

# 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

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# LEHI CITY CORPORATION

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025

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# INTRODUCTORY SECTION

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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.

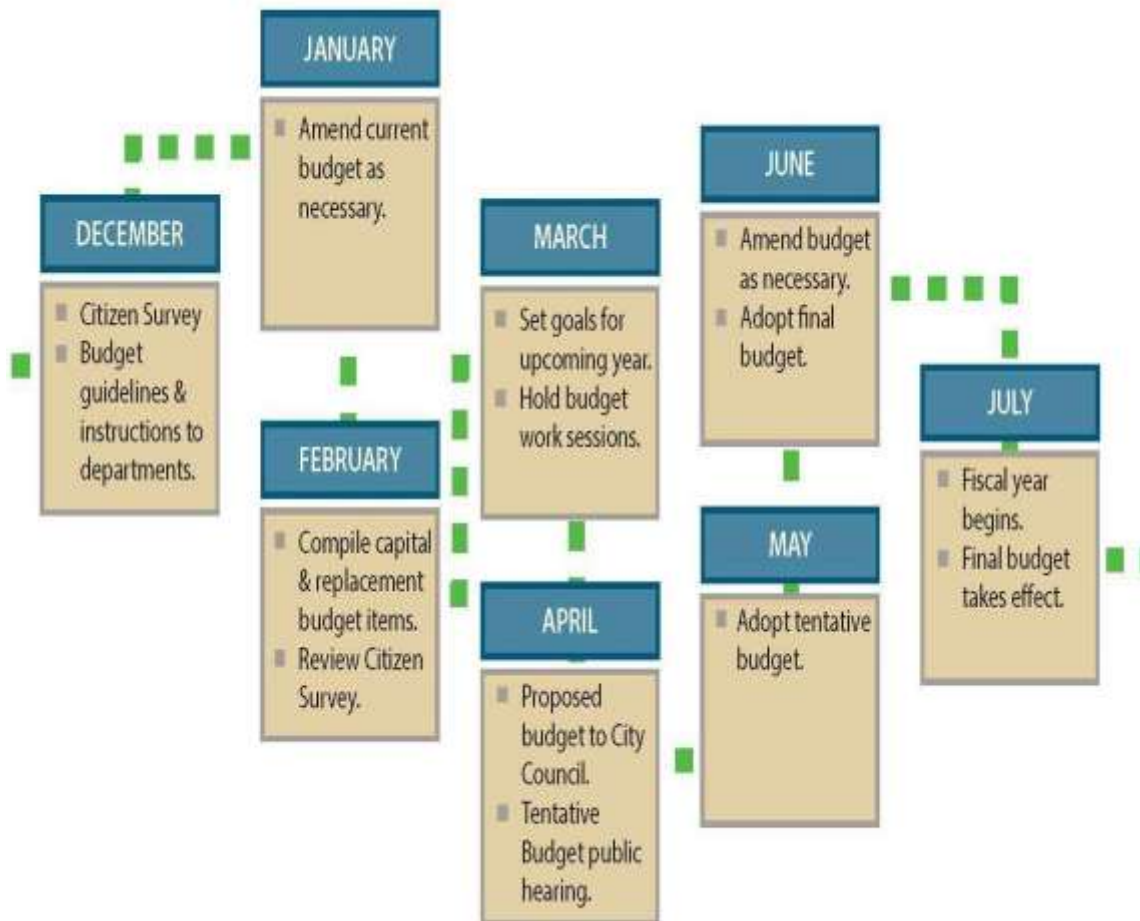
Brigham Young University, Utah Valley University (the largest University in the State) and the University of Utah campuses are within 25 minutes of the City center. These higher education facilities employ more than 3,000 people. These universities provide a strong educated work force for a large number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

