

LEHI CITY CORPORATION

STATE OF UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025



PREPARED BY:

FINANCE DEPARTMENT



LEHI CITY CORPORATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT For the Year Ended June 30, 2025

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	3-9
GFOA Certificate of Achievement	10
Organizational Chart	11
List of Principal Officials	12
FINANCIAL SECTION	
Report of Independent Certified Public Accountants	14-16
Management's Discussion and Analysis	17-30
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	34
Statement of Revenues, Expenditures and Changes in Fund Balances	35
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	36
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Local Building Authority	37
Proprietary Funds:	
Statement of Net Position	39-40
Statement of Revenues, Expenses and Changes in Net Position	41
Statement of Cash Flows	42-43
Notes to the Basic Financial Statements	44-108
Required Supplementary Information - Pensions	
Schedule of the Proportionate Share of the Net Pension Liability - Utah Retirement Systems	110-112
Schedule of Contributions - Utah Retirement Systems	113-114
Notes to Required Supplementary Information	115
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	
General Fund	117-120
Capital Projects Fund	121
Nonmajor Governmental Funds	
Combining Balance Sheet	123
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	124
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Redevelopment Agency Fund	125
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	126

LEHI CITY CORPORATION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
Nonmajor Proprietary Funds	
Combining Statement of Net Position-Nonmajor Proprietary Funds	128-129
Combining Statement of Revenues, Expenses and Changes in Net Position-Nonmajor Proprietary Funds	130
Combining Statement of Cash Flows-Nonmajor Proprietary Funds	131-132
Internal Service Funds	
Combining Statement of Net Position-Internal Service Funds	134
Combining Statement of Revenues, Expenses and Changes in Net Position-Internal Service funds	135
Combining Statement of Cash Flows-Internal Service Funds	136
 STATISTICAL SECTION	
Financial Trends:	
Schedule 1 - Changes in Net Position	138-139
Schedule 2 - Net Position by Component	140
Schedule 3 - Fund Balances of Governmental Funds	141
Schedule 4 - Changes in Fund Balances of Governmental Funds	142-143
Schedule 5 - Tax Revenues by Source	144
Revenue Capacity:	
Schedule 6 - Assessed Value and Estimated Actual Value of Taxable Property	145
Schedule 7 - Property Tax Levies and Collections	146
Schedule 8 - Direct and Overlapping Property Tax Rates	147
Schedule 9 - Principal Property Tax Payers	148
Debt Capacity:	
Schedule 10 - Ratio of Outstanding Debt by Type	149
Schedule 11 - Ratio of General Bonded Debt Outstanding	150
Schedule 12 - Direct and Overlapping Governmental Activities Debt	151
Schedule 13 - Legal Debt Margin Information	152
Schedule 14 - Pledged Revenue Coverage Water Revenue Bonds	153
Schedule 15 - Pledged Revenue Coverage Sales Tax Revenue Bonds	154
Schedule 16 - Pledged Revenue Coverage Electric Revenue Bonds	155
Schedule 17 - Pledged Revenue Coverage Drainage Revenue Bonds	156
Schedule 18 - Pledged Revenue Coverage Franchise and Sales Tax Revenue Bonds	157
Demographic and Economic Information:	
Schedule 19 - Demographic and Economic Statistics	158
Schedule 20 - Principal Employers	159
Operating Information	
Schedule 21 - Full-time Equivalent City Government Employees by Function / Program	160
Schedule 22 - Operating Indicators by Function / Program	161
Schedule 23 - Capital Asset Statistics by Function / Program	162

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



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

December 12, 2025

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, 2025.

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, 2025, 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, 2025, 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.



Lehi 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. The City began construction on a fiber-to-the-home network in September 2022. That network was substantially completed in October 2025, and is now available to all eligible residents.



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. 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: Adobe, Microsoft, Ancestry, Xactware, WeWork, Snapchat, Oracle, Young Living Essential Oils, and Podium.

The Lehi Redevelopment Agency was established to encourage economic development within the City. There are currently seven redevelopment areas. A portion of the incremental taxes generated in these areas is used to provide incentives for development. The largest redevelopment area contains a Texas Instruments semiconductor wafer fabrication plant. The facility broke ground on November 2, 2023 and represents an \$11 billion investment in Lehi City. The facility will create 800 high-paying jobs and thousands of indirect jobs.

Other redevelopment areas within Lehi have been used to assist in the development of office parks, retail outlets, tech-industry high-paying jobs. Investments in these areas have helped to expand the overall City tax base. Incentives have primarily provided the ability of developers to finance and fund significant infrastructure projects. The City will continue to use the Redevelopment Agency to encourage development that have city-wide benefits. Two new redevelopment areas were recently approved by the City Council in calendar year 2025.

Spurred by an expanding technology sector, the City continues to experience rapid growth. The population has increased from 57,000 to 93,446 over the past 10 years. With significant amounts of land still available for development, build-out population, which is estimated to be reached in 2060, is projected at 162,000.

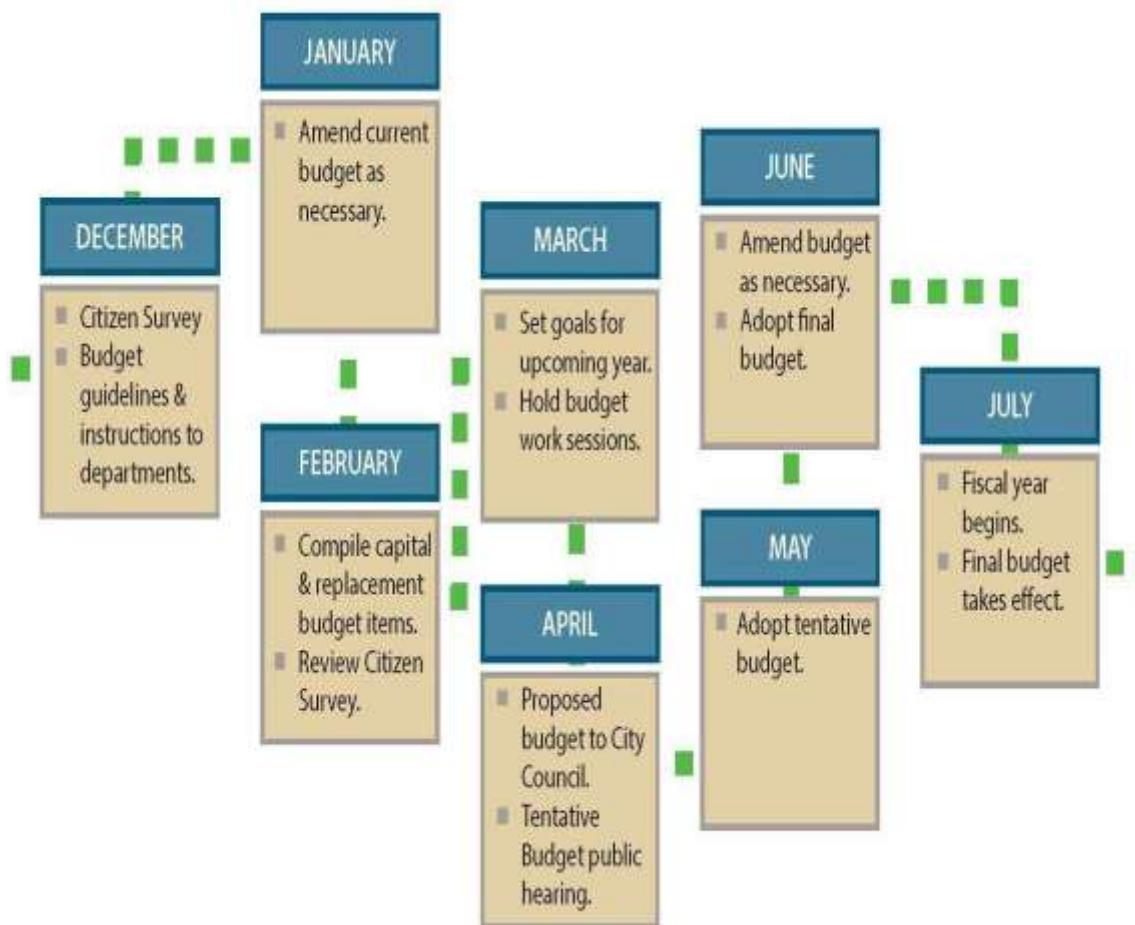
Brigham Young University, Utah Valley University (the largest University in the State) and the University of Utah campuses are within 25 minutes of the City center. These higher education facilities employ more than 3,000 people. These universities provide a strong educated work force for a large number of high-tech businesses in the area.

Utah Valley University recently opened a new building at their satellite campus in Lehi. This new building will house advanced training programs in the University's paramedic, police academy, respiratory therapy, and dental hygiene programs. The region provides some of the best medical facilities in the western United States. Utah County, the County in which the City is located, has an unemployment rate of 3.6%, Compared to a statewide rate of 3.4%.

Lehi is continuing to experience growth in both commercial and residential construction, although not as rapid as in recent years. This growth is reflected in both the City's revenues and expenditures. Governmental fund revenues increased from \$77,016,327 to \$101,562,355 from 2020 to 2025, and expenditures increased from \$77,842,842 to \$130,780,402. Just over \$47 million of the expenditures in fiscal year 2025 are related to construction projects including a new fire station, a new city hall, and Family Park. Operating revenues in enterprise funds grew from \$62,294,953 to \$98,051,198 over the same time frame, while operating expenses rose from \$62,031,761 to \$100,106,832.

The annual budget serves as the foundation for the City's financial planning and control. Annual budgets are adopted for the General fund, Redevelopment Agency Special Revenue fund, Local Building Authority fund, Capital Projects fund, and Debt Service fund. 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 30, unless the City is proposing a property tax increase. 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. If a property tax increase is proposed, a separate public hearing must be held, and the final budget must be approved by the end of August. For the fiscal 2025-26, the tentative budget was adopted on April 8, 2025 and the final budget was adopted on May 27, 2025.

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 Local Building Authority fund, the comparisons are presented on pages 36 and 37. For the capital projects fund, redevelopment agency fund and debt service funds, those comparisons are presented on pages 121, 125, and 126.

Long-term Planning and Capital Projects

Lehi City growth continues 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 to charge rates sufficient to maintain current infrastructure and plan for future needs.

In 2021, the City completed 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.

Construction is almost complete on the City's new Library and City Hall. Bonds were issued through the Local Building Authority in 2022 to fund the project. The bonds issued also provided funds for the City's fourth fire station, which was completed in October 2024.

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 City's park system has been transformed to produce exceptional open spaces for our citizens' enjoyment. The strategic planning for parks has been expanded to include a trail system that will allow joggers, walkers, and bicyclists to enjoy the Dry Creek Basin which runs through the entire City.

The City's largest park located in the Northeast section of the City was completed in September 2024 and is known as Family Park. Phase 1 cost approximately \$17 million and features a state-of-the-art all abilities playground along with other amenities geared toward family leisure and recreation. A new City parks building was also completed during the year to house the City's growing emphasis on parks and family recreation.

As a rapidly growing City, transportation infrastructure continues to be a point of emphasis. During FY2025, approximately \$6.7 million was spent on road improvements. The largest project was improvements to 2300 West. The majority of the funding for this project was provided by regional project funds under the management of Mountainland Association of Governments (MAG).

Construction and maintenance of City infrastructure assets is critical to the City's long-term financial health. The City recently completed construction on a new fiber network, which will provide the opportunity for all city residents to access high-speed fiber internet. Lehi City owns the infrastructure, with internet access via third-party providers. The network currently has just over 6,000 customers.



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, 2024. This was the twenty-third 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, 2024. 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, 2024. 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

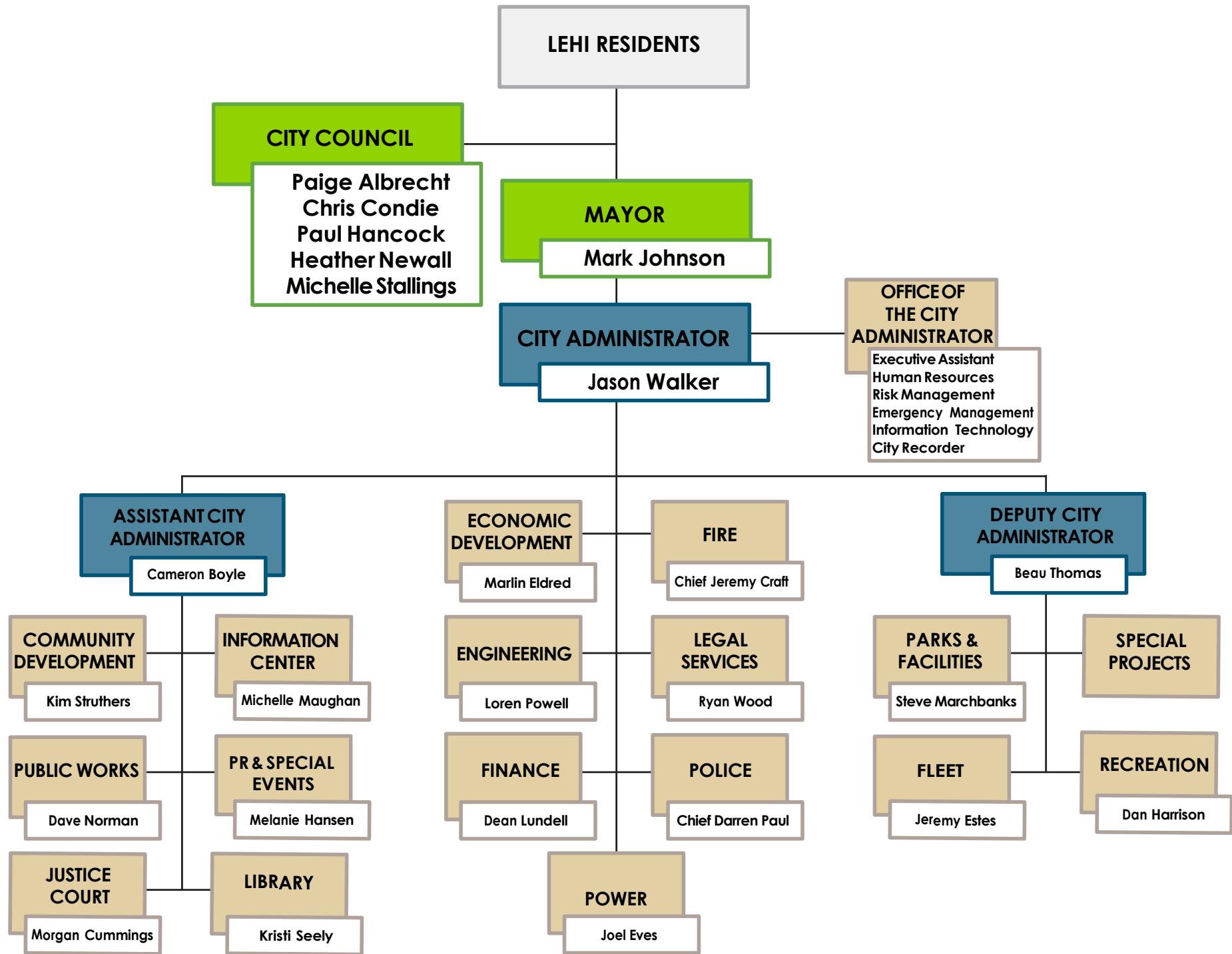
**Lehi City Corporation
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monell

Executive Director/CEO





Mayor
Mark Johnson



Councilperson
Paige Albrecht



Councilperson
Chris Condie



Councilperson
Paul Hancock



Councilperson
Heather Newall



Councilperson
Michelle Stallings

APPOINTED OFFICIALS

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

DEPARTMENT DIRECTORS

Development Services .....	..... Kim Struthers	Legal Services .....	..... Ryan Wood
Economic Development .....	..... Marlin Eldred	Leisure Services .....	..... Dan Harrison
Engineering.....	..... Lorin Powell	Parks .....	..... Steve Marchbanks
Finance .....	..... Dean Lundell	Police .....	..... Chief Darren Paul
Fire .....	..... Chief Jeremy Craft	Power .....	..... Joel Eves
Information Center.....	..... Michelle Maughan	Public Works .....	..... Dave Norman
Justice Court.....	..... Morgan Cummings		

FINANCIAL SECTION

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Audit of the Financial Statements

Opinions

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 the Lehi City Corporation, Utah (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 the City, as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Local Building Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 30 and the Required Supplementary Information - Pensions on pages 110 through 115 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 inquiries 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Osborne Robbins & Buhler PLLC". The signature is fluid and cursive, with "Osborne" on the first line, "Robbins & Buhler" on the second line, and "PLLC" on the third line.

January 22, 2025

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

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, 2025. 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 \$962,730,681 (*net position*). This is an increase of 3.8% over the previous year. The majority of the City's net position consists of infrastructure assets. A significant portion of these infrastructure assets have been received as a result of required developer contributions.
- The City's governmental funds reported combined fund balances of \$71,216,744 which is a decrease of \$29,642,095 in fund balance reported for 2024 of \$100,858,839. The decrease is largely attributable to expenditures for capital outlay.
- General fund tax revenues increased by 6.8% over the previous year and utility charges for services revenues increased by 11.0%. Rates for the electric fund customers were increased as a result of higher wholesale costs. Rates for sewer were increased to address increasing service charges from Timpanogos Special Service District. Rates for pressurized irrigation, and storm drain were adjusted as well.
- New development remained fairly level in 2025 as compared to 2024, with the exception of a large expansion initiated by Texas Instruments, resulting in higher amounts year over year for impact fee revenues, building permit and inspection fee revenues, and similar charges for services.
- The City's total long-term obligations increased by a net of approximately \$9.8 million during the current fiscal year.
 - During 2025, the City issued \$16,255,000 in franchise and sales tax revenue bonds as well as \$3,643,000 in water revenue bonds.
 - The City's 2004 subordinated sales tax revenue bonds were forgiven, decreasing overall long-term obligations and resulting in a gain on forgiveness of debt in the amount of \$7,955,000.
 - The City reported a net pension liability of approximately \$7.4 million as of June 30, 2025, up from \$5.9 million as of June 30, 2024. The City also recognized a net pension asset of \$817,023 as of June 30, 2025, down from \$1,104,038 at June 30, 2024.

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.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

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

- The *statement of net position* presents information on all the City's assets and 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 water, sewer, electric, drainage, garbage and fiber-optic service.

The government-wide financial statements include not only the City itself (known as the *primary government*), but two blended component units.

- The Lehi Redevelopment Agency (Agency) is legally separate from the City. The Agency was established to account for the collection and distribution of revenues associated with the City's economic development areas. 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 Lehi City Local Building Authority (Authority) is legally separate from the City. The Authority was established to construct city facilities and service the associated debt. Similar to the Lehi Redevelopment Agency, the Authority's board of trustees is composed of the Lehi Mayor and City Council and City staff maintain operational responsibility for the Authority. Thus, it is presented as a special revenue fund of the City. The Local Building Authority Fund contains the financial balances and activities of the Authority.

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.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

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

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

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

The City maintains five 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 local building authority special revenue fund, which are considered to be major funds. The redevelopment agency special revenue fund and debt service fund are considered to be non-major governmental funds.

The City adopts annual appropriated budgets for its general fund, its special revenue local building authority fund and its redevelopment agency fund. A budgetary comparison statement has been provided for the general fund and the local building authority to demonstrate compliance with these budgets. A budgetary comparison schedule for the redevelopment agency fund is presented in the supplementary information for the nonmajor governmental funds.

The governmental fund financial statements can be found on pages 34-37 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 water, sewer, 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 water, sewer, 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 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 proprietary fund financial statements can be found on pages 39-43 of this report.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

Notes to the basic 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 44-108 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 110-115 this report.

Individual fund schedules and combining statements and schedules can be found on pages 117-136 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial state. In the case of the City, net position was \$962,730,681 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.

Of the City's \$962,730,681 in net position, \$31,265,869 is subject to external restrictions on how those resources may be used.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 113,504,516	\$ 136,578,867	\$ 150,913,888	\$ 172,796,448	\$ 264,418,404	\$ 309,375,315
Capital assets	455,301,547	407,569,333	541,867,398	491,943,515	997,168,945	899,512,848
Total assets	<u>\$ 568,806,063</u>	<u>\$ 544,148,200</u>	<u>\$ 692,781,286</u>	<u>\$ 664,739,963</u>	<u>\$ 1,261,587,349</u>	<u>\$ 1,208,888,163</u>
Deferred outflows of resources	<u>\$ 7,477,789</u>	<u>\$ 7,300,646</u>	<u>\$ 7,956,123</u>	<u>\$ 7,951,863</u>	<u>\$ 15,433,912</u>	<u>\$ 15,252,509</u>
Long-term liabilities	\$ 103,557,541	\$ 111,345,030	\$ 137,667,401	\$ 120,030,233	\$ 241,224,942	\$ 231,375,263
Other liabilities	19,676,192	12,898,000	20,959,407	40,858,555	40,635,599	53,756,555
Interfund balances	(5,796,296)	(5,403,890)	5,796,296	5,403,890	-	-
Total liabilities	<u>\$ 117,437,437</u>	<u>\$ 118,839,140</u>	<u>\$ 164,423,104</u>	<u>\$ 166,292,678</u>	<u>\$ 281,860,541</u>	<u>\$ 285,131,818</u>
Deferred inflows of resources	<u>\$ 27,284,677</u>	<u>\$ 27,075,688</u>	<u>\$ 5,145,362</u>	<u>\$ 8,687,883</u>	<u>\$ 32,430,039</u>	<u>\$ 35,763,571</u>
Net position						
Net investment in capital assets	\$ 415,948,197	\$ 381,213,748	\$ 429,229,806	\$ 417,619,725	\$ 845,178,003	\$ 798,833,473
Restricted	9,079,606	18,557,279	22,186,263	28,323,618	31,265,869	46,880,897
Unrestricted	6,533,935	5,762,991	79,752,874	51,767,922	86,286,809	57,530,913
Total net position	<u>\$ 431,561,738</u>	<u>\$ 405,534,018</u>	<u>\$ 531,168,943</u>	<u>\$ 497,711,265</u>	<u>\$ 962,730,681</u>	<u>\$ 903,245,283</u>

As of June 30, 2025, the net position of the City's governmental activities totaled \$431,561,738 compared to \$405,534,018 in 2024. The governmental activities reported an increase in net position of \$26,027,720. Capital grants and contributions, including contributions of infrastructure totaled \$27,255,070. The City also received \$59,764,157 in property taxes and sales and other taxes.

As of June 30, 2025, the net position of the City's business-type activities totaled \$531,168,943 compared to \$497,711,265 in 2024. The business-type activities reported an increase in net position of \$33,457,678. 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, 2025

LEHI CITY CORPORATION
 CHANGES IN NET POSITION

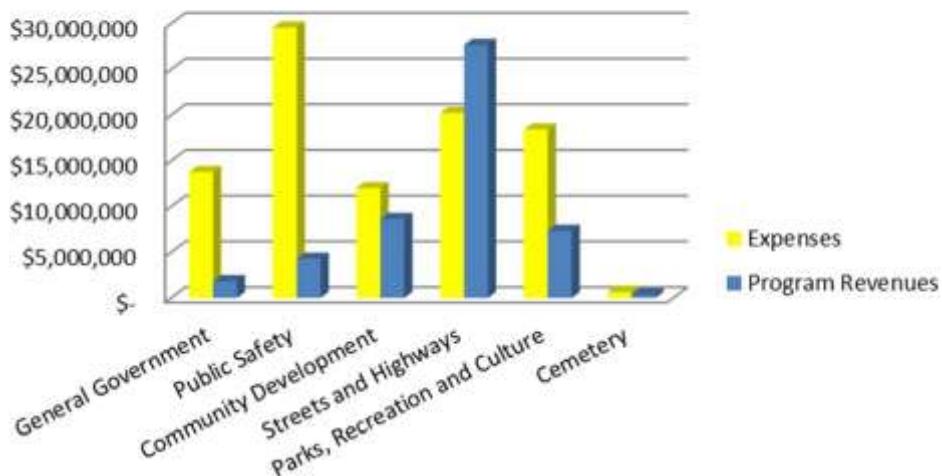
	Governmental Activities		Business-type Activities		2025	Total	2024
	2025	2024	2025	2024			
Revenues:							
Program revenues:							
Charges for services	\$ 17,201,025	\$ 13,194,909	\$ 96,997,963	\$ 87,384,214	\$ 114,198,988	\$ 100,579,123	
Operating grants and contributions	5,740,900	4,645,622	778,552	7,340,279	6,519,452	11,985,901	
Capital grants and contributions	27,225,070	13,204,965	34,320,973	25,518,235	61,546,043	38,723,200	
General revenues:							
Property taxes	24,819,664	21,350,254	-	-	24,819,664	21,350,254	
Sales and other taxes	34,944,493	33,286,193	-	-	34,944,493	33,286,193	
Other	13,063,617	6,444,198	5,973,710	7,658,525	19,037,327	14,102,723	
Total revenues	122,994,769	92,126,141	138,071,198	127,901,253	261,065,967	220,027,394	
Expenses:							
General government	13,768,304	10,418,768	-	-	13,768,304	10,418,768	
Public safety	29,561,802	24,922,190	-	-	29,561,802	24,922,190	
Community development	12,014,905	8,921,849	-	-	12,014,905	8,921,849	
Highways/streets	20,231,096	19,234,450	-	-	20,231,096	19,234,450	
Parks, recreation, and culture	18,412,343	16,691,486	-	-	18,412,343	16,691,486	
Cemetery	659,335	624,919	-	-	659,335	624,919	
Interest on long-term debt	2,319,264	1,903,478	-	-	2,319,264	1,903,478	
Water	-	-	17,674,519	24,096,622	17,674,519	24,096,622	
Sewer	-	-	19,670,937	15,553,923	19,670,937	15,553,923	
Electric	-	-	54,048,773	52,841,595	54,048,773	52,841,595	
Fiber	-	-	3,655,572	2,828,805	3,655,572	2,828,805	
Nonmajor activities	-	-	9,563,719	9,057,426	9,563,719	9,057,426	
Total expenses	96,967,049	82,717,140	104,613,520	104,378,371	201,580,569	187,095,511	
Increase in net position before transfers	26,027,720	9,409,001	33,457,678	23,522,882	59,485,398	32,931,883	
Transfers	-	-	-	-	-	-	
Increase in net position	26,027,720	9,409,001	33,457,678	23,522,882	59,485,398	32,931,883	
Net position, beginning	405,534,018	396,125,017	497,711,265	474,188,383	903,245,283	870,313,400	
Net position, ending	\$ 431,561,738	\$ 405,534,018	\$ 531,168,943	\$ 497,711,265	\$ 962,730,681	\$ 903,245,283	

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

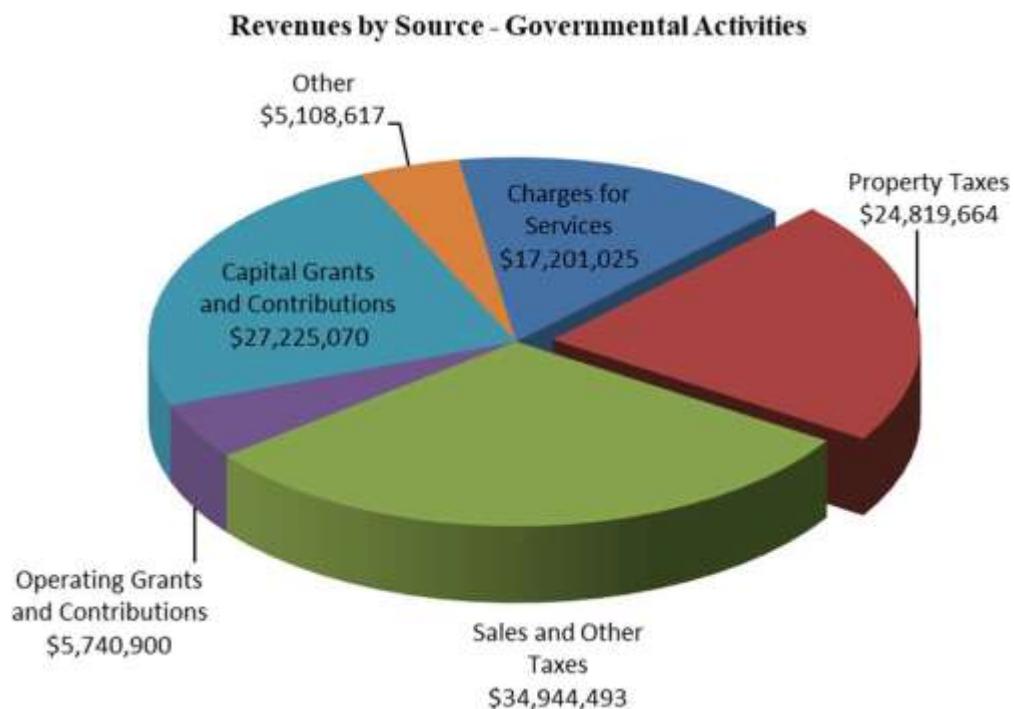
Governmental activities. During 2025 governmental activities increased the City's net position by \$26,027,720. Some specific factors making up the change in net position during 2025 include:

- Charges for services increased in 2025, increasing approximately \$4.0 million over the prior year (11.0%). These revenues include fees for development, such as building permits and plan reviews. Texas Instruments initiated a significant expansion to its facilities and the City's fees associated with this expansion are the primary driver of this increase over 2024.
- Capital grants and contributions were higher than in 2024 by approximately \$14.0 million. There was an increase in developer-installed infrastructure that was the primary driver of this increase.
- Property, sales and other taxes were higher than in 2024 by approximately \$5.1 million.
- Expenses of the governmental activities increased from 2024 to 2025 by approximately \$14.2 million with the largest increases occurring in public safety, general government and community development expenditures. Depreciation in governmental activities was \$21,426,890, an increase of \$1,229,514 from 2024 to 2025.

