$ 34,327,544	\$ 11,904,228	\$ 486,728	\$ -	\$ 46,718,500
LICENSES, FEES AND PERMITS	4,106,697	-	6,533,938	-	10,640,635
INTERGOVERNMENTAL	9,935,765	-	13,957,299	-	23,893,064
CHARGES FOR SERVICES	8,113,532	-	-	-	8,113,532
FINES AND FORFEITURES	710,682	-	-	-	710,682
MISCELLANEOUS	2,678,250	-	-	-	2,678,250
INTEREST ON INVESTMENTS	125,518	10,198	128,045	-	263,761
TOTAL REVENUES	59,997,988	11,914,426	21,106,010	-	93,018,424
EXPENDITURES					
CURRENT					
GENERAL GOVERNMENT	8,259,035	-	-	-	8,259,035
PUBLIC SAFETY	17,120,953	-	-	-	17,120,953
COMMUNITY DEVELOPMENT	3,286,884	1,640,812	-	-	4,927,696
STREETS AND HIGHWAYS	5,620,679	-	-	-	5,620,679
PARKS, RECREATION AND CULTURE	10,341,966	-	-	-	10,341,966
CEMETERY	482,707	-	-	-	482,707
OTHER	-	-	5,250	-	5,250
CAPITAL OUTLAY	-	-	24,345,627	-	24,345,627
DEBT SERVICE					
PRINCIPAL	-	3,711,044	108,866	905,000	4,724,910
INTEREST AND FISCAL CHARGES	-	4,406,293	377,863	950,068	5,734,224
TOTAL EXPENDITURES	45,112,224	9,758,149	24,837,606	1,855,068	81,563,047
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,885,764	2,156,277	(3,731,596)	(1,855,068)	11,455,377
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	1,355,679	-	8,300,000	1,865,368	11,521,047
TRANSFERS OUT	(10,114,495)	(1,355,679)	(50,873)	-	(11,521,047)
SALE OF CAPITAL ASSETS	106,923	-	1,595,155	-	1,702,078
TOTAL OTHER FINANCING SOURCES (USES)	(8,651,893)	(1,355,679)	9,844,282	1,865,368	1,702,078
NET CHANGE IN FUND BALANCE	6,233,871	800,598	6,112,686	10,300	13,157,455
FUND BALANCE AT BEGINNING OF YEAR	15,186,857	3,087,574	26,070,279	3,068	44,347,778
FUND BALANCE AT END OF YEAR	\$ 21,420,728	\$ 3,888,172	\$ 32,182,965	\$ 13,368	\$ 57,505,233

**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, 2021**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 13,157,455
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	26,527,051 (16,350,449)
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	1,176,886
REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION	4,724,910
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	601,430 (185,487)
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	(483,882)
DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS	13,869,134
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 43,037,048

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, 2021**

	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		
<b>REVENUES</b>								
TAXES	\$ 29,876,812	\$ 29,876,812	\$ 34,327,544	\$ 4,450,732	\$ 15,530,000	15,530,000	\$ 11,904,228	\$ (3,625,772)
LICENSES, FEES AND PERMITS	3,020,000	3,020,000	4,106,697	1,086,697	-	-	-	-
INTERGOVERNMENTAL REVENUE	4,123,568	4,452,672	9,935,765	5,483,093	-	-	-	-
CHARGES FOR SERVICE	7,879,968	7,879,968	8,113,532	233,564	-	-	-	-
FINES AND FORFEITURES	737,500	746,500	710,682	(35,818)	-	-	-	-
MISCELLANEOUS REVENUE	1,604,500	1,644,500	2,678,250	1,033,750	-	-	-	-
INTEREST ON INVESTMENTS	101,000	101,000	125,518	24,518	7,500	7,500	10,198	2,698
<b>TOTAL REVENUES</b>	<b>47,343,348</b>	<b>47,721,452</b>	<b>59,997,988</b>	<b>12,276,536</b>	<b>15,537,500</b>	<b>15,537,500</b>	<b>11,914,426</b>	<b>(3,623,074)</b>
<b>EXPENDITURES</b>								
GENERAL GOVERNMENT	9,407,834	9,442,904	8,259,035	1,183,869	-	-	-	-
PUBLIC SAFETY	17,194,635	17,623,739	17,120,953	502,786	-	-	-	-
COMMUNITY DEVELOPMENT	3,443,103	3,478,727	3,286,884	191,843	4,051,200	4,051,200	1,640,812	2,410,388
STREETS AND HIGHWAYS	6,529,012	6,433,388	5,620,679	812,709	-	-	-	-
PARKS, RECREATIONS AND CULTURE	11,568,111	11,723,111	10,341,966	1,381,145	-	-	-	-
CEMETERY	536,472	536,472	482,707	53,765	-	-	-	-
DEBT SERVICE	-	-	-	-	10,865,228	10,865,228	8,117,337	2,747,891
<b>TOTAL EXPENDITURES</b>	<b>48,679,167</b>	<b>49,238,341</b>	<b>45,112,224</b>	<b>4,126,117</b>	<b>14,916,428</b>	<b>14,916,428</b>	<b>9,758,149</b>	<b>5,158,279</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,335,819)	(1,516,889)	14,885,764	16,402,653	621,072	621,072	2,156,277	1,535,205
<b>OTHER FINANCING SOURCES (USES)</b>								
TRANSFERS IN	1,600,000	1,600,000	1,355,679	(244,321)	-	-	-	-
TRANSFERS OUT	(2,114,495)	(10,114,495)	(10,114,495)	-	(1,778,572)	(1,778,572)	(1,355,679)	422,893
SALE OF CAPITAL ASSETS	10,000	10,000	106,923	96,923	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(504,495)</b>	<b>(8,504,495)</b>	<b>(8,651,893)</b>	<b>(147,398)</b>	<b>(1,778,572)</b>	<b>(1,778,572)</b>	<b>(1,355,679)</b>	<b>422,893</b>
NET CHANGE IN FUND BALANCE	(1,840,314)	(10,021,384)	6,233,871	16,255,255	(1,157,500)	(1,157,500)	800,598	1,958,098
FUND BALANCE AT BEGINNING OF YEAR	15,186,857	15,186,857	15,186,857	-	3,087,574	3,087,574	3,087,574	-
FUND BALANCE AT END OF YEAR	\$ 13,346,543	\$ 5,165,473	\$ 21,420,728	\$ 16,255,255	\$ 1,930,074	\$ 1,930,074	\$ 3,888,172	\$ 1,958,098

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**LEHI CITY CORPORATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTAL BUSINESS- TYPE FUNDS	
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
CASH AND CASH EQUIVALENTS	\$ 15,861,888	6,293,796	\$ 1,307,870	\$ 31,299,309	\$ -	\$ 3,450,170	\$ 58,213,033	\$ 1,829,368
RECEIVABLES (NET):								
ACCOUNTS	1,015,735	932,857	366,657	4,510,188	-	607,011	7,432,448	29,510
UNBILLED	98,199	119,673	62,603	563,855	-	91,220	935,550	-
OTHER	-	-	2,670	-	-	-	2,670	-
REFUND DUE FROM DEPOSIT WITH POWER SUPPLIER	-	-	-	304,188	-	-	304,188	-
INVENTORY	208,115	12,793	45,396	5,756,706	-	6,313	6,029,323	54,946
<b>TOTAL CURRENT ASSETS</b>	<b>17,183,937</b>	<b>7,359,119</b>	<b>1,785,196</b>	<b>42,434,246</b>	<b>-</b>	<b>4,154,714</b>	<b>72,917,212</b>	<b>1,913,824</b>
<b>NON-CURRENT ASSETS</b>								
RESTRICTED CASH AND CASH EQUIVALENTS	1,662,709	3,144,711	7,405,163	4,857,534	62,472,262	823,131	80,365,510	720
NONDEPRECIABLE CAPITAL ASSETS	25,900,104	69,079	43,189,152	2,505,375	-	701,366	72,365,076	-
DEPRECIABLE CAPITAL ASSETS, NET	49,006,342	52,423,269	65,669,203	97,322,255	-	48,668,551	313,089,620	6,560,154
<b>TOTAL NON-CURRENT ASSETS</b>	<b>76,569,155</b>	<b>55,637,059</b>	<b>116,263,518</b>	<b>104,685,164</b>	<b>62,472,262</b>	<b>50,193,048</b>	<b>465,820,206</b>	<b>6,560,874</b>
<b>TOTAL ASSETS</b>	<b>\$ 93,753,092</b>	<b>\$ 62,996,178</b>	<b>\$ 118,048,714</b>	<b>\$ 147,119,410</b>	<b>\$ 62,472,262</b>	<b>\$ 54,347,762</b>	<b>\$ 538,737,418</b>	<b>\$ 8,474,698</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ -	\$ -	\$ 6,095,614	\$ -	\$ -	\$ 6,095,614	\$ -
PREPAID BOND INSURANCE	-	-	-	-	640,847	-	640,847	-
DEFERRED OUTFLOWS RELATED TO PENSIONS	147,076	58,400	41,952	427,233	-	94,721	769,382	167,016
<b>TOTAL DEFERRED OUTFLOWS     OF RESOURCES</b>	<b>\$ 147,076</b>	<b>\$ 58,400</b>	<b>\$ 41,952</b>	<b>\$ 6,522,847</b>	<b>\$ 640,847</b>	<b>\$ 94,721</b>	<b>\$ 7,505,843</b>	<b>\$ 167,016</b>

CONTINUED

**LEHI CITY CORPORATION**  
**STATEMENT OF NET POSITION - CONTINUED**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

LIABILITIES	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTALS	
<b>CURRENT LIABILITIES</b>								
ACCOUNTS PAYABLE	\$ 4,246,889	\$ 1,067,357	\$ 100,366	\$ 6,169,647	\$ 37,000	\$ 415,773	\$ 12,037,032	\$ 386,334
WAGES PAYABLE	49,878	17,439	13,720	155,173	-	24,227	260,437	61,930
ACCRUED INTEREST PAYABLE	15,380	-	56,200	56,059	-	1,122	128,761	-
PAYABLE FROM RESTRICTED ASSETS:								
ACCOUNTS PAYABLE	252,000	60,735	-	70,050	-	140,000	522,785	-
ACCRUED INTEREST	-	-	-	-	630,511	-	630,511	35,872
CUSTOMER DEPOSITS	32,550	-	-	6,970	-	-	39,520	-
CURRENT PORTION COMPENSATED ABSENCES	99,050	33,753	29,451	269,717	-	38,466	470,437	89,732
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	112,914	-	364,015	545,000	-	185,000	1,206,929	415,967
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,808,661</b>	<b>1,179,284</b>	<b>563,752</b>	<b>7,272,616</b>	<b>667,511</b>	<b>804,588</b>	<b>15,296,412</b>	<b>989,835</b>
<b>NON-CURRENT LIABILITIES</b>								
COMPENSATED ABSENCES	196,474	21,989	27,297	366,240	-	43,971	655,971	88,785
NET PENSION LIABILITY	37,915	15,055	10,815	110,137	-	24,418	198,340	43,057
NOTES PAYABLE	521,330	-	521,329	-	-	-	1,042,659	-
CAPITAL LEASE PAYABLE, LESS CURRENT MATURITIES	-	-	-	-	-	-	-	2,284,957
BONDS PAYABLE, LESS CURRENT MATURITIES	3,527,140	-	15,036,750	15,698,335	63,541,973	595,000	98,399,198	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,282,859</b>	<b>37,044</b>	<b>15,596,191</b>	<b>16,174,712</b>	<b>63,541,973</b>	<b>663,389</b>	<b>100,296,168</b>	<b>2,416,799</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 9,091,520</b>	<b>\$ 1,216,328</b>	<b>\$ 16,159,943</b>	<b>\$ 23,447,328</b>	<b>\$ 64,209,484</b>	<b>\$ 1,467,977</b>	<b>\$ 115,592,580</b>	<b>\$ 3,406,634</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
DEFERRED INFLOWS RELATED TO PENSIONS	\$ 270,582	\$ 107,441	\$ 77,182	\$ 785,997	\$ -	\$ 174,261	\$ 1,415,463	\$ 307,268
<b>NET POSITION</b>								
NET INVESTMENT IN CAPITAL ASSETS	\$ 70,745,062	\$ 52,492,348	\$ 100,321,604	\$ 83,584,295	\$ -	\$ 48,589,917	\$ 355,733,226	\$ 3,859,950
RESTRICTED FOR								
CAPITAL PROJECTS	1,410,709	3,083,976	-	4,787,239	-	683,085	9,965,009	-
UNRESTRICTED (DEFICIT)	12,382,295	6,154,485	1,531,937	41,037,398	(1,096,375)	3,527,243	63,536,983	1,067,862
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ 84,538,066</b>	<b>\$ 61,730,809</b>	<b>\$ 101,853,541</b>	<b>\$ 129,408,932</b>	<b>\$ (1,096,375)</b>	<b>\$ 52,800,245</b>	<b>429,235,218</b>	<b>\$ 4,927,812</b>
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS								
CURRENT YEAR ADJUSTMENT							185,487	
CUMULATIVE ADJUSTMENT FROM PRIOR YEARS							543,531	
<b>NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>							<b>\$ 429,964,236</b>	