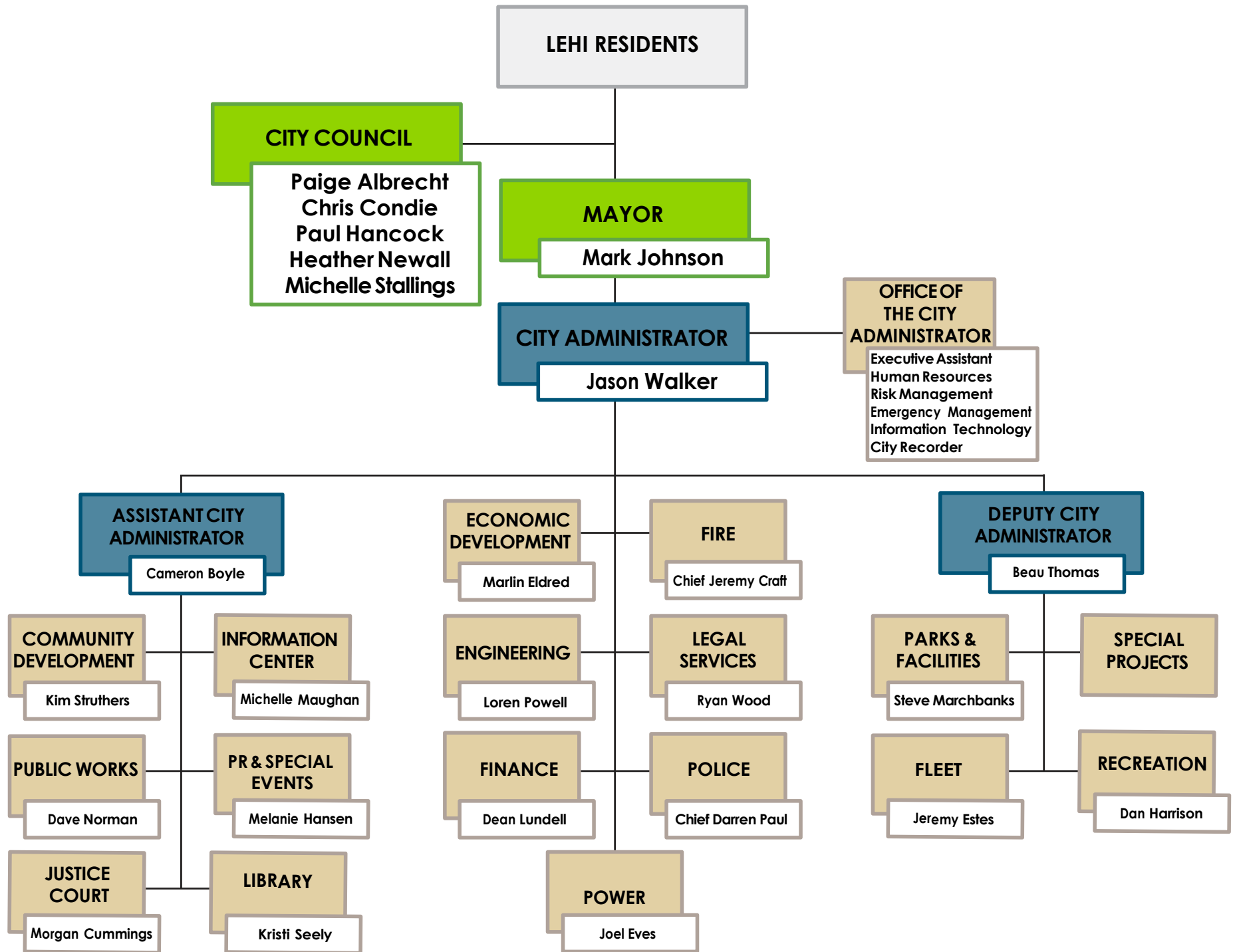
**Lehi City Corporation  
Utah**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morrell*

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.

*Osborne Robbins & Bahler PLLC*

January 22, 2007  
December 11, 2025

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

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As management of the City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 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**

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**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**

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**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**

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**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<br>CHANGES IN NET POSITION |                         |                |                          |                |                |                |  |
|--|-------------------------|----------------|--------------------------|----------------|----------------|----------------|--|
|  | Governmental Activities |                | Business-type Activities |                | Total          |                |  |
|  | 2025                    | 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 |  |

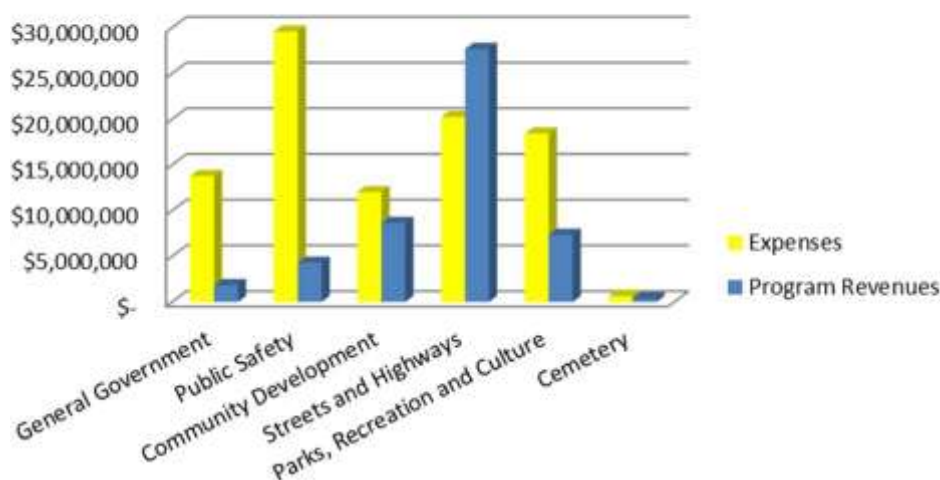
**LEHI CITY CORPORATION**  
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**For the Year Ended June 30, 2025**