Expenses and Program Revenues - Governmental Activities



LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

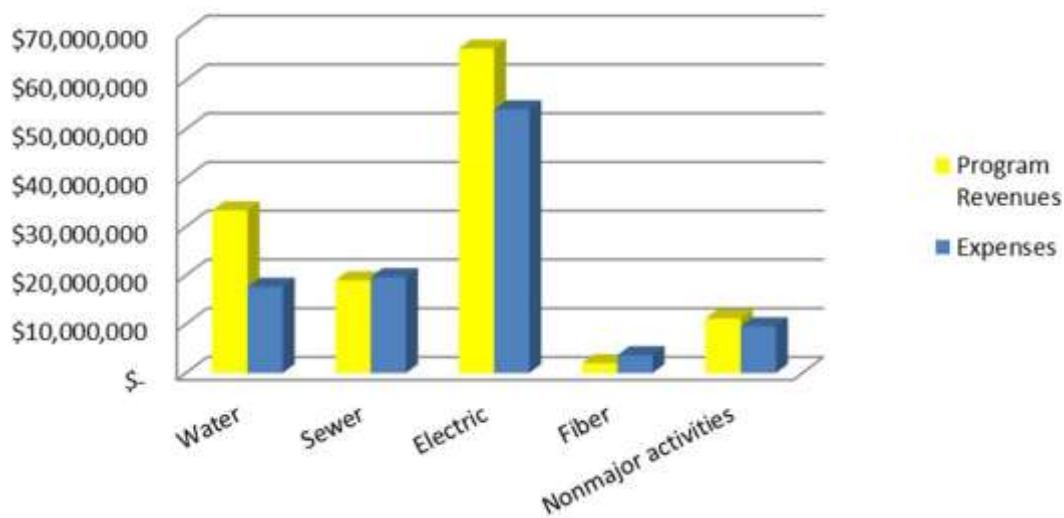


Business-type activities. Business-type activities increased the City's net position by \$33,457,678. At the end of the current fiscal year, all of the City's major business-type activities other than the fiber fund reported positive net position. The fiber fund was established in 2021 and will experience 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:

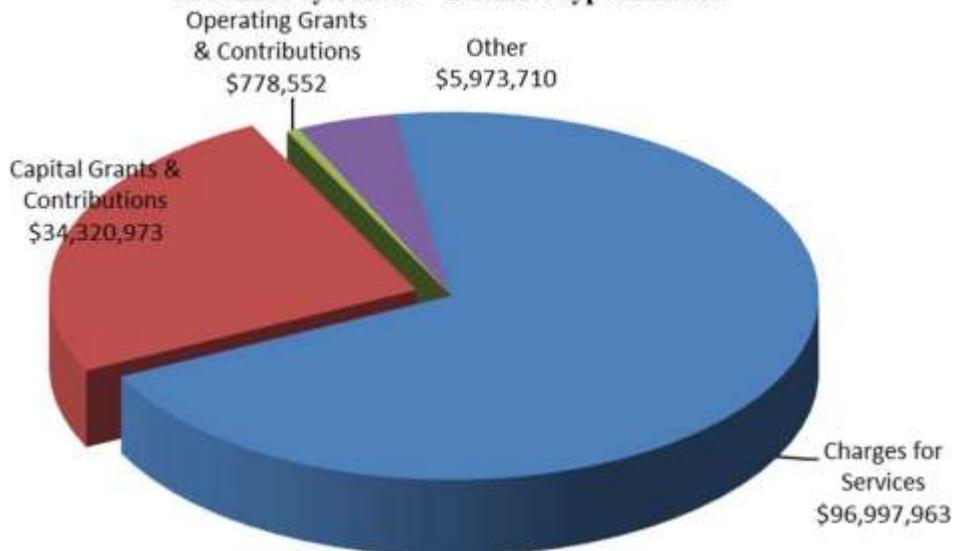
- Charges for services in the business-type activities increased over 2024 by \$9,613,749 (11.0%). Most of the enterprise funds experienced an increase in charges for services over 2024, a result of growth in the number of customers served as well as moderate increases to utility rates.
- Capital grants and contributions for the business-type activities added \$34,320,973 to the total revenues of the City. This amount was higher than in 2024 by \$8,802,738 (34.5%), indicative of increasing development in 2025.
- Expenses of the business-type activities remained relatively flat from the prior year, increasing \$235,149 (0.2%). Depreciation in business-type activities increased by \$1,883,418 from 2024 to 2025. The City's customer base has been expanding, but the City has been successfully able to manage the costs, particularly including the cost of resale power purchases, which remained very level from 2024 to 2025.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

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, 2025

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 \$71,216,744. \$24,351,533 of this total amount (34.2%) 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 administrator 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 \$24,351,533, while total fund balance reached \$32,543,533. 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 34.2% of total general fund expenditures, while total fund balance represents 45.7% of that same amount. The fund balance of the City's general fund decreased by \$1,339,793 during the current fiscal year, due largely to transfers out to other funds.

The special revenue Local Building Authority fund, which was established in 2023 to account for the financial resources to be used for the design and construction of capital assets as well as to pay the associated debt service, has restricted funds balance of \$12,820,960 primarily consisting of unexpended bond proceeds and assigned fund balance of \$2,518,241.

The capital projects fund had a decrease in fund balance in the amount of \$9,615,769, which resulted in a fund balance of \$18,903,814. During the year, approximately \$7.5 million was transferred to the capital projects fund from the general fund to pay for future projects. During the year, the City incurred over \$28 million in capital outlay which was accounted for in the capital projects fund.

The special revenue Redevelopment Agency fund has nonspendable fund balance of \$250,000 and an assigned fund balance of \$4,033,494. The project areas that received tax increment revenues in the current year were the Alpine Highway Project, the Alpine Highway West Project Area, the West Timpanogos Project Area, the Traverse Mountain Community Development Area and the Meadow Point Project Area. Overall, the fund experienced a decrease in fund balance of \$384,681.

The City established the debt service fund to account for the debt service on its outstanding 2019 and 2018 sales tax revenue bonds. Sources of funds for the debt service fund come from transfers from the general fund. The debt service fund has an assigned fund balance of \$146,702.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

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 \$79,373,870. Individually, the electric fund's unrestricted net position totaled \$41,487,563, the water unrestricted net position totaled \$28,135,686, the sewer unrestricted net position totaled \$5,014,308 and the non-major enterprise funds reported a positive unrestricted net position of \$7,332,063. The fiber fund reported a deficit net position of \$3,442,910. 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 \$67,921,981 to a final budget of \$72,674,481, an increase of \$4,752,500, or 7.0%. Increased budget allocations were made to various departments based on changing conditions and emergency situations. The majority of the adjustment was related to the use of previously collected road-tax funds in current-year construction projects. Significant variances between the final budget and actual results are shown below:

- Tax revenue outpaced budgeted amounts. As a result, budgeted revenue for taxes was increased by \$2,140,000 to \$50,258,637.
- Building permits were significantly higher than anticipated and the budget was increased by \$3,000,000 to \$6,344,000. The majority of the increase was a result of one significant project in the City.
- As a result of higher than anticipated revenues, the City budgeted a transfer to the Capital Projects Fund in the amount of \$6,500,000.
- Total expenditures were less than the final budgeted amounts by \$1,527,171.

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, 2025 amounts to \$997,168,945 (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 \$13,194,647 and \$7,503,540, respectively.
- Several large projects were under construction with approximate total costs incurred through June 30, 2025, as follows:
 - \$18.9 million for the new City hall campus
 - \$5.0 million for widening 2300 W from Main Street to 2100 North

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

- \$12.9 million for the construction of Family Park, Shadow Ridge Park, Holbrook Farms Park and Cold Springs Ranch Park
- \$3.8 million for fire station number 84
- Construction of the City's fiber network began in 2023 with total costs incurred through June 30, 2025 of approximately \$55.0 million.
- In the electric fund, approximately \$6.4 million was spent on subdivision construction projects.
- In the water fund, the City incurred expenditures of approximately \$9.1 million on the installation of meters in the pressurized irrigation system.

LEHI CITY CORPORATION
 CAPITAL ASSETS
 (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 188,658,231	\$ 177,843,775	\$ 4,321,964	\$ 4,321,964	\$ 192,980,195	\$ 182,165,739
Intangibles	-	-	62,636,505	61,923,345	62,636,505	61,923,345
Construction in progress	33,467,237	35,866,234	67,434,325	61,321,845	100,901,562	97,188,079
Buildings and structures	45,238,400	29,544,844	8,785,257	9,233,946	54,023,657	38,778,790
Improvements, including infrastructure	176,018,699	153,507,640	397,517,602	353,738,555	573,536,301	507,246,195
Machinery, equipment, and vehicles	11,796,569	10,569,122	1,169,154	1,400,146	12,965,723	11,969,268
Office furniture and equipment	17,780	19,268	2,591	3,714	20,371	22,982
Right to use leased assets	104,631	218,450	-	-	104,631	218,450
Total	\$ 455,301,547	\$ 407,569,333	\$ 541,867,398	\$ 491,943,515	\$ 997,168,945	\$ 899,512,848

Additional information on the City's capital assets can be found in Notes G and H on pages 62-64 of this report.

Long-term obligations. At the end of the current fiscal year the City had total bonded debt outstanding of \$186,025,660, with the majority of the debt secured solely by specified revenue sources (i.e. revenue bonds).

LEHI CITY CORPORATION
 LONG-TERM OBLIGATIONS

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Tax increment notes payable to developers	\$ 34,559,207	\$ 36,121,828	\$ -	\$ -	\$ 34,559,207	\$ 36,121,828
Other notes payable	4,711,187	3,014,578	820,224	895,530	5,531,411	3,910,108
Revenue bonds	52,412,354	61,854,747	133,613,306	116,685,819	186,025,660	178,540,566
Lease liabilities	108,061	232,548	-	-	108,061	232,548
Other liabilities	11,766,732	10,121,329	3,233,871	2,448,884	15,000,603	12,570,213
Total	\$ 103,557,541	\$ 111,345,030	\$ 137,667,401	\$ 120,030,233	\$ 241,224,942	\$ 231,375,263

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

The City's long-term obligations increased during 2025 by a net of \$9,849,679. In addition to regularly scheduled debt service payments, this change was the result of several factors:

- The City issued franchise and sales tax revenue bonds in the amount of \$16,255,000 at a premium of \$447,042.
- The City issued water revenue bonds in the amount of \$3,643,000.
- The City's 2004 subordinated sales tax revenue bonds of \$7,955,000 were forgiven.
- At June 30, 2024 the City reported, in accordance with the requirements of GAAP, a net pension liability totaling \$7,435,895, compared to a net pension liability of \$5,933,021 at June 30, 2024.

The 2021 and 2025 Franchise and Sales Tax Revenue Bonds were assigned an underlying rating of A+, with an Assured Guaranty insured rating of AA. The 2018 and 2019 Sales Tax Revenue Bonds maintained a rating of AA+, which was recently affirmed by Standard and Poor's, while the rating for the City's 2019 and 2025 Water Revenue Bonds held a AA+ rating by Fitch and maintained a Aa3 rating from Moody's. Power Revenue Bonds are rated A+ by Standard and Poor's, which was also affirmed previously this year. The 2022 Local Building Authority bonds, are rated AA- by Standard and Poor's and AA+ by Fitch.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 4% of its estimated market value. The current limitation for the City is \$785,663,975 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 \$1,571,327,950, 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 J on pages 65-85 of this report.

Economic Factors and Next Year's Budgets and Rates

- The City continues to grow rapidly. During the year, the total value of property in the City increased by 4.9% to an estimated market value of \$19,641,599,382.
- As part of the budget process, utility rates are reviewed annually. Rates are adjusted based on direct costs as well as capital needs. For the 2026 fiscal year, pressurized irrigation rates were increased by 5%, while culinary rates were not changed. Storm drain rates increased at the same time from \$5.75 to \$6.00 per month. Sewer rates were increased by 15% primarily due to increases to treatment charges. The base charge for residential electricity rates increased from \$7.50 to \$10.00 per month, while the kWh charge decreased from \$0.98 to \$0.86 for the first 1,000 kWh. The electricity rate includes a power purchase adjustment clause (PPAC), which adjusts rates automatically based on the wholesale cost of power. Due to improved wholesale power markets, the PPAC decreased from \$0.017 to \$0.00813 for calendar year 2025.

LEHI CITY CORPORATION
Management's Discussion and Analysis
For the Year Ended June 30, 2025

- Consistent with conditions throughout the State of Utah, growth in Lehi continues to trend positively, although at a somewhat slower pace. Sales tax revenues increased 7.3% from fiscal year 2024 to fiscal year 2025. As of August 2024, the State of Utah reports an unemployment rate of 3.3% with a rate of 3.7% in Utah County. The City's population is estimated at 93,446.
- \$3,643,000 par amount of water revenue bonds was issued during fiscal year 2025. The proceeds will be used to continue the City's pressurized irrigation meter installation project. In addition, \$16,255,000 par amount of franchise and sales tax revenue bonds were issued to complete the City's fiber network.
- The City's fiber network completed construction in October 2025. The network is not available to all eligible Lehi households.

The above factors were considered in preparing the City's budget for the 2026 fiscal year. Budgeted expenditures for the upcoming year total \$286,368,379. This is a decrease from the 2025 fiscal year opening budget of \$350,748,800. The decrease in total expenditures is due to fewer capital projects budgeted for 2026. The City recently finished construction on a large regional park and is nearing completion of a new city hall and library. Operational expenditures are increasing due to a growing population.

The City continues to expand with new residential and commercial development. During the year 514 residential and 158 commercial building permits were issued. This is an increase in permits from the previous year which corresponds to increased revenue from building permits, inspection fees, and impact fees.

The City also recently established two new Economic Development areas, the Morning Vista Community Reinvestment Project Area and the Skye View Community Reinvestment Project Area. These two projects will bring new retail sales and investment to the City. Specific businesses will be announced in 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.

BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
JUNE 30, 2025

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
			TOTAL	
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 17,883,450	\$ 60,240,913	\$ 78,124,363	
INVESTMENTS	21,282,685	-	21,282,685	
RECEIVABLES (NET)				
ACCOUNTS	-	9,663,732	9,663,732	
UNBILLED	-	1,221,225	1,221,225	
TAXES	29,734,060	-	29,734,060	
INTERGOVERNMENTAL	2,691,473	5,986,372	8,677,845	
LEASES	2,052,785	-	2,052,785	
OTHER	1,197,294	-	1,197,294	
ADVANCE BILLING ON DEPOSIT WITH POWER SUPPLIER	-	1,421,173	1,421,173	
INVENTORY	51,850	18,093,301	18,145,151	
RESTRICTED CASH AND CASH EQUIVALENTS	34,595,402	54,287,172	88,882,574	
RESTRICTED RECEIVABLES	3,198,494	-	3,198,494	
NET PENSION ASSET	817,023	-	817,023	
NON-DEPRECIABLE CAPITAL ASSETS	222,125,468	134,392,794	356,518,262	
DEPRECIABLE CAPITAL ASSETS, NET	233,176,079	407,474,604	640,650,683	
TOTAL ASSETS	\$ 568,806,063	\$ 692,781,286	\$ 1,261,587,349	
DEFERRED OUTFLOWS OF RESOURCES				
ADVANCE FUNDING OF UAMPS PROJECT	\$ -	\$ 5,120,315	\$ 5,120,315	
PREPAID BOND INSURANCE	-	666,294	666,294	
DEFERRED OUTFLOWS RELATED TO PENSIONS	7,477,789	2,169,514	9,647,303	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 7,477,789	\$ 7,956,123	\$ 15,433,912	
LIABILITIES				
INTERNAL BALANCES	\$ (5,796,296)	\$ 5,796,296	\$ -	
ACCOUNTS PAYABLE	3,023,676	10,407,229	13,430,905	
LIABILITIES PAYABLE FROM RESTRICTED ASSETS				
ACCOUNTS PAYABLE	11,062,049	9,127,662	20,189,711	
ACCRUED INTEREST	-	1,177,309	1,177,309	
WAGES PAYABLE	792,629	162,104	954,733	
ACCRUED LIABILITIES	4,543,117	-	4,543,117	
ACCRUED INTEREST PAYABLE	254,721	4,228	258,949	
CUSTOMER DEPOSITS	-	80,875	80,875	
NON-CURRENT LIABILITIES				
DUE WITHIN ONE YEAR	5,320,716	3,957,199	9,277,915	
DUE IN MORE THAN ONE YEAR:				
COMPENSATED ABSENCES	2,541,378	823,051	3,364,429	
NET PENSION LIABILITY	5,820,876	1,615,019	7,435,895	
LANDFILL POSTCLOSURE COSTS	591,012	-	591,012	
TAX INCREMENT NOTE PAYABLE TO DEVELOPER	34,559,207	-	34,559,207	
OTHER NOTES PAYABLE	3,716,998	743,826	4,460,824	
BONDS PAYABLE	51,007,354	130,528,306	181,535,660	
TOTAL LIABILITIES	\$ 117,437,437	\$ 164,423,104	\$ 281,860,541	
DEFERRED INFLOWS OF RESOURCES				
PROPERTY TAXES	\$ 25,007,237	\$ -	\$ 25,007,237	
LEASES	1,124,400	-	1,124,400	
DEFERRED GRANT REVENUE	1,050,000	5,128,994	6,178,994	
DEFERRED INFLOWS RELATED TO PENSIONS	103,040	16,368	119,408	
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 27,284,677	\$ 5,145,362	\$ 32,430,039	
NET POSITION				
NET INVESTMENT IN CAPITAL ASSETS	\$ 415,948,197	\$ 429,229,806	\$ 845,178,003	
RESTRICTED FOR				
CAPITAL IMPROVEMENTS	6,766,130	21,098,812	27,864,942	
PARKS AND RECREATION	1,447,699	-	1,447,699	
PENSION	817,023	-	817,023	
DEBT SERVICE	48,754	1,087,451	1,136,205	
UNRESTRICTED (DEFICIT)	6,533,935	79,752,874	86,286,809	
TOTAL NET POSITION	\$ 431,561,738	\$ 531,168,943	\$ 962,730,681	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES				NET REVENUE (EXPENSE) AND CHANGES IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT			
						BUSINESS-TYPE ACTIVITIES	TOTAL		
PRIMARY GOVERNMENT:									
GOVERNMENTAL ACTIVITIES									
GENERAL GOVERNMENT	\$ 13,768,304	\$ 1,688,141	\$ -	\$ 150,000	\$ (11,930,163)	\$ -	\$ -	\$ (11,930,163)	
PUBLIC SAFETY	29,561,802	2,525,663	930,115	838,106	(25,267,918)	-	-	(25,267,918)	
COMMUNITY DEVELOPMENT	12,014,905	7,961,280	-	672,906	(3,380,719)	-	-	(3,380,719)	
STREETS AND HIGHWAYS	20,231,096	-	4,706,192	22,965,930	7,441,026	-	-	7,441,026	
PARKS, RECREATION AND CULTURE	18,412,343	4,646,641	104,593	2,598,128	(11,062,981)	-	-	(11,062,981)	
CEMETERY	659,335	379,300	-	-	(280,035)	-	-	(280,035)	
INTEREST ON LONG-TERM DEBT	2,319,264	-	-	-	(2,319,264)	-	-	(2,319,264)	
TOTAL GOVERNMENTAL ACTIVITIES	96,967,049	17,201,025	5,740,900	27,225,070	(46,800,054)	-	-	(46,800,054)	
BUSINESS-TYPE ACTIVITIES									
WATER	17,674,519	15,619,028	778,552	16,951,902	-	15,674,963	15,674,963		
SEWER	19,670,937	15,005,517	-	4,000,081	-	(665,339)	(665,339)		
ELECTRIC	54,048,773	55,736,565	-	10,798,907	-	12,486,699	12,486,699		
FIBER	3,655,572	2,020,994	-	-	-	(1,634,578)	(1,634,578)		
NONMAJOR ACTIVITIES	9,563,719	8,615,859	-	2,570,083	-	1,622,223	1,622,223		
TOTAL BUSINESS-TYPE ACTIVITIES	104,613,520	96,997,963	778,552	34,320,973	-	27,483,968	27,483,968		
TOTAL PRIMARY GOVERNMENT	\$ 201,580,569	\$ 114,198,988	\$ 6,519,452	\$ 61,546,043	\$ (46,800,054)	\$ 27,483,968	\$ 27,483,968		\$ (19,316,086)
GENERAL REVENUES:									
PROPERTY TAXES					24,819,664	-	-	24,819,664	
SALES TAXES					25,463,180	-	-	25,463,180	
FRANCHISE AND OTHER TAXES					9,481,313	-	-	9,481,313	
INVESTMENT EARNINGS					3,679,184	4,831,804	8,510,988		
GAIN ON DISPOSAL OF CAPITAL ASSETS					205,133	88,671	293,804		
GAIN ON FORGIVENESS OF DEBT					7,955,000	-	7,955,000		
OTHER					1,224,300	1,053,235	2,277,535		
TOTAL GENERAL REVENUES					72,827,774	5,973,710	78,801,484		
TRANSFERS					-	-	-		
TOTAL GENERAL REVENUES AND TRANSFERS					72,827,774	5,973,710	78,801,484		
CHANGE IN NET POSITION					26,027,720	33,457,678	59,485,398		
NET POSITION AT BEGINNING OF YEAR					405,534,018	497,711,265	903,245,283		
NET POSITION AT END OF YEAR					\$ 431,561,738	\$ 531,168,943	\$ 962,730,681		

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

SPECIAL REVENUE FUND						
	GENERAL	LOCAL BUILDING AUTHORITY	CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
ASSETS						
CASH AND CASH EQUIVALENTS	\$ 8,534,622	\$ 2,516,629	\$ 1,965,806	\$ 4,206,630	\$ 17,223,687	
INVESTMENTS	17,298,312	-	3,984,373	-	21,282,685	
RECEIVABLES						
TAXES	20,020,755	-	-	9,463,305	29,484,060	
INTERGOVERNMENTAL	-	-	2,682,236	-	2,682,236	
LEASES	2,052,785	-	-	-	2,052,785	
OTHER	1,013,958	1,612	-	179,412	1,194,982	
PREPAIDS	-	-	-	250,000	250,000	
DUE FROM OTHER FUNDS	-	-	6,175,300	-	6,175,300	
RESTRICTED ASSETS						
CASH AND CASH EQUIVALENTS	5,924,056	16,973,579	10,793,064	-	33,690,699	
RECEIVABLES	2,148,494	-	1,050,000	-	3,198,494	
TOTAL ASSETS	\$ 56,992,982	\$ 19,491,820	\$ 26,650,779	\$ 14,099,347	\$ 117,234,928	
LIABILITIES						
ACCOUNTS PAYABLE	\$ 1,834,769	\$ -	\$ 439,529	\$ 205,846	\$ 2,480,144	
DUE TO OTHER FUNDS	-	-	-	-	-	
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	651,994	4,152,619	6,257,436	-	11,062,049	
WAGES PAYABLE	751,237	-	-	-	751,237	
ACCRUED LIABILITIES	4,543,117	-	-	-	4,543,117	
TOTAL LIABILITIES	7,781,117	4,152,619	6,696,915	205,846	18,836,547	
DEFERRED INFLOWS OF RESOURCES						
TAXES	14,615,547	-	-	9,463,305	24,078,852	
LEASES	2,052,785	-	-	-	2,052,785	
ADVANCE RECEIPT OF GRANT REVENUE	-	-	1,050,000	-	1,050,000	
TOTAL DEFERRED INFLOWS OF RESOURCES	16,668,332	-	1,050,000	9,463,305	27,181,637	
FUND BALANCES						
NONSPENDABLE	-	-	-	250,000	250,000	
RESTRICTED	7,420,556	12,820,960	5,585,628	-	25,827,144	
COMMITTED	744,248	-	-	-	744,248	
ASSIGNED	27,196	2,518,241	13,318,186	4,180,196	20,043,819	
UNASSIGNED	24,351,533	-	-	-	24,351,533	
TOTAL FUND BALANCE	32,543,533	15,339,201	18,903,814	4,430,196	71,216,744	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 56,992,982	\$ 19,491,820	\$ 26,650,779	\$ 14,099,347	\$ 117,234,928	

LEHI CITY CORPORATION
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET
POSITION ARE DIFFERENT BECAUSE:

TOTAL GOVERNMENTAL FUND BALANCES \$ 71,216,744

CAPITAL AND RIGHT TO USE ASSETS USED IN
GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL
RESOURCES AND THEREFORE ARE NOT
REPORTED IN THE FUNDS 455,301,547

LONG-TERM LIABILITIES, INCLUDING BONDS
PAYABLE, ARE NOT DUE AND PAYABLE IN
THE CURRENT PERIOD AND THEREFORE
ARE NOT REPORTED IN THE FUNDS (103,557,541)

INTEREST PAYABLE ON LONG-TERM FINANCIAL
RESOURCES IS NOT REPORTED IN THE
GOVERNMENTAL FUNDS (254,721)

THE CURRENT ASSETS, RESTRICTED CASH AND LIABILITIES
OF THE INTERNAL SERVICE FUNDS ARE INCLUDED
IN THE GOVERNMENTAL ACTIVITIES IN THE
STATEMENT OF NET POSITION 1,042,941

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 8,191,772

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 (379,004)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 431,561,738