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, 2021**

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTALS	
OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS)								
CHARGES FOR SERVICES	\$ 6,861,482	\$ 9,553,148	\$ 4,103,868	\$ 38,896,480	\$ -	\$ 6,070,200	\$ 65,485,178	\$ 6,644,720
HOOK-UP AND SERVICING FEES	605,026	-	415,933	563,713	-	-	1,584,672	-
MISCELLANEOUS REVENUES	281,032	51,750	385,619	362,923	-	30,640	1,111,964	25,097
TOTAL OPERATING REVENUES	7,747,540	9,604,898	4,905,420	39,823,116	-	6,100,840	68,181,814	6,669,817
OPERATING EXPENSES								
PERSONNEL	1,455,096	584,869	440,746	3,458,119	-	786,613	6,725,443	1,840,173
GENERAL ADMINISTRATION	176,900	133,771	28,979	593,874	-	58,605	992,129	-
OPERATING AND MAINTENANCE	2,654,994	8,298,073	1,877,970	30,659,160	644,409	4,044,379	48,178,985	2,991,961
INTERFUND CHARGES	317,500	182,000	75,000	838,000	-	142,000	1,554,500	-
DEPRECIATION	2,077,383	2,161,378	2,435,292	4,245,484	-	1,916,751	12,836,288	1,181,130
TOTAL OPERATING EXPENSES	6,681,873	11,360,091	4,857,987	39,794,637	644,409	6,948,348	70,287,345	6,013,264
OPERATING INCOME (LOSS)	1,065,667	(1,755,193)	47,433	28,479	(644,409)	(847,508)	(2,105,531)	656,553
NON-OPERATING REVENUES (EXPENSES)								
DEVELOPER FEES	3,338,726	-	-	-	-	-	3,338,726	-
WATER ACCESS RIGHTS	(3,338,726)	-	-	-	-	-	(3,338,726)	-
INTEREST INCOME	78,513	43,572	51,309	169,878	53,195	19,138	415,605	5,996
INTEREST EXPENSE	(144,881)	-	(611,155)	(605,395)	(505,161)	(33,437)	(1,900,029)	(39,217)
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	4,085	-	-	5,540	-	-	9,625	(21,902)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(62,283)	43,572	(559,846)	(429,977)	(451,966)	(14,299)	(1,474,799)	(55,123)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,003,384	(1,711,621)	(512,413)	(401,498)	(1,096,375)	(861,807)	(3,580,330)	601,430
CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	1,420,364	1,339,553	1,406,968	5,293,659	-	285,716	9,746,260	-
CAPITAL CONTRIBUTIONS	3,461,736	4,393,626	5,646,160	6,104,708	-	1,817,728	21,423,958	-
CHANGE IN NET POSITION	5,885,484	4,021,558	6,540,715	10,996,869	(1,096,375)	1,241,637	27,589,888	601,430
NET POSITION AT BEGINNING OF YEAR	78,652,582	57,709,251	95,312,826	118,412,063	-	51,558,608		4,326,382
NET POSITION (DEFICIT) AT END OF YEAR	\$ 84,538,066	\$ 61,730,809	\$ 101,853,541	\$ 129,408,932	\$ (1,096,375)	\$ 52,800,245		\$ 4,927,812
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS							185,487	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (page 33)							<u>\$ 27,775,375</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTALS	ACTIVITIES INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES								
CASH RECEIVED FROM CUSTOMERS	\$ 7,104,944	\$ 9,518,861	\$ 4,489,155	\$ 38,735,888	\$ -	\$ 6,020,775	\$ 65,869,623	\$ -
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	-	-	-	-	-	-	-	6,631,401
CASH PAID TO SUPPLIERS	(217,142)	(8,123,631)	(2,256,192)	(30,726,018)	(1,248,256)	(3,993,920)	(46,565,159)	(2,482,876)
CASH PAID TO EMPLOYEES	(1,529,244)	(608,241)	(456,068)	(3,601,901)	-	(832,140)	(7,027,594)	(2,624,476)
CASH PAID FOR INTERFUND SERVICES	(317,500)	(182,000)	(75,000)	(838,000)	-	(142,000)	(1,554,500)	-
OTHER RECEIPTS	281,032	51,750	385,619	362,923	-	30,640	1,111,964	18,106
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	5,322,090	656,739	2,087,514	3,932,892	(1,248,256)	1,083,355	11,834,334	1,542,155
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
INTEREST PAID ON INTERFUND BORROWING	-	-	(4,386)	-	-	-	(4,386)	(102)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	-	(4,386)	-	-	-	(4,386)	(102)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(3,234,302)	(500,302)	(1,516,579)	(5,226,064)	-	(117,746)	(10,594,993)	(2,053,206)
PROCEEDS FROM SALE OF CAPITAL ASSETS	4,085	-	-	5,540	-	-	9,625	22,519
CONTRIBUTIONS FROM DEVELOPERS	3,751,108	-	-	5,062,551	-	30,182	8,843,841	-
PAYMENTS MADE FOR WATER ACCESS RIGHTS	(1,630,500)	-	-	-	-	-	-	-
PROCEEDS FROM ISSUANCE OF BONDS	-	-	-	-	63,667,323	-	63,667,323	-
PRINCIPAL PAID ON BONDS	(74,100)	-	(315,900)	(520,000)	-	(180,000)	(1,090,000)	-
INTEREST PAID	(170,047)	-	(694,910)	(733,500)	-	(33,696)	(1,632,153)	-
PROCEEDS FROM CAPITAL LEASE	-	-	-	-	-	-	-	810,000
PAYMENTS MADE ON CAPITAL LEASES	-	-	-	-	-	-	-	(334,010)
PRINCIPAL PAID ON NOTES PAYABLE	(35,348)	-	(35,348)	-	-	-	(70,696)	-
IMPACT FEES COLLECTED	1,421,558	1,340,314	1,405,480	5,295,639	-	286,092	9,749,083	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	32,454	840,012	(1,157,257)	3,884,166	63,667,323	(15,168)	68,882,030	(1,554,697)
CASH FLOWS FROM INVESTING ACTIVITIES								
PURCHASE OF INVESTMENTS	-	-	-	-	-	-	-	-
PROCEEDS FROM SALE OF INVESTMENTS	4,308,611	3,567,331	211,787	8,836,384	-	1,316,564	18,240,677	-
INTEREST INCOME COLLECTED	78,513	43,572	51,309	169,878	53,195	19,138	415,605	5,996
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,387,124	3,610,903	263,096	9,006,262	53,195	1,335,702	18,656,282	5,996

CONTINUED

**LEHI CITY CORPORATION**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES							GOVERNMENTAL
	CULINARY WATER	SEWER	PRESSURIZED IRRIGATION	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTALS	ACTIVITIES INTERNAL SERVICE FUNDS
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,741,668	5,107,654	1,188,967	16,823,320	62,472,262	2,403,889	97,737,760	(6,648)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,782,929	4,330,853	7,524,066	19,333,523	-	1,869,412	40,840,783	1,836,736
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 17,524,597</u>	<u>\$ 9,438,507</u>	<u>\$ 8,713,033</u>	<u>\$ 36,156,843</u>	<u>\$ 62,472,262</u>	<u>\$ 4,273,301</u>	<u>\$ 138,578,543</u>	<u>\$ 1,830,088</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:								
UNRESTRICTED CASH	\$ 15,861,888	\$ 6,293,796	\$ 1,307,870	\$ 31,299,309	\$ -	\$ 3,450,170	\$ 58,213,033	\$ 1,829,368
RESTRICTED CASH	1,662,709	3,144,711	7,405,163	4,857,534	62,472,262	823,131	80,365,510	720
	<u>\$ 17,524,597</u>	<u>\$ 9,438,507</u>	<u>\$ 8,713,033</u>	<u>\$ 36,156,843</u>	<u>\$ 62,472,262</u>	<u>\$ 4,273,301</u>	<u>\$ 138,578,543</u>	<u>\$ 1,830,088</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 3,049,354	\$ 4,393,626	\$ 5,646,160	\$ 1,042,157	\$ -	\$ 1,787,546	\$ 15,918,843	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
OPERATING INCOME (LOSS)	\$ 1,065,667	\$ (1,755,193)	\$ 47,433	\$ 28,479	\$ (644,409)	\$ (847,508)	\$ (2,105,531)	\$ 656,553
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES								
DEPRECIATION	2,077,383	2,161,378	2,435,292	4,245,484	-	1,916,751	12,836,288	1,181,130
CHANGES IN ASSETS AND LIABILITIES								
ACCOUNTS RECEIVABLE	(355,641)	(28,317)	(27,510)	(670,817)	-	(44,311)	(1,126,596)	(20,310)
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	(5,923)	(5,970)	(3,136)	(53,038)	-	(5,114)	(73,181)	-
ADVANCE BILLING ON DEPOSIT								
WITH POWER SUPPLIER	-	-	-	328,189	-	-	328,189	-
INVENTORY	13,909	1,570	182	(2,354,034)	-	(752)	(2,339,125)	821
ACCOUNTS PAYABLE	2,600,843	306,643	(349,425)	2,309,036	37,000	109,816	5,013,913	(214,997)
WAGES PAYABLE	13,685	5,116	4,177	51,904	-	6,022	80,904	19,425
COMPENSATED ABSENCES	12,500	12,329	8,321	64,891	-	15,513	113,554	10,846
AMORTIZATION OF ADVANCE FUNDING								
OF UAMPS PROJECT	-	-	-	243,825	-	-	243,825	-
CHANGE IN PREPAID BOND INSURANCE	-	-	-	-	(640,847)	-	(640,847)	-
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS								
RELATED TO PENSIONS	(100,333)	(40,817)	(27,820)	(260,577)	-	(67,062)	(496,609)	(91,313)
CUSTOMER DEPOSITS	-	-	-	(450)	-	-	(450)	-
	<u>\$ 5,322,090</u>	<u>\$ 656,739</u>	<u>\$ 2,087,514</u>	<u>\$ 3,932,892</u>	<u>\$ (1,248,256)</u>	<u>\$ 1,083,355</u>	<u>\$ 11,834,334</u>	<u>\$ 1,542,155</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Basic Financial Statements – Government-Wide Statements**

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

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

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

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

The City does not allocate indirect expenses.

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

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

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Basic Financial Statements – Fund Financial Statements**

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

*Governmental Funds*

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

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

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

*Proprietary Funds*

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

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

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

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

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

- The purpose of the Pressurized Irrigation Fund is to provide the citizens of the City with an adequate supply of clean irrigation water and adequate working water pressure for the City Fire Department.
- The Sewer Fund's mission is to ensure the proper and healthy collection and transmission of the City's sewage and to protect, maintain and expand the City's sewer system.
- The purpose of the Electric Fund is to provide reliable electrical service to the City's customers at competitive rates. This includes the construction, operation and maintenance of the City's power distribution system including underground and overhead lines, meters, and substations.
- The Fiber Fund will be used to account for the acquisition, construction and installation of a fiber-optic network and related facilities and improvements.

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

- The Drainage Fund is responsible for improving storm water conveyance throughout the City. This includes construction of new storm water conveyance and detention facilities to correct existing drainage problems in order to protect the City's citizens and their property from flooding.
  - The Garbage Fund provides refuse collection and recycling services for residences and businesses within the City.
- **Internal service funds** are used to account for the City's fleet maintenance, risk management, information technology, and property management services. The internal service fund activities have been combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided with the combining data elsewhere in this report.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities category. Nonmajor funds by category are summarized into a single column. GAAP sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

**Basis of Accounting**

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

*Accrual*

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

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*Modified Accrual*

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

**Cash and cash equivalents**

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

**Investments**

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

**Restricted cash and cash equivalents**

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

**Inventories and prepaid items**

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

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

**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.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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.

**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.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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 \$935,550 at June 30, 2021. The accounts receivable are reported net of the allowance for doubtful accounts of \$445,745 at June 30, 2021.

**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.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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, 2021.

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

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

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

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

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

**Operating Revenues and Expenses**

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

**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.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Estimates and assumptions**

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

**Budgets and budgetary control**

Annual budgets are prepared and adopted, in accordance with state law, by the Mayor and City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Redevelopment Agency Special Revenue Fund 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 35% of the next year's budgeted revenues, the excess must be appropriated within the following two years.

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

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

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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, 2021 the book value of cash on deposit was \$3,019,360 and the bank balance was \$5,677,164 (\$5,218,552 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, 2021**

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**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, 2021, 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	\$ 173,905,050	\$ -	\$ 173,905,050	\$ -
Corporate Debt Securities	11,418,765	-	11,418,765	-
Certificates of Deposit	7,187,786	-	7,187,786	-
U.S. Government Securities	252,295	252,295	-	-
Money Market Funds	391,115	391,115	-	-
	<u>\$ 193,155,011</u>	<u>\$ 643,410</u>	<u>\$ 192,511,601</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, 2021 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, 2021**

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**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, 2021:

Investment Type	Fair Value	Investment Maturities (in years)				
		Less Than 1	1-5	6-10	More Than 10	
<b>Debt Securities</b>						
Corporate Debt Securities	\$ 11,418,765	\$ 5,175,888	\$ 6,242,877	\$ -	\$ -	
Certificates of Deposit	7,187,786	468,157	6,719,629	-	-	
U.S Government Securities	252,295	-	252,295	-	-	
Money Market Funds	391,115	391,115	-	-	-	
	19,249,961	<u>\$ 6,035,160</u>	<u>\$ 13,214,801</u>	<u>\$ -</u>	<u>\$ -</u>	
<b>Other Investments</b>						
Utah Public Treasurer's Investment Fund	173,905,050					
	<u>\$ 193,155,011</u>					

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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	\$ 173,905,050	\$ -	\$ -	\$ -	\$ -	\$ 173,905,050
Corporate Debt Securities	11,418,765	-	2,462,504	8,150,508	200,477	605,276
Certificates of Deposit	7,187,786	-	1,092,109	1,454,264	716,692	3,924,721
U.S Government Securities	252,295	252,295	-	-	-	-
Money Market Funds	391,115	391,115	-	-	-	-
	<u>\$ 193,155,011</u>	<u>\$ 643,410</u>	<u>\$ 3,554,613</u>	<u>\$ 9,604,772</u>	<u>\$ 917,169</u>	<u>\$ 178,435,047</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, 2021, 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, 2021, 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, 2021**

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**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, 2021) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2021, the City had \$173,905,050 invested in the PTIF which had a fair value of \$174,488,044 for an unrealized gain of \$582,994. 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	65.21%
Commercial paper	19.27%
Money market accounts	7.90%
U.S Treasury bills	7.62%
	<u>100.00%</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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	\$ 712,508	\$ 4,138,311	\$ 4,850,819
Unexpended bond proceeds	1,406	65,739,406	65,740,812
Unexpended B & C Road funds	2,249,545	-	2,249,545
Utah County transportation funds	916,478	-	916,478
Unexpended CDBG funds	58,257	-	58,257
Unexpended Covid Relief Funds	854,529	-	854,529
Funds restricted for landfill post-closure costs	516,463	-	516,463
Asset forfeiture account funds	52,371	-	52,371
Fund restricted for library	176,092	-	176,092
Unexpended impact fees	4,620,712	10,487,793	15,108,505
	<u>\$ 10,158,361</u>	<u>\$ 80,365,510</u>	<u>\$ 90,523,871</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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	\$ -	\$ -	\$ 686	\$ -	\$ 686
Debt reserves	-	-	712,508	-	712,508
Externally imposed by grantors	176,092		58,257	-	234,349
Imposed by law or legislation					
C road funds	2,249,545	-	-	-	2,249,545
Less liabilities payable from C road funds	(74,011)	-	-	-	(74,011)
Utah County transportation funds	916,478	-	-	-	916,478
Landfill post-closure costs	516,463	-	-	-	516,463
Covid-19 grant funds	854,529	-	-	-	854,529
Impact fees	-	-	4,620,712	-	4,620,712
Less liabilities payable from impact fees or bond proceeds	-	-	(1,052,124)	-	(1,052,124)
Total restricted	4,639,096	-	4,340,039	-	8,979,135
Committed:					
Library Fund	643,812	-	-	-	643,812
Total committed	643,812	-	-	-	643,812
Assigned:					
Hutchings Museum	23,526	-	-	-	23,526
Redevelopment	-	3,888,172	-	-	3,888,172
Capital Projects			27,842,926		27,842,926
Debt Service	-	-	-	13,368	13,368
Total assigned	23,526	3,888,172	27,842,926	13,368	31,767,992
Unassigned:	16,114,294	-	-	-	16,114,294
Total fund balance	<u>\$ 21,420,728</u>	<u>\$ 3,888,172</u>	<u>\$ 32,182,965</u>	<u>\$ 13,368</u>	<u>\$ 57,505,233</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE F – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021 is as follows:

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
<b>Governmental Activities:</b>				
Nondepreciable capital assets:				
Land	\$ 150,619,027	\$ 8,944,359	\$ -	\$ 159,563,386
Construction in progress	<u>20,851,855</u>	<u>8,985,292</u>	<u>(5,343,245)</u>	<u>35,180,392</u>
Total nondepreciable capital assets	<u>\$ 171,470,882</u>	<u>\$ 17,929,651</u>	<u>\$ (5,343,245)</u>	<u>\$ 194,743,778</u>
Depreciable capital assets:				
Buildings	\$ 32,317,895	\$ 96,782	\$ 1,095,206	\$ 31,319,471
Improvements, including infrastructure	<u>272,032,867</u>	<u>16,772,825</u>	<u>-</u>	<u>288,805,692</u>
Machinery, equipment and vehicles	<u>25,962,975</u>	<u>2,306,887</u>	<u>611,101</u>	<u>27,658,761</u>
Office furniture and equipment	<u>1,666,761</u>	<u>-</u>	<u>-</u>	<u>1,666,761</u>
Total depreciable capital assets at historical cost	<u>331,980,498</u>	<u>19,176,494</u>	<u>1,706,307</u>	<u>349,450,685</u>
Less accumulated depreciation:				
Buildings	14,553,007	1,337,267	620,716	15,269,558
Improvements, including infrastructure	<u>130,582,893</u>	<u>14,341,187</u>	<u>-</u>	<u>144,924,080</u>
Machinery, equipment and vehicles	<u>17,037,082</u>	<u>1,839,495</u>	<u>557,290</u>	<u>18,319,287</u>
Office furniture and equipment	<u>1,616,857</u>	<u>13,630</u>	<u>-</u>	<u>1,630,487</u>
Total accumulated depreciation	<u>163,789,839</u>	<u>17,531,579</u>	<u>1,178,006</u>	<u>180,143,412</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 168,190,659</u>	<u>\$ 1,644,915</u>	<u>\$ 528,301</u>	<u>\$ 169,307,273</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 1,992,593
Public safety	1,410,032
Community development	90,535
Streets and highways, including infrastructure	12,195,205
Parks, recreation and culture	1,801,902
Cemetery	41,312
	<u>\$ 17,531,579</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