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**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:

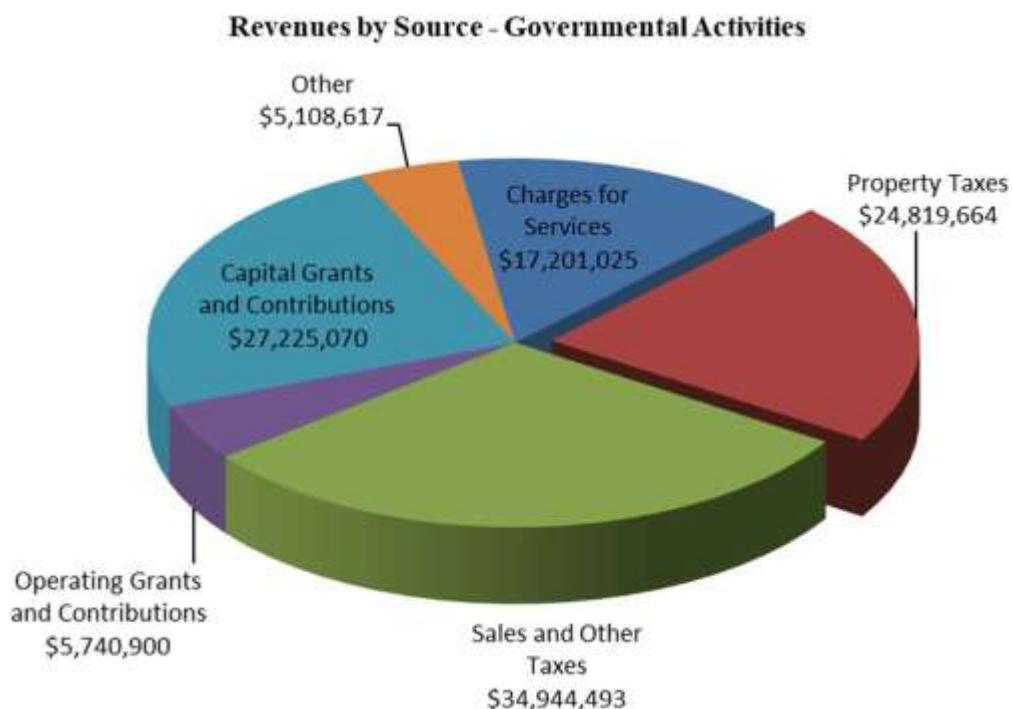
- Charges for services increased in 2025, increasing approximately \$4.0 million over the prior year (11.0%). These revenues include fees for development, such as building permits and plan reviews. Texas Instruments initiated a significant expansion to its facilities and the City's fees associated with 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**



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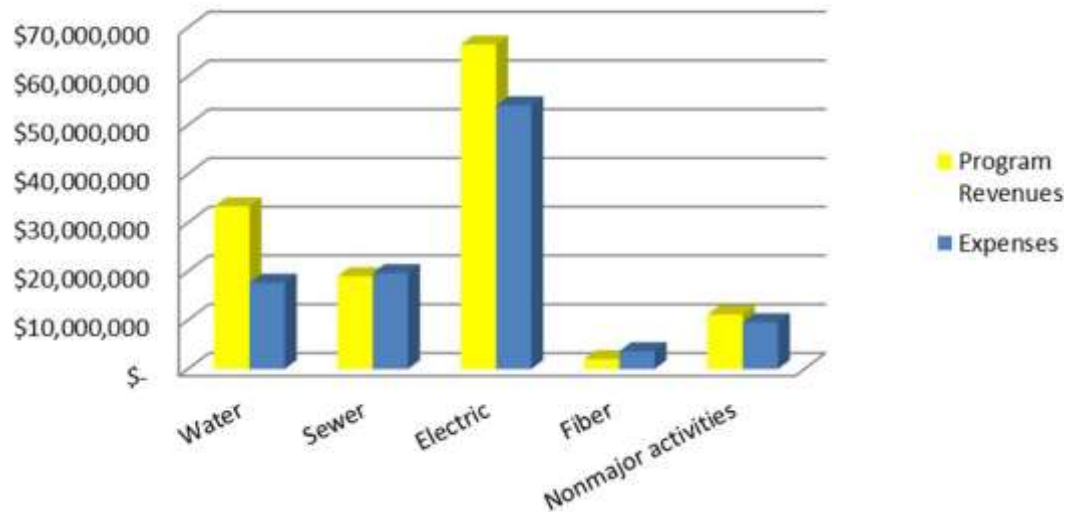
**Business-type activities.** Business-type activities increased the City's net position by \$33,457,678. At the end of the current fiscal year, all of the City's major business-type activities other than the fiber fund reported positive net position. The fiber fund was established in 2021 and will experience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