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHICITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUND					TOTAL GOVERNMENTAL FUNDS
	GENERAL		LOCAL BUILDING AUTHORITY	CAPITAL PROJECTS	NONMAJOR GOVERNMENTAL FUNDS	
REVENUES						
TAXES	\$ 50,687,328	\$ -	\$ 80,007	\$ 8,996,822	\$ 59,764,157	
LICENSES, FEES AND PERMITS	5,875,958	-	5,056,265	-	10,932,223	
INTERGOVERNMENTAL	8,518,041	-	6,197,017	-	14,715,058	
CHARGES FOR SERVICES	9,678,363	-	-	-	9,678,363	
FINES AND FORFEITURES	1,011,487	-	-	-	1,011,487	
MISCELLANEOUS	1,859,517	-	-	-	1,859,517	
INTEREST ON INVESTMENTS	1,850,798	921.6	1	680,738	148,323	3,601,550
TOTAL REVENUES	79,481,492	921.6	1	12,014,027	9,145,145	101,562,355
EXPENDITURES						
CURRENT						
GENERAL GOVERNMENT	11,039,234	-	-	-	11,039,234	
PUBLIC SAFETY	26,505,877	-	-	-	26,505,877	
COMMUNITY DEVELOPMENT	4,367,029	-	-	6,917,299	11,284,328	
STREETS AND HIGHWAYS	11,677,586	-	-	-	11,677,586	
PARKS, RECREATION AND CULTURE	16,829,780	-	-	-	16,829,780	
CEMETERY	713,604	-	-	-	713,604	
OTHER	-	2,0	0	82,523	5,150	89,673
CAPITAL OUTLAY	-	19,151.2	1	28,105,759	-	47,257,010
DEBT SERVICE						
PRINCIPAL	13,641	330.8	6	80,006	2,592,621	3,017,114
INTEREST AND FISCAL CHARGES	559	1,521.5	4	-	844,113	2,366,196
TOTAL EXPENDITURES	71,147,310	21,005.6	1	28,268,288	10,359,183	130,780,402
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,334,182	(20,083,930)	(16,254,261)	(1,214,038)	(29,218,047)	
OTHER FINANCING SOURCES (USES)						
TRANSFERS IN	1,008,365	1,735.6	0	7,550,000	1,884,120	12,178,165
TRANSFERS OUT	(10,758,296)	-	-	(911,508)	(1,008,365)	(12,678,169)
SALE OF CAPITAL ASSETS	75,956	-	-	-	-	75,956
TOTAL OTHER FINANCING SOURCES (USES)	(9,673,975)	1,735,680	-	6,638,492	-	
NET CHANGE IN FUND BALANCE	(1,339,793)	(18,348,250)	(9,615,769)	(338,283)	(29,642,095)	
FUND BALANCE AT BEGINNING OF YEAR	33,883,326	33,687,451	28,519,583	4,768,479	100,858,839	
FUND BALANCE AT END OF YEAR	\$ 32,543,533	\$ 15,339,201	\$ 18,903,814	\$ 4,430,196	\$ 71,216,744	

LEHICITY 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, 2025

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:	
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (29,642,095)
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	54,787,393 (21,425,401)
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	(1,407,594)
REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION	3,017,114
THE NET REVENUE OF INTERNAL SERVICES FUNDS IS ALLOCATED BETWEEN GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE FUND NET INCOME LESS AMOUNT ALLOCATED TO BUSINESS-TYPE ACTIVITIES	(1,343,754) 392,406
TRANSFER TO INTERNAL SERVICE FUND NETS TO ZERO IN THE STATEMENT OF ACTIVITIES	500,004
GAIN ON FORGIVENESS OF DEBT IS OTHER INCOME IN THE STATEMENT OF ACTIVITIES	7,955,000
DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE NOT RECORDED IN GOVERNMENTAL FUNDS	13,194,647
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 26,027,720

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHICITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	
	ORIGINAL	FINAL	ACTUAL		
REVENUES					
TAXES	\$ 48,118,637	\$ 50,258,637	\$ 50,687,328	\$ 428,691	
LICENSES, FEES AND PERMITS	3,344,000	6,344,000	5,875,958	(468,042)	
INTERGOVERNMENTAL REVENUE	6,629,500	6,629,500	8,518,041	1,888,541	
CHARGES FOR SERVICE	9,885,697	9,965,697	9,678,363	(287,334)	
FINES AND FORFEITURES	737,500	737,500	1,011,487	273,987	
MISCELLANEOUS REVENUE	1,604,500	1,617,000	1,859,517	242,517	
INTEREST ON INVESTMENTS	101,000	1,601,000	1,850,798	249,798	
TOTAL REVENUES	70,420,834	77,153,334	79,481,492		2,328,158
EXPENDITURES					
GENERAL GOVERNMENT	10,525,329	11,071,829	11,039,234	32,595	
PUBLIC SAFETY	26,908,057	26,725,557	26,505,877	219,680	
COMMUNITY DEVELOPMENT	4,580,945	4,675,445	4,367,029	308,416	
STREETS AND HIGHWAYS	8,547,312	12,431,112	11,677,586	753,526	
PARKS, RECREATIONS AND CULTURE	16,665,122	17,021,122	16,829,780	191,342	
CEMETERY	695,216	735,216	713,604	21,612	
DEBT SERVICE	-	14,200	14,200	-	
TOTAL EXPENDITURES	67,921,981	72,674,481	71,147,310		1,527,171
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	2,498,853	4,478,853	8,334,182		3,855,329
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN	1,600,000	1,600,000	1,008,365	(591,635)	
TRANSFERS OUT	(4,468,288)	(10,968,288)	(10,758,296)	209,992	
SALE OF CAPITAL ASSETS	10,000	10,000	75,956	65,956	
TOTAL OTHER FINANCING SOURCES (USES)	(2,858,288)	(9,358,288)	(9,673,975)		(315,687)
NET CHANGE IN FUND BALANCE	(359,435)	(4,879,435)	(1,339,793)		3,539,642
FUND BALANCE AT BEGINNING OF YEAR	33,883,326	33,883,326	33,883,326		-
FUND BALANCE AT END OF YEAR	\$ 33,523,891	\$ 29,003,891	\$ 32,543,533		\$ 3,539,642

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHICITYCORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - LOCAL BUILDINGAUTHORITY
FOR THE YEAR ENDED JUNE 30, 2025

	<u>BUDGETED AMOUNTS</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>POSITIVE (NEGATIVE)</u>
REVENUES				
INTEREST ON INVESTMENTS	\$ -	\$ -	\$ 921,691	\$ 921,691
TOTAL REVENUES	-	-	921,691	921,691
EXPENDITURES				
CURRENT				
OTHER	2,000	2,000	2,000	-
CAPITAL OUTLAY	31,500,000	31,500,000	19,151,251	12,348,749
DEBT SERVICE				
PRINCIPAL	220,000	220,000	330,846	(110,846)
INTEREST	1,515,675	1,515,675	1,521,524	(5,849)
TOTAL EXPENDITURES	<u>33,237,675</u>	<u>33,237,675</u>	<u>21,005,621</u>	<u>12,232,054</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(33,237,675)	(33,237,675)	(20,083,930)	13,153,745
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,735,675	1,735,675	1,735,680	5
ISSUANCE OF LEASE LIABILITY	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,735,675</u>	<u>1,735,675</u>	<u>1,735,680</u>	<u>5</u>
NET CHANGE IN FUND BALANCE	(31,502,000)	(31,502,000)	(18,348,250)	13,153,750
FUND BALANCE AT BEGINNING OF YEAR	<u>33,687,451</u>	<u>33,687,451</u>	<u>33,687,451</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 2,185,451</u>	<u>\$ 2,185,451</u>	<u>\$ 15,339,201</u>	<u>\$ 13,153,750</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

THIS PAGE INTENTIONALLY LEFT BLANK

LEHI CITY CORPORATION
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL		
	WATER	SEWER	ELECTRIC	FIBER	NONMAJOR	TOTAL	ACTIVITIES	
					PROPRIETARY	BUSINESS-TYPE	INTERNAL SERVICE	FUNDS
ASSETS								
CURRENT ASSETS								
CASH AND CASH EQUIVALENTS	\$ 19,180,463	5,679,127	\$ 27,878,725	\$ 232,272	\$ 7,270,326	\$ 60,240,913	\$ 659,763	
RECEIVABLES (NET)								
ACCOUNTS	1,407,444	1,441,037	5,306,046	668,105	841,100	9,663,732	11,549	
UNBILLED	200,219	178,632	727,520	-	114,854	1,221,225	-	
INTERGOVERNMENTAL	5,986,372	-	-	-	-	5,986,372	-	
DUE FROM OTHER FUNDS	-	-	322,731	-	-	322,731	476,136	
REFUND DUE FROM								
WITH POWER SUPPLIER	-	-	1,421,173	-	-	1,421,173	-	
INVENTORY	8,194,128	13,659	7,762,792	2,111,252	11,470	18,093,301	51,850	
TOTAL CURRENT ASSETS	34,968,626	7,312,455	43,418,987	3,011,629	8,237,750	96,949,447	1,199,298	
NON-CURRENT ASSETS								
RESTRICTED CASH							904,703	
NONDEPRECIABLE CAPITAL ASSETS	70,073,288	200,471	7,645,627	54,978,804	1,494,604	134,392,794	141,516	
DEPRECIABLE CAPITAL ASSETS, NET	166,509,699	65,075,560	123,545,637	-	52,343,708	407,474,604	10,344,952	
TOTAL NON-CURRENT ASSETS	243,915,556	69,172,874	142,621,622	85,964,064	54,480,454	596,154,570	11,391,171	
TOTAL ASSETS	\$ 278,884,182	\$ 76,485,329	\$ 186,040,609	\$ 88,975,693	\$ 62,718,204	\$ 693,104,017	\$ 12,590,469	
DEFERRED OUTFLOWS								
ADVANCE FUND							\$ -	
PREPAID BOND INSURANCE				69,092	597,202	-	666,294	
DEFERRED OUTFLOWS RELATED TO PENSIONS	-	-	1,150,644	117,324	206,074	2,169,514	499,679	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	526,238	169,234	\$ 6,340,051	\$ 714,526	\$ 206,074	\$ 7,956,123	\$ 499,679	

CONTINUED

LEHICITYCORPORATION
STATEMENT OF NET POSITION - CONTINUED
PROPRIETARY FUNDS
JUNE30, 2025

LIABILITIES	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
				NONMAJOR PROPRIETARY FUNDS			INTERNAL SERVICE	
	WATER	SEWER	ELECTRIC	FIBER	TOTALS	FUNDS		
CURRENT LIABILITIES								
ACCOUNTS PAYABLE	\$ 1,312,182	\$ 2,214,175	\$ 6,368,869	\$ -	\$ 512,003	\$ 10,407,229	\$ 543,532	
WAGES PAYABLE	41,072	12,498	85,732	8,265	14,537	162,104	41,392	
ACCRUED INTEREST PAYABLE	4,228	-	-	-	-	4,228	-	
DUE TO OTHER FUNDS	-	-	-	6,175,300	322,731	6,498,031	476,136	
PAYABLE FROM RESTRICTED ASSETS:								
ACCOUNTS PAYABLE	7,677	129,645	132,113	8,852,040	6,187	9,127,662	-	
ACCRUED INTEREST	101,386	-	120,916	955,007	-	1,177,309	129,364	
CUSTOMER DEPOSITS	77,000	-	3,875	-	-	80,875	-	
CURRENT PORTION COMPENSATED ABSENCES	202,383	57,066	438,056	30,582	67,714	795,801	180,028	
CURRENT MATURITIES OF LONG-TERM OBLIGATIONS	946,398	-	1,265,000	950,000	-	3,161,398	994,189	
TOTAL CURRENT LIABILITIES	2,692,326	2,413,384	8,414,561	16,971,194	923,172	31,414,637	2,364,641	
NON-CURRENT LIABILITIES								
COMPENSATED ABSENCES	197,609	56,385	509,705	19,535	39,817	823,051	154,194	
NET PENSION LIABILITY	391,740	125,980	856,557	87,338	153,404	1,615,019	371,967	
NOTES PAYABLE, LESS CURRENT MATURITIES	743,826	-	-	-	-	743,826	3,716,998	
BONDS PAYABLE, LESS CURRENT MATURITIES	23,243,555	-	31,230,574	76,054,177	-	130,528,306	-	
TOTAL NON-CURRENT LIABILITIES	24,576,730	182,365	32,596,836	76,161,050	193,221	133,710,202	4,243,159	
TOTAL LIABILITIES	\$ 27,269,056	\$ 2,595,749	\$ 41,011,397	\$ 93,132,244	\$ 1,116,393	\$ 165,124,839	\$ 6,607,800	
DEFERRED INFLOWS OF RESOURCES								
DEFERRED GRANT REVENUES	\$ 5,128,994	\$ -	\$ -	\$ -	\$ -	\$ 5,128,994	\$ -	
DEFERRED INFLOWS RELATED TO PENSIONS	3,970	1,277	8,681	885	1,555	16,368	3,770	
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 5,132,964	\$ 1,277	\$ 8,681	\$ 885	\$ 1,555	\$ 5,145,362	\$ 3,770	
NET POSITION								
NET INVESTMENT IN CAPITAL ASSETS	\$ 212,734,459	\$ 65,276,031	\$ 98,695,690	\$ (1,314,686)	\$ 53,838,312	\$ 429,229,806	\$ 6,679,984	
RESTRICTED FOR								
CAPITAL PROJECTS	5,975,236	3,767,198	10,720,423	-	635,955	21,098,812	-	
DEBT SERVICE	163,019	-	456,906	467,526	-	1,087,451	-	
UNRESTRICTED (DEFICIT)	28,135,686	5,014,308	41,487,563	(2,595,750)	7,332,063	79,373,870	(201,406)	
TOTAL NET POSITION (DEFICIT)	\$ 247,008,400	\$ 74,057,537	\$ 151,360,582	\$ (3,442,910)	\$ 61,806,330	\$ 530,789,939	\$ 6,478,578	
ADJUSTMENT TO REPORT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS								
CURRENT YEAR ADJUSTMENT							(392,406)	
CUMULATIVE ADJUSTMENT FROM PRIOR YEARS							771,410	
NET POSITION OF BUSINESS-TYPE ACTIVITIES							\$ 531,168,943	

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, 2025

	BUSINESS-TYPE ACTIVITIES					GOVERNMENTAL ACTIVITIES	
	WATER	SEWER	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTALS	INTERNAL SERVICE FUNDS
OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS)							
CHARGES FOR SERVICES	\$ 14,954,675	\$ 15,005,517	\$ 55,327,700	\$ 2,020,994	\$ 8,615,859	\$ 95,924,745	\$ 9,592,060
HOOK-UP AND SERVICING FEES	664,353	-	408,865	-	-	1,073,218	-
MISCELLANEOUS REVENUES	266,583	30,452	486,651	232,000	37,549	1,053,235	131,783
TOTAL OPERATING REVENUES	15,885,611	15,035,969	56,223,216	2,252,994	8,653,408	98,051,198	9,723,843
OPERATING EXPENSES							
PERSONNEL	3,083,461	988,675	5,614,589	636,762	1,210,365	11,533,852	3,286,517
GENERAL ADMINISTRATION	283,883	309,486	798,612	5,773	88,137	1,485,891	-
OPERATING AND MAINTENANCE	6,429,763	15,187,022	39,712,485	1,093,687	5,741,486	68,164,443	5,819,225
INTERFUND CHARGES	581,724	309,516	887,412	-	234,948	2,013,600	-
DEPRECIATION	6,534,289	2,876,238	5,225,507	-	2,273,012	16,909,046	1,974,561
TOTAL OPERATING EXPENSES	16,913,120	19,670,937	52,238,605	1,736,222	9,547,948	100,106,832	11,080,303
OPERATING INCOME (LOSS)	(1,027,509)	(4,634,968)	3,984,611	516,772	(894,540)	(2,055,634)	(1,356,460)
NON-OPERATING REVENUES (EXPENSES)							
DEVELOPER FEES	778,552	-	-	-	-	778,552	-
INTEREST INCOME	1,111,998	547,681	1,758,343	1,048,693	365,089	4,831,804	77,634
INTEREST EXPENSE	(761,399)	-	(1,417,762)	(1,919,350)	(15,771)	(4,114,282)	(194,105)
GAIN ON DISPOSAL OF CAPITAL ASSETS	37,609	11,875	39,187	-	-	88,671	129,177
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,166,760	559,556	379,768	(870,657)	349,318	1,584,745	12,706
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	139,251	(4,075,412)	4,364,379	(353,885)	(545,222)	(470,889)	(1,343,754)
CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	2,225,940	973,536	3,249,028	-	312,036	6,760,540	-
CAPITAL CONTRIBUTIONS - GOVERNMENT GRANTS	7,222,436	-	-	-	-	7,222,436	-
CAPITAL CONTRIBUTIONS - DEVELOPERS	7,503,526	3,026,545	7,549,879	-	2,258,047	20,337,997	-
INCOME (LOSS) BEFORE TRANSFERS	17,091,153	(75,331)	15,163,286	(353,885)	2,024,861	33,850,084	(1,343,754)
TRANSFERS IN	-	-	-	-	-	-	500,004
CHANGE IN NET POSITION	17,091,153	(75,331)	15,163,286	(353,885)	2,024,861	33,850,084	(843,750)
NET POSITION AT BEGINNING OF YEAR	229,917,247	74,132,868	136,197,296	(3,089,025)	59,781,469	496,939,855	7,322,328
NET POSITION (DEFICIT) AT END OF YEAR	\$ 247,008,400	\$ 74,057,537	\$ 151,360,582	\$ (3,442,910)	\$ 61,806,330	\$ 530,789,939	\$ 6,478,578
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS							(392,406)
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES (page 35)							\$ 33,457,678

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS	
	WATER	SEWER	ELECTRIC	FIBER	NONMAJOR PROPRIETARY FUNDS	TOTALS		
CASH FLOWS FROM OPERATING ACTIVITIES								
CASH RECEIVED FROM CUSTOMERS	\$ 15,489,090	\$ 14,635,586	\$ 55,711,440	\$ 1,492,684	\$ 8,546,622	\$ 95,875,422	\$ - 9,591,332	
CASH RECEIVED FROM INTERFUND SERVICES PROVIDED	-	-	-	-	-	-	(3,145,640)	
CASH PAID TO SUPPLIERS	(9,864,737)	(14,549,978)	(78,906,267)	(20,496,741)	(5,793,990)	(129,611,713)	(5,435,583)	
CASH PAID TO EMPLOYEES	(2,929,598)	(945,430)	(5,315,711)	(611,357)	(1,146,836)	(10,948,932)	-	
CASH PAID FOR INTERFUND SERVICES	(581,724)	(309,516)	(887,412)	-	(234,948)	(2,013,600)	-	
OTHER RECEIPTS	266,583	30,452	486,651	232,000	37,549	1,053,235	122,319	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	2,379,614	(1,138,886)	(28,911,299)	(19,383,414)	1,408,397	(45,645,588)	1,132,428	
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES								
INTEREST PAID ON INTERFUND ADVANCE	-	-	-	(23,174)	(8,501)	(31,675)	(58,691)	
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	-	-	(23,174)	(8,501)	(31,675)	(58,691)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(14,651,200)	(2,557,560)	12,554,776	(7,143,915)	(1,294,008)	(13,091,907)	(3,170,788)	
PROCEEDS FROM SALE OF CAPITAL ASSETS	37,609	11,875	39,187	-	-	88,671	149,829	
CONTRIBUTIONS FROM DEVELOPERS	1,699,125	-	6,643,974	-	-	8,343,099	-	
CASH RECEIVED FROM GOVERNMENT GRANTS	9,615,844	-	-	-	-	9,615,844	-	
PROCEEDS FROM ISSUANCE OF BONDS AND NOTES	3,643,000	-	-	16,702,042	-	20,345,042	2,440,000	
PRINCIPAL PAID ON BONDS	(465,000)	-	(1,205,000)	(915,000)	(205,000)	(2,790,000)	-	
INTEREST PAID	(842,946)	-	(1,586,287)	(2,200,991)	(7,853)	(4,638,077)	-	
TRANSFERS IN	-	-	-	-	-	-	500,004	
PAYMENTS MADE ON NOTES PAYABLE	(75,306)	-	-	-	-	(75,306)	(732,592)	
IMPACT FEES COLLECTED	2,225,940	973,536	3,249,028	-	312,036	6,760,540	-	
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	1,187,066	(1,572,149)	19,695,678	6,442,136	(1,194,825)	24,557,906	(813,547)	
CASH FLOWS FROM INVESTING ACTIVITIES								
INTERFUND ADVANCE ISSUED	-	-	(322,222)	-	-	(322,222)	(467,253)	
INTERFUND ADVANCE RECEIVED	-	-	-	-	322,222	322,222	467,253	
INTEREST INCOME COLLECTED	1,111,998	547,681	1,758,343	1,048,693	365,089	4,831,804	77,634	
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,111,998	547,681	1,436,121	1,048,693	687,311	4,831,804	77,634	

CONTINUED

LEHI CITY CORPORATION
 STATEMENT OF CASH FLOWS - CONTINUED
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
	CULINARY		NONMAJOR PROPRIETARY FUNDS		TOTALS		INTERNAL SERVICE FUNDS	
	WATER	SEWER	ELECTRIC	FIBER				
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,678,678	(2,163,354)	(7,779,500)	(11,915,759)	892,382	(16,287,553)		337,824
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	21,834,354	11,739,324	47,088,583	43,133,291	7,020,086	130,815,638		1,226,642
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 26,513,032	\$ 9,575,970	\$ 39,309,083	\$ 31,217,532	\$ 7,912,468	\$ 114,528,085	\$ 1,564,466	
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:								
UNRESTRICTED CASH	\$ 19,180,463	\$ 5,679,127	\$ 27,878,725	\$ 232,272	\$ 7,270,326	\$ 60,240,913	\$ 659,763	
RESTRICTED CASH	7,332,569	3,896,843	11,430,358	30,985,260	642,142	54,287,172	904,703	
	\$ 26,513,032	\$ 9,575,970	\$ 39,309,083	\$ 31,217,532	\$ 7,912,468	\$ 114,528,085	\$ 1,564,466	
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES								
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 6,582,953	\$ 3,026,545	\$ 905,905	\$ -	\$ 2,258,047	\$ 12,773,450	\$ -	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:								
OPERATING INCOME (LOSS)	\$ (1,027,509)	\$ (4,634,968)	\$ 3,984,611	\$ 516,772	\$ (894,540)	\$ (2,055,634)	\$ (1,356,460)	
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
DEPRECIATION	6,534,289	2,876,238	5,225,507	-	2,273,012	16,909,046	1,974,561	
CHANGES IN ASSETS AND LIABILITIES								
ACCOUNTS RECEIVABLE	(173,706)	(342,793)	(8,899)	(528,310)	(62,187)	(1,115,895)	(10,192)	
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	22,568	(27,138)	(16,026)	-	(7,050)	(27,646)	-	
ADVANCE BILLING ON DEPOSIT								
WITH POWER SUPPLIER	-	-	(1,043,057)	-	-	(1,043,057)	-	
INVENTORY	(858,898)	5,268	629,161	(19,368,831)	(4,418)	(19,597,718)	(4,191)	
ACCOUNTS PAYABLE	(2,292,193)	941,262	(38,228,734)	-	40,051	(39,539,614)	396,546	
WAGES PAYABLE	10,724	2,953	18,465	1,727	1,349	35,218	12,687	
COMPENSATED ABSENCES	86,030	20,988	149,696	7,116	33,965	297,795	67,334	
AMORTIZATION OF ADVANCE FUNDING								
OF UAMPS PROJECT	-	-	243,824	-	-	243,824	-	
CHANGE IN PREPAID BOND INSURANCE	-	-	3,636	(28,450)	-	(24,814)	-	
CHANGES IN NET PENSION ASSET, LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS								
RELATED TO PENSIONS	57,109	19,304	130,717	16,562	28,215	251,907	52,143	
CUSTOMER DEPOSITS	21,200	-	(200)	-	-	21,000	-	
	\$ 2,379,614	\$ (1,138,886)	\$ (28,911,299)	\$ (19,383,414)	\$ 1,408,397	\$ (45,645,588)	\$ 1,132,428	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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 Six Member 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 as well as a fiber-optic network.

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 Lehi City Local Building Authority – The Lehi City Local Building Authority (LBA) constructs and services debt on certain facilities. These facilities are used by the City, which leases the facilities from the LBA, to provide services to its citizens. The LBA is governed by a board comprised of the City Council. The City staff manage the activities of the LBA 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 LBA have been included in the financial reporting entity as a special revenue fund. Separate financial statements are not issued for the LBA.

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, 2025

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 water, sewer, 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 CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basic Financial Statements – Fund Financial Statements

Fund financial statements are used to report additional and more detailed information about the primary government and its blended component units. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. 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 City reports the following major governmental funds:

- **General fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.
- **The Local Building Authority special revenue fund** is used to account for the financial resources to be used for the design and construction of capital assets and to make debt payments. This fund is a blended component unit.
- **Capital projects fund** is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type proprietary funds). The City has only one capital projects fund and it is used to account for major road, sidewalk, parks and land improvements.

The City also has the following nonmajor governmental funds:

- **The Redevelopment Agency special revenue fund** is used to account for the property taxes levied on properties within each RDA or EDA project area. This fund is a blended component unit.
- **Debt service funds** are 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:

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

- **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 Water Fund, the Sewer Fund, the Electric Fund, and the Fiber Fund.

- The purpose of the Water Fund is to assure an adequate supply of potable water. It also maintains the City's culinary water distribution lines, wells and storage tanks, and culinary water facilities. The purpose of this fund is also 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 is used to account for the acquisition, construction, installation and operation of a fiber-optic network; along with 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

Basis of accounting

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

Accrual

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

Modified Accrual

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

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.

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

Lease receivables

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term.

Deferred inflows of resources are recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the terms of the leases.

Intangible assets

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

Deferred outflows/inflows of resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, 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, *deferred inflows of resources*, 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.

Right to use assets

Right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the asset into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Capital assets

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

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

Revenues – exchange and non-exchange transactions

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

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

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

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

The City bills utility customers once monthly when the meters are read. The City is divided into two billing districts. Unbilled accounts receivable were \$1,221,225 at June 30, 2025. The accounts receivable are reported net of the allowance for doubtful accounts of \$628,601 at June 30, 2025.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Compensated absences

Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. Vacation is accumulated on a monthly basis and is fully vested when earned. Accumulated vacation cannot exceed 240 hours at the end of any calendar year and any vacation in excess of this amount is forfeited. At retirement, death, or termination, unpaid accrued vacation is paid to the beneficiary. Proprietary funds expense all accrued vacation amounts when incurred. Governmental funds report an expenditure as the vacation is paid or at termination. The current portion is determined by the City to be the portion of vacation pay due employees who terminated prior to year-end.

Accumulated sick leave is earned at a rate of eight hours per month. Sick leave is capped at varying levels depending on employee position. On December 31 of each year, 50% of any sick leave in excess of the maximum allowed is deposited into a Retirement Health Savings Account in the employee's name. The remainder is forfeited. 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.

Governmental funds report an expenditure when the sick pay is paid. For proprietary funds and government-wide financial statements, sick leave is accrued based on the historical average use of sick leave by each employee. The amount accrued for active employees is the actual amount earned up to the maximum based on the aforementioned cap. For employees eligible for retirement, the accrual is the lesser of 75% of their accrued sick leave or the maximum amount based on the aforementioned cap. 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.

Governmental Fund Balance

On governmental fund balance sheets, assets and deferred outflows in excess of liabilities and deferred inflows are reported as fund balances and are segregated into separate classifications indicating the extent to which the City is required to honor constraints on specific purposes for which those funds can be spent.

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.

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 asset or 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), including additions to and deductions from URS’s fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates and assumptions

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

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgets and budgetary control

Annual budgets are prepared and adopted, in accordance with state law, by the Mayor and City Council on or before June 30 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, the Capital Projects Fund and the Debt Service 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 Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund, the Redevelopment Agency, and the Local Building Authority 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, 2025

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, 2025 the book value of cash on deposit was \$10,457,366 and the bank balance was \$9,388,517 (\$8,642,199 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).