NOTE F – CAPITAL ASSETS – CONTINUED

	July 1, 2020	Increases	Decreases	June 30, 2021
<b>Business-type Activities</b>				
Nondepreciable capital assets:				
Land	\$ 3,426,304	\$ -	\$ -	\$ 3,426,304
Construction in progress	19,541,657	3,302,175	14,291,625	8,552,207
Intangibles	59,130,125	1,256,440	-	60,386,565
Total nondepreciable capital assets	<u>\$ 82,098,086</u>	<u>\$ 4,558,615</u>	<u>\$ 14,291,625</u>	<u>\$ 72,365,076</u>
Depreciable capital assets:				
Buildings	\$ 13,408,298	\$ -	\$ -	\$ 13,408,298
Improvements, including infrastructure	380,269,032	36,213,139	-	416,482,171
Machinery, equipment and vehicles	6,988,651	33,707	50,885	6,971,473
Office furniture and equipment	207,160	-	-	207,160
Total depreciable capital assets at historical cost	<u>400,873,141</u>	<u>36,246,846</u>	<u>50,885</u>	<u>437,069,102</u>
Less accumulated depreciation:				
Buildings	2,378,982	449,107	-	2,828,089
Improvements, including infrastructure	103,559,032	12,008,446	-	115,567,478
Machinery, equipment and vehicles	5,063,573	375,962	50,885	5,388,650
Office furniture and equipment	192,492	2,773	-	195,265
Total accumulated depreciation	<u>111,194,079</u>	<u>12,836,288</u>	<u>50,885</u>	<u>123,979,482</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 289,679,062</u>	<u>\$ 23,410,558</u>	<u>\$ -</u>	<u>\$ 313,089,620</u>

Depreciation was charged to functions as follows:

Business-type activities:

Culinary water	\$ 2,077,383
Sewer	2,161,378
Electric	4,245,484
Pressurized irrigation	2,435,292
Drainage	1,916,751
	<u>\$ 12,836,288</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE G – CUSTOMER DEPOSITS**

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

**NOTE H – LONG-TERM OBLIGATIONS**

A summary of long-term obligation activity for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Current Amounts Due
<b>Governmental activities</b>					
<b>Direct Placements</b>					
2014 Sales tax revenue and refunding bonds	\$ 3,085,000	\$ -	\$ 745,000	\$ 2,340,000	\$ 765,000
2004 Subordinated sales tax revenue bonds	7,955,000	-	-	7,955,000	-
<b>Other bonds and notes payable</b>					
2019 Sales tax revenue bonds	16,470,000	-	-	16,470,000	-
Unamortized premium	1,819,798	-	96,626	1,723,172	-
2018 Sales tax revenue bonds	4,700,000	-	160,000	4,540,000	170,000
Unamortized premium	691,730	-	38,429	653,301	-
Tax increment notes payable to developers	89,515,210	-	3,711,044	85,804,166	-
Other notes payable	655,769	-	108,866	546,903	-
Total bonds and notes payable	124,892,507	-	4,859,965	120,032,542	935,000
Other liabilities:					
Capital lease obligations	2,200,000	810,000	309,076	2,700,924	415,967
Compensated absences	3,279,093	1,642,202	1,271,958	3,649,337	1,557,717
Net pension liability	4,922,274	-	3,131,801	1,790,473	-
Landfill closure and post- closure care liability	250,917	261,455	-	512,372	-
	10,652,284	2,713,657	4,712,835	8,653,106	1,973,684
Governmental activities long-term debt	\$ 135,544,791	\$ 2,713,657	\$ 9,572,800	\$ 128,685,648	\$ 2,908,684

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE H – LONG-TERM OBLIGATIONS - CONTINUED**

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Current Amounts Due
<b>Business-type activities</b>					
<b>Direct Placements</b>					
2010 Drainage refunding bonds	\$ 960,000	\$ -	\$ 180,000	\$ 780,000	\$ 185,000
<b>Other bonds and notes payable</b>					
2021 Franchise and sales tax revenue bonds	-	53,890,000	-	53,890,000	-
Unamortized premium	-	9,777,323	125,350	9,651,973	-
2019 Water revenue bonds	17,090,000	-	390,000	16,700,000	405,000
Unamortized premium	2,369,224	-	100,334	2,268,890	-
2018 Electric revenue bonds	14,670,000	-	520,000	14,150,000	545,000
Unamortized premium	2,219,380	-	126,045	2,093,335	-
Note payable to Provo Reservoir Water Users Company	377,032	-	21,832	355,200	22,265
Note payable to Provo River Water Users Association	808,252	-	48,864	759,388	49,664
Total bonds and notes payable	38,493,888	63,667,323	1,512,425	100,648,786	1,206,929
Compensated absences	1,012,854	506,884	393,330	1,126,408	470,437
Net pension liability	1,346,949	-	1,148,609	198,340	-
	2,359,803	506,884	1,541,939	1,324,748	470,437
<b>Business-type activities   long-term debt</b>	<b>\$ 40,853,691</b>	<b>\$ 64,174,207</b>	<b>\$ 3,054,364</b>	<b>\$ 101,973,534</b>	<b>\$ 1,677,366</b>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE H – LONG-TERM OBLIGATIONS - CONTINUED**

The City has issued the following notes and bonds payable as of June 30, 2021:

<b>Series</b>	<b>Original Issue</b>	<b>Interest Rate</b>	<b>Premium Paid on Issue</b>	<b>Maturity Date</b>	<b>Principal and Unamortized Premium Outstanding</b>
<b>Governmental Activities</b>					
<b>Bonds Payable</b>					
2019 Sales tax revenue bonds	\$ 16,470,000	2.41% - 5.00%	\$ 1,932,528	2039	\$ 18,193,172
2018 Sales tax revenue bonds	5,000,000	4.00% - 5.25%	768,588	2038	5,193,301
2014 Sales tax revenue and refunding bonds	7,210,000	2.30%	-	2024	2,340,000
2004 Subordinated sales tax revenue bonds	9,000,000	4.75%	-	2024	7,955,000
<b>Notes Payable</b>					
Tax increment note payable to developer - Alpine Highway Project	75,744,432	6.50%	-	2028	44,540,061
Tax increment note payable to developer - West Timpanogos Community Development Project Area	19,557,363	-	-	2034	17,897,498
Tax increment note payable to developer - Thanksgiving Park Economic Development Project Area	2,500,000	-	-	2024	675,434
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	12,240,152
Note payable to developer	1,000,000	-	-	2025	546,903
<b>Total governmental activities</b>					<b>\$ 120,032,542</b>
<b>Business-type activities</b>					
<b>Bonds Payable</b>					
2010 Storm Drain revenue and refunding bonds	\$ 2,500,000	3.51%	-	2025	\$ 780,000
2021 Franchise and sales tax revenue bonds	53,890,000	4.00% - 5.00%	9,777,323	2048	63,541,973
2019 Water revenue bonds	17,205,000	4.00% - 5.00%	2,508,353	2044	18,968,890
2018 Electric revenue bonds	15,640,000	4.00% - 5.00%	2,469,467	2038	16,243,335
<b>Notes Payable</b>					
Note payable to Provo Reservoir Water User Company	419,011	4.00%	-	2035	355,200
Note payable to Provo River Water Users Association	884,380	4.00%	-	2035	759,388
<b>Total governmental activities</b>					<b>\$ 100,648,786</b>

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, 2021**

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**NOTE H – LONG-TERM OBLIGATIONS – CONTINUED**

As of June 30, 2021 annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30,	<b>Direct Placement</b>		<b>Other</b>	
	Sales Tax		Sales Tax	
	Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 765,000	\$ 53,820	\$ 170,000	\$ 881,913
2023	780,000	36,224	180,000	873,912
2024	795,000	18,285	190,000	865,413
2025	-	-	1,025,000	856,413
2026	-	-	1,065,000	846,912
2027-2031	-	-	6,010,000	3,613,750
2032-2036	-	-	7,460,000	2,287,800
2037-2039	-	-	4,910,000	8,845,926
	<u>\$ 2,340,000</u>	<u>\$ 108,329</u>	21,010,000	19,072,039
Unamortized Premium			<u>2,376,473</u>	<u>(2,376,473)</u>
			<u>\$ 23,386,473</u>	<u>\$ 16,695,566</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 \$546,903 is unknown due to the uncertainty of the timing of the payments.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE H – LONG-TERM OBLIGATIONS - CONTINUED**

As of June 30, 2021, annual debt service requirements of business-type activities to maturity are as follows:

<b>Direct Placements</b>				
Year ending June 30,	Drainage			
	Revenue bonds			
	Principal	Interest		
2022	\$ 185,000	\$ 22,265		
2023	190,000	22,706		
2024	200,000	23,156		
2025	205,000	23,614		
	<u>\$ 780,000</u>	<u>\$ 91,741</u>		

<b>Other Bonds and Notes</b>				
Year ending June 30,	Water		Electric	
	Revenue Bonds		Revenue Bonds	
	Principal	Interest	Principal	Interest
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	490,000	748,000	665,000	589,500
2027-2031	2,840,000	3,347,250	3,865,000	2,413,500
2032-2036	3,630,000	2,562,500	4,925,000	1,346,750
2037-2041	4,630,000	1,560,000	2,335,000	176,500
2042-2044	3,370,000	342,500	-	-
	<u>16,700,000</u>	<u>11,770,700</u>	<u>14,150,000</u>	<u>7,186,750</u>
Unamortized Premium	2,268,890	(2,268,890)	2,093,335	(2,093,335)
	<u>\$ 18,968,890</u>	<u>\$ 9,501,810</u>	<u>\$ 16,243,335</u>	<u>\$ 5,093,415</u>

<b>Franchise and Sales Tax</b>		
Revenue Bonds		
Year ending June 30,	Principal	Interest
2022	\$ -	\$ 1,927,742
2023	-	2,210,150
2024	875,000	2,210,150
2025	915,000	2,175,150
2026	950,000	2,138,550
2027-2031	5,455,000	9,984,250
2032-2036	10,445,000	8,336,000
2037-2041	12,705,000	6,073,600
2042-2046	15,460,000	3,320,600
2047-2048	7,085,000	427,800
	<u>53,890,000</u>	<u>38,803,992</u>
Unamortized Premium	9,651,973	(9,651,973)
	<u>\$ 63,541,973</u>	<u>\$ 29,152,019</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**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
2022	\$ 49,664	\$ 10,277	\$ 22,265	\$ 7,036
2023	50,290	9,605	22,706	6,595
2024	50,978	8,924	23,156	6,145
2025	51,691	8,235	23,614	5,686
2026	52,317	7,535	24,082	5,219
2027-2031	272,720	26,853	127,758	18,746
2032-2036	231,728	7,890	111,619	5,579
	<u>\$ 759,388</u>	<u>\$ 79,319</u>	<u>\$ 355,200</u>	<u>\$ 55,006</u>

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

*Collateral and Events of Default:*

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

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

	Electric Revenues Bonds	Drainage Revenue Bonds	Water Revenue Bonds
Net revenues			
Operating revenues	\$ 39,823,116	\$ 2,259,583	\$ 12,652,960
Operating expenses (excluding depreciation)	(35,549,153)	(1,262,128)	(7,027,185)
Impact fee revenues	5,293,659	285,716	2,827,332
Interest income	169,878	18,486	129,822
Net revenues	<u>\$ 9,737,500</u>	<u>\$ 1,301,657</u>	<u>\$ 8,582,929</u>
Aggregate debt service for 2022	<u>\$ 1,252,500</u>	<u>\$ 207,265</u>	<u>\$ 1,235,950</u>
Ratio of net revenues to aggregate debt service	7.77	6.28	6.94
Minimum ratio	1.25	1.25	1.25

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE H – LONG-TERM OBLIGATIONS – CONTINUED**

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

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

See Note 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
2022	\$ 765,000	\$ 53,820	\$ 818,820
2023	780,000	36,224	816,224
2024	795,000	18,285	813,285
	<u>\$ 2,340,000</u>	<u>\$ 108,329</u>	<u>\$ 2,448,329</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE H – LONG-TERM OBLIGATIONS – CONTINUED**

Series 2004 Subordinated Sales Tax Revenue Bonds

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

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

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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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
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>\$7,749,300</u>	<u>\$ 24,219,300</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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
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>\$ 4,540,000</u>	<u>\$ 2,264,511</u>	<u>\$ 6,804,511</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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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
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>\$ 780,000</u>	<u>\$ 69,674</u>	<u>\$ 849,674</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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NOTE H – LONG-TERM OBLIGATIONS - CONTINUED

**Details of Other Bonds – Business-type Activities**

Series 2021 Franchise and Sales Tax Revenue Bonds

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

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2022	\$ -	\$ 1,927,742	\$ 1,927,742
2023	-	2,210,150	2,210,150
2024	875,000	2,210,150	3,085,150
2025	915,000	2,175,150	3,090,150
2026	950,000	2,138,550	3,088,550
2027	985,000	2,100,550	3,085,550
2028	1,035,000	2,051,300	3,086,300
2029	1,090,000	1,999,550	3,089,550
2030	1,145,000	1,945,050	3,090,050
2031	1,200,000	1,887,800	3,087,800
2032	1,930,000	1,827,800	3,757,800
2033	2,005,000	1,750,600	3,755,600
2034	2,085,000	1,670,400	3,755,400
2035	2,170,000	1,587,000	3,757,000
2036	2,255,000	1,500,200	3,755,200
2037	2,345,000	1,410,000	3,755,000
2038	2,440,000	1,316,200	3,756,200
2039	2,535,000	1,218,600	3,753,600
2040	2,640,000	1,117,200	3,757,200
2041	2,745,000	1,011,600	3,756,600
2042	2,855,000	901,800	3,756,800
2043	2,970,000	787,600	3,757,600
2044	3,085,000	668,800	3,753,800
2045	3,210,000	545,400	3,755,400
2046	3,340,000	417,000	3,757,000
2047	3,475,000	283,400	3,758,400
2048	3,610,000	144,400	3,754,400
	<u>\$ 53,890,000</u>	<u>\$38,803,992</u>	<u>\$ 92,693,992</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE H – LONG-TERM OBLIGATIONS - CONTINUED**

Series 2019 Water Revenue Bonds

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

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
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>\$ 16,700,000</u>	<u>\$11,770,700</u>	<u>\$ 28,470,700</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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
2022	\$ 545,000	\$ 733,500	\$ 1,278,500
2023	575,000	707,500	1,282,500
2024	605,000	680,250	1,285,250
2025	635,000	651,500	1,286,500
2026	665,000	621,250	1,286,250
2027	700,000	589,500	1,289,500
2028	735,000	556,250	1,291,250
2029	770,000	521,250	1,291,250
2030	810,000	484,500	1,294,500
2031	850,000	446,000	1,296,000
2032	890,000	405,500	1,295,500
2033	935,000	363,000	1,298,000
2034	985,000	318,500	1,303,500
2035	1,030,000	271,750	1,301,750
2036	1,085,000	222,500	1,307,500
2037	1,140,000	171,000	1,311,000
2038	1,195,000	116,750	1,311,750
2039	-	59,750	59,750
	<u>\$ 14,150,000</u>	<u>\$ 7,920,250</u>	<u>\$ 22,070,250</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, 2021 the following bonds are considered defeased:

	Bond Series	Defeased Balance
Governmental Activities:	2000 Lease Revenue Bonds	\$1,755,000

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE I – PLEDGED REVENUES**

The City has pledged sales tax revenues in the amount of \$42,530,368 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 \$17,724,868 and debt service for the sales tax bonds was \$2,230,931.