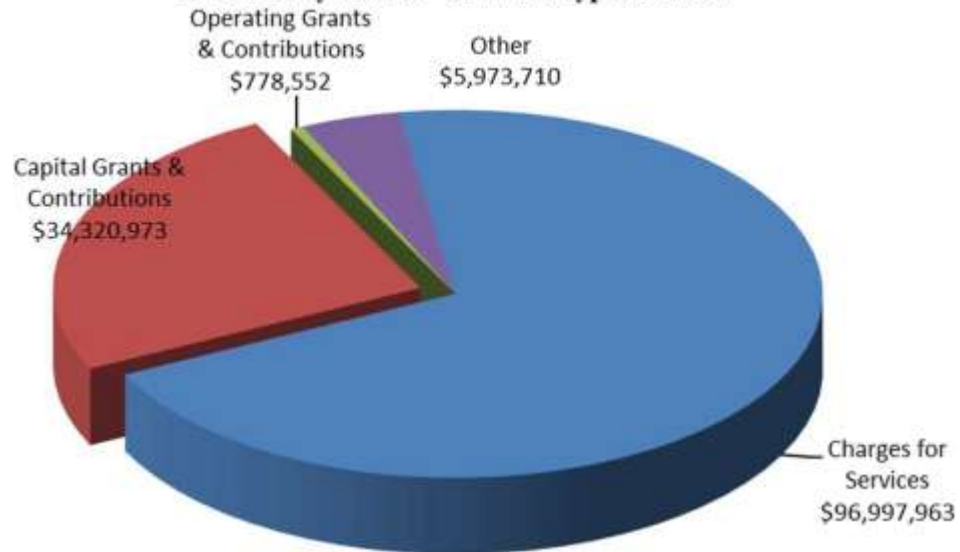
**LEHI CITY CORPORATION**  
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**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**



**LEHI CITY CORPORATION**  
**Management's Discussion and Analysis**  
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**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$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.

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**Proprietary funds.** The City's proprietary funds provide the same type of information found in the business-type portions of the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year totaled \$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**  
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- \$12.9 million 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<br>Activities |               | Business-type<br>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<br>Activities |                | Business-type<br>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**  
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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**

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- 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<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL            |
| <b>ASSETS</b>                                  |                            |                             |                  |
| 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 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                            |                             |                  |
| 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    |
| <b>LIABILITIES</b>                             |                            |                             |                  |
| 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   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>           |                            |                             |                  |
| 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    |
| <b>NET POSITION</b>                            |                            |                             |                  |
| 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**

|                                      |                |                         |               |               | NET REVENUE (EXPENSE) AND<br>CHANGES IN NET POSITION |                             |                 |
|--------------------------------------|----------------|-------------------------|---------------|---------------|--|-----------------------------|-----------------|
|                                      |                |                         |               |               | PRIMARY GOVERNMENT                                   |                             |                 |
|                                      |                | PROGRAM REVENUES        |               |               |  |                             |                 |
|                                      |                | OPERATING               | CAPITAL       |               |  |                             |                 |
|                                      |                | GRANTS AND              | GRANTS AND    |               |  |                             |                 |
|                                      |                | CONTRIBUTIONS           | CONTRIBUTIONS |               |  |                             |                 |
| FUNCTIONS/PROGRAMS                   | EXPENSES       | CHARGES FOR<br>SERVICES |               |               | GOVERNMENTAL<br>ACTIVITIES                           | BUSINESS-TYPE<br>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                  | (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**