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE B – DEPOSITS AND INVESTMENTS - CONTINUED

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.
- *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, 2025, 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	\$ 155,644,868	\$ -	\$ 155,644,868	\$ -
Corporate Debt Securities	6,211,343	-	6,211,343	-
Certificates of Deposit	13,265,696	-	13,265,696	-
U.S. Government Securities	757,883	757,883	-	-
Federal Agency Bonds	812,693	812,693	-	-
Money Market Funds	1,139,773	1,139,773	-	-
	<u>\$ 177,832,256</u>	<u>\$ 2,710,349</u>	<u>\$ 175,121,907</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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE B – DEPOSITS AND INVESTMENTS - CONTINUED

- 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, 2025 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.

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, 2025:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Debt Securities					
Corporate Debt Securities	\$ 6,211,343	\$ 1,765,260	\$ 4,446,083	\$ -	\$ -
Certificates of Deposit	13,265,696	4,008,645	7,269,352	1,987,699	-
U.S Government Securities	757,883	489,633	268,250	-	-
Federal Agency Bonds	812,693	-	812,693	-	-
Money Market Funds	<u>1,139,773</u>	<u>1,139,773</u>	-	-	-
	<u>22,187,388</u>	<u>\$ 7,403,311</u>	<u>\$ 12,796,378</u>	<u>\$ 1,987,699</u>	<u>\$ -</u>
Other Investments					
Utah Public Treasurer's Investment Fund	<u>155,644,868</u>				
	<u><u>\$ 177,832,256</u></u>				

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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					Unrated
		AAA	AA	A	BBB		
Utah Public Treasurer's Investment Fund	\$ 155,644,868	\$ -	\$ -	\$ -	\$ -	\$ 155,644,868	
Corporate Debt Securities	6,211,343	356,337	1,058,697	4,543,313	-	252,996	
Certificates of Deposit	13,265,696	-	1,325,550	972,144	481,596	10,486,406	
U.S Government Securities	757,883	757,883	-	-	-	-	
Federal Agency Bonds	812,693	812,693	-	-	-	-	
Money Market Funds	1,139,773	1,139,773	-	-	-	-	
	<u>\$ 177,832,256</u>	<u>\$ 3,066,686</u>	<u>\$ 2,384,247</u>	<u>\$ 5,515,457</u>	<u>\$ 481,596</u>	<u>\$ 166,384,270</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, 2025, 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, 2025, 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, 2025

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, 2025) and then compare those values to come up with an agreed upon fair value of the securities.

As of June 30, 2025, the City had \$155,644,868 invested in the PTIF which had a fair value of \$155,953,888 for an unrealized gain of \$309,020. 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>
Federal agency bonds	67.67%
Corporate bonds and notes	4.14%
Commercial paper	2.61%
Money market accounts and CDs	4.92%
U.S Treasury bills	20.66%
	<hr/> <hr/> 100.00%

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE D – RESTRICTED ASSETS

The City's restricted assets consist of the following:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Restricted cash and cash equivalents			
Reserves for future debt service	\$ 48,754	\$ 2,264,760	\$ 2,313,514
Unexpended bond and note proceeds	17,878,252	30,647,978	48,526,230
Unexpended B & C Road funds	4,195,367	-	4,195,367
Unexpended State Grant funds	-	-	-
Unexpended Parc Tax funds	849,460	-	849,460
Unexpended CDBG funds	47,966	-	47,966
Funds restricted for landfill			
post-closure costs	597,032	-	597,032
Asset forfeiture account funds	66,525	-	66,525
Fund restricted for library	215,672	-	215,672
Unexpended impact fees	10,696,374	21,374,434	32,070,808
Total restricted cash and cash equivalents	34,595,402	54,287,172	88,882,574
Restricted taxes and intergovernmental receivables	3,198,494	-	3,198,494
Total restricted assets	<u>\$ 37,793,896</u>	<u>\$ 54,287,172</u>	<u>\$ 92,081,068</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE E – LEASE RECEIVABLES

The City has entered into agreements for the lease of cell phone towers with four cellular service providers in which the City is the lessor. The City calculated an implicit interest rate using the internal rate of return method to calculate the present value of the lease payments. The details of each lease and the balance as of June 30, 2025 is summarized as follows:

	Receivable Balance <u>June 30, 2025</u>	Lease Term <u>Expires</u>	Payment terms
Verizon	\$ 557,654	2040	Monthly payments currently at \$3,042 and increasing annually to \$5,267 in the final year.
AT & T	990,060	2052	Annual payments currently at \$32,448, increasing annually to \$93,560 in the final year.
T Mobile	259,308	2033	Annual payments currently at \$28,095, increasing annually to \$38,4550 in the final year.
Monarch	214,377	2032	Annual payments currently at \$29,167, increasing annually to \$38,382 in the final year.
American	<u>31,386</u> <u>\$ 2,052,785</u>	2032	Monthly payments of \$415 through the end of the lease

In 2025, the City recognized \$67,022 of lease revenue and \$60,783 of interest revenue under the leases.

The total future receipts included in the measurement of the leases receivable is as follows:

Year ending June 30:	Principal Payments	Interest Payments	Total
2026	\$ 66,807	\$ 65,861	\$ 132,668
2027	74,079.0	63,697.0	137,776
2028	81,792.0	61,296.0	143,088
2029	89,969.0	58,642.0	148,611
2030	98,634.0	55,723.0	154,357
2031-2035	467,232	218,649	685,881
2036-2040	443,691	162,523	606,214
2041-2045	220,221	108,953	329,174
2046-2050	335,723	64,766	400,489
2051-2052	<u>174,637</u> <u>\$ 2,052,785</u>	<u>8,883</u> <u>\$ 795,344</u>	<u>183,520</u> <u>\$ 2,337,769</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE F – 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				
	Special		Capital Projects	Nonmajor Governmental Funds	Total
	General	Local Building Authority			
Nonspendable					
Prepads	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000
Total nonspendable	-	-	-	250,000	250,000
Restricted:					
Debt reserves	-	-	48,724	-	48,724
Capital projects	-	12,820,960	10,330	-	12,831,290
Class C Roads	5,375,825	-	-	-	5,375,825
Grants	215,672		1,050,000		1,265,672
Park projects	1,232,027	-	-	-	1,232,027
Landfill post-closure costs	597,032	-	-	-	597,032
Impact fees	-	-	4,476,574	-	4,476,574
Total restricted	7,420,556	12,820,960	5,585,628	-	25,827,144
Committed:					
Library Fund	744,248	-	-	-	744,248
Total committed	744,248	-	-	-	744,248
Assigned:					
Hutchings Museum	27,196	-	-	-	27,196
Redevelopment	-	-	-	4,033,494	4,033,494
Capital Projects	-	2,518,241	13,318,186	-	15,836,427
Debt Service	-	-	-	146,702	146,702
Total assigned	27,196	2,518,241	13,318,186	4,180,196	20,043,819
Unassigned:	24,351,533	-	-	-	24,351,533
Total fund balance	\$ 32,543,533	\$ 15,339,201	\$ 18,903,814	\$ 4,430,196	\$ 71,216,744

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE G – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 is as follows:

	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Governmental Activities:				
Nondepreciable capital assets:				
Land	\$ 177,843,775	\$ 10,814,456	\$ -	\$ 188,658,231
Construction in progress	<u>35,866,234</u>	<u>28,188,407</u>	<u>30,587,404</u>	<u>33,467,237</u>
Total nondepreciable capital assets	<u>\$ 213,710,009</u>	<u>\$ 39,002,863</u>	<u>\$ 30,587,404</u>	<u>\$ 222,125,468</u>
Depreciable capital assets:				
Buildings	\$ 50,517,154	\$ 18,225,840	\$ -	\$ 68,742,994
Improvements, including infrastructure	347,702,098	40,858,312	-	388,560,410
Machinery, equipment and vehicles	33,762,398	3,654,707	883,543	36,533,562
Office furniture and equipment	1,666,761	-	-	1,666,761
Right to use leased assets	<u>309,304</u>	<u>-</u>	<u>-</u>	<u>309,304</u>
Total depreciable capital assets at historical cost	<u>433,957,715</u>	<u>62,738,859</u>	<u>883,543</u>	<u>495,813,031</u>
Less accumulated depreciation:				
Buildings	20,972,310	2,532,284	-	23,504,594
Improvements, including infrastructure	194,194,458	18,347,253	-	212,541,711
Machinery, equipment and vehicles	23,193,276	2,405,118	861,401	24,736,993
Office furniture and equipment	1,647,493	1,488	-	1,648,981
Right to use leased assets	<u>90,854</u>	<u>113,819</u>	<u>-</u>	<u>204,673</u>
Total accumulated depreciation	<u>240,098,391</u>	<u>23,399,962</u>	<u>861,401</u>	<u>262,636,952</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 193,859,324</u>	<u>\$ 39,338,897</u>	<u>\$ 22,142</u>	<u>\$ 233,176,079</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 2,988,818
Public safety	2,914,533
Community development	67,609
Streets and highways, including infrastructure	15,324,941
Parks, recreation and culture	2,062,599
Cemetery	<u>41,462</u>
	<u>\$ 23,399,962</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE G – CAPITAL ASSETS – CONTINUED

	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Business-type Activities				
Nondepreciable capital assets:				
Land	\$ 4,321,964	\$ -	\$ -	\$ 4,321,964
Construction in progress	61,321,845	30,888,693	24,776,213	67,434,325
Intangibles	<u>61,923,345</u>	<u>713,160</u>	<u>-</u>	<u>62,636,505</u>
Total nondepreciable capital assets	<u>\$ 127,567,154</u>	<u>\$ 31,601,853</u>	<u>\$ 24,776,213</u>	<u>\$ 134,392,794</u>
Depreciable capital assets:				
Buildings	\$ 13,408,298	\$ -	\$ -	\$ 13,408,298
Improvements, including infrastructure	511,599,658	59,969,252	-	571,568,910
Machinery, equipment and vehicles	7,300,603	38,037	588,319	6,750,321
Office furniture and equipment	<u>207,160</u>	<u>-</u>	<u>-</u>	<u>207,160</u>
Total depreciable capital assets at historical cost	<u>532,515,719</u>	<u>60,007,289</u>	<u>588,319</u>	<u>591,934,689</u>
Less accumulated depreciation:				
Buildings	4,174,352	448,689	-	4,623,041
Improvements, including infrastructure	157,861,103	16,190,205	-	174,051,308
Machinery, equipment and vehicles	5,900,457	269,029	588,319	5,581,167
Office furniture and equipment	<u>203,446</u>	<u>1,123</u>	<u>-</u>	<u>204,569</u>
Total accumulated depreciation	<u>168,139,358</u>	<u>16,909,046</u>	<u>588,319</u>	<u>184,460,085</u>
Depreciable capital assets, net of accumulated depreciation	<u>\$ 364,376,361</u>	<u>\$ 43,098,243</u>	<u>\$ -</u>	<u>\$ 407,474,604</u>

Depreciation was charged to functions as follows:

Business-type activities:	
Culinary water	\$ 2,787,843
Sewer	2,876,238
Electric	5,225,507
Pressurized irrigation	3,746,446
Drainage	<u>2,273,012</u>
	<u>\$ 16,909,046</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE H – RIGHT TO USE LEASED CAPITAL ASSETS

The City has recorded right to use leased capital assets in connection with leases for certain pieces of equipment and temporary library space while new library facilities are under construction. The related leases are discussed in the Leases subsection of the Long-term Obligations note below. The right to use leased capital assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the year ended June 30, 2025 was as follows:

	Balance			
	<u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Right to use capital assets				
Leased library space	\$ 227,948	\$ -	\$ -	\$ 227,948
Leased machinery and equipment	<u>81,356</u>	<u>-</u>	<u>-</u>	<u>81,356</u>
Total right to use capital assets	<u>309,304</u>	<u>-</u>	<u>-</u>	<u>309,304</u>
Less accumulated amortization				
Leased library space	\$ 9,498	\$ 113,819	\$ -	\$ 123,317
Leased machinery and equipment	<u>81,356</u>	<u>-</u>	<u>-</u>	<u>81,356</u>
Total accumulated amortization	<u>90,854</u>	<u>113,819</u>	<u>-</u>	<u>204,673</u>
Right to use capital assets, net	<u>\$ 218,450</u>	<u>\$ (113,819)</u>	<u>\$ -</u>	<u>\$ 104,631</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE I – 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 J – LONG-TERM OBLIGATIONS

A summary of long-term obligation activity for the year ended June 30, 2025 is as follows:

	<u>Balance</u>			<u>Balance</u>		<u>Current</u>
	<u>July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2025</u>		<u>Amounts Due</u>
Governmental activities						
Direct Placements						
2004 Subordinated sales						
tax revenue bonds	\$ 7,955,000	\$ -	\$ 7,955,000	\$ -	\$ -	
Other bonds and notes payable						
2022 Lease revenue bonds	28,900,000	-	220,000	28,680,000	335,000	
Unamortized premium	2,558,439	-	102,338	2,456,101	-	
2019 Sales tax revenue bonds	16,470,000	-	-	15,635,000	865,000	
Unamortized premium	1,433,294	-	96,626	1,336,668	-	
2018 Sales tax revenue bonds	4,000,000	-	195,000	3,805,000	205,000	
Unamortized premium	538,014	-	38,429	499,585	-	
Tax increment notes payable						
to developers	36,121,828	-	1,562,621	34,559,207	-	
Other notes payable	3,014,578	2,440,000	743,391	4,711,187	994,189	
Total bonds and notes payable	100,991,153	2,440,000	10,913,405	91,682,748	2,399,189	
Other liabilities:						
Lease liabilities	232,548	-	124,487	108,061	108,061	
Compensated absences	4,725,123	2,409,680	1,779,959	5,354,844	2,813,466	
Net pension liability	4,805,194	1,015,682	-	5,820,876	-	
Landfill closure and post-closure care liability	591,012	-	-	591,012	-	
	10,353,877	3,425,362	1,904,446	11,874,793	2,921,527	
Governmental activities						
long-term debt	\$ 111,345,030	\$ 5,865,362	\$ 12,817,851	\$ 103,557,541	\$ 5,320,716	

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Current Amounts Due
Business-type activities					
Direct Placements					
2010 Drainage refunding bonds	\$ 205,000	\$ -	\$ 205,000	\$ -	\$ -
2022 Water revenue bond	3,643,000	-	-	3,643,000	190,000
2024 Water revenue bond	-	3,643,000	-	3,643,000	190,000
Other bonds and notes payable					
2021 Franchise and sales tax					
revenue bonds	53,015,000	-	915,000	52,100,000	950,000
Unamortized premium	8,565,604	-	362,123	8,203,481	-
2025 Franchise and sales tax					
revenue bonds	-	16,255,000	-	16,255,000	-
Unamortized premium	-	447,042	1,346	445,696	-
2019 Water revenue bonds	15,425,000	-	465,000	14,960,000	490,000
Unamortized premium	1,967,889	-	100,334	1,867,555	-
2018 Electric revenue bonds	12,425,000	-	635,000	11,790,000	665,000
Unamortized premium	1,715,199	-	126,047	1,589,152	-
2023 Electric revenue bonds	18,970,000	-	570,000	18,400,000	600,000
Unamortized premium	754,127	-	37,705	716,422	-
Note payable to Provo Reservoir					
Water Users Company	287,076	-	23,614	263,462	24,082
Note payable to Provo River					
Water Users Association	608,454	-	51,692	556,762	52,316
Total bonds and notes payable	117,581,349	20,345,042	3,492,861	134,433,530	3,161,398
Compensated absences	1,321,057	728,483	430,688	1,618,852	795,801
Net pension liability	1,127,827	487,192	-	1,615,019	-
	2,448,884	1,215,675	430,688	3,233,871	795,801
Business-type activities					
long-term debt	\$ 120,030,233	\$ 21,560,717	\$ 3,923,549	\$ 137,667,401	\$ 3,957,199

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Bonds and notes payable

The City has issued the following notes and bonds payable as of June 30, 2025:

Series	Original Issue	Interest Rate	Premium Paid on Issue	Maturity Date	Principal and Unamortized Premium Outstanding
Governmental Activities					
Bonds Payable					
2022 Lease revenue bonds	\$ 29,000,000	5.00% - 5.50%	\$ 2,763,115	2049	\$ 31,136,101
2019 Sales tax revenue bonds	16,470,000	2.41% - 5.00%	1,932,528	2039	16,971,668
2018 Sales tax revenue bonds	5,000,000	4.00% - 5.25%	768,588	2038	4,304,585
2004 Subordinated sales tax revenue bonds	9,000,000	4.75%	-	2024	-
Notes Payable					
Tax increment note payable to developer - West Timpanogos Community Development Project Area	19,557,363	-	-	2034	16,476,242
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	7,631,944
Note payable to developer	1,000,000	-	-	2025	-
Note payable - equipment finance	810,000	1.348%	-	2027	355,075
Note payable - equipment finance	2,200,000	1.686%	-	2026	651,499
Note payable - equipment finance	1,725,000	3.112%	-	2026	1,264,613
Note payable - equipment finance	2,440,000	3.875%	-	2032	2,440,000
Total governmental activities					\$ 91,682,748

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Series	Original Issue	Interest Rate	Premium Paid on Issue	Maturity Date	Principal and Unamortized Premium Outstanding
Business-type activities					
Bonds Payable					
2010 Storm Drain revenue and refunding bonds	\$ 2,500,000	3.51%	-	2025	\$ -
2022 Water revenue bond	3,643,000	1.00%	-	2039	3,643,000
2024 Water revenue bond	3,643,000	1.00%	-	2039	3,643,000
2021 Franchise and sales tax revenue bonds	53,890,000	4.00% - 5.00%	9,777,323	2048	60,303,481
2025 Franchise and sales tax revenue bonds	16,255,000	4.00% - 5.25%	447,042	2055	16,700,696
2019 Water revenue bonds	17,205,000	4.00% - 5.00%	2,508,353	2044	16,827,555
2018 Electric revenue bonds	15,640,000	4.00% - 5.00%	2,469,467	2038	13,379,152
2023 Electric revenue bonds	18,970,000	5.00% - 5.25%	772,981	2044	19,116,422
Notes Payable					
Note payable to Provo Reservoir Water User Company	419,011	4.00%	-	2035	263,462
Note payable to Provo River Water Users Association	884,380	4.00%	-	2035	556,762
Total business-type activities					<u>\$ 134,433,530</u>

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. The debt service for the lease revenue bonds will be provided by the Local Building Authority.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

As of June 30, 2025 annual debt service requirements of governmental activities to maturity are as follows:

Year ending June 30,	Other			
	Lease Revenue		Sales Tax	
	Bonds		Revenue Bonds	
Principal	Interest	Principal	Interest	
2026	\$ 335,000	\$ 1,504,675	\$ 1,060,000	\$ 806,763
2027	450,000	1,487,925	1,100,000	775,862
2028	530,000	1,465,425	1,155,000	720,863
2029	660,000	1,438,925	1,205,000	672,362
2030	790,000	1,405,925	1,245,000	637,900
2031-2035	4,600,000	6,388,137	7,140,000	2,287,800
2036-2040	5,935,000	5,054,623	6,535,000	669,611
2041-2045	7,665,000	3,324,650	-	-
2046-2049	<u>7,715,000</u>	<u>1,578,715</u>	<u>-</u>	<u>-</u>
	28,680,000	23,649,000	19,440,000	6,571,161
Unamortized				
Premium	<u>2,456,101</u>	<u>(2,456,101)</u>	<u>1,836,253</u>	<u>(1,836,253)</u>
	<u>\$ 31,136,101</u>	<u>\$ 21,192,899</u>	<u>\$ 21,276,253</u>	<u>\$ 4,734,908</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Year ending June 30,	Other Notes Payable		
	Equipment		
	Finance		
Year ending June 30,	Principal	Interest	
2026	\$ 994,189	\$ 141,796	
2027	1,013,042	122,985	
2028	706,199	95,783	
2029	607,034	73,378	
2030	628,569	51,843	
2031-2032	<u>762,154</u>	<u>44,583</u>	
	<u>\$ 4,711,187</u>	<u>\$ 530,368</u>	

The other notes payable consist of the following:

- Note payable with a balance at June 30, 2025 of \$1,264,613, payable in annual installments of \$277,208 through August of 2026 including interest at 3.112%, issued for the acquisition of four heavy trucks, a street paver and a street sweeper.
- Note payable with a balance at June 30, 2025 of \$651,499, payable in annual installments of \$334,010 through August of 2026 including interest at 1.686%, issued for the acquisition of a fire engine and ladder truck.
- Note payable with a balance at June 30, 2025 of \$355,075, payable in annual installments of \$121,564 through August 2027, including interest at 1.348%, issued for the acquisition of a vac truck, a bucket truck and a power line puller.
- Note payable with a balance at June 30, 2025 of \$2,440,000, payable in annual installments of \$403,394 through August 2027, including interest at 3.875%, issued for the acquisition of a fire engine, ambulances, an asphalt roller a ten-wheeler and other equipment.

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

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) were required on the subordinated sales tax bonds. Collections have been sufficient to pay interest and some principal related to the subordinated sales tax bonds. Per the subordinated sales tax bond covenants, because the bonds had not been paid in full by their September 2024 maturity date, the remaining outstanding balance of \$7,955,000 was forgiven by the owners of the bonds and the City recognized a gain of that amount.

The amortization of compensated absences, net pension liability 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.

As of June 30, 2025, annual debt service requirements of business-type activities to maturity are as follows:

Direct Placements			
Water			
Revenue Bonds			
Year ending June 30,	Principal	Interest	
2026	\$ 380,000	\$ 72,860	
2027	382,000	69,060	
2028	386,000	65,240	
2029	390,000	61,380	
2030	394,000	57,480	
2031-2035	2,610,000	216,020	
2036-2040	2,744,000	82,860	
	<u>\$ 7,286,000</u>	<u>\$ 624,900</u>	

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Other Bonds and Notes						
Year ending June 30,	Water		Electric			
	Revenue Bonds		Revenue Bonds			
	Principal	Interest	Principal	Interest		
2026	\$ 490,000	\$ 748,000	\$ 1,265,000	\$ 1,526,038		
2027	515,000	723,500	1,330,000	1,462,788		
2028	540,000	697,750	1,400,000	1,396,288		
2029	565,000	670,750	1,465,000	1,326,288		
2030	595,000	642,500	1,540,000	1,253,038		
2031-2035	3,455,000	2,735,250	8,930,000	5,031,189		
2036-2040	4,410,000	1,780,500	8,835,000	2,624,940		
2041-2044	<u>4,390,000</u>	<u>562,000</u>	<u>5,425,000</u>	<u>730,013</u>		
	14,960,000	8,560,250	30,190,000	15,350,582		
Unamortized						
Premium	<u>1,867,555</u>	<u>(1,867,555)</u>	<u>2,305,574</u>	<u>(2,305,574)</u>		
	<u>\$ 16,827,555</u>	<u>\$ 6,692,695</u>	<u>\$ 32,495,574</u>	<u>\$ 13,045,008</u>		
Franchise and Sales Tax						
Revenue Bonds						
Year ending June 30,	Principal	Interest				
2026	\$ 950,000	\$ 2,706,646				
2027	985,000	2,942,175				
2028	1,035,000	2,892,925				
2029	1,090,000	2,841,175				
2030	1,145,000	2,786,675				
2031-2035	10,235,000	12,868,275				
2036-2040	13,465,000	10,448,075				
2041-2045	16,465,000	7,455,075				
2046-2050	14,435,000	3,887,037				
2051-2055	<u>8,550,000</u>	<u>1,392,564</u>				
	68,355,000	50,220,622				
Unamortized						
Premium	<u>8,649,177</u>	<u>(8,649,177)</u>				
	<u>\$ 77,004,177</u>	<u>\$ 41,571,445</u>				

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

Year ending June 30,	Note Payable to Provo			
	River Water		Note Payable to Provo	
	Users	Association	Reservoir	Water Users Co.
Principal	Interest	Principal	Interest	
2026	\$ 52,316	\$ 8,235	\$ 24,082	\$ 5,219
2027	53,078	6,827	24,559	4,742
2028	53,788	6,109	25,046	4,255
2029	54,559	5,381	25,542	3,759
2030	55,277	4,642	26,048	3,253
2031-2035	287,743	11,781	138,185	8,319
	<u>\$ 556,762</u>	<u>\$ 42,975</u>	<u>\$ 263,462</u>	<u>\$ 29,547</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 and water 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 City's drainage revenue bonds were paid off during 2025. The following summarizes the debt service coverage calculations for the various revenue bonds:

	Electric	Water	Drainage
	Revenues	Revenue	Revenue
	Bonds	Bonds	Bonds
Net revenues			
Operating revenues	\$ 56,223,216	\$ 15,885,611	\$ 3,430,122
Operating expenses (excluding depreciation)	(47,013,098)	(10,378,831)	(1,737,785)
Impact fee revenues	3,249,028	2,225,940	312,036
Interest income	1,758,343	1,111,998	365,089
Net revenues	<u>\$ 14,217,489</u>	<u>\$ 8,844,718</u>	<u>\$ 2,369,462</u>
Aggregate debt service for 2025	<u>\$ 2,791,288</u>	<u>\$ 1,272,680</u>	<u>\$ 212,196</u>
Ratio of net revenues to aggregate debt service	5.09	6.95	11.17
Minimum ratio	1.25	1.25	1.25

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – 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 began 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 K – Pledged Revenues for further discussion about revenues pledged as collateral for long-term obligations.