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 \$44,540,061. 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 \$9,603,476. 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 \$675,434. 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 \$235,458. 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 \$304,044. 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 \$12,240,152. 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 \$905,546. 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, 2021**

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**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 \$17,897,498. 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 \$336,158. 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 \$22,070,250 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 \$9,737,500 and electric revenue bond debt service payments were \$1,253,500.

The City has pledged drainage revenues in the amount of \$871,741 to fund debt service payments on the drainage revenue bonds. The bonds were issued to refund the Series 2000 drainage revenue bonds and to fund drainage system improvements within the City. Drainage revenues have been pledged to fund debt service payments through the year 2025. Drainage revenues are expected to produce approximately 400 percent of the debt service requirements over the life of the bonds. In the current year, net drainage revenues were \$1,301,657 and drainage revenue bond debt service payments were \$213,696.

The City has pledged water and pressurized irrigation revenues in the amount of \$28,470,700 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 \$8,610,589 and water revenue bond debt service payments were \$1,236,550.

The City has pledged municipal energy sales and use tax revenues in the amount of \$92,693,992 to fund debt service payments on the 2021 franchise and sales tax revenue bonds. The bonds were issued to fund the acquisition, construction and installation of a fiber-optic network within the City. The franchise and sales tax revenues have been pledged to fund debt service payments through the year 2048. The franchise and sales tax revenues are expected to produce approximately 205 percent of the debt service requirements over the life of the bonds. There were no debt service payments due on these bonds during the year ended June 30, 2021. The City anticipates construction of the fiber-optic network will begin during the year ended June 30, 2022 and that the City will begin receiving the municipal energy sales and use tax revenues associated with the system during the year ended June 30, 2023.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE J – CAPITAL LEASE OBLIGATION**

The City has entered into two lease agreements for the acquisition of several pieces of equipment including several firetrucks, a VAC truck, a bucket truck and a power line puller. The lease agreements qualify as a capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through this capital lease are as follows as of June 30, 2021:

	Governmental Activities
Fire trucks and equipment	\$ 2,016,365
VAC truck	459,357
Bucket truck	125,244
Freightliner	71,048
Power Line Puller	153,649
	<u>\$ 2,825,663</u>
Accumulated depreciation	<u>\$ 256,091</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 are as follows:

Year ending June 30:	Governmental Activities
2022	\$ 455,582
2023	455,573
2024	455,574
2025	455,574
2026	455,573
2027	455,566
2028	121,564
Less amount representing interest	<u>(154,082)</u>
Present value of future minimum lease payments	2,700,924
Current portion	<u>415,967</u>
Long-term portion	<u>\$ 2,284,957</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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 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](http://Utah 84102) or visiting the website: [www.urs.org/general/publications](http://www.urs.org/general/publications).

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE K - RETIREMENT PLANS – CONTINUED**

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

**Summary of Benefits by System**

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

\* Actuarial reductions are applied

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

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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, 2021 are as follows:

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.80%	0.89%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
23 - Other Division A with 2.5% COLA	12.29%	22.79%	N/A
122 - Tier 2DB Hyebrid Public Safety	2.27%	25.83%	N/A
Noncontributory			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
Firefighters System			
31 - Other Division A	15.05%	4.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	2.27%	14.08%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	14.00%
232 - Firefighters	N/A	0.08%	14.00%

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

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

<b>System</b>	Employer Contributions	Employee Contributions
Noncontributory	\$ 1,472,430	N/A
Public Safety	682,709	24,241
Firefighters	81,024	264,517
Tier 2 Public Employees	763,792	-
Tier 2 Public Safety and Firefighter	702,948	78,734
Tier 2 DC Only	69,086	N/A
Tier 2 DC Public Safety and Firefighter	234	N/A
Total Contributions	<u>\$ 3,772,223</u>	<u>\$ 367,492</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE K - RETIREMENT PLANS – CONTINUED**

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

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

At June 30, 2021, the City reported a net pension asset of \$1,489,583 and a net pension liability of \$1,988,811.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory system	0.9920669%	\$ -	\$ 508,873
Public Safety System	1.5591159%	-	1,294,442
Firefighters System	5.3271683%	1,489,583	-
Tier 2 Public Employees System	0.2818694%	-	40,541
Tier 2 Public Safety and Firefighter System	1.6161091%	-	144,957
Total Net Pension Asset/Liability		<u>\$ 1,489,583</u>	<u>\$ 1,988,813</u>

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 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, 2021, the City recognized pension expense of \$1,603,383.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,262,498	\$ 79,912
Changes in assumptions	316,032	146,971
Net difference between projected and actual earnings on pension plan investments	-	6,496,920
Changes in proportion and differences between contributions and proportionate share of contributions	350,804	12,163
Contributions subsequent to the measurement date	1,895,043	-
Total	<u>\$ 3,824,377</u>	<u>\$ 6,735,966</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE K - RETIREMENT PLANS – CONTINUED**

\$1,895,044 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, 2020.

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
2022	\$ (1,243,753)
2023	(550,549)
2024	(2,176,105)
2025	(1,020,208)
2026	44,825
Thereafter	139,158

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

For the year ended June 30, 2021, the City recognized pension expense of \$658,386.

At June 30, 2021, 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	\$ 682,690	\$ -
Changes in assumptions	-	66,563
Net difference between projected and actual earnings on pension plan investments	-	3,715,825
Changes in proportion and differences between contributions and proportionate share of contributions	140,424	-
Contributions subsequent to the measurement date	727,072	-
Total	<u>\$ 1,550,186</u>	<u>\$ 3,782,388</u>

\$727,072 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, 2020.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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
2022	\$ (729,289)
2023	(328,827)
2024	(1,285,124)
2025	(616,034)
2026	-
Thereafter	-

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

For the year ended June 30, 2021, the City recognized pension expense of \$502,202.

At June 30, 2021, 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	\$ 238,255	\$ 1,252
Changes in assumptions	-	36,816
Net difference between projected and actual earnings on pension plan investments	-	1,672,697
Changes in proportion and differences between contributions and proportionate share of contributions	124,171	-
Contributions subsequent to the measurement date	333,940	-
Total	<u>\$ 696,366</u>	<u>\$ 1,710,765</u>

\$333,940 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, 2020.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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
2022	\$ (292,133)
2023	(176,876)
2024	(602,066)
2025	(277,264)
2026	-
Thereafter	-

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

For the year ended June 30, 2021, the City recognized pension expense of \$(394,643).

At June 30, 2021, 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	\$ 229,283	\$ 60,050
Changes in assumptions	231,067	26,587
Net difference between projected and actual earnings on pension plan investments	-	897,261
Changes in proportion and differences between contributions and proportionate share of contributions	6,015	10,474
Contributions subsequent to the measurement date	39,915	-
Total	<u>\$ 506,280</u>	<u>\$ 994,372</u>

\$39,915 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, 2020.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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
2022	\$ (183,821)
2023	(20,417)
2024	(237,648)
2025	(109,857)
2026	23,736
Thereafter	-

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

For the year ended June 30, 2021, the City recognized pension expense of \$396,897.

At June 30, 2021, 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	\$ 37,319	\$ 18,564
Changes in assumptions	51,279	1,475
Net difference between projected and actual earnings on pension plan investments	-	118,501
Changes in proportion and differences between contributions and proportionate share of contributions	64,344	-
Contributions subsequent to the measurement date	428,112	-
Total	<u>\$ 581,054</u>	<u>\$ 138,540</u>

\$428,112 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, 2020.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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
2022	\$ (20,241)
2023	(11,915)
2024	(27,534)
2025	(8,037)
2026	13,814
Thereafter	68,315

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

For the year ended June 30, 2021, the City recognized pension expense of \$450,540.

At June 30, 2021, 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	\$ 74,951	\$ 46
Changes in assumptions	33,686	15,530
Net difference between projected and actual earnings on pension plan investments	-	92,637
Changes in proportion and differences between contributions and proportionate share of contributions	15,849	1,688
Contributions subsequent to the measurement date	366,005	-
Total	<u>\$ 490,491</u>	<u>\$ 109,901</u>

\$366,005 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, 2020.

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**  
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NOTE K - RETIREMENT PLANS – CONTINUED

Year Ended June 30,	Deferred Outflows (Inflows) of Resources
2022	\$ (18,270)
2023	(12,515)
2024	(23,734)
2025	(9,018)
2026	7,275
Thereafter	70,847

***Actuarial Assumptions***

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

Inflation	2.50 percent
Salary increases	3.25 - 9.75 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 study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	-	-	-
Totals	100%		4.84%
			Inflation
			2.50%
			Expected arithmetic nominal return
			7.34%

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**  
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**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%)
<b>System</b>			
Noncontributory	\$ 8,822,357	\$ 508,873	\$ (6,421,665)
Public Safety	5,464,941	1,294,442	(2,091,995)
Firefighters	676,731	(1,489,583)	(3,241,679)
Tier 2 Public Employees	682,178	40,541	(450,295)
Tier 2 Public Safety and Firefighter	683,413	144,957	(284,500)
Total	<u>\$16,329,620</u>	<u>\$ 499,230</u>	<u>\$(12,490,134)</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, 2021, was approximately \$24,500,000. 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, 2021, contributions totaling \$299,783 were made to the plan by employees and \$582,162 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, 2021**

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**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, 2021, had an outstanding balance of \$108,770,000, of which the City's portion was \$12,282,996. During the year ended June 30, 2021, the City purchased power totaling \$28,022,201.

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, 2021**

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**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 claims under \$100,000 and carries commercial insurance for risks in excess of that amount, except for risks associated with natural disasters. There were no decreases in coverage during 2021. 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>2021</u>	<u>2020</u>
Claims liability, July 1	\$ 38,562	\$ 56,615
Claims incurred during the year and changes in estimates	118,785	135,758
Payments on claims during the year		
Payments made by insurance	3,723	153,811
Coinsurance and deductible insurance payments made by the City	91,228	-
Claims liability, June 30	<u>\$ 62,396</u>	<u>\$ 38,562</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**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:			Total
	General	Capital Projects	Other Governmental Fund	
<u>Transfers out from:</u>				
General Fund	\$ -	\$ 8,300,000	\$ 1,814,495	\$ 10,114,495
Capital Projects Fund	-	-	50,873	50,873
Redevelopment Agency	1,355,679	-	-	1,355,679
	<u>\$ 1,355,679</u>	<u>\$ 8,300,000</u>	<u>\$ 1,865,368</u>	<u>\$ 11,521,047</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.

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE Q - 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, 2021**

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**NOTE Q - REDEVELOPMENT AGENCY OF THE CITY OF LEHI – CONTINUED**

For the year ended June 30, 2021 the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for the project area	
Millpond Project Area	\$ 487,501
Alpine Highway Project Area	9,603,476
Alpine Highway West Project Area	905,546
West Timpanogos Project Area	336,158
Traverse Mountain Project Area	304,044
Thanksgiving Park Project Area	235,458
Meadow Pointe Project Area	32,045
	<u>\$ 11,904,228</u>
Outstanding loans to finance RDA projects	<u>\$ 85,804,166</u>
Expenditures:	
Tax increments paid to other taxing agencies	\$ 1,607,622
Principal	3,711,044
Interest	4,406,293
Redevelopment costs	33,190
	<u>\$ 9,758,149</u>

**NOTE R – 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, 2021, the City abated the following taxes:

	Property Taxes	Sales Taxes
<u>RDA Project Area tax abatements</u>		
Millpond Project Area	\$ 82,222	\$ -
Alpine Highway Project Area	1,532,627	-
Alpine Highway West Project Area	144,517	-
West Timpanogos Project Area	105,731	-
Traverse Mountain Project Area	126,854	108,866
Thanksgiving Park Project Area	45,908	-
Meadow Pointe Project Area	-	32,045
	<u>2,037,859</u>	<u>140,911</u>
Other relocation incentive projects	-	140,911
	<u>\$ 2,037,859</u>	<u>\$ 281,822</u>

**LEHI CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

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**NOTE S – 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, 2021, the balance of the liability is as follows based on the cumulative use of 77% of the estimated capacity of the landfill:

Total estimated closure and postclosure care costs	\$ 665,418
Capacity used as of June 30, 2020	<u>77%</u>
Cumulative closure and postclosure care liability, as revised during 2021	512,372
Amounts previously recognized	<u>250,917</u>
Amount to be recognized as of June 30, 2021	261,455
Amount reported as a long-term liability in the governmental activities statement of net position	<u>\$ 512,372</u>

The total estimated closure and postclosure care costs are based on estimates of what it would cost to perform all closure and postclosure care in 2021. 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, 2021**  
**With a Measurement Date of December 31, 2020**  
**Last Ten Fiscal Years\***

**Noncontributory System for the Fiscal Years Ended June 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.9920669%	0.9715484%	0.9518516%	0.9004162%	0.8609147%	0.8368340%	0.8252402%
Proportionate share of the net pension liability (asset)	\$ 508,873	\$ 3,661,638	\$ 7,009,172	\$ 3,944,993	\$ 5,528,126	\$ 4,735,214	\$ 3,583,385
Covered payroll	\$ 7,970,442	\$ 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	6.4%	46.1%	89.8%	53.3%	76.1%	67.2%	51.5%
Plan fiduciary net position as a percentage of the total pension liability	99.2%	93.7%	87.0%	91.9%	87.3%	87.8%	90.2%

**Public Safety System for the Fiscal Years Ended June 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	1.5591159%	1.4913241%	1.4826790%	1.3389936%	1.3909834%	1.3094092%	1.2531910%
Proportionate share of the net pension liability (asset)	\$ 1,294,442	\$ 2,394,496	\$ 3,674,341	\$ 2,100,423	\$ 2,822,689	\$ 2,345,629	\$ 1,575,992
Covered payroll	\$ 2,075,541	\$ 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	62.4%	120.8%	191.1%	113.0%	137.6%	118.2%	74.6%
Plan fiduciary net position as a percentage of the total pension liability	95.5%	90.9%	84.7%	90.2%	86.5%	87.1%	90.5%

CONTINUED

**LEHI CITY CORPORATION**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –**  
**UTAH RETIREMENT SYSTEMS**  
**For the fiscal Year Ended June 30, 2021**  
**With a Measurement Date of December 31, 2020**  
**Last Ten Fiscal Years\***

**Firefighters Retirement System for the Fiscal Years Ended June 30,**

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	5.3271683%	5.2407494%	5.2830772%	5.4021529%	5.6106342%	5.4181698%	5.2918057%
Proportionate share of the net pension liability (asset)	\$ (1,489,583)	\$ (649,957)	\$ 685,993	\$ (337,393)	\$ (44,231)	\$ (98,134)	\$ (301,971)
Covered payroll	\$ 1,880,232	\$ 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	-79.2%	-36.0%	40.0%	-19.9%	-2.6%	-6.2%	-19.8%
Plan fiduciary net position as a percentage of the total pension liability	110.5%	105.0%	94.3%	103.0%	100.4%	101.0%	103.5%

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

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.2818694%	0.2766880%	0.2619050%	0.2458871%	0.2829680%	0.1455133%	0.1454933%
Proportionate share of the net pension liability (asset)	\$ 40,541	\$ 62,229	\$ 112,168	\$ 21,679	\$ 23,236	\$ (318)	\$ (4,409)
Covered payroll	\$ 4,506,077	\$ 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	0.9%	1.6%	3.7%	0.9%	1.4%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%	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, 2021**  
**With a Measurement Date of December 31, 2020**  
**Last Ten Fiscal Years\***

<b>Tier 2 Public Safety and Firefighters Retirement System for the Fiscal Years Ended June 30,</b>							
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	1.6160907%	1.6037989%	1.6711253%	1.3301614%	1.1522095%	0.1455133%	0.1454933%
Proportionate share of the net pension liability (asset)	\$ 144,957	\$ 150,860	\$ 41,871	\$ (15,391)	\$ (10,003)	\$ (318)	\$ (4,409)
Covered payroll	\$ 3,213,228	\$ 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	4.5%	5.7%	1.9%	-1.1%	-1.1%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	93.1%	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, 2021**  
**Last Ten Fiscal Years\*\***