|  | GENERAL              | SPECIAL<br>REVENUE FUND<br>LOCAL<br>BUILDING<br>AUTHORITY | CAPITAL<br>PROJECTS  | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|--|----------------------|---|----------------------|-----------------------------------|--------------------------------|
| <b>ASSETS</b>  |                      |   |                      |                                   |                                |
| 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   | <u>\$ 56,992,982</u> | <u>\$ 19,491,820</u>                                      | <u>\$ 26,650,779</u> | <u>\$ 14,099,347</u>              | <u>\$ 117,234,928</u>          |
| <b>LIABILITIES</b>   |                      |   |                      |                                   |                                |
| 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   | 6,696,965            | 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<br>GRANT REVENUE                                    | -                    | -   | 1,050,000            | -                                 | 1,050,000                      |
| TOTAL DEFERRED INFLOWS OF<br>RESOURCES                                 | 16,668,332           | -   | 1,050,000            | 9,463,305                         | 27,181,637                     |
| <b>FUND BALANCES</b>   |                      |   |                      |                                   |                                |
| 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   | <u>32,543,533</u>    | <u>15,339,201</u>   | <u>18,903,814</u>    | <u>4,430,196</u>                  | <u>71,216,744</u>              |
| TOTAL LIABILITIES, DEFERRED INFLOWS<br>OF RESOURCES, AND FUND BALANCES | <u>\$ 56,992,982</u> | <u>\$ 19,491,820</u>                                      | <u>\$ 26,650,779</u> | <u>\$ 14,099,347</u>              | <u>\$ 117,234,928</u>          |

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

|   |                       |
|---|-----------------------|
| AMOUNTS REPORTED FOR GOVERNMENTAL<br>ACTIVITIES IN THE STATEMENT OF NET<br>POSITION ARE DIFFERENT BECAUSE:  |                       |
| TOTAL GOVERNMENTAL FUND BALANCES  | \$ 71,216,744         |
| CAPITAL AND RIGHT TO USE ASSETS USED IN<br>GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL<br>RESOURCES AND THEREFORE ARE NOT<br>REPORTED IN THE FUNDS  | 455,301,547           |
| LONG-TERM LIABILITIES, INCLUDING BONDS<br>PAYABLE, ARE NOT DUE AND PAYABLE IN<br>THE CURRENT PERIOD AND THEREFORE<br>ARE NOT REPORTED IN THE FUNDS  | (103,557,541)         |
| INTEREST PAYABLE ON LONG-TERM FINANCIAL<br>RESOURCES IS NOT REPORTED IN THE<br>GOVERNMENTAL FUNDS   | (254,721)             |
| THE CURRENT ASSETS, RESTRICTED CASH AND LIABILITIES<br>OF THE INTERNAL SERVICE FUNDS ARE INCLUDED<br>IN THE GOVERNMENTAL ACTIVITIES IN THE<br>STATEMENT OF NET POSITION   | 1,042,941             |
| DEFERRED OUTFLOWS AND INFLOWS RELATED TO<br>PENSIONS AND THE NET PENSION ASSET<br>WILL NEITHER REQUIRE THE USE OF NOR<br>PROVIDE CURRENT PERIOD FINANCIAL RESOURCES<br>AND THEREFORE ARE NOT REPORTED<br>IN THE FUNDS | 8,191,772             |
| SOME OF THE INTERNAL SERVICE NET INCOME IS<br>ALLOCABLE TO BUSINESS-TYPE ACTIVITIES.<br>THESE AMOUNTS ARE SHOWN IN THE INTERNAL<br>BALANCES IN THE STATEMENT OF NET POSITION  | (379,004)             |
| NET POSITION OF GOVERNMENTAL ACTIVITIES   | <u>\$ 431,561,738</u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

|  | GENERAL       | SPECIAL<br>REVENUE FUND<br>LOCAL<br>BUILDING<br>AUTHORITY | CAPITAL<br>PROJECTS | NONMAJOR<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>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<br>EXPENDITURES | 8,334,182     | (20,083.9 30)   | (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)   | (18,348.2 50)   | (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                  |