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

Details of Other Bonds – Governmental Activities

Series 2022 Lease Revenue Bonds

Type:	Public Offering
Purpose:	Construction of city hall, library and fire station
Date of issuance:	December 6, 2022
Term:	27 years
Interest rate:	5.00% - 5.25%
Original Issue:	\$29,000,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2026	\$ 335,000	\$ 1,504,675	\$ 1,839,675
2027	450,000	1,487,925	1,937,925
2028	530,000	1,465,425	1,995,425
2029	660,000	1,438,925	2,098,925
2030	790,000	1,405,925	2,195,925
2031	830,000	1,366,425	2,196,425
2032	875,000	1,324,925	2,199,925
2033	915,000	1,281,175	2,196,175
2034	965,000	1,233,137	2,198,137
2035	1,015,000	1,182,475	2,197,475
2036	1,070,000	1,129,187	2,199,187
2037	1,125,000	1,073,012	2,198,012
2038	1,185,000	1,013,950	2,198,950
2037	1,245,000	951,737	2,196,737
2038	1,310,000	886,737	2,196,737
2039	1,380,000	817,600	2,197,600
2040	1,450,000	745,150	2,195,150
2041	1,530,000	669,025	2,199,025
2042	1,610,000	588,700	2,198,700
2043	1,695,000	504,175	2,199,175
2044	1,780,000	415,187	2,195,187
2045	1,875,000	321,737	2,196,737
2046	1,975,000	223,300	2,198,300
2047	2,085,000	114,316	2,199,316
	<u>\$ 28,680,000</u>	<u>\$ 23,144,825</u>	<u>\$ 51,824,825</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

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
2026	\$ 865,000	\$ 623,200	\$ 1,488,200
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	<u>1,435,000</u>	<u>57,000</u>	<u>1,492,000</u>
	<u><u>\$ 15,635,000</u></u>	<u><u>\$ 5,134,900</u></u>	<u><u>\$ 20,769,900</u></u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – 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
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	<u>395,000</u>	<u>20,737</u>	<u>415,737</u>
	<u><u>\$ 3,805,000</u></u>	<u><u>\$ 1,436,261</u></u>	<u><u>\$ 5,241,261</u></u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

Details of Direct Placement Bonds – Business-type Activities

Series 2022 Water Revenue Bond

Type:	Direct Placement
Purpose:	Installation of secondary water meters
Date of issuance:	November 15, 2022
Term:	17 years
Interest rate:	1.00%
Original Issue:	\$3,643,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2026	\$ 190,000	\$ 36,430	\$ 226,430
2027	191,000	34,530	260,060
2028	193,000	32,620	258,240
2029	195,000	30,690	256,380
2030	197,000	28,740	254,480
2031	256,000	26,770	309,540
2032	258,000	24,210	306,420
2033	261,000	21,630	304,260
2034	264,000	19,020	302,040
2035	266,000	16,380	298,760
2036	269,000	13,720	296,440
2037	272,000	11,030	294,060
2038	274,000	8,310	290,620
2039	277,000	5,570	288,140
2040	<u>280,000</u>	<u>2,800</u>	<u>285,600</u>
	<u>\$ 3,643,000</u>	<u>\$ 312,450</u>	<u>\$ 4,231,470</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

Series 2024 Water Revenue Bond

Type: Direct Placement
Purpose: Installation of secondary water meters
Date of issuance: August 21, 2024
Term: 17 years
Interest rate: 1.00%
Original Issue: \$3,643,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2026	\$ 190,000	\$ 36,430	\$ 226,430
2027	191,000	34,530	225,530
2028	193,000	32,620	225,620
2029	195,000	30,690	225,690
2030	197,000	28,740	225,740
2031	256,000	26,770	282,770
2032	258,000	24,210	282,210
2033	261,000	21,630	282,630
2034	264,000	19,020	283,020
2035	266,000	16,380	282,380
2036	269,000	13,720	282,720
2037	272,000	11,030	283,030
2038	274,000	8,310	282,310
2039	277,000	5,570	282,570
2040	280,000	2,800	282,800
	<u>\$ 3,643,000</u>	<u>\$ 312,450</u>	<u>\$ 3,955,450</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – 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
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>\$ 52,100,000</u>	<u>\$ 30,280,800</u>	<u>\$ 82,380,800</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS – CONTINUED

Series 2025 Franchise and Sales Tax Revenue Bonds

Type: Public Offering
 Purpose: Construction and installation of fiber-optic network
 Date of issuance: May 28, 2025
 Term: 30 years
 Interest rate: 4.00% - 5.25%
 Original Issue: \$16,255,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2026	\$ -	\$ 568,096	\$ 568,096
2027	-	841,625	841,625
2028	-	841,625	841,625
2029	-	841,625	841,625
2030	-	841,625	841,625
2031	75,000	841,625	916,625
2032	160,000	837,875	997,875
2033	190,000	831,475	1,021,475
2034	205,000	821,975	1,026,975
2035	215,000	811,725	1,026,725
2036	225,000	800,975	1,025,975
2037	240,000	789,725	1,029,725
2038	250,000	777,725	1,027,725
2039	260,000	765,225	1,025,225
2040	275,000	752,225	1,027,225
2041	290,000	738,475	1,028,475
2042	305,000	723,975	1,028,975
2043	320,000	708,725	1,028,725
2044	335,000	692,725	1,027,725
2045	350,000	675,975	1,025,975
2046	370,000	658,475	1,028,475
2047	385,000	639,975	1,024,975
2048	405,000	619,762	1,024,762
2049	1,390,000	598,500	1,988,500
2050	1,460,000	525,525	1,985,525
2051	1,540,000	448,875	1,988,875
2052	1,620,000	368,025	1,988,025
2053	1,705,000	282,975	1,987,975
2054	1,795,000	193,462	1,988,462
2055	1,890,000	99,227	1,989,227
	<u>\$ 16,255,000</u>	<u>\$ 19,939,822</u>	<u>\$ 36,194,822</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – 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
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>\$ 14,960,000</u>	<u>\$ 8,560,250</u>	<u>\$ 23,520,250</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – 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
2026	\$ 665,000	\$ 589,500	\$ 1,254,500
2027	700,000	556,250	1,256,250
2028	735,000	521,250	1,256,250
2029	770,000	484,500	1,254,500
2030	810,000	446,000	1,256,000
2031	850,000	405,500	1,255,500
2032	890,000	363,000	1,253,000
2033	935,000	318,500	1,253,500
2034	985,000	271,750	1,256,750
2035	1,030,000	222,500	1,252,500
2036	1,085,000	171,000	1,256,000
2037	1,140,000	116,750	1,256,750
2038	1,195,000	59,750	1,254,750
	<u>\$ 11,790,000</u>	<u>\$ 4,526,250</u>	<u>\$ 16,316,250</u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Series 2023 Electric Revenue Bonds

Type: Public Offering
 Purpose: Power generation facility
 Date of issuance: November 2, 2023
 Term: 20 years
 Interest rate: 5.00% - 5.25%
 Original Issue: \$18,970,000

Debt service requirements, including interest:

Year ending June 30:	Principal	Interest	Total
2026	\$ 600,000	\$ 936,538	\$ 1,536,538
2027	630,000	906,538	1,536,538
2028	665,000	875,038	1,540,038
2029	695,000	841,788	1,536,788
2030	730,000	807,038	1,537,038
2031	765,000	770,538	1,535,538
2032	805,000	732,288	1,537,288
2033	845,000	692,038	1,537,038
2034	890,000	649,787	1,539,787
2035	935,000	605,288	1,540,288
2036	980,000	558,538	1,538,538
2037	1,030,000	509,538	1,539,538
2038	1,080,000	458,038	1,538,038
2039	1,135,000	404,038	1,539,038
2040	1,190,000	347,288	1,537,288
2041	1,255,000	284,812	1,539,812
2042	1,320,000	218,926	1,538,926
2043	1,390,000	149,625	1,539,625
2044	<u>1,460,000</u>	<u>76,650</u>	<u>1,536,650</u>
	<u><u>\$ 18,400,000</u></u>	<u><u>\$ 10,824,332</u></u>	<u><u>\$ 29,224,332</u></u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

Lease liabilities – government activities

The City has entered into four agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB Statement No. 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The agreements consist of the following as of June 30, 2025:

Net Book Value of Right <u>To Use Asset</u>	Type of Right <u>to Use Asset</u>	Discount <u>Rate</u>	Lease Terms
\$ 104,631	Library facilities	3.47%	Lease executed in June 2024 and requires twenty-four monthly payments of \$9,700. No variable payment components. Discount rate calculated using the City's incremental borrowing rate.
<u>\$ 104,631</u>			

The right to use assets are discussed in more detail at Notes G and H.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Year ending June 30:	Principal Payments	Interest Payments	Total
2026	\$ 108,061	\$ 5,849	\$ 113,910
	<u>\$ 108,061</u>	<u>\$ 5,849</u>	<u>\$ 113,910</u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE K – PLEDGED REVENUES

The City has pledged sales tax revenues in the amount of \$26,011,161 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 were 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 \$25,808,971 and debt service for the sales tax bonds was \$1,871,912.

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 2032. Tax increment revenue available for debt service in the current year was \$244,576. 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 \$7,631,944. 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 \$1,262,857. 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 West Timpanogos Community Development Project Area in the amount of \$16,476,242. 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 \$395,872. 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, 2025

NOTE K – PLEDGED REVENUES – CONTINUED

The City has pledged electric revenues in the amount of \$45,540,582 to fund debt service payments on the City's electric revenue bonds. The 2018 bonds were issued to fund electric system improvements within the City and the 2023 bonds were issued to fund the expansion of the City's power generation facility. Electric revenues have been pledged for debt service payments through the year 2044. Electric revenues are projected to produce 500 percent of the debt service requirements over the life of the bonds. In the current year, the electric fund had net revenues of \$14,217,489 and electric revenue bond debt service payments were \$2,791,288.

The City has pledged water revenues in the amount of \$31,431,150 to fund debt service payments on its water revenue bonds. The bonds were issued for the construction of storage and distribution infrastructure for both the City's culinary and pressurized irrigation water systems. Proceeds from the bonds will also be used to supply meters to all pressurized irrigation connections in order to promote conservation of the City's water resources. 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 net revenues were \$8,844,718 and water revenue bond debt service payments were \$1,272,680.

The City has pledged municipal energy sales and use tax revenues in the amount of \$118,575,622 to fund debt service payments on the 2021 and 2025 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 2055. The franchise and sales tax revenues are expected to produce approximately 205 percent of the debt service requirements over the life of the bonds. Debt service payments on these bonds during the year ended June 30, 2025, totaled \$3,090,150. The fiber system is currently under construction with an anticipated completion date of October 2025 and revenues for the year ended June 30, 2026 are anticipated to be approximately \$4.1 million.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - 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); is a multiple employer, cost sharing, public employees, retirement system.
- 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 Utah State Retirement Board, whose members are appointed by the Governor. The URS are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory system	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years; 2.0% per year July 1, 2020 to present	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
JUNE 30, 2025

NOTE L - 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, 2025 are as follows:

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Governmental Division Tier 2	N/A	16.95%	N/A
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	16.97%	N/A
Public Safety Retirement System			
Contributory			
23 - Other Division A with 2.5% COLA	12.29%	22.79%	N/A
122 - Tier 2 DB Hybrid Public Safety	2.59%	25.85%	N/A
Noncontributory			
43 - Other Division A with 2.5% COLA	N/A	33.54%	N/A
Firefighters System			
31 - Other Division A	15.05%	1.61%	N/A
132 - Tier 2 DB Hybrid Firefighters	2.59%	14.08%	N/A
Tier 2 DC Only			
211 - Local Government Contributory	N/A	6.95%	10.00%
211 - Local Government Noncontributory	N/A	5.19%	10.00%
222 - Public Safety - Contributory	N/A	11.35%	14.00%
222 - Public Safety - Noncontributory	N/A	11.33%	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.

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS - CONTINUED

For fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory	\$ 1,394,876	N/A
Public Safety	813,336	16,291
Firefighters	32,760	306,231
Tier 2 Public Employees	1,638,439	75,503
Tier 2 Public Safety and Firefighter	1,342,523	321,109
Tier 2 DC Only	97,311	N/A
Tier 2 DC Public Safety and Firefighter	6,067	N/A
Total Contributions	<u>\$ 5,325,312</u>	<u>\$ 719,134</u>

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

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

At June 30, 2025, the City reported a net pension asset of \$817,023 and a net pension liability of \$7,435,895.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory system	1.0771670%	\$ -	\$ 3,195,586
Public Safety System	1.6921462%	-	2,618,260
Firefighters System	4.6513669%	817,023	-
Tier 2 Public Employees System	0.3371595%	-	1,005,541
Tier 2 Public Safety and Firefighter System	1.3630852%	-	<u>616,508</u>
Total Net Pension Asset/Liability		<u>\$ 817,023</u>	<u>\$ 7,435,895</u>

The net pension asset and liability were measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 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, 2025, the City recognized pension expense of \$6,711,850.

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of Resources</u>	Deferred Inflows <u>of Resources</u>
Differences between expected and actual experience	\$ 3,886,391	\$ 39,320
Changes in assumptions	1,011,454	9,785
Net difference between projected and actual earnings on pension plan investments	1,753,468	-
Changes in proportion and differences between contributions and proportionate share of contributions	297,468	70,303
Contributions subsequent to the measurement date	<u>2,698,522</u>	-
Total	<u>\$ 9,647,303</u>	<u>\$ 119,408</u>

\$2,698,522 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, 2024.

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) <u>of Resources</u>
2026	\$ 2,758,889
2027	3,357,594
2028	(343,499)
2029	65,223
2030	356,773
Thereafter	634,393

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

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

For the year ended June 30, 2025, the City recognized pension expense of \$2,905,768.

At June 30, 2025, 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	\$ 1,904,110	\$ -
Changes in assumptions	264,334	-
Net difference between projected and actual earnings on pension plan investments	962,562	-
Changes in proportion and differences between contributions and proportionate share of contributions	- 23,409	23,409
Contributions subsequent to the measurement date	696,827	-
Total	<u>\$ 3,827,833</u>	<u>\$ 23,409</u>

\$696,827 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, 2024.

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
2026	\$ 1,814,383
2027	1,755,114
2028	(390,577)
2029	(71,323)
2030	- -
Thereafter	- -

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

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

For the year ended June 30, 2025, the City recognized pension expense of \$1,618,086.

At June 30, 2025, 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	\$ 276,674	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	453,144	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	7,097
Contributions subsequent to the measurement date	<u>409,655</u>	<u>-</u>
Total	<u>\$ 1,139,473</u>	<u>\$ 7,097</u>

\$409,655 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, 2024.

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
2026	\$ 296,938
2027	643,205
2028	(184,058)
2029	(33,364)
2030	-
Thereafter	-

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

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

For the year ended June 30, 2025, the City recognized pension expense of \$200,718.

At June 30, 2025, 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	\$ 897,659	\$ -
Changes in assumptions	65,533	-
Net difference between projected and actual earnings on pension plan investments	233,533	-
Changes in proportion and differences between contributions and proportionate share of contributions	84,953	12,664
Contributions subsequent to the measurement date	16,604	-
Total	<u>\$ 1,298,282</u>	<u>\$ 12,664</u>

\$16,604 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, 2024.

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
2026	\$ 462,498
2027	672,459
2028	114,171
2029	19,886
2030	-
Thereafter	-

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

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

For the year ended June 30, 2025, the City recognized pension expense of \$1,097,542.

At June 30, 2025, 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	\$ 434,704	\$ 6,927
Changes in assumptions	335,838	104
Net difference between projected and actual earnings on pension plan investments	64,269	-
Changes in proportion and differences between contributions and proportionate share of contributions	154,404	12,138
Contributions subsequent to the measurement date	<u>887,943</u>	<u>-</u>
Total	<u>\$ 1,877,158</u>	<u>\$ 19,169</u>

\$887,943 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, 2024.

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
2026	\$ 115,227
2027	178,476
2028	76,967
2029	94,886
2030	224,788
Thereafter	279,702

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

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

For the year ended June 30, 2025, the City recognized pension expense of \$890,735.

At June 30, 2025, 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	\$ 373,243	\$ 32,393
Changes in assumptions	345,749	9,681
Net difference between projected and actual earnings on pension plan investments	39,960	-
Changes in proportion and differences between contributions and proportionate share of contributions	58,111	14,995
Contributions subsequent to the measurement date	<u>687,494</u>	<u>-</u>
Total	<u>\$ 1,504,557</u>	<u>\$ 57,069</u>

\$687,494 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, 2023.

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
2026	\$ 69,842
2027	108,340
2028	39,997
2029	55,137
2030	131,984
Thereafter	354,694

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 - 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from actual experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 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, 2023 valuation were based on the results of an experience study for the period ending December 31, 2022.

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 CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - RETIREMENT PLANS – CONTINUED

Asset class	Expected Return Arithmetic Basis			
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return	
			Real Return Arithmetic Basis	Real Rate of Return
Equity securities	35%	7.01 %	2.45 %	
Debt securities	20%	2.54 %	0.51 %	
Real assets	18%	5.45 %	0.98 %	
Private equity	12%	10.05 %	1.21 %	
Absolute return	15%	4.36 %	0.65 %	
Cash and cash equivalents	-	0.49 %	- %	
Totals	<u>100%</u>		<u>5.80 %</u>	
Inflation			<u>2.50 %</u>	
Expected arithmetic nominal return			<u>8.30 %</u>	

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85%. 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE L - 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 6.85%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1.00% lower (5.85%) or 1.00% higher (7.85%) than the current rate:

System	1%	Discount	1%
	Decrease <u>(5.85%)</u>	Rate <u>(6.85%)</u>	Increase <u>(7.85%)</u>
Noncontributory	\$ 13,514,708	\$ 3,195,586	\$ (5,816,516)
Public Safety	8,043,673	2,618,260	(1,805,289)
Firefighters	1,778,071	(817,023)	(3,073,107)
Tier 2 Public Employees	3,003,307	1,005,541	(581,782)
Tier 2 Public Safety and Firefighter	2,102,235	616,508	(410,237)
Total	<u>\$28,441,994</u>	<u>\$ 6,618,872</u>	<u>\$(11,686,931)</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 M – DEFERRED COMPENSATION PLANS

The City sponsors a defined contribution deferred compensation plan administered by either URS or Empower 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, 2025, was approximately \$37 million. 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, 2025, contributions totaling \$482,669 were made to the plan by employees and \$1,122,333 by the City.

The City sponsors another deferred compensation plan through either URS or Empower 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. During the year ended June 30, 2025 contributions totaling \$202,664 were made to the plan by employees and \$6,987 by the City.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE N – 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. These agreements include sources of power from natural gas, coal, solar, hydro, and wind. Each agreement includes commitments for the City to purchase power at varying rates and amounts based on market conditions. The City also purchases wholesale power and natural gas at market and future prices. The dollar amount of the commitment under these agreements is not determinable because it depends on multiple factors including markets and weather conditions.

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, 2025, had an outstanding balance of approximately \$65 million, of which the City's portion was approximately \$5.7 million. During the year ended June 30, 2025, the City purchased power totaling \$36,600,881.

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 CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE O – 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 \$250,000 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 2025. 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>2025</u>	<u>2024</u>
Claims liability, July 1	\$ 750,000	\$ 250,000
Claims incurred during the year and changes in estimates	556,016	639,635
Payments on claims during the year		
Payments made by insurance	472,849	61,888
Coinsurance and deductible insurance payments made by the City	<u>450,067</u>	<u>77,747</u>
Claims liability, June 30	<u><u>\$ 383,100</u></u>	<u><u>\$ 750,000</u></u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE P – INTERFUND RECEIVABLES AND PAYABLES

The City uses a pooled cash account for administering cash flows. The following interfund balances represent amounts due for cash advances and reimbursement for purchases:

<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Amount</u>
Fiber Fund	Capital Projects Fund	\$ 6,175,300
Nonmajor Proprietary Fund	Electric Fund	322,731
		<u><u>\$ 6,498,031</u></u>

NOTE Q - INTERFUND TRANSFERS

The transfers to the Local Building Authority and Capital Projects fund are to fund projects identified by the Council. These projects will be completed in the coming fiscal year. The transfers to the other governmental fund are to provide the resources for debt service on the City's sales tax revenue bonds. The transfers from the Capital Projects fund to the internal service funds were to fund equipment in the Fleet and Information Technology internal service funds where the reserves in those funds was insufficient. The City has transfers from the other governmental fund to the general fund pursuant to the City's participation in various redevelopment projects.

A summary of interfund transfers by fund is as follows:

	Transfers in to:					Total
	General	Local Building Authority	Capital Projects	Other Governmental Fund	Internal Service Funds	
<u>Transfers out from:</u>						
General Fund	\$ -	\$ 1,534,680	\$ 7,550,000	\$ 1,673,616	\$ -	\$ 10,758,296
Capital Projects Fund	-	201,000	-	210,504	500,004	911,508
Other Governmental Fund	1,008,365	-	-	-	-	1,008,365
	<u><u>\$ 1,008,365</u></u>	<u><u>\$ 1,735,680</u></u>	<u><u>\$ 7,550,000</u></u>	<u><u>\$ 1,884,120</u></u>	<u><u>\$ 500,004</u></u>	<u><u>\$ 12,678,169</u></u>

NOTE R – 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, 2025

NOTE S - 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.

The Redevelopment Agency entered into an agreement with chip manufacturer, Micron Technologies in May 1997 to provide tax incentives for the construction of a manufacturing facility in Utah. This project is known as the Alpine Highway Project Area. Infrastructure improvements on and off site have been made and the tax increment generated was used for debt service on a note payable to the developer. In November 2021 the facility was sold by Micron to Texas Instruments. In February 2023, Texas Instruments announced an \$11 billion expansion for the Lehi facility. The Redevelopment Agency amended the original agreement in May 2023 to expand the project period through 2053 and to expand the area to include an additional 182 acres, which encompasses all property now owned by Texas Instruments. The agreement also extinguished the previous debt between the Redevelopment Agency and the developer. A portion of the tax increment generated through the plant expansion will be remitted to Texas Instruments for the life of the project area.

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. Tax increment generated within the area will be distributed 50% to the Agency and 50% to the City. If the project area generates more than \$100,000 of annual funds in any year, 10% of the funds generated for the area will be set aside for affordable housing. The project life will be a maximum of twenty years or until \$6,019,890 has been generated.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

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

In March 2025, the Redevelopment Agency passed a resolution adopting a community reinvestment project area known as the Morning Vista Community Reinvestment Project Area. The Redevelopment Agency will be paid 100% of the tax increment generated from the area for eight years, 80% for four years and 60% for three years. If the project area generates more than \$100,000 of annual funds in any year, 10% of the funds generated for the area will be set aside for affordable housing. The project life will be a maximum of fifteen years or until sufficient revenues have been generated to satisfy all payment obligations associated with the redevelopment project, including but not limited to, debt service on any bonds issued to finance the project.

In August 2025, the Redevelopment Agency passed a resolution adopting a community reinvestment project area known as the Skye View Community Reinvestment Project Area. Sales tax generated within the area will be distributed 55% to the Agency and 45% to the City. If the project area generates more than \$100,000 of annual funds in any year, 10% of the funds generated for the area will be set aside for affordable housing. The project life will be a maximum of fifteen years or until \$3,143,686 has been generated.

For the year ended June 30, 2025 the following activity occurred in the City's Redevelopment Agency:

Tax increment collected from other taxing agencies for the project area	
Alpine Highway Project Area	\$ 6,912,605
Alpine Highway West Project Area	1,262,857
West Timpanogos Project Area	395,872
Traverse Mountain Project Area	244,576
Meadow Pointe Project Area	<u>180,912</u>
	<u><u>\$ 8,996,822</u></u>
Outstanding loans to finance RDA projects	<u><u>\$ 34,559,207</u></u>
Expenditures:	
Tax increments paid to other taxing agencies	\$ 1,157,106
Principal	1,562,621
Redevelopment costs	<u>5,760,193</u>
	<u><u>\$ 8,479,920</u></u>

LEHI CITYCORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE T – 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, 2025, the City abated the following taxes:

	Property Taxes	Sales Taxes
RDA Project Area tax abatements		
Alpine Highway Project Area	\$ 1,015,534	-
Alpine Highway West Project Area	185,518	-
West Timpanogos Project Area	117,726	-
Traverse Mountain Project Area	136,708	-
Meadow Pointe Project Area	<u>55,868</u>	<u>125,044</u>
	1,511,354	125,044
Other relocation incentive projects		
	<u>-</u>	<u>80,006</u>
	<u><u>\$ 1,511,354</u></u>	<u><u>\$ 205,050</u></u>

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE U – 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, 2025, 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, 2025	<u>88.82%</u>
Cumulative closure and postclosure care liability,	
as revised during 2025	591,012
Amounts previously recognized	<u>512,372</u>
Amount to be recognized as of June 30, 2025	78,640
Amount reported as a long-term liability in the governmental activities statement of net position	<u>\$ 591,012</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 2025. 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.

LEHI CITY CORPORATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE V – DEFICIT NET POSITION

The Risk Management Internal Service Fund provides insurance coverage for various risks faced by the City. The Fund is primarily financed through charges assessed to the City's other funds. As of June 30, 2025, the Risk Management Internal Service Fund has a deficit net position of \$819,054. This deficit balance arose because the charges assessed to the City's other funds were insufficient to cover the costs of the City's risk management activities. During 2025 several sizeable settlements were made which exhausted the Risk Fund reserves. The City plans to address the deficit by increasing the charges assessed to the City's other funds and will ensure that the increases will be sufficient to stabilize the financial position of the Risk Management Internal Service Fund over the long term.

As of June 30, 2025, the Fiber Fund has a deficit net position of \$3,442,910. The City's fiber-optic network began construction during September 2022. The network has only recently commenced operations and revenues have been insufficient to cover the expenses incurred in the fund. The construction has been completed as of October, 2025 and the deficit net position is expected to reverse over the next few years as customers come on line and charges for services increase.

NOTE – W - EXPENDITURES IN EXCESS OF BUDGET

During the year ended June 30, 2025, the City incurred expenditures in excess of appropriates in the Local Building Authority as follows:

	Expenditures In Excess of <u>Appropriations</u>
Local Building Authority	
Debt Service	\$ 116,695

NOTE X – SUBSEQUENT EVENTS

In October 2025 the City issued Water Revenue bonds in the amount of \$13,290,000 in connection with the construction of a new public works facility and new office space as well as to provide for fleet maintenance. The bonds were issued at a premium of \$1,285,081, are payable serially through 2045 and bear interest at 5.0%.

In December 2025, the City issued Sales Tax Revenue bonds in the amount of \$27,250, 000 in connection with the construction of the Thanksgiving Point Science and Technology Center. The bonds were issued at a premium of \$3,273,049, are payable serially through 2041 and bear interest at 5.0%

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, 2025

With a Measurement Date of December 31, 2024

Last Ten Fiscal Years*

Noncontributory System for the Fiscal Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.0077717%	0.9995190%	0.9765681%	0.9952875%	0.9920669%	0.9715484%	0.9518516%	0.9004162%	0.8609147%	0.8368340%
Proportionate share of the net pension liability (asset)	\$ 3,195,586	\$ 2,318,449	\$ 1,672,637	\$ (5,700,118)	\$ 508,873	\$ 3,661,638	\$ 7,009,172	\$ 3,944,993	\$ 5,528,126	\$ 4,735,214
Covered payroll	\$ 8,133,667	\$ 8,098,450	\$ 7,882,775	\$ 7,914,859	\$ 7,970,442	\$ 7,934,823	\$ 7,802,584	\$ 7,400,491	\$ 7,264,143	\$ 7,048,506
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	39.3%	28.6%	21.2%	-72.0%	6.4%	46.1%	89.8%	53.3%	76.1%	67.2%
Plan fiduciary net position as a percentage of the total pension liability	96.0%	96.9%	97.5%	108.7%	99.2%	93.7%	87.0%	91.9%	87.3%	87.8%

Public Safety System for the Fiscal Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.6921462%	1.7009441%	1.7042929%	1.6120417%	1.5591159%	1.4913241%	1.4826790%	1.3389936%	1.3909834%	1.3094092%
Proportionate share of the net pension liability (asset)	\$ 2,618,260	\$ 2,432,629	\$ 2,203,778	\$ (1,309,208)	\$ 1,294,442	\$ 2,394,496	\$ 3,674,341	\$ 2,100,423	\$ 2,822,689	\$ 2,345,629
Covered payroll	\$ 2,527,773	\$ 2,503,423	\$ 2,445,447	\$ 2,065,104	\$ 2,075,541	\$ 1,983,001	\$ 1,922,593	\$ 1,857,970	\$ 2,050,939	\$ 1,983,624
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	103.6%	97.2%	90.1%	-63.4%	62.4%	120.8%	191.1%	113.0%	137.6%	118.2%
Plan fiduciary net position as a percentage of the total pension liability	93.3%	93.4%	93.6%	104.2%	95.5%	90.9%	84.7%	90.2%	86.5%	87.1%

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, 2025

With a Measurement Date of December 31, 2024

Last Ten Fiscal Years*

Firefighters Retirement System for the Fiscal Years Ended June 30,

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	4.6513669%	4.7041560%	4.6515811%	5.1424352%	5.3271683%	5.2407494%	5.2830772%	5.4021529%	5.6106342%	5.4181698%
Proportionate share of the net pension liability (asset)	\$ (817,023)	\$ (1,104,038)	\$ (1,208,035)	\$ (2,999,152)	\$ (1,489,583)	\$ (649,957)	\$ 685,993	\$ (337,393)	\$ (44,231)	\$ (98,134)
Covered payroll	\$ 1,934,721	\$ 1,796,121	\$ 1,666,138	\$ 1,738,315	\$ 1,880,232	\$ 1,805,883	\$ 1,716,828	\$ 1,698,209	\$ 1,704,194	\$ 1,573,859
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-42.2%	-61.5%	-72.5%	-172.5%	-79.2%	-36.0%	40.0%	-19.9%	-2.6%	-6.2%
Plan fiduciary net position as a percentage of the total pension liability	104.6%	106.8%	108.4%	120.1%	110.5%	105.0%	94.3%	103.0%	100.4%	101.0%

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	0.3371595%	0.3362231%	0.3097134%	0.2906501%	0.2818694%	0.2766880%	0.2619050%	0.2458871%	0.2829680%	0.1455133%
Proportionate share of the net pension liability (asset)	\$ 1,005,541	\$ 654,418	\$ 337,245	\$ (123,014)	\$ 40,541	\$ 62,229	\$ 112,168	\$ 21,679	\$ 23,236	\$ (318)
Covered payroll	\$ 9,987,021	\$ 8,692,525	\$ 6,752,315	\$ 5,392,887	\$ 4,506,077	\$ 3,844,219	\$ 3,057,042	\$ 2,404,504	\$ 1,708,206	\$ 940,334
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.1%	7.5%	5.0%	-2.3%	0.9%	1.6%	3.7%	0.9%	1.4%	-0.03%
Plan fiduciary net position as a percentage of the total pension liability	87.4%	89.6%	92.3%	103.8%	98.3%	96.5%	90.8%	97.4%	95.1%	100.2%

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, 2025

With a Measurement Date of December 31, 2024

Last Ten Fiscal Years*

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (asset)	1.3630852%	1.4004128%	1.4092590%	1.5882625%	1.6160907%	1.6037989%	1.6711253%	1.3301614%	1.1522095%	0.1455133%
Proportionate share of the net pension liability (asset)	\$ 616,508	\$ 527,525	\$ 117,569	\$ (80,275)	\$ 144,957	\$ 150,860	\$ 41,871	\$ (15,391)	\$ (10,003)	\$ (318)
Covered payroll	\$ 6,222,082	\$ 5,306,218	\$ 4,335,990	\$ 3,798,141	\$ 3,213,228	\$ 2,643,299	\$ 2,236,149	\$ 1,403,195	\$ 951,984	\$ 940,334
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	9.9%	9.9%	2.7%	-2.1%	4.5%	5.7%	1.9%	-1.1%	-1.1%	-0.03%
Plan fiduciary net position as a percentage of the total pension liability	90.1%	89.1%	96.4%	102.8%	93.1%	89.6%	95.6%	103.0%	103.6%	100.2%

LEHI CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS
June 30, 2025
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	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%
	2022	1,433,309	1,433,309	-	7,847,242	18.27%
	2023	1,419,653	1,419,653	-	7,961,889	17.83%
	2024	1,457,186	1,457,186	-	8,121,749	17.94%
	2025	1,394,876	1,394,876	-	8,232,397	16.94%
Public Safety System	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%
	2022	713,658	713,658	-	2,224,234	32.09%
	2023	793,867	793,867	-	2,513,596	31.58%
	2024	785,889	785,889	-	2,500,531	31.43%
	2025	813,336	813,336	-	2,590,937	31.39%
Firefighters System	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%
	2022	76,928	76,928	-	1,668,726	4.61%
	2023	62,021	62,021	-	1,718,210	3.61%
	2024	66,979	66,979	-	1,855,383	3.61%
	2025	32,760	32,760	-	2,034,755	1.61%
Tier 2 Public Employees System*	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%
	2022	968,641	968,641	-	6,028,021	16.07%
	2023	1,239,725	1,239,725	-	7,747,196	16.00%
	2024	1,493,571	1,493,571	-	9,328,984	16.01%
	2025	1,638,439	1,638,439	-	10,786,303	15.19%

CONTINUED

LEHI CITY CORPORATION

SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS - CONTINUED

June 30, 2025

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*	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%
	2022	841,124	841,124	-	4,111,028	20.46%
	2023	966,588	966,588	-	4,706,187	20.54%
	2024	1,162,387	1,162,387	-	5,717,686	20.33%
	2025	1,342,523	1,342,523	-	6,788,767	19.78%
Tier 2 Public Employees DC Only System*	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%
	2022	72,284	72,284	-	1,080,486	6.69%
	2023	81,536	81,536	-	1,316,916	6.19%
	2024	96,811	96,811	-	1,563,992	6.19%
	2025	97,311	97,311	-	1,874,980	5.19%
Tier 2 Public Safety and Firefighter DC Only System*	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%
	2022	299	299	-	373,360	0.08%
	2023	311	311	-	388,685	0.08%
	2024	3,420	3,420	-	450,114	0.76%
	2025	6,067	6,067	-	528,945	1.15%

*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.