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

CONTINUED

**LEHI CITY CORPORATION**  
**SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS - CONTINUED**  
**June 30, 2021**  
**Last Ten Fiscal Years\*\***

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

\*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, 2021**  
**WITH A MEASUREMENT DATE OF DECEMBER 31, 2020**

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*Changes in assumptions*

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

**INDIVIDUAL FUND SCHEDULES OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCE –  
BUDGET AND ACTUAL**

**LEHI CITY CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**JUNE 30, 2021**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
TAXES				
PROPERTY TAXES	\$ 10,800,000	\$ 10,800,000	\$ 11,558,022	\$ 758,022
GENERAL SALES TAX	13,301,812	13,301,812	17,238,140	3,936,328
911 TAX	325,000	325,000	-	(325,000)
FRANCHISE TAX	5,450,000	5,450,000	5,531,382	81,382
TOTAL	29,876,812	29,876,812	34,327,544	4,450,732
LICENSES, FEES AND PERMITS				
BUSINESS LICENSES	115,000	115,000	106,193	(8,807)
BUILDING PERMITS	2,905,000	2,905,000	4,000,504	1,095,504
TOTAL	3,020,000	3,020,000	4,106,697	1,086,697
INTERGOVERNMENTAL REVENUE				
CLASS "C" ROAD FUNDS	3,500,000	3,500,000	4,458,718	958,718
FIRE DEPARTMENT GRANT	268,568	586,672	445,512	(141,160)
POLICE SALARY REIMBURSEMENT	103,000	103,000	103,000	-
STATE LIQUOR FUNDS ALLOTMENT	60,000	60,000	66,158	6,158
COUNTY FIRE ALLOCATION	15,000	15,000	11,545	(3,455)
STATE GRANTS	75,000	75,000	39,398	(35,602)
OTHER GRANTS	102,000	113,000	4,811,434	4,698,434
TOTAL	4,123,568	4,452,672	9,935,765	5,483,093
CHARGES FOR SERVICE				
PLANNING/INSPECTION FEES	2,420,000	2,420,000	3,068,795	648,795
AMBULANCE FEES	1,224,000	1,224,000	1,686,040	462,040
FIRE FEES	195,600	195,600	7,118	(188,482)
CEMETERY FEES	186,500	186,500	435,350	248,850
RECREATION FEES	3,603,868	3,603,868	2,852,649	(751,219)
LIBRARY FEES	95,000	95,000	16,437	(78,563)
OTHER SERVICE REVENUE	155,000	155,000	47,143	(107,857)
TOTAL	7,879,968	7,879,968	8,113,532	233,564
FINES AND FORFEITURES				
COURTS FINES AND FORFEITURES	737,500	746,500	710,682	(35,818)
MISCELLANEOUS				
	1,604,500	1,644,500	2,678,250	1,033,750
INTEREST ON INVESTMENTS				
	101,000	101,000	125,518	24,518
TOTAL REVENUES	47,343,348	47,721,452	59,997,988	12,276,536
EXPENDITURES				
GENERAL GOVERNMENT				
COURT				
PERSONNEL	479,170	479,170	462,563	16,607
OPERATIONS AND MAINTENANCE	111,660	120,660	112,060	8,600
TOTAL	590,830	599,830	574,623	25,207
ADMINISTRATIVE				
PERSONNEL	969,860	1,019,860	951,840	68,020
OPERATIONS AND MAINTENANCE	255,062	255,062	141,762	113,300
TOTAL	1,224,922	1,274,922	1,093,602	181,320
TREASURY				
PERSONNEL	457,516	467,516	454,738	12,778
OPERATIONS AND MAINTENANCE	46,700	46,700	36,774	9,926
TOTAL	504,216	514,216	491,512	22,704

CONTINUED

**LEHI CITY CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**JUNE 30, 2021**

		BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
		ORIGINAL	FINAL	ACTUAL	
FINANCE					
PERSONNEL		513,660	513,660	515,303	(1,643)
OPERATIONS AND MAINTENANCE		89,196	89,196	75,246	13,950
	TOTAL	602,856	602,856	590,549	12,307
HUMAN RESOURCES					
PERSONNEL		262,357	262,357	226,691	35,666
OPERATIONS AND MAINTENANCE		41,800	41,800	44,835	(3,035)
	TOTAL	304,157	304,157	271,526	32,631
CITY RECORDER					
PERSONNEL		119,912	119,912	120,113	(201)
OPERATIONS AND MAINTENANCE		68,650	68,650	34,618	34,032
	TOTAL	188,562	188,562	154,731	33,831
LEGAL SERVICES					
PERSONNEL		566,555	566,555	545,904	20,651
OPERATIONS AND MAINTENANCE		107,000	107,000	41,307	65,693
	TOTAL	673,555	673,555	587,211	86,344
LEGISLATIVE					
PERSONNEL		265,522	265,522	246,765	18,757
OPERATIONS AND MAINTENANCE		107,000	107,000	75,127	31,873
	TOTAL	372,522	372,522	321,892	50,630
NONDEPARTMENTAL					
OPERATIONS AND MAINTENANCE		3,990,528	3,956,598	3,330,136	626,462
CAPITAL		275,000	275,000	253,269	21,731
	TOTAL	4,265,528	4,231,598	3,583,405	648,193
EMERGENCY MANAGEMENT					
PERSONNEL		98,779	98,779	96,477	2,302
OPERATIONS AND MAINTENANCE		54,700	54,700	26,635	28,065
	TOTAL	153,479	153,479	123,112	30,367
INFORMATION CENTER					
PERSONNEL		501,607	501,607	449,516	52,091
OPERATIONS AND MAINTENANCE		25,600	25,600	17,356	8,244
	TOTAL	527,207	527,207	466,872	60,335
TOTAL GENERAL GOVERNMENT		9,407,834	9,442,904	8,259,035	1,183,869
PUBLIC SAFETY					
POLICE					
PERSONNEL		7,673,676	7,773,676	7,699,592	74,084
OPERATIONS AND MAINTENANCE		1,214,035	1,225,035	1,153,925	71,110
	TOTAL	8,887,711	8,998,711	8,853,517	145,194
CODE ENFORCEMENT					
PERSONNEL		282,451	282,451	311,248	(28,797)
OPERATIONS AND MAINTENANCE		22,294	22,294	17,600	4,694
	TOTAL	304,745	304,745	328,848	(24,103)
FIRE					
PERSONNEL		6,405,540	6,556,040	6,368,422	187,618
OPERATIONS AND MAINTENANCE		1,376,713	1,544,317	1,379,775	164,542
	TOTAL	7,782,253	8,100,357	7,748,197	352,160
ANIMAL CONTROL					
PERSONNEL		116,866	116,866	111,816	5,050
OPERATIONS AND MAINTENANCE		103,060	103,060	78,575	24,485
	TOTAL	219,926	219,926	190,391	29,535
TOTAL PUBLIC SAFETY		17,194,635	17,623,739	17,120,953	502,786

CONTINUED

**LEHI CITY CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**JUNE 30, 2021**

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
COMMUNITY DEVELOPMENT				
PUBLIC WORKS ADMINISTRATION				
PERSONNEL	78,978	78,978	60,390	18,588
OPERATIONS AND MAINTENANCE	20,100	20,100	14,186	5,914
TOTAL	99,078	99,078	74,576	24,502
ENGINEERING				
PERSONNEL	710,698	776,322	766,974	9,348
OPERATIONS AND MAINTENANCE	77,500	77,500	84,888	(7,388)
TOTAL	788,198	853,822	851,862	1,960
PLANNING AND ZONING				
PERSONNEL	848,102	818,102	807,864	10,238
OPERATIONS AND MAINTENANCE	108,915	108,915	56,302	52,613
TOTAL	957,017	927,017	864,166	62,851
INSPECTIONS				
PERSONNEL	1,281,248	1,281,248	1,224,338	56,910
OPERATIONS AND MAINTENANCE	94,611	94,611	67,548	27,063
TOTAL	1,375,859	1,375,859	1,291,886	83,973
ECONOMIC DEVELOPMENT				
PERSONNEL	176,176	176,176	176,810	(634)
OPERATIONS AND MAINTENANCE	46,775	46,775	27,584	19,191
TOTAL	222,951	222,951	204,394	18,557
TOTAL COMMUNITY DEVELOPMENT	3,443,103	3,478,727	3,286,884	191,843
STREETS AND HIGHWAYS				
STREETS AND PUBLIC IMPROVEMENTS				
PERSONNEL	1,486,182	1,390,558	1,288,303	102,255
OPERATIONS AND MAINTENANCE	444,030	444,030	452,068	(8,038)
CAPITAL	8,800	8,800	-	8,800
TOTAL	1,939,012	1,843,388	1,740,371	103,017
C ROAD				
OPERATIONS AND MAINTENANCE	1,910,000	1,910,000	1,721,203	188,797
CAPITAL	2,680,000	2,680,000	2,159,105	520,895
TOTAL	4,590,000	4,590,000	3,880,308	709,692
TOTAL STREETS AND HIGHWAYS	6,529,012	6,433,388	5,620,679	812,709
PARKS, RECREATION AND CULTURE				
PARKS				
PERSONNEL	1,934,587	1,934,587	1,752,301	182,286
OPERATIONS AND MAINTENANCE	1,067,437	1,067,437	961,128	106,309
CAPITAL	117,500	142,500	151,207	(8,707)
TOTAL	3,119,524	3,144,524	2,864,636	279,888
COMMUNITY ARTS AND EVENTS				
OPERATIONS AND MAINTENANCE	490,700	490,700	396,187	94,513
TOTAL	490,700	490,700	396,187	94,513
SENIOR CITIZENS				
PERSONNEL	223,708	223,708	175,462	48,246
OPERATIONS AND MAINTENANCE	126,150	126,150	31,525	94,625
CAPITAL	25,000	25,000	-	25,000
TOTAL	374,858	374,858	206,987	167,871

CONTINUED

**LEHI CITY CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**JUNE 30, 2021**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
RECREATION				
PERSONNEL	3,385,710	3,385,710	3,155,007	230,703
OPERATIONS AND MAINTENANCE	1,918,000	1,918,000	1,447,519	470,481
CAPITAL	172,000	287,000	246,611	40,389
TOTAL	5,475,710	5,590,710	4,849,137	741,573
MUSEUM				
PERSONNEL	-	-	-	-
OPERATIONS AND MAINTENANCE	299,750	299,750	295,993	3,757
TOTAL	299,750	299,750	295,993	3,757
LITERACY CENTER				
PERSONNEL	337,399	337,399	262,846	74,553
OPERATIONS AND MAINTENANCE	49,750	49,750	49,062	688
TOTAL	387,149	387,149	311,908	75,241
LIBRARY				
PERSONNEL	1,001,013	1,001,013	1,004,303	(3,290)
OPERATIONS AND MAINTENANCE	419,407	434,407	412,815	21,592
TOTAL	1,420,420	1,435,420	1,417,118	18,302
TOTAL PARKS, RECREATION AND CULTURE	11,568,111	11,723,111	10,341,966	1,381,145
CEMETERY				
PERSONNEL	418,815	418,815	361,464	57,351
OPERATIONS AND MAINTENANCE	96,857	96,857	88,822	8,035
CAPITAL	20,800	20,800	32,421	(11,621)
TOTAL	536,472	536,472	482,707	53,765
TOTAL EXPENDITURES	48,679,167	49,238,341	45,112,224	4,126,117
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,335,819)	(1,516,889)	14,885,764	16,402,653
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,600,000	1,600,000	1,355,679	(244,321)
TRANSFERS OUT	(2,114,495)	(10,114,495)	(10,114,495)	-
SALE OF CAPITAL ASSETS	10,000	10,000	106,923	96,923
TOTAL OTHER FINANCING SOURCES	(504,495)	(8,504,495)	(8,651,893)	(147,398)
NET CHANGE IN FUND BALANCE	(1,840,314)	(10,021,384)	6,233,871	16,255,255
FUND BALANCE AT BEGINNING OF YEAR	15,186,857	15,186,857	15,186,857	-
FUND BALANCE AT END OF YEAR	\$ 13,346,543	\$ 5,165,473	\$ 21,420,728	\$ 16,255,255

**LEHI CITY CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND**  
**JUNE 30, 2021**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUES</b>				
IMPACT FEE REVENUE	\$ 4,700,000	\$ 4,700,000	\$ 6,533,938	\$ 1,833,938
SALES TAX REVENUE	432,500	432,500	486,728	54,228
INTERGOVERNMENTAL REVENUES	16,560,000	25,447,282	13,957,299	(11,489,983)
INTEREST ON INVESTMENTS	32,000	32,000	128,045	96,045
TOTAL REVENUES	21,724,500	30,611,782	21,106,010	(9,505,772)
<b>EXPENDITURES</b>				
CURRENT				
OTHER	250,500	250,500	5,250	245,250
CAPITAL OUTLAY	23,975,369	50,304,220	24,345,627	25,958,593
DEBT SERVICE				
PRINCIPAL	109,000	109,000	108,866	134
INTEREST AND FISCAL CHARGES	318,500	318,500	377,863	(59,363)
TOTAL EXPENDITURES	24,653,369	50,982,220	24,837,606	26,144,614
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,928,869)	(20,370,438)	(3,731,596)	16,638,842
OTHER FINANCING SOURCES				
TRANSFERS IN	300,000	8,300,000	8,300,000	-
TRANSFERS OUT	(50,873)	(50,873)	(50,873)	-
SALE OF CAPITAL ASSETS	-	-	1,595,155	1,595,155
TOTAL OTHER FINANCING SOURCES	249,127	8,249,127	9,844,282	1,595,155
NET CHANGE IN FUND BALANCE	(2,679,742)	(12,121,311)	6,112,686	18,233,997
FUND BALANCE AT BEGINNING OF YEAR	26,070,279	26,070,279	26,070,279	-
FUND BALANCE AT END OF YEAR	\$ 23,390,537	\$ 13,948,968	\$ 32,182,965	\$ 18,233,997

**LEHI CITY CORPORATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**OTHER GOVERNMENTAL FUND – DEBT SERVICE**  
**JUNE 30, 2021**

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
INTEREST ON INVESTMENTS	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>				
CURRENT				
OTHER	7,500	7,500	-	7,500
DEBT SERVICE				
PRINCIPAL	905,000	905,000	905,000	-
INTEREST AND FISCAL CHARGES	952,868	952,868	950,068	2,800
TOTAL EXPENDITURES	<u>1,865,368</u>	<u>1,865,368</u>	<u>1,855,068</u>	<u>10,300</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,865,368)</u>	<u>(1,865,368)</u>	<u>(1,855,068)</u>	<u>10,300</u>
OTHER FINANCING SOURCES				
TRANSFERS IN	<u>1,865,368</u>	<u>1,865,368</u>	<u>1,865,368</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>1,865,368</u>	<u>1,865,368</u>	<u>1,865,368</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	10,300	10,300
FUND BALANCE AT BEGINNING OF YEAR	<u>3,068</u>	<u>3,068</u>	<u>3,068</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,068</u>	<u>\$ 3,068</u>	<u>\$ 13,368</u>	<u>\$ 10,300</u>