**LEHIGH CITY CORPORATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

|   |                 |
|---|-----------------|
| AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE<br>STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:   |                 |
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  | \$ (29,642,095) |
| GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS<br>AS EXPENDITURES WHILE GOVERNMENTAL ACTIVITIES<br>REPORT DEPRECIATION EXPENSE TO ALLOCATE<br>THOSE EXPENDITURES OVER THE LIFE OF THE ASSETS   |                 |
| CAPITAL ASSET PURCHASES CAPITALIZED   | 54,787,393      |
| DEPRECIATION EXPENSE  | (21,425,401)    |
| SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES<br>SUCH AS COMPENSATED ABSENCES, ACCRUED INTEREST,<br>LANDFILL POST-CLOSURE COSTS, DO NOT REQUIRE THE USE<br>OF CURRENT FINANCIAL RESOURCES AND THEREFORE ARE NOT<br>REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS | (1,407,594)     |
| REPAYMENT OF PRINCIPAL IS AN EXPENDITURE IN<br>GOVERNMENTAL FUNDS, BUT THE REPAYMENT REDUCES<br>LONG-TERM LIABILITIES IN THE STATEMENT OF NET POSITION  | 3,017,114       |
| THE NET REVENUE OF INTERNAL SERVICES FUNDS IS ALLOCATED BETWEEN<br>GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES  |                 |
| INTERNAL SERVICE FUND NET INCOME LESS AMOUNT<br>ALLOCATED TO BUSINESS-TYPE ACTIVITIES   | (1,343,754)     |
| TRANSFER TO INTERNAL SERVICE FUND NETS TO ZERO<br>IN THE STATEMENT OF ACTIVITIES  | 392,406         |
| GAIN ON FORGIVENESS OF DEBT IS OTHER INCOME IN THE STATEMENT<br>OF ACTIVITIES   | 500,004         |
| DEVELOPER CONTRIBUTIONS OF INFRASTRUCTURE<br>NOT RECORDED IN GOVERNMENTAL FUNDS   | 7,955,000       |
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES   | 13,194,647      |
|   | \$ 26,027,720   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

|  | BUDGETED AMOUNTS     |                      | ACTUAL               | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|----------------------|----------------------|----------------------|---|
|  | ORIGINAL             | FINAL                |                      |   |
| <b>REVENUES</b>                                      |                      |                      |                      |   |
| 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   |
| <b>TOTAL REVENUES</b>                                | <b>70,420,834</b>    | <b>77,153,334</b>    | <b>79,481,492</b>    | <b>2,328,158</b>  |
| <b>EXPENDITURES</b>                                  |                      |                      |                      |   |
| 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               | -   |
| <b>TOTAL EXPENDITURES</b>                            | <b>67,921,981</b>    | <b>72,674,481</b>    | <b>71,147,310</b>    | <b>1,527,171</b>  |
| EXCESS (DEFICIENCY) OF REVENUES<br>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  |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>          | <b>(2,858,288)</b>   | <b>(9,358,288)</b>   | <b>(9,673,975)</b>   | <b>(315,687)</b>  |
| 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           | -   |
| <b>FUND BALANCE AT END OF YEAR</b>                   | <b>\$ 33,523,891</b> | <b>\$ 29,003,891</b> | <b>\$ 32,543,533</b> | <b>\$ 3,539,642</b>                                     |

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**

|  | BUDGETED AMOUNTS |              |               | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|------------------|--------------|---------------|---|
|  | ORIGINAL         | FINAL        | ACTUAL        |   |
| <b>REVENUES</b>                                      |                  |              |               |   |
| INTEREST ON INVESTMENTS                              | \$ -             | \$ -         | \$ 921,691    | \$ 921,691  |
| TOTAL REVENUES                                       | -                | -            | 921,691       | 921,691   |
| <b>EXPENDITURES</b>                                  |                  |              |               |   |
| 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                                   | 33,237,675       | 33,237,675   | 21,005,621    | 12,232,054  |
| EXCESS (DEFICIENCY) OF REVENUES<br>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)                 | 1,735,675        | 1,735,675    | 1,735,680     | 5   |
| NET CHANGE IN FUND BALANCE                           | (31,502,000)     | (31,502,000) | (18,348,250)  | 13,153,750  |
| FUND BALANCE AT BEGINNING OF YEAR                    | 33,687,451       | 33,687,451   | 33,687,451    | -   |
| FUND BALANCE AT END OF YEAR                          | \$ 2,185,451     | \$ 2,185,451 | \$ 15,339,201 | \$ 13,153,750   |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

|   | BUSINESS-TYPE ACTIVITIES |               |                |               |                                  | GOVERNMENTAL                        |  |
|---|--------------------------|---------------|----------------|---------------|----------------------------------|-------------------------------------|--|
|   | WATER                    | SEWER         | ELECTRIC       | FIBER         | NONMAJOR<br>PROPRIETARY<br>FUNDS | TOTAL<br>BUSINESS-<br>TYPE<br>FUNDS | ACTIVITIES<br>INTERNAL<br>SERVICE<br>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 FUNDS                           |                          |               |                |               |                                  |                                     | \$ -                                       |
| PREPAID BOND INSURANCE                  | -                        | -             | 69,092         | 597,202       | -                                | 666,294                             | -  |
| DEFERRED OUTFLOWS RELATED TO PENSIONS   | 526,238                  | 169,234       | 1,150,644      | 117,324       | 206,074                          | 2,169,514                           | 499,679                                    |
| TOTAL DEFERRED OUTFLOWS<br>OF RESOURCES | \$ 526,238               | \$ 169,234    | \$ 6,340,051   | \$ 714,526    | \$ 206,074                       | \$ 7,956,123                        | \$ 499,679                                 |