LEHI CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
WITH A MEASUREMENT DATE OF DECEMBER 31, 2024

Changes in assumptions

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

**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, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
TAXES				
PROPERTY TAXES	\$ 16,093,541	\$ 16,093,541	\$ 15,947,886	\$ (145,655)
GENERAL SALES TAX	24,000,096	25,000,096	25,603,920	603,824
PARC TAX	1,800,000	1,940,000	2,056,569	116,569
FRANCHISE TAX	6,225,000	7,225,000	7,078,953	(146,047)
TOTAL	<u>48,118,637</u>	<u>50,258,637</u>	<u>50,687,328</u>	<u>428,691</u>
LICENSES, FEES AND PERMITS				
BUSINESS LICENSES	115,000	115,000	242,954	127,954
BUILDING PERMITS	3,229,000	6,229,000	5,633,004	(595,996)
TOTAL	<u>3,344,000</u>	<u>6,344,000</u>	<u>5,875,958</u>	<u>(468,042)</u>
INTERGOVERNMENTAL REVENUE				
CLASS "C" ROAD FUNDS	3,300,000	3,300,000	4,706,192	1,406,192
UTAH COUNTY TRANSPORTATION TAX	2,750,000	2,750,000	3,251,274	501,274
FIRE DEPARTMENT GRANT	-	-	9,514	9,514
POLICE SALARY REIMBURSEMENT	157,500	157,500	157,500	-
STATE LIQUOR FUNDS ALLOTMENT	70,000	70,000	102,917	32,917
COUNTY FIRE ALLOCATION	15,000	15,000	-	(15,000)
STATE GRANTS	90,000	90,000	104,593	14,593
OTHER GRANTS	247,000	247,000	186,051	(60,949)
TOTAL	<u>6,629,500</u>	<u>6,629,500</u>	<u>8,518,041</u>	<u>1,888,541</u>
CHARGES FOR SERVICE				
PLANNING/INSPECTION FEES	2,420,000	2,500,000	2,085,322	(414,678)
AMBULANCE FEES	2,224,000	2,224,000	2,312,236	88,236
FIRE FEES	195,600	195,600	96,034	(99,566)
CEMETERY FEES	306,500	306,500	379,300	72,800
RECREATION FEES	4,489,597	4,489,597	4,539,558	49,961
LIBRARY FEES	95,000	95,000	13,603	(81,397)
LEASE REVENUES	-	-	67,022	67,022
OTHER SERVICE REVENUE	155,000	155,000	185,288	30,288
TOTAL	<u>9,885,697</u>	<u>9,965,697</u>	<u>9,678,363</u>	<u>(287,334)</u>
FINES AND FORFEITURES				
COURTS FINES AND FORFEITURES	737,500	737,500	1,011,487	273,987
MISCELLANEOUS	1,604,500	1,617,000	1,859,517	242,517
INTEREST ON INVESTMENTS	101,000	1,601,000	1,850,798	249,798
TOTAL REVENUES	<u>70,420,834</u>	<u>77,153,334</u>	<u>79,481,492</u>	<u>2,328,158</u>
EXPENDITURES				
GENERAL GOVERNMENT				
COURT				
PERSONNEL	531,180	531,180	516,429	14,751
OPERATIONS AND MAINTENANCE	223,135	223,135	201,359	21,776
CAPITAL	-	-	-	-
TOTAL	<u>754,315</u>	<u>754,315</u>	<u>717,788</u>	<u>36,527</u>
ADMINISTRATIVE				
PERSONNEL	1,398,356	1,410,356	1,381,354	29,002
OPERATIONS AND MAINTENANCE	290,863	290,863	258,995	31,868
TOTAL	<u>1,689,219</u>	<u>1,701,219</u>	<u>1,640,349</u>	<u>60,870</u>
TREASURY				
PERSONNEL	545,529	545,529	552,792	(7,263)
OPERATIONS AND MAINTENANCE	76,700	76,700	85,575	(8,875)
TOTAL	<u>622,229</u>	<u>622,229</u>	<u>638,367</u>	<u>(16,138)</u>

CONTINUE >

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2025

		BUDGETED AMOUNTS		VARIANCE WITH
		ORIGINAL	FINAL	FINAL BUDGET
				POSITIVE (NEGATIVE)
FINANCE				
PERSONNEL		655,962	655,962	652,892 3,070
OPERATIONS AND MAINTENANCE		145,785	145,785	149,434 (3,649)
TOTAL		801,747	801,747	802,326 (579)
HUMAN RESOURCES				
PERSONNEL		487,348	499,348	490,428 8,920
OPERATIONS AND MAINTENANCE		131,640	131,640	145,535 (13,895)
TOTAL		618,988	630,988	635,963 (4,975)
CITY RECORDER				
PERSONNEL		146,750	158,750	164,119 (5,369)
OPERATIONS AND MAINTENANCE		82,900	82,900	68,257 14,643
TOTAL		229,650	241,650	232,376 9,274
LEGAL SERVICES				
PERSONNEL		889,394	895,294	872,310 22,984
OPERATIONS AND MAINTENANCE		100,034	100,034	98,186 1,848
TOTAL		989,428	995,328	970,496 24,832
LEGISLATIVE				
PERSONNEL		324,122	324,122	313,021 11,101
OPERATIONS AND MAINTENANCE		125,000	125,000	151,128 (26,128)
TOTAL		449,122	449,122	464,149 (15,027)
NONDEPARTMENTAL				
OPERATIONS AND MAINTENANCE		3,241,830	3,746,430	3,932,183 (185,753)
CAPITAL		275,000	275,000	225,000 50,000
TOTAL		3,516,830	4,021,430	4,157,183 (135,753)
EMERGENCY MANAGEMENT				
PERSONNEL		124,295	124,295	125,628 (1,333)
OPERATIONS AND MAINTENANCE		57,700	57,700	9,976 47,724
TOTAL		181,995	181,995	135,604 46,391
INFORMATION CENTER				
PERSONNEL		618,991	618,991	599,223 19,768
OPERATIONS AND MAINTENANCE		52,815	52,815	45,410 7,405
TOTAL		671,806	671,806	644,633 27,173
TOTAL GENERAL GOVERNMENT		10,525,329	11,071,829	11,039,234 32,595
PUBLIC SAFETY				
POLICE				
PERSONNEL		12,124,410	12,124,410	12,296,774 (172,364)
OPERATIONS AND MAINTENANCE		2,123,670	2,110,859	2,230,043 (119,184)
CAPITAL		-	12,811	12,811 -
TOTAL		14,248,080	14,248,080	14,539,628 (291,548)
FIRE				
PERSONNEL		9,993,747	9,798,747	9,442,653 356,094
OPERATIONS AND MAINTENANCE		2,459,844	2,472,344	2,331,324 141,020
CAPITAL		206,386	206,386	192,272 14,114
TOTAL		12,659,977	12,477,477	11,966,249 511,228
TOTAL PUBLIC SAFETY		26,908,057	26,725,557	26,505,877 219,680
COMMUNITY DEVELOPMENT				
ENGINEERING				
PERSONNEL		1,048,377	1,048,377	1,044,515 3,862
OPERATIONS AND MAINTENANCE		112,022	112,022	79,251 32,771
TOTAL		1,160,399	1,160,399	1,123,766 36,633

CONTINUED

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
PLANNING AND ZONING				
PERSONNEL	1,050,492	1,064,992	1,019,885	45,107
OPERATIONS AND MAINTENANCE	143,049	143,049	88,483	54,566
CAPITAL OUTLAY	-	-	-	-
TOTAL	1,193,541	1,208,041	1,108,368	99,673
INSPECTIONS				
PERSONNEL	1,816,894	1,816,894	1,720,207	96,687
OPERATIONS AND MAINTENANCE	134,493	214,493	161,353	53,140
TOTAL	1,951,387	2,031,387	1,881,560	149,827
ECONOMIC DEVELOPMENT				
PERSONNEL	211,343	211,343	212,011	(668)
OPERATIONS AND MAINTENANCE	64,275	64,275	41,324	22,951
TOTAL	275,618	275,618	253,335	22,283
TOTAL COMMUNITY DEVELOPMENT	4,580,945	4,675,445	4,367,029	308,416
STREETS AND HIGHWAYS				
STREETS AND PUBLIC IMPROVEMENTS				
PERSONNEL	1,785,162	1,803,162	1,640,276	162,886
OPERATIONS AND MAINTENANCE	831,638	817,438	826,400	(8,962)
CAPITAL	-	-	-	-
TOTAL	2,616,800	2,620,600	2,466,676	153,924
C ROAD				
OPERATIONS AND MAINTENANCE	3,062,000	3,312,000	3,044,639	267,361
CAPITAL	2,868,512	6,498,512	6,166,271	332,241
TOTAL	5,930,512	9,810,512	9,210,910	599,602
TOTAL STREETS AND HIGHWAYS	8,547,312	12,431,112	11,677,586	753,526
PARKS, RECREATION AND CULTURE				
PARKS				
PERSONNEL	2,916,739	3,036,739	3,222,356	(185,617)
OPERATIONS AND MAINTENANCE	1,663,147	1,663,147	1,868,155	(205,008)
CAPITAL	478,665	478,665	373,793	104,872
TOTAL	5,058,551	5,178,551	5,464,304	(285,753)
COMMUNITY ARTS AND EVENTS				
OPERATIONS AND MAINTENANCE	1,040,700	1,240,700	1,181,642	59,058
TOTAL	1,040,700	1,240,700	1,181,642	59,058
SENIOR CITIZENS				
PERSONNEL	251,428	251,428	216,710	34,718
OPERATIONS AND MAINTENANCE	169,498	169,498	98,582	70,916
CAPITAL	-	-	-	-
TOTAL	420,926	420,926	315,292	105,634
RECREATION				
PERSONNEL	4,226,312	4,262,312	4,311,909	(49,597)
OPERATIONS AND MAINTENANCE	2,661,154	2,661,154	2,584,947	76,207
CAPITAL	265,000	265,000	142,981	122,019
TOTAL	7,152,466	7,188,466	7,039,837	148,629
MUSEUM				
PERSONNEL	-	-	-	-
OPERATIONS AND MAINTENANCE	311,800	311,800	289,937	21,863
CAPITAL	369,255	369,255	368,347	908
TOTAL	681,055	681,055	658,284	22,771

CONTINUE ▶

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
JUNE 30, 2025

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
LITERACY CENTER				
PERSONNEL	396,123	396,123	320,840	75,283
OPERATIONS AND MAINTENANCE	94,750	94,750	89,485	5,265
CAPITAL	-	-	-	-
TOTAL	<u>490,873</u>	<u>490,873</u>	<u>410,325</u>	<u>80,548</u>
LIBRARY				
PERSONNEL	1,257,033	1,257,033	1,224,278	32,755
OPERATIONS AND MAINTENANCE	563,518	563,518	535,818	27,700
CAPITAL	-	-	-	-
TOTAL	<u>1,820,551</u>	<u>1,820,551</u>	<u>1,760,096</u>	<u>60,455</u>
TOTAL PARKS, RECREATION AND CULTURE	<u>16,665,122</u>	<u>17,021,122</u>	<u>16,829,780</u>	<u>191,342</u>
CEMETERY				
PERSONNEL	491,359	491,359	465,859	25,500
OPERATIONS AND MAINTENANCE	146,857	146,857	152,014	(5,157)
OPERATIONS AND MAINTENANCE	57,000	97,000	95,731	1,269
TOTAL	<u>695,216</u>	<u>735,216</u>	<u>713,604</u>	<u>21,612</u>
DEBT SERVICE				
CAPITAL LEASE PAYMENTS - PRINCIPAL	-	13,641	13,641	-
CAPITAL LEASE PAYMENTS - INTEREST	-	559	559	-
TOTAL	<u>-</u>	<u>14,200</u>	<u>14,200</u>	<u>-</u>
TOTAL EXPENDITURES	<u>67,921,981</u>	<u>72,674,481</u>	<u>71,147,310</u>	<u>1,527,171</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,498,853</u>	<u>4,478,853</u>	<u>8,334,182</u>	<u>3,855,329</u>
OTHER FINANCING SOURCES (USES)				
TRANSFERS IN	1,600,000	1,600,000	1,008,365	(591,635)
TRANSFERS OUT	(4,468,288)	(10,968,288)	(10,758,296)	209,992
SALE OF CAPITAL ASSETS	10,000	10,000	75,956	65,956
TOTAL OTHER FINANCING SOURCES	<u>(2,858,288)</u>	<u>(9,358,288)</u>	<u>(9,673,975)</u>	<u>(315,687)</u>
NET CHANGE IN FUND BALANCE	<u>(359,435)</u>	<u>(4,879,435)</u>	<u>(1,339,793)</u>	<u>3,539,642</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>33,883,326</u>	<u>33,883,326</u>	<u>33,883,326</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 33,523,891</u>	<u>\$ 29,003,891</u>	<u>\$ 32,543,533</u>	<u>\$ 3,539,642</u>

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
JUNE 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)	
REVENUES					
IMPACT FEE REVENUE	\$ 4,460,000	\$ 4,460,000	\$ 5,056,265	\$ 596,265	
SALES TAX REVENUE	432,500	432,500	80,007	(352,493)	
INTERGOVERNMENTAL REVENUES	13,275,000	13,275,000	6,197,017	(7,077,983)	
INTEREST ON INVESTMENTS	32,000	32,000	680,738	648,738	
TOTAL REVENUES	<u>18,199,500</u>	<u>18,199,500</u>	<u>12,014,027</u>	<u>(6,185,473)</u>	
EXPENDITURES					
CURRENT					
OTHER	50,000	50,000	82,523	(32,523)	
CAPITAL OUTLAY	42,359,593	42,429,593	28,105,759	14,323,834	
DEBT SERVICE					
PRINCIPAL	85,000	85,000	80,006	4,994	
INTEREST AND FISCAL CHARGES	342,500	342,500	-	342,500	
TOTAL EXPENDITURES	<u>42,837,093</u>	<u>42,907,093</u>	<u>28,268,288</u>	<u>14,638,805</u>	
DEFICIENCY OF REVENUES UNDER EXPENDITURES					
	<u>(24,637,593)</u>	<u>(24,707,593)</u>	<u>(16,254,261)</u>	<u>8,453,332</u>	
OTHER FINANCING SOURCES					
TRANSFERS IN	1,260,000	7,760,000	7,550,000	(210,000)	
TRANSFERS OUT	(911,600)	(911,600)	(911,508)	92	
TOTAL OTHER FINANCING SOURCES	<u>348,400</u>	<u>6,848,400</u>	<u>6,638,492</u>	<u>(209,908)</u>	
NET CHANGE IN FUND BALANCE	(24,289,193)	(17,859,193)	(9,615,769)	8,243,424	
FUND BALANCE AT BEGINNING OF YEAR	<u>28,519,583</u>	<u>28,519,583</u>	<u>28,519,583</u>	<u>-</u>	
FUND BALANCE AT END OF YEAR	<u>\$ 4,230,390</u>	<u>\$ 10,660,390</u>	<u>\$ 18,903,814</u>	<u>\$ 8,243,424</u>	

NONMAJOR GOVERNMENTAL FUNDS

Redevelopment Agency special revenue fund – This fund is used to account for the property taxes levied on properties within each RDA or EDA project area.

Debt service fund – This fund is used to account for the debt service associated with the City's outstanding sales tax revenue bonds.

LEHI CITY CORPORATION
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUND REDEVELOPMENT AGENCY	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS			
CASH AND CASH EQUIVALENTS	\$ 4,058,178	\$ 148,452	\$ 4,206,630
RECEIVABLES			
TAXES	9,463,305	-	9,463,305
OTHER	179,412	-	179,412
PREPAIDS	250,000		250,000
TOTAL ASSETS	<u>\$ 13,950,895</u>	<u>\$ 148,452</u>	<u>\$ 14,099,347</u>
LIABILITIES			
ACCOUNTS PAYABLE	\$ 204,096	\$ 1,750	\$ 205,846
TOTAL LIABILITIES	<u>204,096</u>	<u>1,750</u>	<u>205,846</u>
DEFERRED INFLOWS OF RESOURCES			
TAXES	9,463,305	-	9,463,305
TOTAL DEFERRED INFLOWS OF RESOURCES	9,463,305	-	9,463,305
FUND BALANCES			
NONSPENDABLE	250,000	-	250,000
ASSIGNED	4,033,494	146,702	4,180,196
TOTAL FUND BALANCE	<u>4,283,494</u>	<u>146,702</u>	<u>4,430,196</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 13,950,895</u>	<u>\$ 148,452</u>	<u>\$ 14,099,347</u>

LEHI CITY CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUND REDEVELOPMENT AGENCY	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES			
TAXES	\$ 8,996,822	\$ -	\$ 8,996,822
INTEREST ON INVESTMENTS	106,782	41,541	148,323
TOTAL REVENUES	9,103,604	41,541	9,145,145
EXPENDITURES			
CURRENT			
COMMUNITY DEVELOPMENT	6,917,299	-	6,917,299
OTHER	-	5,150	5,150
CAPITAL OUTLAY	-	-	-
DEBT SERVICE			
PRINCIPAL	1,562,621	1,030,000	2,592,621
INTEREST AND FISCAL CHARGES	-	844,113	844,113
TOTAL EXPENDITURES	8,479,920	1,879,263	10,359,183
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	623,684	(1,837,722)	(1,214,038)
OTHER FINANCING SOURCES (USES)			
TRANSFERS IN	-	1,884,120	1,884,120
TRANSFERS OUT	(1,008,365)	-	(1,008,365)
TOTAL OTHER FINANCING SOURCES (USES)	(1,008,365)	1,884,120	875,755
NET CHANGE IN FUND BALANCE	(384,681)	46,398	(338,283)
FUND BALANCE AT BEGINNING OF YEAR	4,668,175	100,304	4,768,479
FUND BALANCE AT END OF YEAR	\$ 4,283,494	\$ 146,702	\$ 4,430,196

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
REDEVELOPMENT AGENCY FUND
JUNE 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)	
REVENUES					
TAXES	\$ 11,450,000	\$ 11,450,000	\$ 8,996,822	\$ (2,453,178)	
INTEREST ON INVESTMENTS	7,500	7,500	106,782	99,282	
TOTAL REVENUES	11,457,500	11,457,500	9,103,604	(2,353,896)	
EXPENDITURES					
CURRENT					
COMMUNITY DEVELOPMENT	10,600,600	10,600,600	6,917,299	3,683,301	
DEBT SERVICE	1,883,750	1,883,750	1,562,621	321,129	
TOTAL EXPENDITURES	12,484,350	12,484,350	8,479,920	4,004,430	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(1,026,850)	(1,026,850)	623,684	1,650,534	
OTHER FINANCING SOURCES (USES)					
TRANSFERS OUT	(1,284,650)	(1,284,650)	(1,008,365)	276,285	
TOTAL OTHER FINANCING SOURCES (USES)	(1,284,650)	(1,284,650)	(1,008,365)	276,285	
NET CHANGE IN FUND BALANCE	(2,311,500)	(2,311,500)	(384,681)	1,926,819	
FUND BALANCE AT BEGINNING OF YEAR	4,668,175	4,668,175	4,668,175	-	
FUND BALANCE AT END OF YEAR	\$ 2,356,675	\$ 2,356,675	\$ 4,283,494	\$ 1,926,819	

LEHI CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
JUNE 30, 2025

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET	
	ORIGINAL	FINAL	ACTUAL	POSITIVE (NEGATIVE)	
REVENUES					
INTEREST ON INVESTMENTS	\$ -	\$ -	\$ 41,541	\$ 41,541	
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>41,541</u>	<u>41,541</u>	
EXPENDITURES					
CURRENT					
OTHER	10,000	10,000	5,150	4,850	
DEBT SERVICE					
PRINCIPAL	1,030,000	1,030,000	2,592,621	(1,562,621)	
INTEREST AND FISCAL CHARGES	844,113	844,113	844,113	-	
TOTAL EXPENDITURES	<u>1,884,113</u>	<u>1,884,113</u>	<u>3,441,884</u>	<u>(1,557,771)</u>	
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(1,884,113)</u>	<u>(1,884,113)</u>	<u>(3,400,343)</u>	<u>(1,516,230)</u>	
OTHER FINANCING SOURCES					
TRANSFERS IN	1,884,113	1,884,113	1,884,120	7	
TOTAL OTHER FINANCING SOURCES	<u>1,884,113</u>	<u>1,884,113</u>	<u>1,884,120</u>	<u>7</u>	
NET CHANGE IN FUND BALANCE	-	-	(1,516,223)	(1,516,223)	
FUND BALANCE AT BEGINNING OF YEAR	4,768,479	4,768,479	4,768,479	-	
FUND BALANCE AT END OF YEAR	<u>\$ 4,768,479</u>	<u>\$ 4,768,479</u>	<u>\$ 3,252,256</u>	<u>\$ (1,516,223)</u>	

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, 2025

BUSINESS-TYPE ACTIVITIES					
	DRAINAGE	GARBAGE	TOTAL NONMAJOR PROPRIETARY FUNDS		
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	\$ 7,270,326	\$ -	\$ 7,270,326		
RECEIVABLES (NET):					
ACCOUNTS	325,166	515,934	841,100		
UNBILLED	32,190	82,664	114,854		
INVENTORY	11,470	-	11,470		
TOTAL CURRENT ASSETS	<u>7,639,152</u>	<u>598,598</u>	<u>8,237,750</u>		
NON-CURRENT ASSETS					
RESTRICTED CASH AND CASH EQUIVALENTS	642,142	-	642,142		
NONDEPRECIABLE CAPITAL ASSETS	1,494,604	-	1,494,604		
DEPRECIABLE CAPITAL ASSETS, NET	52,343,708	-	52,343,708		
TOTAL NON-CURRENT ASSETS	<u>54,480,454</u>	<u>-</u>	<u>54,480,454</u>		
TOTAL ASSETS	<u>\$ 62,119,606</u>	<u>\$ 598,598</u>	<u>\$ 62,718,204</u>		
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS RELATED TO PENSIONS	\$ 206,074	\$ -	\$ 206,074		
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 206,074</u>	<u>\$ -</u>	<u>\$ 206,074</u>		

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION - CONTINUED
JUNE 30, 2025

	BUSINESS-TYPE ACTIVITIES			TOTAL NONMAJOR PROPRIETARY FUNDS	
			GARBAGE		
	DRAINAGE				
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	\$ 31,294	\$ 480,709	\$ 512,003		
WAGES PAYABLE	14,537	-	14,537		
DUE TO OTHER FUNDS	-	322,731	322,731		
PAYABLE FROM RESTRICTED ASSETS:					
ACCOUNTS PAYABLE	6,187	-	6,187		
CURRENT PORTION COMPENSATED ABSENCES	67,714	-	67,714		
TOTAL CURRENT LIABILITIES	119,732	803,440	923,172		
NON-CURRENT LIABILITIES					
COMPENSATED ABSENCES	39,817	-	39,817		
NET PENSION LIABILITY	153,404	-	153,404		
TOTAL NON-CURRENT LIABILITIES	193,221	-	193,221		
TOTAL LIABILITIES	\$ 312,953	\$ 803,440	\$ 1,116,393		
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS RELATED TO PENSIONS	\$ 1,555	\$ -	\$ 1,555		
NET POSITION					
NET INVESTMENT IN CAPITAL ASSETS	\$ 53,838,312	\$ -	\$ 53,838,312		
RESTRICTED FOR					
CAPITAL PROJECTS	635,955	-	635,955		
UNRESTRICTED	7,536,905	(204,842)	7,332,063		
TOTAL NET POSITION	\$ 62,011,172	\$ (204,842)	\$ 61,806,330		