**COMBINING FINANCIAL STATEMENTS**  
**NONMAJOR PROPRIETARY FUNDS**

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

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

**LEHI CITY CORPORATION**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
<b>ASSETS</b>			
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	\$ 3,275,105	\$ 175,065	\$ 3,450,170
RECEIVABLES (NET):			
ACCOUNTS	215,450	391,561	607,011
UNBILLED	22,779	68,441	91,220
INVENTORY	6,313	-	6,313
TOTAL CURRENT ASSETS	<u>3,519,647</u>	<u>635,067</u>	<u>4,154,714</u>
NON-CURRENT ASSETS			
RESTRICTED CASH AND CASH EQUIVALENTS	823,131	-	823,131
NONDEPRECIABLE CAPITAL ASSETS	701,366	-	701,366
DEPRECIABLE CAPITAL ASSETS, NET	48,668,551	-	48,668,551
TOTAL NON-CURRENT ASSETS	<u>50,193,048</u>	<u>-</u>	<u>50,193,048</u>
TOTAL ASSETS	<u>\$ 53,712,695</u>	<u>\$ 635,067</u>	<u>\$ 54,347,762</u>
DEFERRED OUTFLOWS OF RESOURCES			
DEFERRED OUTFLOWS RELATED TO PENSIONS	\$ 94,721	\$ -	\$ 94,721
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 94,721</u>	<u>\$ -</u>	<u>\$ 94,721</u>

**LEHI CITY CORPORATION**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF NET POSITION - CONTINUED**  
**JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
ACCOUNTS PAYABLE	\$ 80,375	\$ 335,398	\$ 415,773
WAGES PAYABLE	24,227	-	24,227
ACCRUED INTEREST PAYABLE	1,122	-	1,122
PAYABLE FROM RESTRICTED ASSETS:			
ACCOUNTS PAYABLE	140,000	-	140,000
CURRENT PORTION COMPENSATED ABSENCES	38,466	-	38,466
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	185,000	-	185,000
TOTAL CURRENT LIABILITIES	<u>469,190</u>	<u>335,398</u>	<u>804,588</u>
NON-CURRENT LIABILITIES			
COMPENSATED ABSENCES	43,971	-	43,971
NET PENSION LIABILITY	24,418	-	24,418
BONDS PAYABLE, LESS CURRENT MATURITIES	595,000	-	595,000
TOTAL NON-CURRENT LIABILITIES	<u>663,389</u>	<u>-</u>	<u>663,389</u>
TOTAL LIABILITIES	<u>\$ 1,132,579</u>	<u>\$ 335,398</u>	<u>\$ 1,467,977</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
DEFERRED INFLOWS RELATED TO PENSIONS	<u>\$ 174,261</u>	<u>\$ -</u>	<u>\$ 174,261</u>
<b>NET POSITION</b>			
NET INVESTMENT IN CAPITAL ASSETS	\$ 48,589,917	\$ -	\$ 48,589,917
RESTRICTED FOR			
CAPITAL PROJECTS	683,085	-	683,085
UNRESTRICTED	<u>3,227,574</u>	<u>299,669</u>	<u>3,527,243</u>
TOTAL NET POSITION	<u>\$ 52,500,576</u>	<u>\$ 299,669</u>	<u>\$ 52,800,245</u>

**LEHI CITY CORPORATION**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS)			
CHARGES FOR SERVICES	\$ 2,259,583	\$ 3,810,617	\$ 6,070,200
MISCELLANEOUS REVENUES	-	30,640	30,640
TOTAL OPERATING REVENUES	2,259,583	3,841,257	6,100,840
OPERATING EXPENSES			
PERSONNEL	786,613	-	786,613
GENERAL ADMINISTRATION	51,345	7,260	58,605
OPERATING AND MAINTENANCE	282,170	3,762,209	4,044,379
INTERFUND CHARGES	142,000	-	142,000
DEPRECIATION	1,916,751	-	1,916,751
TOTAL OPERATING EXPENSES	3,178,879	3,769,469	6,948,348
OPERATING INCOME (LOSS)	(919,296)	71,788	(847,508)
NON-OPERATING REVENUES (EXPENSES)			
INTEREST INCOME	18,486	652	19,138
INTEREST EXPENSE	(33,437)	-	(33,437)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(14,951)	652	(14,299)
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(934,247)	72,440	(861,807)
CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER			
IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	285,716	-	285,716
CAPITAL CONTRIBUTIONS	1,817,728	-	1,817,728
CHANGE IN NET POSITION	1,169,197	72,440	1,241,637
NET POSITION AT BEGINNING OF YEAR	51,331,379	227,229	51,558,608
NET POSITION AT END OF YEAR	\$ 52,500,576	\$ 299,669	\$ 52,800,245

**LEHI CITY CORPORATION**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH RECEIVED FROM CUSTOMERS	\$ 2,237,481	\$ 3,783,294	\$ 6,020,775
CASH PAID TO SUPPLIERS	(161,571)	(3,832,349)	(3,993,920)
CASH PAID TO EMPLOYEES	(832,140)	-	(832,140)
CASH PAID FOR INTERFUND SERVICES	(142,000)	-	(142,000)
OTHER RECEIPTS	-	30,640	30,640
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,101,770	(18,415)	1,083,355
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
OTHER RECEIPTS (PAYMENTS)	-	-	-
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(117,746)	-	(117,746)
CONTRIBUTIONS FROM DEVELOPERS	30,182	-	30,182
PRINCIPAL PAID ON BONDS	(180,000)	-	(180,000)
INTEREST PAID	(33,696)	-	(33,696)
IMPACT FEES COLLECTED	286,092	-	286,092
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(15,168)	-	(15,168)
CASH FLOWS FROM INVESTING ACTIVITIES			
PROCEEDS FROM SALE OF INVESTMENTS	1,316,564	-	1,316,564
INTEREST INCOME COLLECTED	18,486	652	19,138
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,335,050	652	1,335,702
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,421,652	(17,763)	2,403,889
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,676,584	192,828	1,869,412
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 4,098,236	\$ 175,065	\$ 4,273,301
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:			
UNRESTRICTED CASH	\$ 3,275,105	\$ 175,065	\$ 3,450,170
RESTRICTED CASH	823,131	-	823,131
	\$ 4,098,236	\$ 175,065	\$ 4,273,301

CONTINUED

**LEHI CITY CORPORATION**  
**NONMAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS - CONTINUED**  
**JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES		
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 1,787,546	\$ -	\$ 1,787,546
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (919,296)	\$ 71,788	\$ (847,508)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
DEPRECIATION	1,916,751	-	1,916,751
CHANGES IN ASSETS AND LIABILITIES			
ACCOUNTS RECEIVABLE	(20,000)	(24,311)	(44,311)
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	(2,102)	(3,012)	(5,114)
INVENTORY	(752)	-	(752)
ACCOUNTS PAYABLE	172,696	(62,880)	109,816
ACCOUNTS PAYABLE FROM RESTRICTED			
WAGES PAYABLE	6,022	-	6,022
COMPENSATED ABSENCES	15,513	-	15,513
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS	(67,062)	-	(67,062)
	<u>\$ 1,101,770</u>	<u>\$ (18,415)</u>	<u>\$ 1,083,355</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, 2021**

INTERNAL SERVICE FUNDS					
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
<b>ASSETS</b>					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	\$ 435,935	\$ 615,042	\$ 128,700	\$ 649,691	\$ 1,829,368
ACCOUNTS RECEIVABLE	1,993	22,519	4,998	-	29,510
INVENTORY	-	54,946	-	-	54,946
TOTAL CURRENT ASSETS	437,928	692,507	133,698	649,691	1,913,824
NON-CURRENT ASSETS					
RESTRICTED CASH AND CASH EQUIVALENTS	-	720	-	-	720
NONDEPRECIABLE CAPITAL ASSETS	-	-	-	-	-
DEPRECIABLE CAPITAL ASSETS, NET	217,230	5,978,892	-	364,032	6,560,154
TOTAL NON-CURRENT ASSETS	217,230	5,979,612	-	364,032	6,560,874
TOTAL ASSETS	\$ 655,158	\$ 6,672,119	\$ 133,698	\$ 1,013,723	\$ 8,474,698
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS					
	\$ 38,413	\$ 36,780	\$ 13,851	\$ 77,972	\$ 167,016
<b>LIABILITIES</b>					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	\$ 42,277	\$ 263,311	\$ 46,825	\$ 33,921	\$ 386,334
WAGES PAYABLE	11,380	12,215	4,093	34,242	61,930
PAYABLE FROM RESTRICTED ASSETS:					
ACCRUED INTEREST	-	35,872	-	-	35,872
CURRENT PORTION CAPITAL LEASE	-	415,967	-	-	415,967
CURRENT PORTION COMPENSATED ABSENCES	18,062	25,910	10,123	35,637	89,732
TOTAL CURRENT LIABILITIES	71,719	753,275	61,041	103,800	989,835
NON-CURRENT LIABILITIES					
COMPENSATED ABSENCES	12,516	34,686	21,832	19,751	88,785
NET PENSION LIABILITY	9,903	9,482	3,571	20,101	43,057
CAPITAL LEASE PAYABLE, LESS CURRENT MATURITIES	-	2,284,957	-	-	2,284,957
TOTAL NON-CURRENT LIABILITIES	22,419	2,329,125	25,403	39,852	2,416,799
TOTAL LIABILITIES	\$ 94,138	\$ 3,082,400	\$ 86,444	\$ 143,652	\$ 3,406,634
<b>DEFERRED INFLOWS OF RESOURCES</b>					
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS					
	\$ 70,670	\$ 67,666	\$ 25,483	\$ 143,449	\$ 307,268
<b>NET POSITION</b>					
NET INVESTMENT IN CAPITAL ASSETS	217,230	3,278,688	-	364,032	3,859,950
UNRESTRICTED	311,533	280,145	35,622	440,562	1,067,862
TOTAL NET POSITION	\$ 528,763	\$ 3,558,833	\$ 35,622	\$ 804,594	\$ 4,927,812

**LEHI CITY CORPORATION**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**JUNE 30, 2021**

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
OPERATING REVENUES					
CHARGES FOR SERVICES - INTERNAL	\$ 802,350	\$ 3,261,235	\$ 1,017,013	\$ 1,564,122	\$ 6,644,720
MISCELLANEOUS REVENUES	2,697	-	22,305	95	25,097
TOTAL OPERATING REVENUES	805,047	3,261,235	1,039,318	1,564,217	6,669,817
OPERATING EXPENSES					
PERSONNEL	355,887	389,647	129,880	964,759	1,840,173
OPERATING AND MAINTENANCE	556,535	1,104,072	886,934	444,420	2,991,961
DEPRECIATION	72,642	1,032,079	-	76,409	1,181,130
TOTAL OPERATING EXPENSES	985,064	2,525,798	1,016,814	1,485,588	6,013,264
OPERATING INCOME (LOSS)	(180,017)	735,437	22,504	78,629	656,553
NON-OPERATING REVENUES (EXPENSES)					
LOSS ON DISPOSAL OF CAPITAL ASSETS	-	(21,902)	-	-	(21,902)
INTEREST INCOME	2,648	331	-	3,017	5,996
INTEREST EXPENSE	-	(39,115)	(102)	-	(39,217)
TOTAL NON-OPERATING REVENUES (EXPENSES)	2,648	(60,686)	(102)	3,017	(55,123)
CHANGE IN NET POSTION	(177,369)	674,751	22,402	81,646	601,430
NET POSITION AT BEGINNING OF YEAR	706,132	2,884,082	13,220	722,948	4,326,382
NET POSTION AT END OF YEAR	\$ 528,763	\$ 3,558,833	\$ 35,622	\$ 804,594	\$ 4,927,812

**LEHI CITY CORPORATION**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**JUNE 30, 2021**

	INTERNAL SERVICE FUNDS				
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES					
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	\$ 802,350	\$ 3,247,916	\$ 1,017,013	\$ 1,564,122	\$ 6,631,401
CASH PAID TO SUPPLIERS	(631,180)	(1,229,705)	(138,187)	(483,804)	(2,482,876)
CASH PAID TO EMPLOYEES	(372,909)	(403,964)	(861,448)	(986,155)	(2,624,476)
OTHER RECEIPTS	704	-	17,307	95	18,106
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(201,035)	1,614,247	34,685	94,258	1,542,155
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
INTEREST PAID ON INTERFUND BORROWING	-	-	(102)	-	(102)
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	-	-	(102)	-	(102)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
PROCEEDS FROM CAPITAL LEASE	-	810,000	-	-	810,000
PAYMENTS MADE ON CAPITAL LEASE	-	(334,010)	-	-	(334,010)
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	22,519	-	-	22,519
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(7,170)	(1,996,968)	-	(49,068)	(2,053,206)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(7,170)	(1,498,459)	-	(49,068)	(1,554,697)
CASH FLOWS FROM INVESTING ACTIVITIES					
INTEREST INCOME COLLECTED	2,648	331	-	3,017	5,996
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,648	331	-	3,017	5,996
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(205,557)	116,119	34,583	48,207	(6,648)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	641,492	499,643	94,117	601,484	1,836,736
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 435,935</u>	<u>\$ 615,762</u>	<u>\$ 128,700</u>	<u>\$ 649,691</u>	<u>\$ 1,830,088</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:					
UNRESTRICTED CASH	\$ 435,935	\$ 615,042	\$ 128,700	\$ 649,691	\$ 1,829,368
RESTRICTED CASH	-	720	-	-	720
	<u>\$ 435,935</u>	<u>\$ 615,762</u>	<u>\$ 128,700</u>	<u>\$ 649,691</u>	<u>\$ 1,830,088</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
OPERATING INCOME (LOSS)	\$ (180,017)	\$ 735,437	\$ 22,504	\$ 78,629	\$ 656,553
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
DEPRECIATION	72,642	1,032,079	-	76,409	1,181,130
CHANGES IN ASSETS AND LIABILITIES					
ACCOUNTS RECEIVABLE	(1,993)	(13,319)	(4,998)	-	(20,310)
INVENTORY	-	821	-	-	821
ACCOUNTS PAYABLE	(74,645)	(126,454)	25,486	(39,384)	(214,997)
WAGES PAYABLE	2,732	3,156	948	12,589	19,425
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS	(25,454)	(24,909)	(9,380)	(31,570)	(91,313)
COMPENSATED ABSENCES	5,700	7,436	125	(2,415)	10,846
	<u>\$ (201,035)</u>	<u>\$ 1,614,247</u>	<u>\$ 34,685</u>	<u>\$ 94,258</u>	<u>\$ 1,542,155</u>

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

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

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<b>FINANCIAL TRENDS</b>	122 - 128
These schedules provide trend information to help the reader understand how the City's financial performance and economic conditions have changed over time.	
<b>REVENUE CAPACITY</b>	129 - 132
These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues.	
<b>DEBT CAPACITY</b>	133 - 141
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.	
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	142 - 143
These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>OPERATING INFORMATION</b>	144 - 146
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial reports relates to the services the City provides and the activities it performs.	