CONTINUED

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

|  | BUSINESS-TYPE ACTIVITIES |               |                |                |                                  |                | GOVERNMENTAL<br>ACTIVITIES<br>INTERNAL<br>SERVICE<br>FUNDS |
|--|--------------------------|---------------|----------------|----------------|----------------------------------|----------------|--|
|  | WATER                    | SEWER         | ELECTRIC       | FIBER          | NONMAJOR<br>PROPRIETARY<br>FUNDS | TOTALS         |  |
| <b>LIABILITIES</b>   |                          |               |                |                |                                  |                |  |
| 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   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                          |               |                |                |                                  |                |  |
| 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   |
| <b>NET POSITION</b>  |                          |               |                |                |                                  |                |  |
| 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<br>ACTIVITIES<br>INTERNAL<br>SERVICE<br>FUNDS |
|---|--------------------------|---------------|----------------|----------------|----------------------------------|----------------|--|
|   | WATER                    | SEWER         | ELECTRIC       | FIBER          | NONMAJOR<br>PROPRIETARY<br>FUNDS | TOTALS         |  |
| OPERATING REVENUES (PLEDGED AS SECURITY<br>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<br>TRANSFERS   | 139,251                  | (4,075,412)   | 4,364,379      | (353,885)      | (545,222)                        | (470,889)      | (1,343,754)  |
| CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER<br>IMPACT FEE REVENUE (PLEDGED AS SECURITY<br>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<br>ACTIVITIES<br>INTERNAL<br>SERVICE<br>FUNDS |
|--|--------------------------|---------------|---------------|--------------|----------------------------------|---------------|--|
|  | WATER                    | SEWER         | ELECTRIC      | FIBER        | NONMAJOR<br>PROPRIETARY<br>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 | \$ -   |
| CASH RECEIVED FROM INTERFUND SERVICES PROVIDED                             | -                        | -             | -             | -            | -                                | -             | 9,591,332  |
| CASH PAID TO SUPPLIERS   | (9,864,737)              | (14,549,978)  | (78,906,267)  | (20,496,741) | (5,793,990)                      | (129,611,713) | (3,145,640)  |
| CASH PAID TO EMPLOYEES   | (2,929,598)              | (945,430)     | (5,315,711)   | (611,357)    | (1,146,836)                      | (10,948,932)  | (5,435,583)  |
| 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)<br>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<br>FINANCING ACTIVITIES                       | -                        | -             | -             | (23,174)     | (8,501)                          | (31,675)      | (58,691)   |
| CASH FLOWS FROM CAPITAL AND RELATED<br>FINANCING ACTIVITIES                |                          |               |               |              |                                  |               |  |
| ACQUISITION AND CONSTRUCTION OF<br>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<br>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<br>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<br>ACTIVITIES<br>INTERNAL<br>SERVICE<br>FUNDS |
|---|--------------------------|-----------------------|------------------------|------------------------|----------------------------------|------------------------|--|
|   | CULINARY<br>WATER        | SEWER                 | ELECTRIC               | FIBER                  | NONMAJOR<br>PROPRIETARY<br>FUNDS | TOTALS                 |  |
| NET INCREASE (DECREASE) IN CASH AND CASH<br>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  | <u>\$ 26,513,032</u>     | <u>\$ 9,575,970</u>   | <u>\$ 39,309,083</u>   | <u>\$ 31,217,532</u>   | <u>\$ 7,912,468</u>              | <u>\$ 114,528,085</u>  | <u>\$ 1,564,466</u>  |
| CASH AND CASH EQUIVALENTS AT END OF YEAR<br>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  |
|   | <u>\$ 26,513,032</u>     | <u>\$ 9,575,970</u>   | <u>\$ 39,309,083</u>   | <u>\$ 31,217,532</u>   | <u>\$ 7,912,468</u>              | <u>\$ 114,528,085</u>  | <u>\$ 1,564,466</u>  |
| NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES  |                          |                       |                        |                        |                                  |                        |  |
| CONTRIBUTIONS OF CAPITAL ASSETS FROM<br>DEVELOPERS  | \$ 6,582,953             | \$ 3,026,545          | \$ 905,905             | \$ -                   | \$ 2,258,047                     | \$ 12,773,450          | \$ -   |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br>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<br>(LOSS) TO NET CASH PROVIDED BY (USED IN)<br>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<br>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<br>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<br>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                 | -  |
|   | <u>\$ 2,379,614</u>      | <u>\$ (1,138,886)</u> | <u>\$ (28,911,299)</u> | <u>\$ (19,383,414)</u> | <u>\$ 1,408,397</u>              | <u>\$ (45,645,588)</u> | <u>\$ 1,132,428</u>  |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

Lehi City Corporation (the City) was incorporated under the laws of the State of Utah in 1852 and operates under an elected 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**

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

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

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's police and fire protection, parks, library and recreation, streets, community development and general administrative services are classified as governmental activities. The City's 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**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**

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**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**

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

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

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**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<br>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**

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

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**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**

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**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**

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**NOTE B – DEPOSITS AND INVESTMENTS**

The City's deposits and investments are governed by the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) and rules of the State of Utah Money Management Council.