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
JUNE 30, 2025

	DRAINAGE	GARBAGE	NONMAJOR PROPRIETARY FUNDS
OPERATING REVENUES (PLEDGED AS SECURITY FOR REVENUE BONDS)			
CHARGES FOR SERVICES	\$ 3,430,122	\$ 5,185,737	\$ 8,615,859
MISCELLANEOUS REVENUES	-	37,549	37,549
TOTAL OPERATING REVENUES	3,430,122	5,223,286	8,653,408
OPERATING EXPENSES			
PERSONNEL	1,210,365	-	1,210,365
GENERAL ADMINISTRATION	61,551	26,586	88,137
OPERATING AND MAINTENANCE	230,921	5,510,565	5,741,486
INTERFUND CHARGES	234,948	-	234,948
DEPRECIATION	2,273,012	-	2,273,012
TOTAL OPERATING EXPENSES	4,010,797	5,537,151	9,547,948
OPERATING INCOME (LOSS)	(580,675)	(313,865)	(894,540)
NON-OPERATING REVENUES (EXPENSES)			
INTEREST INCOME	365,089	-	365,089
INTEREST EXPENSE	(7,270)	(8,501)	(15,771)
LOSS ON DISPOSAL OF CAPITAL ASSETS	-	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	357,819	(8,501)	349,318
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(222,856)	(322,366)	(545,222)
CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER IMPACT FEE REVENUE (PLEDGED AS SECURITY FOR REVENUE BONDS)	312,036	-	312,036
CAPITAL CONTRIBUTIONS	2,258,047	-	2,258,047
CHANGE IN NET POSITION	2,347,227	(322,366)	2,024,861
NET POSITION AT BEGINNING OF YEAR	59,663,945	117,524	59,781,469
NET POSITION AT END OF YEAR	\$ 62,011,172	\$ (204,842)	\$ 61,806,330

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS - CONTINUED
JUNE 30, 2025

	DRAINAGE	GARBAGE	NONMAJOR PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH RECEIVED FROM CUSTOMERS	\$ 3,401,304	\$ 5,145,318	\$ 8,546,622
CASH PAID TO SUPPLIERS	(297,402)	(5,496,588)	(5,793,990)
CASH PAID TO EMPLOYEES	(1,146,836)	-	(1,146,836)
CASH PAID FOR INTERFUND SERVICES	(234,948)	-	(234,948)
OTHER RECEIPTS	-	37,549	37,549
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,722,118	(313,721)	1,408,397
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
INTEREST PAID ON INTERFUND ADVANCE	-	(8,501)	(8,501)
NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES	-	(8,501)	(8,501)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
ACQUISITION AND CONSTRUCTION OF			
CAPITAL ASSETS	(1,294,008)	-	(1,294,008)
PRINCIPAL PAID ON BONDS	(205,000)	-	(205,000)
INTEREST PAID	(7,853)	-	(7,853)
IMPACT FEES COLLECTED	312,036	-	312,036
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(1,194,825)	-	(1,194,825)
CASH FLOWS FROM INVESTING ACTIVITIES			
INTERFUND ADVANCE RECEIVED	-	322,222	322,222
INTEREST INCOME COLLECTED	365,089	-	365,089
NET CASH PROVIDED BY INVESTING ACTIVITIES	365,089	322,222	687,311
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	892,382	-	892,382
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,020,086	-	7,020,086
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 7,912,468	\$ -	\$ 7,912,468
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:			
UNRESTRICTED CASH	\$ 7,270,326	\$ -	\$ 7,270,326
RESTRICTED CASH	642,142	-	642,142
	\$ 7,912,468	\$ -	\$ 7,912,468

CONTINUED

LEHI CITY CORPORATION
NONMAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS - CONTINUED
JUNE 30, 2025

	<u>DRAINAGE</u>	<u>GARBAGE</u>	<u>FUNDS</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
CONTRIBUTIONS OF CAPITAL ASSETS FROM DEVELOPERS	\$ 2,258,047	\$ -	\$ 2,258,047
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
OPERATING INCOME (LOSS)	\$ (580,675)	\$ (313,865)	\$ (894,540)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
DEPRECIATION	2,273,012	-	2,273,012
CHANGES IN ASSETS AND LIABILITIES			
ACCOUNTS RECEIVABLE	(25,963)	(36,224)	(62,187)
ALLOWANCE FOR UNCOLLECTIBLE AMOUNTS	(2,855)	(4,195)	(7,050)
INVENTORY	(4,418)	-	(4,418)
ACCOUNTS PAYABLE	(512)	40,563	40,051
ACCOUNTS PAYABLE FROM RESTRICTED WAGES PAYABLE	1,349	-	1,349
COMPENSATED ABSENCES	33,965	-	33,965
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS RELATED TO PENSIONS	28,215	-	28,215
	<hr/> <u>\$ 1,722,118</u>	<hr/> <u>\$ (313,721)</u>	<hr/> <u>\$ 1,408,397</u>

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, 2025**

	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS
ASSETS					
CURRENT ASSETS					
CASH AND CASH EQUIVALENTS	\$ 177,819	\$ 319,353	\$ -	\$ 162,591	\$ 659,763
OTHER RECEIVABLES	227	2,085	-	9,237	11,549
DUUE FROM OTHER FUNDS	-	476,136	-	-	476,136
INVENTORY	-	51,850	-	-	51,850
TOTAL CURRENT ASSETS	<u>178,046</u>	<u>849,424</u>	<u>-</u>	<u>171,828</u>	<u>1,199,298</u>
NON-CURRENT ASSETS					
RESTRICTED CASH AND CASH EQUIVALENTS	-	904,703	-	-	904,703
NONDEPRECIABLE CAPITAL ASSETS	-	141,516	-	-	141,516
DEPRECIABLE CAPITAL ASSETS, NET	206,347	9,860,230	-	278,375	10,344,952
TOTAL NON-CURRENT ASSETS	<u>206,347</u>	<u>10,906,449</u>	<u>-</u>	<u>278,375</u>	<u>11,391,171</u>
TOTAL ASSETS	<u><u>\$ 384,393</u></u>	<u><u>\$ 11,755,873</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 450,203</u></u>	<u><u>\$ 12,590,469</u></u>
DEFERRED OUTFLOWS OF RESOURCES					
DEFERRED OUTFLOWS OF RESOURCES					
RELATED TO PENSIONS	<u>\$ 122,497</u>	<u>\$ 105,178</u>	<u>\$ 29,484</u>	<u>\$ 242,520</u>	<u>\$ 499,679</u>
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	\$ 5,170	\$ 189,426	\$ 305,351	\$ 43,585	\$ 543,532
WAGES PAYABLE	8,938	8,495	2,074	21,885	41,392
PAYABLE FROM RESTRICTED ASSETS:					
ACCRUED INTEREST	-	129,364	-	-	129,364
DUUE TO OTHER FUNDS	-	-	476,136	-	476,136
CURRENT PORTION NOTES PAYABLE	-	994,189	-	-	994,189
CURRENT PORTION COMPENSATED ABSENCES	36,965	39,418	16,292	87,353	180,028
TOTAL CURRENT LIABILITIES	<u>51,073</u>	<u>1,360,892</u>	<u>799,853</u>	<u>152,823</u>	<u>2,364,641</u>
NON-CURRENT LIABILITIES					
COMPENSATED ABSENCES	33,047	46,286	26,515	48,346	154,194
NET PENSION LIABILITY	91,188	78,296	21,948	180,535	371,967
NOTES PAYABLE, LESS CURRENT MATURITIES	-	3,716,998	-	-	3,716,998
TOTAL NON-CURRENT LIABILITIES	<u>124,235</u>	<u>3,841,580</u>	<u>48,463</u>	<u>228,881</u>	<u>4,243,159</u>
TOTAL LIABILITIES	<u><u>\$ 175,308</u></u>	<u><u>\$ 5,202,472</u></u>	<u><u>\$ 848,316</u></u>	<u><u>\$ 381,704</u></u>	<u><u>\$ 6,607,800</u></u>
DEFERRED INFLOWS OF RESOURCES					
DEFERRED INFLOWS OF RESOURCES					
RELATED TO PENSIONS	<u>\$ 924</u>	<u>\$ 794</u>	<u>\$ 222</u>	<u>\$ 1,830</u>	<u>\$ 3,770</u>
NET POSITION (DEFICIT)					
NET INVESTMENT IN CAPITAL ASSETS	206,347	6,195,262	-	278,375	6,679,984
UNRESTRICTED	124,311	462,523	(819,054)	30,814	(201,406)
TOTAL NET POSITION (DEFICIT)	<u><u>\$ 330,658</u></u>	<u><u>\$ 6,657,785</u></u>	<u><u>\$ (819,054)</u></u>	<u><u>\$ 309,189</u></u>	<u><u>\$ 6,478,578</u></u>

**LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
JUNE 30, 2025**

INTERNAL SERVICE FUNDS						
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS	
OPERATING REVENUES						
CHARGES FOR SERVICES - INTERNAL	\$ 1,656,748	\$ 3,734,872	\$ 2,061,320	\$ 2,139,120	\$ 9,592,060	
MISCELLANEOUS REVENUES	3,759	1,108	126,793	123		131,783
TOTAL OPERATING REVENUES	<u>1,660,507</u>	<u>3,735,980</u>	<u>2,188,113</u>	<u>2,139,243</u>	<u></u>	<u>9,723,843</u>
OPERATING EXPENSES						
PERSONNEL	732,915	669,345	173,058	1,711,199		3,286,517
OPERATING AND MAINTENANCE	1,029,614	1,399,234	2,745,688	644,689		5,819,225
DEPRECIATION AND AMORTIZATION	51,369	1,862,362	-	60,830		1,974,561
TOTAL OPERATING EXPENSES	<u>1,813,898</u>	<u>3,930,941</u>	<u>2,918,746</u>	<u>2,416,718</u>	<u></u>	<u>11,080,303</u>
OPERATING INCOME (LOSS)	<u>(153,391)</u>	<u>(194,961)</u>	<u>(730,633)</u>	<u>(277,475)</u>	<u></u>	<u>(1,356,460)</u>
NON-OPERATING REVENUES (EXPENSES)						
GAIN ON DISPOSAL OF CAPITAL ASSETS	-	129,177	-	-		129,177
INTEREST INCOME	10,492	57,088	-	10,054		77,634
INTEREST EXPENSE	-	(148,013)	(46,092)	-		(194,105)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>10,492</u>	<u>38,252</u>	<u>(46,092)</u>	<u>10,054</u>	<u></u>	<u>12,706</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(142,899)</u>	<u>(156,709)</u>	<u>(776,725)</u>	<u>(267,421)</u>	<u></u>	<u>(1,343,754)</u>
TRANSFERS IN	-	500,004	-	-		500,004
CHANGE IN NET POSITION	<u>(142,899)</u>	<u>343,295</u>	<u>(776,725)</u>	<u>(267,421)</u>	<u></u>	<u>(843,750)</u>
NET POSITION (DEFICIT) AT BEGINNING OF YEAR	<u>473,557</u>	<u>6,314,490</u>	<u>(42,329)</u>	<u>576,610</u>	<u></u>	<u>7,322,328</u>
NET POSITION (DEFICIT) AT END OF YEAR	<u>\$ 330,658</u>	<u>\$ 6,657,785</u>	<u>\$ (819,054)</u>	<u>\$ 309,189</u>	<u>\$</u>	<u>6,478,578</u>

LEHI CITY CORPORATION
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
JUNE 30, 2025

INTERNAL SERVICEFUNDS						
	INFORMATION TECHNOLOGY	FLEET	RISK MANAGEMENT	BUILDING AND GROUNDS	TOTALS	
CASH FLOWS FROM OPERATING ACTIVITIES						
CASH RECEIVED FROM INTERFUND						
SERVICES PROVIDED	\$ 1,656,748	\$ 3,734,144	\$ 2,061,320	\$ 2,139,120	\$ 9,591,332	
CASH PAID TO SUPPLIERS	(1,062,662)	(1,300,353)	(164,022)	(618,603)	(3,145,640)	
CASH PAID TO EMPLOYEES	(709,036)	(641,498)	(2,445,252)	(1,639,797)	(5,435,583)	
OTHER RECEIPTS	3,532	1,108	126,793	(9,114)	122,319	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(111,418)	1,793,401	(421,161)	(128,394)	1,132,428	
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
INTEREST PAID ON INTERFUND ADVANCE	-	(12,599)	(46,092)	-	(58,691)	
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	-	(12,599)	(46,092)	-	(58,691)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
TRANSFERS IN	-	500,004	-	-	500,004	
PAYMENTS MADE ON NOTES PAYABLE	-	(732,592)	-	-	(732,592)	
PROCEEDS FROM ISSUANCE OF NOTES PAYABLE	-	2,440,000	-	-	2,440,000	
PROCEEDS FROM SALE OF CAPITAL ASSETS	-	149,829	-	-	149,829	
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	-	(3,132,217)	-	(38,571)	(3,170,788)	
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	-	(774,976)	-	(38,571)	(813,547)	
CASH FLOWS FROM INVESTING ACTIVITIES						
INTERFUND ADVANCE ISSUED	-	(467,253)	-	-	(467,253)	
INTERFUND ADVANCE RECEIVED	-	-	467,253	-	467,253	
INTEREST INCOME COLLECTED	10,492	57,088	-	10,054	77,634	
NET CASH PROVIDED BY INVESTING ACTIVITIES	10,492	(410,165)	467,253	10,054	77,634	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(100,926)	595,661	-	(156,911)	337,824	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	278,745	628,395	-	319,502	1,226,642	
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 177,819</u>	<u>\$ 1,224,056</u>	<u>\$ -</u>	<u>\$ 162,591</u>	<u>\$ 1,564,466</u>	
CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTS OF:						
UNRESTRICTED CASH	\$ 177,819	\$ 319,353	\$ -	\$ 162,591	\$ 659,763	
RESTRICTED CASH	-	904,703	-	-	904,703	
	<u>\$ 177,819</u>	<u>\$ 1,224,056</u>	<u>\$ -</u>	<u>\$ 162,591</u>	<u>\$ 1,564,466</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
OPERATING INCOME (LOSS)	\$ (153,391)	\$ (194,961)	\$ (730,633)	\$ (277,475)	\$ (1,356,460)	
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES						
DEPRECIATION	51,369	1,862,362	-	60,830	1,974,561	
CHANGES IN ASSETS AND LIABILITIES						
ACCOUNTS AND GRANTS RECEIVABLE	(227)	(728)	-	(9,237)	(10,192)	
INVENTORY	-	(4,191)	-	-	(4,191)	
ACCOUNTS PAYABLE	(33,048)	103,072	300,436	26,086	396,546	
WAGES PAYABLE	3,378	3,211	479	5,619	12,687	
CHANGES IN NET PENSION LIABILITY AND DEFERRED INFLOWS AND OUTFLOWS						
RELATED TO PENSIONS	9,123	5,748	4,119	33,153	52,143	
COMPENSATED ABSENCES	11,378	18,888	4,438	32,630	67,334	
	<u>\$ (111,418)</u>	<u>\$ 1,793,401</u>	<u>\$ (421,161)</u>	<u>\$ (128,394)</u>	<u>\$ 1,132,428</u>	

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

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.

	<u>Page</u>
FINANCIAL TRENDS	138 - 144
These schedules provide trend information to help the reader understand how the City's financial performance and economic conditions have changed over time.	
REVENUE CAPACITY	145 - 148
These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues.	
DEBT CAPACITY	149 - 157
These schedules provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	158 - 159
These schedules present demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
OPERATING INFORMATION	160 - 162
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
CHANGES IN NET POSITION (LAST TEN FISCAL YEARS)
(accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities					
General government	\$ 6,904,634	\$ 9,041,919	\$ 8,274,466	\$ 8,961,845	\$ 8,959,799
Public Safety	11,170,823	12,096,387	13,656,195	15,513,181	16,559,907
Community Development	4,079,029	5,796,634	4,928,368	4,836,058	5,777,381
Streets and Highways	10,632,298	11,727,234	12,764,811	13,522,976	14,920,711
Parks, recreation, and culture	9,251,152	9,856,045	10,486,576	11,220,816	11,186,187
Cemetery	443,058	406,824	414,906	430,339	473,663
Interest on long-term debt	4,832,597	4,834,457	4,906,081	4,877,481	5,824,032
Total governmental activities	47,313,591	53,759,500	55,431,403	59,362,696	63,701,680
Business-type activities					
Water	7,043,326	9,645,725	48,839,913	15,761,386	12,777,816
Sewer	8,188,182	9,525,964	9,865,657	11,111,407	12,142,499
Electric	26,793,013	28,132,875	30,707,792	33,073,473	33,265,006
Fiber	-	-	-	-	-
Nonmajor activities	3,734,136	4,279,107	4,677,412	5,200,680	6,173,225
Total business-type activities	45,758,657	51,583,671	94,090,774	65,146,946	64,358,546
Total primary government expenses	\$ 93,072,248	\$ 105,343,171	\$ 149,522,177	\$ 124,509,642	\$ 128,060,226
Revenues					
Governmental activities					
Charges for services					
General government	\$ 1,225,124	\$ 1,035,384	\$ 1,270,675	\$ 1,431,761	\$ 1,343,004
Public Safety	772,926	1,515,823	1,510,422	1,897,103	1,685,241
Community Development	4,122,688	4,539,888	6,753,793	6,115,690	5,093,446
Parks, recreation, and culture	3,669,216	3,701,396	3,989,072	4,035,165	2,855,378
Cemetery	240,285	219,065	232,520	256,950	322,605
Operating grants and contributions	1,921,433	3,449,482	2,687,038	2,734,035	7,488,372
Capital grants and contributions	17,731,567	24,434,520	28,063,535	28,364,171	17,986,306
Total governmental activities	29,683,239	38,895,558	44,507,055	44,834,875	36,774,352
Business-type activities					
Charges for services					
Water	6,979,710	9,272,889	8,673,125	10,041,008	10,874,910
Sewer	8,632,614	8,515,717	8,560,318	9,213,563	9,399,488
Electric	28,967,401	31,303,180	33,458,042	35,473,772	36,526,512
Fiber	-	-	-	-	-
Nonmajor activities	3,215,374	3,399,318	3,575,009	3,889,510	4,836,172
Operating grants and contributions	-	-	7,294,687	5,250,596	-
Capital grants and contributions	17,914,832	28,411,382	35,292,708	41,980,410	24,840,140
Total business-type activities	65,709,931	80,902,486	96,853,889	105,848,859	86,477,222
Total primary government					
program revenues					
Net (Expense)/Revenue	\$ 95,393,170	\$ 119,798,044	\$ 141,360,944	\$ 150,683,734	\$ 123,251,574
Governmental activities	\$ (22,076,340)	\$ (18,242,733)	\$ (15,349,057)	\$ (14,527,821)	\$ (26,927,328)
Business-type activities	14,853,433	23,987,587	25,912,376	40,701,913	22,118,676
Total primary government net (expense)/revenue	\$ (7,222,907)	\$ 5,744,854	\$ 10,563,319	\$ 26,174,092	\$ (4,808,652)
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 18,943,311	\$ 21,435,929	\$ 21,124,631	\$ 20,483,605	\$ 26,503,325
Sales taxes	9,830,594	11,034,838	12,222,987	13,156,245	14,634,703
Franchise taxes	5,221,608	4,886,832	5,287,987	5,510,813	5,670,790
Impact Fees	-	-	-	756,650	1,137,458
Investment Earnings	153,854	193,325	337,123	-	16,461
Gain on disposal of assets	-	-	256,152	-	-
Other	100,458	1,534,862	924,150	875,281	1,227,701
Transfers	730,920	-	-	-	-
Total governmental activities	34,980,745	39,085,786	40,153,030	40,782,594	49,190,438
Business-type activities					
Investment Earnings	151,462	304,489	560,760	1,357,423	1,483,453
Gain on disposal of assets	67,014	38,613	29,501	41,107	-
Other	617,859	391,826	505,851	639,174	657,871
Transfers	(730,920)	-	-	-	-
Total business-type activities	105,415	734,928	1,096,112	2,037,704	2,141,324
Total primary government	\$ 35,086,160	\$ 39,820,714	\$ 41,249,142	\$ 42,820,298	\$ 51,331,762
Change in Net Position					
Governmental activities	\$ 17,350,393	\$ 24,221,844	\$ 29,228,682	\$ 26,254,773	\$ 22,263,110
Business-type activities	20,056,689	30,053,743	36,959,227	42,739,617	24,260,000
Total primary government	\$ 37,407,082	\$ 54,275,587	\$ 66,187,909	\$ 68,994,390	\$ 46,523,110

CONTINUED

LEHI CITY CORPORATION
SCHEDULE 1
CHANGES IN NET POSITION (LAST TEN FISCAL YEARS) - CONTINUED
(accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024	2025
Expenses					
Governmental activities					
General government	\$ 8,608,259	\$ 8,020,887	\$ 10,240,351	\$ 10,418,768	\$ 13,768,304
Public Safety	17,095,653	17,507,791	21,948,439	24,922,190	29,561,802
Community Development	5,280,007	5,729,311	5,302,806	8,921,849	12,014,905
Streets and Highways	16,003,682	16,289,645	18,299,870	19,234,450	20,231,096
Parks, recreation, and culture	12,020,031	12,943,241	14,817,336	16,691,486	18,412,343
Cemetery	491,598	497,978	552,761	624,919	659,335
Interest on long-term debt	5,553,570	5,399,835	3,737,656	1,903,478	2,319,264
Total governmental activities	<u>65,052,800</u>	<u>66,388,688</u>	<u>74,899,219</u>	<u>82,717,140</u>	<u>96,967,049</u>
Business-type activities					
Water	15,634,622	16,352,621	18,508,084	24,096,622	17,674,519
Sewer	11,360,091	11,460,744	12,573,204	15,553,923	19,670,937
Electric	40,214,545	42,720,326	67,530,830	52,841,595	54,048,773
Fiber	1,149,570	1,978,842	2,310,916	2,828,805	3,655,572
Nonmajor activities	6,981,785	7,106,308	8,018,433	9,057,426	9,563,719
Total business-type activities	<u>75,340,613</u>	<u>79,618,841</u>	<u>108,941,467</u>	<u>104,378,371</u>	<u>104,613,520</u>
Total primary government expenses	<u>\$ 140,393,413</u>	<u>\$ 146,007,529</u>	<u>\$ 183,840,686</u>	<u>\$ 187,095,511</u>	<u>\$ 201,580,569</u>
Revenues					
Governmental activities					
Charges for services					
General government	\$ 1,410,528	\$ 1,210,322	\$ 1,263,448	\$ 1,447,320	\$ 1,688,141
Public Safety	1,755,288	2,473,877	2,676,610	2,667,131	2,525,663
Community Development	7,175,492	6,828,003	4,062,359	4,163,550	7,961,280
Parks, recreation, and culture	2,890,148	3,951,817	4,166,109	4,545,933	4,646,641
Cemetery	435,350	536,143	361,500	370,975	379,300
Operating grants and contributions	9,901,485	8,214,996	3,887,912	4,645,622	5,740,900
Capital grants and contributions	34,122,734	37,883,897	16,212,028	13,204,965	27,225,070
Total governmental activities	<u>57,691,025</u>	<u>61,099,055</u>	<u>32,629,966</u>	<u>31,045,496</u>	<u>50,166,995</u>
Business-type activities					
Charges for services					
Water	11,986,309	12,704,938	13,126,269	14,163,108	15,619,028
Sewer	9,553,148	9,930,258	10,543,073	11,584,389	15,005,517
Electric	39,460,193	40,396,786	47,350,786	53,305,560	55,736,565
Fiber	-	-	1,280	386,873	2,020,994
Nonmajor activities	6,070,200	6,564,730	7,172,326	7,944,284	8,615,859
Operating grants and contributions	3,338,726	2,867,704	3,018,272	7,340,279	778,552
Capital grants and contributions	31,170,218	48,217,884	24,593,758	25,518,235	34,320,973
Total business-type activities	<u>101,578,794</u>	<u>120,682,300</u>	<u>105,805,764</u>	<u>120,242,728</u>	<u>132,097,488</u>
Total primary government program revenues	<u>\$ 159,269,819</u>	<u>\$ 181,781,355</u>	<u>\$ 138,435,730</u>	<u>\$ 151,288,224</u>	<u>\$ 182,264,483</u>
Net (Expense)/Revenue					
Governmental activities	<u>\$ (7,361,775)</u>	<u>\$ (5,289,633)</u>	<u>\$ (42,269,253)</u>	<u>\$ (51,671,644)</u>	<u>\$ (46,800,054)</u>
Business-type activities	<u>26,238,181</u>	<u>41,063,459</u>	<u>(3,135,703)</u>	<u>15,864,357</u>	<u>27,483,968</u>
Total primary government net (expense)/revenue	<u>\$ 18,876,406</u>	<u>\$ 35,773,826</u>	<u>\$ (45,404,956)</u>	<u>\$ (35,807,287)</u>	<u>\$ (19,316,086)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 23,321,339	\$ 22,350,797	\$ 20,725,161	\$ 21,350,254	\$ 24,819,664
Sales taxes	17,659,174	21,157,647	23,062,718	23,641,011	25,463,180
Franchise taxes	5,737,987	6,621,772	9,154,740	9,645,182	9,481,313
Investment Earnings	269,757	161,650	3,704,651	5,109,947	3,679,184
Gain on disposal of capital assets	1,196,294	228,274	199,010	120,246	205,133
Gain on forgiveness of debt	-	-	43,040,344	-	7,955,000
Other	2,214,272	1,227,276	1,268,481	1,214,005	1,224,300
Transfers	-	-	-	-	-
Total governmental activities	<u>50,398,823</u>	<u>51,747,416</u>	<u>101,155,105</u>	<u>61,080,645</u>	<u>72,827,774</u>
Business-type activities					
Investment Earnings	415,605	385,986	4,292,314	6,683,259	4,831,804
Gain on disposal of capital assets	9,625	34,021	70,623	22,650	88,671
Other	1,111,964	893,771	619,676	952,616	1,053,235
Transfers	-	-	-	-	-
Total business-type activities	<u>1,537,194</u>	<u>1,313,778</u>	<u>4,982,613</u>	<u>7,658,525</u>	<u>5,973,710</u>
Total primary government	<u>\$ 51,936,017</u>	<u>\$ 53,061,194</u>	<u>\$ 106,137,718</u>	<u>\$ 68,739,170</u>	<u>\$ 78,801,484</u>
Change in Net Position					
Governmental activities	\$ 43,037,048	\$ 46,457,783	\$ 58,885,852	\$ 9,409,001	\$ 26,027,720
Business-type activities	27,775,375	42,377,237	1,846,910	23,522,882	33,457,678
Total primary government	<u>\$ 70,812,423</u>	<u>\$ 88,835,020</u>	<u>\$ 60,732,762</u>	<u>\$ 32,931,883</u>	<u>\$ 59,485,398</u>