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

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Governmental activities					
Net investment in capital assets	\$ 270,733,436	\$ 288,966,135	\$ 302,586,651	\$ 310,508,319	\$ 327,670,060
Restricted	590,207	349,363	1,480,415	1,330,917	7,486,352
Unrestricted	(101,325,874)	(90,089,047)	(78,585,842)	(64,094,902)	(44,375,030)
Total governmental activities net position	169,997,769	199,226,451	225,481,224	247,744,334	290,781,382
Business-type activities					
Net investment in capital assets	267,462,097	299,404,845	325,775,552	341,429,283	355,733,226
Restricted	126,965	547,651	2,528,731	2,711,961	9,965,009
Unrestricted	30,640,955	35,236,748	49,624,578	58,047,617	64,266,001
Total business-type activities net position	298,230,017	335,189,244	377,928,861	402,188,861	429,964,236
Primary government					
Net investment in capital assets	538,195,533	588,370,980	628,362,203	651,937,602	683,403,286
Restricted	717,172	897,014	4,009,146	4,042,878	17,451,361
Unrestricted	(70,684,919)	(54,852,299)	(28,961,264)	(6,047,285)	19,890,971
Total primary government net position	<u>\$ 468,227,786</u>	<u>\$ 534,415,695</u>	<u>\$ 603,410,085</u>	<u>\$ 649,933,195</u>	<u>\$ 720,745,618</u>
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 215,235,149	\$ 214,537,806	\$ 219,129,389	\$ 229,907,904	\$ 242,558,256
Restricted	6,905,380	6,470,224	8,560,047	6,565,677	4,262,799
Unrestricted	(66,936,366)	(73,872,812)	(88,715,100)	(108,048,049)	(101,045,130)
Total governmental activities net position	155,204,163	147,135,218	138,974,336	128,425,532	145,775,925
Business-type activities					
Net investment in capital assets	176,523,733	184,918,965	202,621,488	224,324,128	238,650,352
Restricted	5,681,780	8,545,937	9,063,049	4,293,339	4,555,304
Unrestricted	5,025,384	13,515,909	16,429,759	19,502,118	24,970,618
Total business-type activities net position	187,230,897	206,980,811	228,114,296	248,119,585	268,176,274
Primary government					
Net investment in capital assets	391,758,882	399,456,771	421,750,877	454,232,032	481,208,608
Restricted	12,587,160	15,016,161	17,623,096	10,859,016	8,818,103
Unrestricted	(61,910,982)	(60,356,903)	(72,285,341)	(88,545,931)	(76,074,512)
Total primary government net position	<u>\$ 342,435,060</u>	<u>\$ 354,116,029</u>	<u>\$ 367,088,632</u>	<u>\$ 376,545,117</u>	<u>\$ 413,952,199</u>

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

	Fiscal Year				
	2017	2018	2019	2020	2021
<b>Expenses</b>					
Governmental activities					
General government	\$ 9,041,919	\$ 8,274,466	\$ 8,961,845	\$ 8,959,799	\$ 8,608,259
Public Safety	12,096,387	13,656,195	15,513,181	16,559,907	17,095,653
Community Development	5,796,634	4,928,368	4,836,058	5,777,381	5,280,007
Streets and Highways	11,727,234	12,764,811	13,522,976	14,920,711	16,003,682
Parks, recreation, and culture	9,856,045	10,486,576	11,220,816	11,186,187	12,020,031
Cemetery	406,824	414,906	430,339	473,663	491,598
Interest on long-term debt	4,834,457	4,906,081	4,877,481	5,824,032	5,553,570
<b>Total governmental activities</b>	<b>53,759,500</b>	<b>55,431,403</b>	<b>59,362,696</b>	<b>63,701,680</b>	<b>65,052,800</b>
Business-type activities					
Culinary Water	6,233,288	12,102,087	10,336,143	6,969,504	10,165,480
Sewer	9,525,964	9,865,657	11,111,407	12,142,499	11,360,091
Pressurized Irrigation	3,412,437	3,637,826	5,425,243	5,808,312	5,469,142
Electric	28,132,875	30,707,792	33,073,473	33,265,006	40,214,545
Fiber	-	-	-	-	1,149,570
Nonmajor activities	4,279,107	4,677,412	5,200,680	6,173,225	6,981,785
<b>Total business-type activities</b>	<b>51,583,671</b>	<b>60,990,774</b>	<b>65,146,946</b>	<b>64,358,546</b>	<b>75,340,613</b>
<b>Total primary government expenses</b>	<b>\$ 105,343,171</b>	<b>\$ 116,422,177</b>	<b>\$ 124,509,642</b>	<b>\$ 128,060,226</b>	<b>\$ 140,393,413</b>
<b>Program Revenues</b>					
Governmental activities					
Charges for services					
General government	\$ 1,035,384	\$ 1,270,675	\$ 1,431,761	\$ 1,343,004	\$ 1,410,528
Public Safety	1,515,823	1,510,422	1,897,103	1,685,241	1,755,288
Community Development	4,539,888	6,753,793	6,115,690	5,093,446	7,175,492
Parks, recreation, and culture	3,701,396	3,989,072	4,035,165	2,855,378	2,890,148
Cemetery	219,065	232,520	256,950	322,605	435,350
Operating grants and contributions	3,449,482	2,687,038	2,734,035	7,488,372	9,901,485
Capital grants and contributions	24,434,520	28,063,535	28,364,171	17,986,306	34,122,734
<b>Total governmental activities</b>	<b>38,895,558</b>	<b>44,507,055</b>	<b>44,834,875</b>	<b>36,774,352</b>	<b>57,691,025</b>
Business-type activities					
Charges for services					
Culinary Water	6,623,580	5,671,068	6,324,393	6,726,762	7,466,508
Sewer	8,515,717	8,560,318	9,213,563	9,399,488	9,553,148
Pressurized Irrigation	2,649,309	3,002,057	3,716,615	4,148,148	4,519,801
Electric	31,303,180	33,458,042	35,473,772	36,526,512	39,460,193
Fiber	-	-	-	-	-
Nonmajor activities	3,399,318	3,575,009	3,889,510	4,836,172	6,070,200
Operating grants and contributions	-	7,294,687	5,250,596	-	3,338,726
Capital grants and contributions	28,411,382	35,292,708	41,980,410	24,840,140	31,170,218
<b>Total business-type activities</b>	<b>80,902,486</b>	<b>96,853,889</b>	<b>105,848,859</b>	<b>86,477,222</b>	<b>101,578,794</b>
<b>Total primary government program revenues</b>	<b>\$ 119,798,044</b>	<b>\$ 141,360,944</b>	<b>\$ 150,683,734</b>	<b>\$ 123,251,574</b>	<b>\$ 159,269,819</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (18,242,733)	\$ (15,349,057)	\$ (14,527,821)	\$ (26,927,328)	\$ (7,361,775)
Business-type activities	23,987,587	25,912,376	40,701,913	22,118,676	26,238,181
<b>Total primary government net (expense)/revenue</b>	<b>\$ 5,744,854</b>	<b>\$ 10,563,319</b>	<b>\$ 26,174,092</b>	<b>\$ (4,808,652)</b>	<b>\$ 18,876,406</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Taxes					
Property taxes	\$ 21,435,929	\$ 21,124,631	\$ 20,483,605	\$ 26,503,325	\$ 23,321,339
Sales taxes	11,034,838	12,222,987	13,156,245	14,634,703	17,659,174
Franchise taxes	4,886,832	5,287,987	5,510,813	5,670,790	5,737,987
Investment Earnings	193,325	337,123	756,650	1,137,458	269,757
Gain on disposal of capital assets	-	256,152	-	16,461	1,196,294
Other	1,534,862	924,150	875,281	1,227,701	2,214,272
Transfers	-	-	-	-	-
<b>Total governmental activities</b>	<b>39,085,786</b>	<b>40,153,030</b>	<b>40,782,594</b>	<b>49,190,438</b>	<b>50,398,823</b>
Business-type activities					
Investment Earnings	304,489	560,760	1,357,423	1,483,453	415,605
Gain on disposal of capital assets	38,613	29,501	41,107	-	9,625
Other	391,826	505,851	639,174	657,871	1,111,964
Transfers	-	-	-	-	-
<b>Total business-type activities</b>	<b>734,928</b>	<b>1,096,112</b>	<b>2,037,704</b>	<b>2,141,324</b>	<b>1,537,194</b>
<b>Total primary government</b>	<b>\$ 39,820,714</b>	<b>\$ 41,249,142</b>	<b>\$ 42,820,298</b>	<b>\$ 51,331,762</b>	<b>\$ 51,936,017</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 24,221,844	\$ 29,228,682	\$ 26,254,773	\$ 22,263,110	\$ 43,037,048
Business-type activities	30,053,743	36,959,227	42,739,617	24,260,000	27,775,375
<b>Total primary government</b>	<b>\$ 54,275,587</b>	<b>\$ 66,187,909</b>	<b>\$ 68,994,390</b>	<b>\$ 46,523,110</b>	<b>\$ 70,812,423</b>

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

Expenses	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities					
General government	\$ 5,664,766	\$ 5,602,138	\$ 6,608,885	\$ 7,536,526	\$ 6,904,634
Public Safety	8,759,020	9,487,082	10,046,876	10,178,031	11,170,823
Community Development	3,826,912	17,364,548	21,231,389	23,302,007	4,079,029
Streets and Highways	11,731,075	8,696,026	9,473,624	9,676,339	10,632,298
Parks, recreation, and culture	6,740,823	7,585,566	8,023,291	8,503,024	9,251,152
Cemetery	261,054	315,796	362,172	386,084	443,058
Interest on long-term debt	4,457,480	4,498,839	4,520,957	4,437,878	4,832,597
Total governmental activities	41,441,130	53,549,995	60,267,194	64,019,889	47,313,591
Business-type activities					
Culinary Water	2,562,929	2,848,555	3,409,071	3,935,066	4,110,256
Sewer	6,372,255	6,218,600	6,248,401	7,415,879	8,188,182
Pressurized Irrigation	2,277,980	2,604,120	2,747,577	2,811,392	2,933,070
Electric	19,951,247	23,776,549	24,328,858	25,550,168	26,793,013
Fiber	-	-	-	-	-
Nonmajor activities	3,281,883	3,543,327	3,728,903	3,732,107	3,734,136
Total business-type activities	34,446,294	38,991,151	40,462,810	43,444,612	45,758,657
Total primary government expenses	\$ 75,887,424	\$ 92,541,146	\$ 100,730,004	\$ 107,464,501	\$ 93,072,248
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 901,786	\$ 852,069	\$ 1,280,770	\$ 922,395	\$ 1,225,124
Public Safety	491,458	639,389	735,826	713,288	772,926
Community Development	2,331,513	3,697,018	3,380,948	3,996,282	4,122,688
Parks, recreation, and culture	3,103,973	3,261,742	3,442,123	3,538,275	3,669,216
Cemetery	147,453	170,515	200,865	235,200	240,285
Operating grants and contributions	3,443,139	1,990,385	1,652,937	1,879,304	1,921,433
Capital grants and contributions	7,656,824	2,693,363	6,669,536	15,157,512	17,731,567
Total governmental activities	18,076,146	13,304,481	17,363,005	26,442,256	29,683,239
Business-type activities					
Charges for services					
Culinary Water	2,843,567	3,353,732	3,387,526	3,606,036	4,282,274
Sewer	6,292,827	7,329,883	7,518,893	8,561,592	8,632,614
Pressurized Irrigation	2,296,606	2,160,964	2,236,370	2,678,561	2,697,436
Electric	21,222,943	23,493,768	24,730,251	26,168,996	28,967,401
Fiber	-	-	-	-	-
Nonmajor activities	3,399,869	3,179,708	3,098,067	3,034,091	3,215,374
Capital grants and contributions	5,631,871	9,991,274	13,031,629	20,541,414	17,914,832
Total business-type activities	41,687,683	49,509,329	54,002,736	64,590,690	65,709,931
Total primary government revenues	\$ 59,763,829	\$ 62,813,810	\$ 71,365,741	\$ 91,032,946	\$ 95,393,170
Net (Expense)/Revenue					
Governmental activities	\$ (23,364,984)	\$ (40,303,264)	\$ (42,927,489)	\$ (42,542,388)	\$ (22,076,340)
Business-type activities	7,241,389	10,518,178	13,539,926	13,906,694	14,853,433
Total primary government net (expense)/revenue	\$ (16,123,595)	\$ (29,785,086)	\$ (29,387,563)	\$ (28,635,694)	\$ (7,222,907)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 14,967,910	\$ 14,564,416	\$ 16,373,300	\$ 17,134,391	\$ 18,943,311
Sales taxes	6,818,129	7,361,030	7,904,519	9,060,843	9,830,594
Franchise taxes	3,374,229	3,733,118	4,285,907	4,626,674	5,221,608
Impact Fees	2,719,390	4,727,508	4,899,084	-	-
Investment Earnings	95,889	108,596	98,028	81,658	153,854
Gain on disposal of assets	-	57,750	-	-	-
Other	17,175	47,656	18,862	75,314	100,458
Transfers	730,920	730,920	730,920	485,920	730,920
Total governmental activities	28,723,642	31,330,994	34,310,620	31,464,800	34,980,745
Business-type activities					
Investment Earnings	159,686	99,922	106,836	114,557	151,462
Impact fees	3,127,551	4,273,216	7,617,749	-	-
Gain on disposal of assets	33,221	1,800	68,690	6,164	67,014
Other	264,253	286,009	531,204	411,696	617,859
Transfers	(730,920)	(730,920)	(730,920)	(485,920)	(730,920)
Total business-type activities	2,853,791	3,930,027	7,593,559	46,497	105,415
Total primary government	\$ 31,577,433	\$ 35,261,021	\$ 41,904,179	\$ 31,511,297	\$ 35,086,160
Change in Net Position					
Governmental activities	\$ 6,554,177	\$ (8,972,270)	\$ (8,593,569)	\$ (6,112,833)	\$ 17,350,393
Business-type activities	1,527,316	14,448,205	21,133,485	21,192,575	20,056,689
Total primary government	\$ 8,081,493	\$ 5,475,935	\$ 12,539,916	\$ 15,079,742	\$ 37,407,082

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

	Fiscal Year				
	2017	2018	2019	2020	2021
General Fund					
Nonspendable	\$ 197,599	\$ -	\$ -	\$ -	\$ -
Restricted	306,630	458,007	893,511	2,554,024	4,639,096
Committed	542,731	552,705	568,378	640,659	643,812
Assigned	194,253	22,295	22,927	23,411	23,526
Unassigned	5,052,340	10,887,280	10,684,725	11,968,763	16,114,294
Total general fund	6,293,553	11,920,287	12,169,541	15,186,857	21,420,728
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	711,561	1,017,852	18,980,465	6,730,618	4,340,039
Assigned	1,403,153	5,097,302	13,995,418	22,430,303	31,744,466
Total all other governmental funds	2,114,714	6,115,154	32,975,883	29,160,921	36,084,505
Total governmental funds	<u>\$ 8,408,267</u>	<u>\$ 18,035,441</u>	<u>\$ 45,145,424</u>	<u>\$ 44,347,778</u>	<u>\$ 57,505,233</u>

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Nonspendable	\$ -	\$ 25,858	\$ 29,902	\$ 24,000	\$ 103,000
Restricted	1,160,885	652,048	1,028,085	799,082	574,992
Committed	398,166	448,237	466,584	496,802	624,936
Assigned	183,210	184,415	190,349	191,324	192,026
Unassigned	3,410,473	6,439,616	6,645,733	6,758,479	6,918,012
Total general fund	5,152,734	7,750,174	8,360,653	8,269,687	8,412,966
All Other Governmental Funds					
Nonspendable	-	-	-	24,877	-
Restricted	6,121,394	6,195,047	8,274,991	6,245,868	4,738,086
Assigned	37,941	2,690,851	2,617,559	2,536,176	5,043,913
Total all other governmental funds	6,159,335	8,885,898	10,892,550	8,806,921	9,781,999
Total governmental funds	<u>\$ 11,312,069</u>	<u>\$ 16,636,072</u>	<u>\$ 19,253,203</u>	<u>\$ 17,076,608</u>	<u>\$ 18,194,965</u>