LEHI CITY CORPORATION
SCHEDULE 2
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	\$ 327,670,060	\$ 348,094,139	\$ 358,211,413	\$ 381,213,748	\$ 415,948,197
Restricted	7,486,352	14,058,585	16,551,581	18,557,279	9,079,606
Unrestricted	(44,375,030)	(24,913,559)	21,362,023	5,762,991	6,533,935
Total governmental activities net position	<u>290,781,382</u>	<u>337,239,165</u>	<u>396,125,017</u>	<u>405,534,018</u>	<u>431,561,738</u>
Business-type activities					
Net investment in capital assets	355,733,226	391,916,527	395,362,323	417,619,725	429,229,806
Restricted	9,965,009	12,617,730	17,713,071	28,323,618	22,186,263
Unrestricted	64,266,001	67,807,216	61,112,989	51,767,922	79,752,874
Total business-type activities net position	<u>429,964,236</u>	<u>472,341,473</u>	<u>474,188,383</u>	<u>497,711,265</u>	<u>531,168,943</u>
Primary government					
Net investment in capital assets	683,403,286	740,010,666	753,573,736	798,833,473	845,178,003
Restricted	17,451,361	26,676,315	34,264,652	46,880,897	31,265,869
Unrestricted	19,890,971	42,893,657	82,475,012	57,530,913	86,286,809
Total primary government net position	<u>\$ 720,745,618</u>	<u>\$ 809,580,638</u>	<u>\$ 870,313,400</u>	<u>\$ 903,245,283</u>	<u>\$ 962,730,681</u>
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 242,558,256	\$ 270,733,436	\$ 288,966,135	\$ 302,586,651	\$ 310,508,319
Restricted	4,262,799	590,207	349,363	1,480,415	1,330,917
Unrestricted	(101,045,130)	(101,325,874)	(90,089,047)	(78,585,842)	(64,094,902)
Total governmental activities net position	<u>145,775,925</u>	<u>169,997,769</u>	<u>199,226,451</u>	<u>225,481,224</u>	<u>247,744,334</u>
Business-type activities					
Net investment in capital assets	238,650,352	267,462,097	299,404,845	325,775,552	341,429,283
Restricted	4,555,304	126,965	547,651	2,528,731	2,711,961
Unrestricted	24,970,618	30,640,955	35,236,748	49,624,578	58,047,617
Total business-type activities net position	<u>268,176,274</u>	<u>298,230,017</u>	<u>335,189,244</u>	<u>377,928,861</u>	<u>402,188,861</u>
Primary government					
Net investment in capital assets	481,208,608	538,195,533	588,370,980	628,362,203	651,937,602
Restricted	8,818,103	717,172	897,014	4,009,146	4,042,878
Unrestricted	(76,074,512)	(70,684,919)	(54,852,299)	(28,961,264)	(6,047,285)
Total primary government net position	<u>\$ 413,952,199</u>	<u>\$ 468,227,786</u>	<u>\$ 534,415,695</u>	<u>\$ 603,410,085</u>	<u>\$ 649,933,195</u>

LEHI CITY CORPORATION
SCHEDULE 3
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	4,639,096	6,390,766	7,190,294	8,159,998	7,420,556
Committed	643,812	647,031	671,873	709,301	744,248
Assigned	23,526	23,643	24,551	25,919	27,196
Unassigned	16,114,294	19,412,949	20,183,077	24,988,108	24,351,533
Total General Fund	21,420,728	26,474,389	28,069,795	33,883,326	32,543,533
All Other Governmental Funds					
Nonspendable	-	-	-	-	250,000
Restricted	4,340,039	9,640,000	10,962,853	12,669,653	18,406,588
Assigned	31,744,466	41,658,290	78,531,130	54,305,860	20,016,623
Total all other governmental funds	36,084,505	51,298,290	89,493,983	66,975,513	38,673,211
Total governmental funds	\$ 57,505,233	\$ 77,772,679	\$ 117,563,778	\$ 100,858,839	\$ 71,216,744

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

LEHI CITY CORPORATION
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues					
Taxes	\$ 33,995,513	\$ 37,357,599	\$ 38,635,605	\$ 39,150,663	\$ 46,808,818
Licenses, fees and permits	6,533,438	6,866,680	8,000,076	9,613,360	8,168,866
Intergovernmental	3,539,749	3,316,413	6,253,575	8,648,408	11,441,497
Charges for services	6,519,088	7,502,520	8,636,679	8,739,191	7,058,720
Fines and forfeitures	668,151	629,104	799,079	844,289	790,458
Miscellaneous	649,434	1,252,405	1,818,819	1,451,781	1,648,639
Interest on investments	145,662	181,076	300,658	692,189	1,099,329
Total revenues	<u>52,051,035</u>	<u>57,105,797</u>	<u>64,444,491</u>	<u>69,139,881</u>	<u>77,016,327</u>
Expenditures					
General government	6,804,485	8,390,690	6,856,047	7,112,048	7,538,498
Public Safety	10,602,138	11,934,981	12,622,099	13,821,781	15,404,388
Community development	3,820,164	6,179,501	5,121,202	4,556,038	5,447,678
Streets and highways	3,114,886	4,096,908	3,372,051	3,455,349	3,789,510
Parks, recreation and culture	8,279,958	8,628,939	9,675,126	9,750,314	9,541,822
Cemetery	415,615	385,537	390,147	403,066	433,261
Other	3,600	3,600	63,900	8,250	10,775
Capital outlay	9,752,734	20,976,507	9,962,532	12,490,153	22,420,051
Debt Service					
Principal	4,764,670	5,201,440	7,683,967	4,319,419	7,429,705
Interest and fiscal charges	4,732,577	5,277,161	4,890,766	4,904,070	5,827,154
Total expenditures	<u>52,290,827</u>	<u>71,075,264</u>	<u>60,637,837</u>	<u>60,820,488</u>	<u>77,842,842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(239,792)</u>	<u>(13,969,467)</u>	<u>3,806,654</u>	<u>8,319,393</u>	<u>(826,515)</u>
Other Financing Sources (Uses)					
Transfers in	5,818,343	6,791,536	4,098,769	9,572,504	11,836,317
Transfers out	(5,087,423)	(6,791,536)	(4,098,769)	(9,572,504)	(11,836,317)
Issuance of lease liabilities	-	-	-	-	-
Proceeds from issuance of bonds	-	4,169,192	5,768,588	18,402,528	-
Sale of capital assets	627,229	13,577	51,932	388,062	28,869
Total other financing sources (uses)	<u>1,358,149</u>	<u>4,182,769</u>	<u>5,820,520</u>	<u>18,790,590</u>	<u>28,869</u>
Net change in fund balances	<u>\$ 1,118,357</u>	<u>\$ (9,786,698)</u>	<u>\$ 9,627,174</u>	<u>\$ 27,109,983</u>	<u>\$ (797,646)</u>
Debt service as a percentage of noncapital expenditures	22.41%	21.93%	25.12%	19.30%	23.95%

CONTINUED

LEHI CITY CORPORATION
SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS - CONTINUED
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2021	2022	2023	2024	2025
Revenues					
Taxes	\$ 46,718,500	\$ 50,130,216	\$ 52,942,619	\$ 54,636,447	\$ 59,764,157
Licenses, fees and permits	10,640,635	12,654,002	6,902,177	6,171,840	10,932,223
Intergovernmental	23,893,064	15,832,601	7,931,109	8,486,894	14,715,058
Charges for services	8,113,532	9,788,903	8,988,690	9,173,315	9,678,363
Fines and forfeitures	710,682	722,270	831,962	972,615	1,011,487
Miscellaneous	2,678,250	1,699,551	1,655,832	1,913,009	1,859,517
Interest on investments	263,761	159,512	3,611,077	5,033,449	3,601,550
Total revenues	<u>93,018,424</u>	<u>90,987,055</u>	<u>82,863,466</u>	<u>86,387,569</u>	<u>101,562,355</u>
Expenditures					
General government	8,259,035	8,539,977	8,832,969	9,455,395	11,039,234
Public Safety	17,120,953	18,385,423	20,720,538	23,625,281	26,505,877
Community development	4,927,696	5,291,722	4,777,303	8,351,279	11,284,328
Streets and highways	5,620,679	5,781,174	7,513,717	7,431,590	11,677,586
Parks, recreation and culture	10,341,966	11,363,509	13,329,375	14,650,500	16,829,780
Cemetery	482,707	454,611	551,145	625,542	713,604
Other	5,250	54,316	479,001	344,597	89,673
Capital outlay	24,345,627	10,651,809	9,849,517	32,928,813	47,257,010
Debt Service					
Principal	4,724,910	4,326,200	2,760,039	3,066,644	3,017,114
Interest and fiscal charges	5,734,224	5,413,602	5,509,487	2,394,669	2,366,196
Total expenditures	<u>81,563,047</u>	<u>70,262,343</u>	<u>74,323,091</u>	<u>102,874,310</u>	<u>130,780,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,455,377</u>	<u>20,724,712</u>	<u>8,540,375</u>	<u>(16,486,741)</u>	<u>(29,218,047)</u>
Other Financing Sources (Uses)					
Transfers in	11,521,047	15,040,584	11,736,875	18,895,938	12,178,165
Transfers out	(11,521,047)	(16,040,584)	(12,386,879)	(19,395,938)	(12,678,169)
Issuance of lease liabilities	-	28,193	-	227,948	-
Proceeds from issuance of bonds	-	-	31,763,115	-	-
Sale of capital assets	1,702,078	514,541	137,613	53,854	75,956
Total other financing sources (uses)	<u>1,702,078</u>	<u>(457,266)</u>	<u>31,250,724</u>	<u>(218,198)</u>	<u>(424,048)</u>
Net change in fund balances	<u>\$ 13,157,455</u>	<u>\$ 20,267,446</u>	<u>\$ 39,791,099</u>	<u>\$(16,704,939)</u>	<u>\$(29,642,095)</u>
Debt service as a percentage of noncapital expenditures	18.28%	16.34%	13.61%	8.19%	7.08%

LEHI CITY CORPORATION
SCHEDULE 5
TAX REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	Property Tax	General Use and Sales Tax	Franchise Tax	Fees in Lieu of Personal Property Tax	Total
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
2022	22,119,880	21,475,897	5,815,420	719,019	50,130,216
2023	22,241,729	23,062,708	6,907,613	730,569	52,942,619
2024	22,521,228	24,029,811	7,310,364	775,044	54,636,447
2025	26,072,684	25,808,971	7,078,953	803,549	59,764,157
Growth 2016-2025	37.3%	175.2%	39.7%	38.3%	75.7%

LEHI CITY CORPORATION
SCHEDULE 6
ASSESSED 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
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	0.001429	12,201,577,217	71.9%
2022	8,122,163,455	1,105,949,762	9,228,113,217	0.001189	13,111,613,286	70.4%
2023	10,821,796,821	871,319,922	11,693,116,743	0.001153	17,117,449,316	68.3%
2024	11,859,235,359	916,278,287	12,775,513,646	0.001236	18,722,324,725	68.2%
2025	12,289,614,011	1,124,537,369	13,414,151,380	0.001163	19,641,599,382	68.3%

(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
2016	\$ 9,388,153	\$ 8,960,710	95.45%	\$ 427,443	\$ 9,388,153	100.00%
2017	10,467,968	10,028,134	95.80%	439,834	10,467,968	100.00%
2018	10,682,184	10,215,281	95.63%	466,903	10,682,184	100.00%
2019	10,934,267	10,244,566	93.69%	689,701	10,934,267	100.00%
2020	12,883,259	12,306,550	95.52%	570,114	12,876,664	99.95%
2021	12,837,163	12,108,856	94.33%	708,935	12,817,791	99.85%
2022	13,207,667	12,627,949	95.61%	546,804	13,174,753	99.75%
2023	14,074,665	13,122,251	93.23%	884,054	14,006,305	99.51%
2024	14,758,665	14,095,227	95.50%	214,125	14,309,352	96.96%
2025	16,498,102	15,826,623	95.93%	-	15,826,623	95.93%

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
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
2022	0.001429	-	0.001429	0.005724	0.000787	0.000400	0.000012	0.000006	0.008358
2023	0.001153	-	0.001153	0.005518	0.000781	0.000400	0.000012	0.000006	0.007870
2024	0.001236	-	0.001236	0.006115	0.000776	0.000400	0.000012	0.000006	0.008545
2025	0.001163	-	0.001163	0.005774	0.001019	0.000400	0.000011	0.000006	0.008373

The City's certified property tax rate can only be increased through 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	2025			2016			Percentage of Total Taxable Assessed Valuation
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank		
Texas Instruments	\$ 473,671,200	1	3.53%	\$ 261,781,300	1		5.82%
Adobe Systems	179,679,400	2	1.34%	72,034,900	2		1.60%
DR Horton	112,641,260	3	0.84%		-		
Geneva Rock Products	87,697,161	4	0.65%		-		
Young Living Warm Springs	80,054,100	5	0.60%		-		
IHC Health Services	79,983,905	6	0.60%		-		
Edge Homes	75,048,330	7	0.56%		-		
Outlets at Traverse Mountain	74,516,400	8	0.56%	46,729,900	3		1.04%
MPT of Lehi-Steward	68,445,700	9	0.51%		-		
Thanksgiving Park Five and Six	67,154,900	10	0.50%		-		
Thanksgiving Park One and Two	61,462,400	11	0.46%		-		
Traverse Ridge Center III	59,447,300	12	0.44%		-		
Questar Gas	58,513,766	13	0.44%	29,507,950	9		0.66%
Traverse Mountain Commercial Venture	57,672,700	14	0.43%		-		
RE Plus 1300WTP	57,276,900	15	0.43%		-		
Seasons of Traverse Mountain	56,786,730	16	0.42%		-		
TMCV #1	51,561,900	17	0.38%	36,509,100	7		0.81%
TMCV Retail #1 Retail Center	50,539,000	18	0.38%		-		
TS Office Owner 1	50,242,300	19	0.37%		-		
Crest Haven	45,036,115	20	0.34%	25,192,995	11		0.56%
Micron				43,246,700	4		0.96%
Thanksgiving Park Five				40,062,800	5		0.89%
Seaboard				36,757,200	6		0.82%
Thanksgiving Park Six				30,752,900	8		0.68%
Thanksgiving Park Two				27,944,400	10		0.62%
Thanksgiving Point Development				25,122,600	12		0.56%
Thanksgiving Park One				23,517,300	13		0.52%
Total	\$ 1,847,431,467		13.77%	\$ 699,160,045			15.53%

Source: Utah County Treasurer's Office

LEHI CITY CORPORATION

SCHEDULE 10

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-Type Activities							Total Primary Government	Percentage of Personal Income	Per Capita			
	Sales Tax Revenue		Lease Revenue		Notes Payable	Water Revenue		Electric Revenue		Storm Drain Revenue		Sales Tax Revenue						
	Bonds	Bonds	Bonds	Leases		Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Notes Payable					
2016	\$ 13,855,000	\$ -	\$ -	\$ 107,521,217	\$ -	\$ 3,075,000	\$ 1,610,000	\$ -	\$ 1,521,786	\$ 127,583,003			8.22%	2,087				
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	-	-	92,370,979	19,459,224	16,889,380	960,000	-	1,185,284	165,586,395			8.10%	2,375				
2021	33,681,473	-	-	89,051,993	18,968,890	16,243,335	780,000	63,541,973	1,114,588	223,382,252			9.18%	2,943				
2022	32,611,418	-	46,330	85,267,096	18,463,556	15,572,289	595,000	63,179,850	1,042,658	216,778,197			8.12%	2,710				
2023	31,516,363	31,660,777	36,438	41,742,203	21,581,223	14,871,244	405,000	62,817,727	969,663	205,600,638			7.15%	2,437				
2024	30,396,308	31,458,439	232,548	39,136,406	21,035,889	33,864,326	205,000	61,580,604	895,530	218,805,050			7.08%	2,425				
2025	21,276,253	31,136,101	108,061	39,270,394	24,113,555	32,495,574	-	77,004,177	820,224	226,224,339			6.40%	2,421				

Note: See Schedule 19 for personal income and population data.

LEHI CITY CORPORATION
SCHE DULE 11
RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Other Bonds</u>	<u>Total</u>	<u>Actual Taxable Value of Property</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2016	\$ -	\$ -	\$ -	-	- %	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-

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

LEHI CITY CORPORATION**SCHEDULE 12****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****AS OF JUNE 30, 2025**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to Lehi (1)	Estimated Amount Applicable to Lehi
Overlapping Debt:			
Central Utah Water Conservancy District	\$ 105,507,820	4.31%	\$ 4,544,319
Alpine School District	<u>267,680,000</u>	22.45%	<u>60,104,184</u>
Subtotal, overlapping debt	373,187,820		64,648,503
Direct Debt:			
Lehi City	<u>91,790,809</u>	100.00%	<u>91,790,809</u>
Total direct and overlapping debt	<u><u>\$ 464,978,629</u></u>		<u><u>\$ 156,439,312</u></u>

Note: Overlapping governments are those that coincide, at least partially, 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 evaluating the City's capacity to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be considered. However, this does not imply that every taxpayer is a resident or responsible for repaying the debt of each overlapping government.

(1) The percentage of applicable overlapping debt 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

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
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
2022	524,464,531	-	524,464,531
2023	684,697,973	-	684,697,973
2024	748,892,989	-	748,892,989
2025	785,663,975	-	785,663,975

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

Legal Debt Margin Calculation for Fiscal Year 2025

Estimated market value	\$ 19,641,599,382
Debt limit (4% of market value)	785,663,975
Debt applicable to limit	-
Legal debt margin	<u>\$ 785,663,975</u>

The debt limitation specifically pertains to general obligation bonded debt, of which the City has none.

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			Coverage
				Principal	Interest	Total	
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 (3)	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
2022	16,904,729	7,800,534	9,104,195	405,000	846,113	1,251,113	7.28
2023 (4)	15,199,511	9,093,242	6,106,269	425,000	814,750	1,239,750	4.93
2024	17,905,523	9,736,112	8,169,411	445,000	829,930	1,274,930	6.41
2025	19,223,549	10,378,831	8,844,718	465,000	807,680	1,272,680	6.95

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

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

(2) Total operating expenses, excluding depreciation.

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

(4) In fiscal year 2023, the City issued \$3,643,000 in water revenue bonds to finance secondary water meter installations.

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	
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
2022	21,475,897	935,000	924,932	1,859,932	11.55
2023	23,062,708	960,000	898,838	1,858,838	12.41
2024	24,029,811	985,000	872,032	1,857,032	12.94
2025	25,808,971	1,025,000	846,912	1,871,912	13.79

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

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

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

LEHI CITY CORPORATION
SCHEDULE 16
PLEDGED REVENUE COVERAGE
ELECTRIC REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Cash Reserves Used	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
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
2022	46,360,981	37,878,941	-	8,482,040	545,000	707,500	1,252,500	6.77
2023	51,350,832	62,084,288	12,302,519	1,569,063	575,000	680,250	1,255,250	1.25
2024	57,972,016	46,961,501	-	11,010,515	605,000	1,211,758	1,816,758	6.06
2025	61,230,587	47,013,098	-	14,217,489	1,205,000	1,586,288	2,791,288	5.09

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

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

(2) Total operating expenses, excluding depreciation and amortization.

LEHI CITY CORPORATION
SCHEDULE 17
PLEDGED REVENUE COVERAGE
DRAINAGE REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue		Debt Service Requirements			Coverage
			Available for Debt Service	Principal	Interest	Total		
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	
2022	3,005,373	1,315,530	1,689,843	185,000	27,378	212,378	7.96	
2023	3,153,863	1,289,739	1,864,124	190,000	20,885	210,885	8.84	
2024	3,732,083	1,643,518	2,088,565	200,000	14,215	214,215	9.75	
2025	4,107,247	1,737,785	2,369,462	205,000	7,196	212,196	11.17	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
The City's drainage revenue bonds were paid off during 2025.

(1) Total revenue, including interest and impact fees.
(2) Total operating expenses, excluding depreciation.

LEHI CITY CORPORATION

SCHEDULE 18

PLEDGED REVENUE COVERAGE
FRANCHISE AND SALES TAX REVENUE BONDS
Last Ten Fiscal Years

Fiscal Year	Limited Sales Tax Revenue	Gas & Electric Franchise Fee Revenue	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
	Principal	Interest				Principal	Interest	Total	
2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
2017	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022 (3)	1,662,673	4,818,503	268,441	134,032	6,615,585	-	1,927,741	1,927,741	3.43
2023	1,662,673	5,967,348	1,976,535	442,351	9,164,205	-	2,210,150	2,210,150	4.15
2024	1,662,673	6,350,702	2,880,937	970,096	9,924,216	875,000	2,210,150	3,085,150	3.22
2025 (4)	2,337,718	6,166,418	3,301,688	1,736,222	10,292,848	915,000	2,175,150	3,090,150	3.26

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

The Fiber Fund will have a deficit net position during the initial years of the project. This is anticipated until the fiber-optic network is installed and the City begins generating sufficient revenue from the system.

(1) Total revenue, including interest.

(2) Total operating expenses, excluding depreciation and amortization.

(3) In fiscal year 2022, the City issued \$53,890,000 in franchise and sales tax revenue bonds to fund the acquisition, construction and installation of a fiber-optic network within the City.

(4) In fiscal year 2025, the City issued \$16,255,000 in franchise and sales tax revenue bonds to fund the construction and installation of a fiber-optic network within the City.

LEHI CITY CORPORATION
SCHEDULE 19
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population Estimate</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (1)</u>	<u>Unemployment Rate (2)</u>
2015	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	2.2%
2022	79,978	2,668,471,577	33,365	1.8%
2023	84,373	2,874,315,652	34,067	2.6%
2024	90,227	3,091,192,236	34,260	3.7%
2025	93,446	3,535,364,541	37,833	3.9%

(1) Per capita personal income amounts shown correspond to the tax calendar year that ended within the specified fiscal year.

(2) Unemployment rates are for Utah County.

Source: Utah State Tax Commission, U.S. Census Bureau

LEHI CITY CORPORATION
SCHEDULE 20
PRINCIPAL EMPLOYERS
Current Year and Ten Years Ago

<u>Employer</u>	<u>2025</u>	<u>2016</u>	<u>Rank</u>
	<u>Range of Employees</u>	<u>Estimated Employees</u>	
Texas Instruments (formerly IM Flash)	1000 - 1999	1600	1
Adobe	1000 - 1999	1050	2
Alpine School District	1000 - 1999	-	-
Ancestry	500 - 999	-	-
Entrata	500 - 999	-	-
Nexeo	500 - 999	-	-
Primary Childrens Hospital	500 - 999	-	-
Thanksgiving Point	500 - 999	425	5
Weave	500 - 999	-	-
Xactware	500 - 999	685	3
Young Living	500 - 999	-	-
Avadi	250 - 499	-	-
Collective Health	250 - 499	-	-
Costco	250 - 499	225	10
Digicert	250 - 499	-	-
Gabb	250 - 499	-	-
Hadco Construction	250 - 499	303	8
LendingClub Bank	250 - 499	-	-
Lendio	250 - 499	-	-
MoneyDesktop	250 - 499	-	-
Mountain Point Medical Center (formerly IASIS)	250 - 499	340	7
Oracle	250 - 499	-	-
Pattern	250 - 499	-	-
Podium	250 - 499	-	-
Pure Storage	250 - 499	-	-
Purple Innovation	250 - 499	-	-
Smiths	250 - 499	-	-
Sunrun (formerly Vivint Solar)	250 - 499	-	-
Trove Brands	250 - 499	-	-
Cabela's	100 - 249	366	6
Jack B Parson Co	5 - 9	285	9
Xango	-	630	4

Source: Utah Department of Workforce Services

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

LEHI CITY CORPORATION
SCHEDULE 21
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Court	6	6	6	6	6	6	6	6	6	6
Administrative	11.5	11.5	15	15	15	16	16	16	17	18
Treasury	6	6	6	6.5	5	5	5	5	5	5
Finance	7	7	4	4	4	4	4	4	4	4
Information Center	-	-	-	-	7	7	7	7	7	7
Legal	5.3	5.3	5	5	5	5	5	5.5	5.5	5.5
Legislative(1)	6	6	6	6	6	6	6	6	6	6
Public Safety										
Police	54	59	59	59	59	62	65	74	75	75
Fire	46	50	66	66	67	67	68	68	68	82
Animal Control	2	2	1	1	1	1	2	2	2	2
Community Development										
Public Works Administration	5	5	5	7	8	8	8	8	8	9
Planning and Zoning	6	6	6	6	7	7	7	7	7	7
Building Inspections	9	9	9	9	12	12	13	15	15	15
Streets and Highways										
Streets and Public Improvements	15	15	15	16	16	16	17	17	17	17
Parks, Recreation and Culture										
Parks	29	29	29	31	30	25	28	30	34	42
Senior Citizens	2	2.5	3	4	3	3	3	3	3	3
Recreation	87.5	82	91	84	64	73	87	92	97	98
Library	21	21	21	21	16	16	16	16	20	19
Literacy Center	6.5	6	6	6	6	6	6	6	6	7
Cemetery	4	4	6	6	6	6	6	6	6	6
Sewer	4	8	8	8	7	7	8	8	8	9
Power	27.5	29	32	33	33	33	35	39	41	42
Fiber	-	-	-	-	-	-	1	1	5	5
Water	16.5	16.5	17	17	18	20	21	24	24	26
Storm Drain	4.65	5.65	5	7	12	12	12	12	12	12

Source: Lehi City payroll records

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

(2) Garbage services are outsourced to a private contractor.

LEHI CITY CORPORATION

SCHEDULE 22

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Community development										
Residential building permits issued	548	489	781	871	707	907	826	779	511	514
Commercial building permits issued	195	195	183	172	148	161	167	55	134	158
Court										
Traffic and Misdemeanor cases handled	6,387	5,547	7,321	7,349	6,988	6,281	5,689	7,603	8,326	8,130
Police										
Calls for service	32,534	28,602	29,832	22,770	25,438	30,175	29,566	30,901	30,730	35,446
Arrests	1,179	1,436	1,414	1,443	1,173	1,121	1,243	1,754	1,417	2,053
Fire										
Fire/Medical responses	2,708	2,946	3,162	3,717	3,866	3,982	4,706	5,229	5,459	5,392
Recreation										
Recreation programs	72	80	74	78	62	69	77	80	82	79
Participants in recreation programs	28,396	27,999	28,549	28,324	20,777	23,600	29,614	29,495	30,228	30,397
Library										
Books in collection	150,158	115,022	122,055	129,002	129,826	127,054	125,469	122,839	102,729	102,421
Books circulated	597,433	474,778	486,687	502,167	402,543	343,828	488,264	514,680	519,150	394,060
Cemetery										
Acres maintained	55	55	55	55	55	55	55	55	55	55
Total gravesites	27,955	27,966	29,528	29,543	29,713	29,729	29,766	29,819	30,031	29,938
Culinary Water										
Residential accounts serviced	15,691	16,043	16,562	17,872	18,811	19,712	20,589	21,976	22,891	23,748
Average daily consumption (thousands of gallons)	3,490	4,210	3,840	4,490	4,638	4,987	4,364	4,034	3,660	3,920
Sewer										
Sewer lines miles inspected	47	58	62	54	52	53	55	37	34	49
Power										
Accounts serviced	18,879	19,656	20,693	22,193	23,611	24,800	26,094	28,009	29,249	30,835
Energy sold (megawatts in thousands)	315	342	364	383	402	462	433	462	473	492
Secondary Water										
Accounts serviced	15,584	14,119	14,799	15,669	16,314	16,579	17,129	17,554	18,179	18,754

Source: City Records

LEHI CITY CORPORATION

SCHEDULE 23

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Streets and Highways										
Street lights	2,689	2,910	3,027	3,359	3,495	3,671	3,796	3,945	4,562	4,681
Street miles	233	244	246	256	262	270	278	281	286	290
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	60	65	63	63	66	72	76	78	87	86
Fire										
Fire stations		2	3	3	3	3	3	3	3	3
Fire vehicles	16	17	17	17	20	21	21	26	27	27
Ambulances	4	5	5	5	5	5	5	5	7	8
Public works										
Incorporated area in square miles	28	29	29	29	29	29	29	29	29	29
City buildings in square feet	235,000	321,600	321,600	321,600	321,600	362,044	348,089	348,089	378,102	364,089
Parks and recreation										
Park acreage	339	522	522	531	592	600	630	633	758	887
Baseball/softball diamonds	8	8	8	8	8	12	12	12	12	12
Public libraries	1	1	1	1	1	1	1	1	1	1
Soccer fields	9	9	9	9	9	9	9	9	9	9
Outdoor municipal pools	2	2	2	2	2	2	2	2	2	2
Recreation centers	1	1	1	1	1	1	1	1	1	1
Culinary water										
Water main line miles	297	310	322	339	355	372	387	390	402	412
Storage capacity (thousands of gallons)	10,400	10,400	10,400	12,600	12,700	13,300	16,900	16,900	17,900	17,900
Sewer										
Sewer line miles	241	253	262	271	279	290	300	307	317	323
Secondary water										
Secondary water main line miles	298	312	325	343	360	375	390	395	408	416
Power										
Main power feeder line miles	275	515	680	756	795	816	894	944	1,100	1,127
Overhead power line miles	65	147	117	117	116	116	116	114	115	116

Source: City Records