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

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues					
Taxes	\$ 37,357,599	\$ 38,635,605	\$ 39,150,663	\$ 46,808,818	\$ 46,718,500
Licenses, fees and permits	6,533,438	8,000,076	9,613,360	8,168,866	10,640,635
Intergovernmental	3,539,749	6,253,575	8,648,408	11,441,497	23,893,064
Charges for services	6,519,088	8,636,679	8,739,191	7,058,720	8,113,532
Fines and forfeitures	668,151	799,079	844,289	790,458	710,682
Miscellaneous	649,434	1,818,819	1,451,781	1,648,639	2,678,250
Interest on investments	145,662	300,658	692,189	1,099,329	263,761
Total revenues	55,413,121	64,444,491	69,139,881	77,016,327	93,018,424
Expenditures					
General government	6,804,485	6,856,047	7,112,048	7,538,498	8,259,035
Public Safety	10,602,138	12,622,099	13,821,781	15,404,388	17,120,953
Community development	3,820,164	5,121,202	4,556,038	5,447,678	4,927,696
Streets and highways	3,114,886	3,372,051	3,455,349	3,789,510	5,620,679
Parks, recreation and culture	8,279,958	9,675,126	9,750,314	9,541,822	10,341,966
Cemetery	415,615	390,147	403,066	433,261	482,707
Other	3,600	63,900	8,250	10,775	5,250
Capital outlay	9,752,734	9,962,532	12,490,153	22,420,051	24,345,627
Debt Service					
Principal	4,764,670	7,683,967	4,319,419	7,429,705	4,724,910
Interest and fiscal charges	4,732,577	4,890,766	4,904,070	5,827,154	5,734,224
Total expenditures	52,290,827	60,637,837	60,820,488	77,842,842	81,563,047
Excess (deficiency) of revenues over (under) expenditures	3,122,294	3,806,654	8,319,393	(826,515)	11,455,377
Other Financing Sources (Uses)					
Transfers in	5,818,343	4,098,769	9,572,504	11,836,317	11,521,047
Transfers out	(5,087,423)	(4,098,769)	(9,572,504)	(11,836,317)	(11,521,047)
Sale of capital assets	627,229	51,932	388,062	28,869	1,702,078
Bond and note proceeds	-	5,768,588	18,402,528	-	-
Total other financing sources (uses)	1,358,149	5,820,520	18,790,590	28,869	1,702,078
Net change in fund balances	\$ 4,480,443	\$ 9,627,174	\$ 27,109,983	\$ (797,646)	\$ 13,157,455
Debt service as a percentage of noncapital expenditures	22.33%	24.81%	19.08%	23.92%	18.28%

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 25,160,268	\$ 25,658,564	\$ 28,563,726	\$ 30,821,908	\$ 33,995,513
Licenses, fees and permits	4,187,195	6,695,905	6,444,720	7,372,672	6,533,438
Intergovernmental	7,031,764	2,015,152	1,671,598	2,056,379	3,539,749
Charges for services	4,554,976	5,668,980	5,762,720	6,081,697	6,519,088
Fines and forfeitures	651,848	593,424	547,825	554,622	668,151
Miscellaneous	365,682	357,656	806,898	433,344	649,434
Interest on investments	83,006	96,393	88,992	72,298	145,662
Total revenues	<u>42,034,739</u>	<u>41,086,074</u>	<u>43,886,479</u>	<u>47,392,920</u>	<u>52,051,035</u>
Expenditures					
General government	4,926,429	4,756,942	5,512,993	7,432,107	6,804,485
Public Safety	8,430,152	9,108,300	9,830,309	9,745,736	10,602,138
Community development	3,775,472	17,383,350	21,215,648	23,120,657	3,820,164
Streets and highways	1,873,444	2,094,633	2,462,221	2,790,957	3,114,886
Parks, recreation and culture	6,927,077	6,805,808	8,295,691	7,656,136	8,279,958
Cemetery	244,481	291,914	334,730	358,145	415,615
Other	312,483	13,780	77,920	12,476	3,600
Capital outlay	8,858,638	3,569,430	4,245,051	10,087,085	9,752,734
Debt Service					
Principal	3,508,069	3,136,951	10,722,440	4,353,681	4,764,670
Interest and fiscal charges	4,032,356	4,405,021	4,636,091	4,246,198	4,732,577
Total expenditures	<u>42,888,601</u>	<u>51,566,129</u>	<u>67,333,094</u>	<u>69,803,178</u>	<u>52,290,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(853,862)</u>	<u>(10,480,055)</u>	<u>(23,446,615)</u>	<u>(22,410,258)</u>	<u>(239,792)</u>
Other Financing Sources (Uses)					
Transfers in	2,522,057	3,708,947	4,408,662	3,917,960	5,818,343
Transfers out	(1,791,137)	(2,978,027)	(3,677,742)	(3,432,040)	(5,087,423)
Sale of capital assets	17,175	82,760	52,930	190,380	627,229
Bond and note proceeds	650,000	14,087,053	25,163,052	19,557,363	-
Total other financing sources (uses)	<u>1,398,095</u>	<u>14,900,733</u>	<u>25,946,902</u>	<u>20,233,663</u>	<u>1,358,149</u>
Net change in fund balances	<u>\$ 544,233</u>	<u>\$ 4,420,678</u>	<u>\$ 2,500,287</u>	<u>\$ (2,176,595)</u>	<u>\$ 1,118,357</u>
Debt service as a percentage of noncapital expenditures	22.16%	15.71%	24.34%	14.40%	22.33%

**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
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
2021	22,796,311	17,724,868	5,531,382	665,939	46,718,500
Growth 2012-2021	58.0%	160.0%	63.9%	23.8%	85.7%

**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
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%
2021	7,487,828,024	1,290,653,716	8,778,481,740	0.001538	12,201,577,217	71.9%

(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
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%	533,879	12,840,429	99.67%
2021	12,837,163	12,108,856	94.33%	-	12,108,856	94.33%

Source: Utah County Treasurer

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

Tax Year	Lehi City Direct Rates			Overlapping Rates					
	General Fund	Debt Service Fund	Total Direct Rate	Alpine School District	Utah County	Central Utah Water Conservancy District	North Utah County Water Conservancy District	Lehi Metropolitan Water District	Total
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
2021	0.001429	-	0.001429	0.006904	0.001007	0.000400	0.000015	0.000008	0.009763

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	2021			2012		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
IM Flash Technologies	\$ 318,275,500	1	3.63%	\$ 51,355,544	1	1.71%
Adobe Systems Inc.	127,884,783	2	1.46%			
Geneva Rock Products Inc.	75,229,231	4	0.86%			
Young Living Warm Springs LLC	73,200,600	3	0.83%			
Outlets at Traverse Mountain LLC	56,433,400	5	0.64%			
MPT of Lehi-Steward LLC	51,659,200	6	0.59%			
Traverse Ridge Center III LLC	47,590,000	7	0.54%			
TMCV #2 LLC	44,687,600	8	0.51%			
TMCV #1 LLC	42,657,500	9	0.49%			
Questar Gas	37,340,614	10	0.43%			
Thanksgiving Point LC				68,578,465	2	2.28%
Cabela's				28,913,350	3	0.96%
Fox Ridge Investments				23,545,315	4	0.78%
Thai Properties				17,576,575	5	0.58%
Point Development				11,235,567	6	0.37%
Whistle Stop Development				7,258,987	7	0.24%
Smiths				7,011,554	8	0.23%
Century Link				6,759,501	9	0.22%
Museum of Ancient History				5,879,554	10	0.20%
Total	<u>\$ 874,958,428</u>		<u>9.97%</u>	<u>\$228,114,412</u>		<u>7.58%</u>

Source: Utah County Treasurer's Office

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

	Governmental Activities				Business-Type Activities							
	Sales Tax	Excise Tax			Water	Electric	Storm Drain	Franchise & Sales Tax		Total	Percentage	
Fiscal	Revenue	Road	Capital	Notes	Revenue	Revenue	Revenue	Revenue	Notes	Primary	of Personal	Per
Year	Bonds	Bonds	Leases	Payable	Bonds	Bonds	Bonds	Bonds	Payable	Government	Income	Capita
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	-	2,200,000	90,170,979	19,459,224	16,889,380	960,000	-	1,185,284	165,586,395	8.10%	2,375
2021	33,681,473	-	2,700,924	86,351,069	18,968,890	16,243,335	780,000	63,541,973	1,114,588	223,382,252	9.18%	2,943

Note: See Schedule 19 for personal income and population data

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

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<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>
2012	\$ -	\$ -	\$ -	- %	- %
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

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, 2021)**

<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	\$ 167,587,665	15.07%	\$ 25,250,362
Alpine School District	<u>566,220,437</u>	22.97%	<u>130,071,907</u>
Subtotal, overlapping debt	733,808,102		155,322,269
Direct Debt:			
Lehi City	<u>122,733,466</u>	100.00%	<u>122,733,466</u>
Total direct and overlapping debt	<u>\$ 856,541,568</u>		<u>\$ 278,055,735</u>

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

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

Sources: Utah State Tax Commission; Alpine School District; Central Utah Water Conservancy District

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

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<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
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
2021	488,063,089	-	488,063,089

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

Legal Debt Margin Calculation for Fiscal Year 2021

Estimated market value	\$ 12,201,577,217
Debt limit (4% of market value)	488,063,089
Debt applicable to limit	-
Legal debt margin	<u><u>\$ 488,063,089</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	
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
2021	15,610,114	7,027,185	8,582,929	390,000	846,550	1,236,550	6.94

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

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

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

Fiscal Year	Sales Tax Revenue		Debt Service Requirements			Coverage
			Principal	Interest	Total	
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	976,300	1,856,300	7.78
2021		17,724,868	905,000	950,068	1,855,068	9.55

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

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

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

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

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Fiscal Year	Excise Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
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	-	-	-	-
2021	4,458,718	-	-	-	-

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	
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
2021	45,286,653	35,549,153	9,737,500	520,000	733,500	1,253,500	7.77

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

(1) Total revenue including interest and impact fees.

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

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

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2021	2,563,785	1,262,128	1,301,657	180,000	33,696	213,696	6.09

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)**

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<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>
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	25,505	3.4%
2017	61,130	1,552,978,545	25,405	3.3%
2018	62,712	1,715,886,931	27,361	3.1%
2019	66,037	1,939,815,006	29,375	2.7%
2020	69,724	2,045,205,540	29,333	2.7%
2021	75,907	2,433,095,665	32,054	1.8%

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

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

Sources: Utah State Tax Commission

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	2021	2012	
	Range of Employees	Estimated Employees	Rank
Adobe	1000-1999		
Entrata	1000-1999		
Micron Technology (IM Flash)	1000-1999	2,350	1
Nexeo Staffing	1000-1999		
Vivint Solar	1000-1999		
Young Living Essential Oils	1000-1999	123	9
Alpine School District	1000-1999		
Ancestry.com	500-999		
Hadco Construction	500-999	274	5
Podium	500-999		
Weave Communications	500-999		
Workfront	500-999		
Xactware	500-999		
Boostability	250-499		
Costco	250-499	213	7
Digicert	250-499		
Divvy Pay	250-499		
Essential Botanical Farms	250-499		
Lendio	250-499		
Moneydesktop MX	250-499		
Mountain Point Medical Center	250-499		
Pure Storage	250-499		
Smiths Marketplace	250-499	178	8
Solutionreach	250-499		
Thanksgiving Point	250-499	375	4
Youngique	250-499		
Cabela's	100-249	413	3
Lowes	100-249	123	10
Jack B Parson Co.	10-19	250	6
Xango	-	710	2

Source: Utah Department of Workforce Services

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

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Court	6	6	6	6	6	6	6	6	6	6
Administrative	4.5	6.5	9.5	11.5	11.5	11.5	15	15	15	16
Treasury	6	6	5	5	6	6	6	6.5	5	5
Finance	5	5	7	7	7	7	4	4	4	4
Information Center	-	-	-	-	-	-	-	-	7	7
Legal	-	4.5	4.5	5.3	5.3	5.3	5	5	5	5
Legislative (1)	6	6	6	6	6	6	6	6	6	6
Public Safety										
Police	44.5	45	48	51	54	59	59	59	59	62
Fire	40	40	42	43	46	50	66	66	67	67
Animal Control	1.5	2	2	2	2	2	1	1	1	1
Community Development										
Public Works Administration	5	5	5	5	5	5	5	7	8	8
Planning and Zoning	6	6	6	6	6	6	6	6	7	7
Inspections	8	8	9	9	9	9	9	9	12	12
Streets and Highways										
Streets and Public Improvements	12	12	12	14	15	15	15	16	16	16
Parks, Recreation and Culture										
Parks	21	22	27	27	29	29	29	31	30	25
Senior Citizens	3	3	2	2	2	2.5	3	4	3	3
Recreation	73.5	75.5	84.5	84.5	87.5	82	91	84	64	73
Library	18	20	20	20	21	21	21	21	16	16
Literacy Center	5.5	5.5	6.5	6.5	6.5	6	6	6	6	6
Cemetery	2.5	3	3.5	3.5	4	4	6	6	6	6
Culinary Water	8	8	9	9	10	10	12	12	13	15
Sewer	3	3	3	3	4	8	8	8	7	7
Power	24.5	24.5	23.5	25.5	27.5	29	32	33	33	33
Secondary Water	3.5	3.5	6.5	5.5	6.5	6.5	5	5	5	5
Storm Drain	3	3	3	3.65	4.65	5.65	5	7	12	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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Community development										
Residential building permits issued	590	569	340	464	548	489	781	871	707	907
Commercial building permits issued	38	25	26	165	195	195	183	172	148	161
Court										
Traffic and Misdemeanor cases handled	7,102	5,896	5,845	4,705	6,387	5,547	7,321	7,349	6,988	6,281
Police										
Calls for service	15,278	15,575	27,087	32,130	32,534	28,602	29,832	22,770	25,438	30,175
Arrests	1,235	1,089	1,261	1,188	1,179	1,436	1,414	1,443	1,173	1,121
Fire										
Fire/Medical responses	2,136	2,232	2,200	2,480	2,708	2,946	3,162	3,717	3,866	3,982
Recreation										
Recreation programs	72	71	70	69	72	80	74	78	62	69
Participants in recreation programs	23,690	24,555	25,983	27,445	28,396	27,999	28,549	28,324	20,777	23,600
Library										
Books in collection	108,669	121,168	125,220	114,442	150,158	115,022	122,055	129,002	129,826	127,054
Books circulated	509,764	511,130	529,218	532,094	597,433	474,778	486,687	502,167	402,543	343,828
Cemetery										
Acres maintained	55	55	55	55	55	55	55	55	55	55
Total gravesites	25,659	26,428	26,485	27,645	27,955	27,966	29,528	29,543	29,713	29,729
Culinary Water										
Residential accounts serviced	13,121	13,152	14,419	14,987	15,691	16,043	16,562	17,872	18,811	19,712
Average daily consumption (thousands of gallons)	3,500	2,630	2,740	3,210	3,490	4,210	3,840	4,490	4,638	4,987
Sewer										
Sewer lines miles inspected	78	78	78	47	47	58	62	54	52	53
Power										
Accounts serviced	15,010	16,279	16,764	17,873	18,879	19,656	20,693	22,193	23,611	24,800
Energy sold (megawatts in thousands)	220	259	270	286	315	342	364	383	402	462
Secondary Water										
Accounts serviced	11,632	12,574	13,019	13,247	15,584	14,119	14,799	15,669	16,314	16,579

Source: City records

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Streets and Highways										
Street lights	2,412	2,446	2,506	2,600	2,689	2,910	3,027	3,359	3,495	3,671
Street miles	204	206	221	224	233	244	246	256	262	270
Police										
Vehicles	46	51	57	59	60	65	63	63	66	72
Fire										
Fire stations	2	2	2	2	2	2	3	3	3	3
Fire vehicles	12	12	12	15	16	17	17	17	20	21
Ambulances	3	3	4	5	4	5	5	5	5	5
Public works										
Incorporated area in square miles	32	32	32	28	28	29	29	29	29	29
City buildings in square feet	235,000	235,000	235,000	235,000	235,000	321,600	321,600	321,600	321,600	362,044
Parks and recreation										
Park acreage	333	333	333	339	339	522	522	531	592	600
Baseball/softball diamonds	9	8	8	8	8	8	8	8	8	8
Soccer fields	4	9	9	9	9	9	9	9	9	9
Culinary water										
Water main line miles	263	256	271	281	297	310	322	339	355	372
Storage capacity (thousands of gallons)	9,800	9,800	8,400	10,400	10,400	10,400	10,400	12,600	12,700	13,300
Sewer										
Sewer line miles	210	212	223	226	241	253	262	271	279	290
Secondary water										
Secondary water main line miles	249	258	272	282	298	312	325	343	360	375
Power										
Power main feeder line miles	231	240	248	258	275	515	680	756	795	816
Overhead line miles	64	64	64	67	65	147	117	117	116	116

Source: City records