**Custodial Credit Risk – Deposits**

The custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The Money Management Act requires deposits be in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The deposits in the bank in excess of the insured amount are uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. At June 30, 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**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**

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**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:

| Investment Type                         | Fair Value     | Investment Maturities (in years) |               |              |              |  |
|---|----------------|----------------------------------|---------------|--------------|--------------|--|
|   |                | Less Than 1                      | 1-5           | 6-10         | More Than 10 |  |
| <b>Debt Securities</b>                  |                |                                  |               |              |              |  |
| Corporate Debt Securities               | \$ 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                      | 1,139,773      | 1,139,773                        | -             | -            | -            |  |
|   | 22,187,388     | \$ 7,403,311                     | \$ 12,796,378 | \$ 1,987,699 | \$ -         |  |
| <b>Other Investments</b>                |                |                                  |               |              |              |  |
| Utah Public Treasurer's Investment Fund | 155,644,868    |                                  |               |              |              |  |
|   | \$ 177,832,256 |                                  |               |              |              |  |

**LEHI CITY CORPORATION**  
**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     |                     |                     |                   |                       |
|---|-----------------------|---------------------|---------------------|---------------------|-------------------|-----------------------|
|   |                       | AAA                 | AA                  | A                   | BBB               | Unrated               |
| 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**

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**NOTE C – EXTERNAL INVESTMENT POOL**

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

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

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

Twice a year, at June 30 and December 31, the investments are valued at fair value to enable participants to adjust their investments in this pool at fair value. The Bank of New York and the State of Utah separately determine each security’s fair value in accordance with GASB 31 (i.e. for almost all pool investments the quoted market price as of June 30, 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<br/>Percentage</u> |
|----------------------------------|----------------------------------|
| Federal agency bonds             | 67.67%                           |
| Corporate bonds and notes        | 4.14%                            |
| Commercial paper                 | 2.61%                            |
| Money market accounts<br>and CDs | 4.92%                            |
| U.S Treasury bills               | 20.66%                           |
|                                  | <u>100.00%</u>                   |

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

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**NOTE D – RESTRICTED ASSETS**

The City's restricted assets consist of the following:

|  | Primary Government   |                      |                      |
|--|----------------------|----------------------|----------------------|
|  | Governmental         | Business-type        |                      |
|  | Activities           | 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                             | <u>10,696,374</u>    | <u>21,374,434</u>    | <u>32,070,808</u>    |
| Total restricted cash and cash equivalents         | 34,595,402           | 54,287,172           | 88,882,574           |
| Restricted taxes and intergovernmental receivables | <u>3,198,494</u>     | <u>-</u>             | <u>3,198,494</u>     |
| Total restricted assets                            | <u>\$ 37,793,896</u> | <u>\$ 54,287,172</u> | <u>\$ 92,081,068</u> |

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

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**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<br>Balance<br>June 30, 2025 | Lease<br>Term<br>Expires | 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>                          | 2032                     | Monthly payments of \$415 through the end of the lease                                      |
|          | <u>\$ 2,052,785</u>                    |                          |   |

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:

|                      | Principal<br>Payments | Interest<br>Payments | Total               |
|----------------------|-----------------------|----------------------|---------------------|
| Year ending June 30: |                       |                      |                     |
| 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>8,883</u>         | <u>183,520</u>      |
|                      | <u>\$ 2,052,785</u>   | <u>\$ 795,344</u>    | <u>\$ 2,337,769</u> |

**LEHI CITY CORPORATION**  
**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 |   |                      | Nonmajor<br>Governmental<br>Funds | Total                |
|-----------------------------|--------------------------|---|----------------------|-----------------------------------|----------------------|
|                             | General                  | Special<br>Revenue<br>Local Building<br>Authority | Capital<br>Projects  |                                   |                      |
| Nonspendable                |                          |   |                      |                                   |                      |
| Prepays                     | \$ -                     | \$ -  | \$ -                 | \$ 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          | <u>\$ 32,543,533</u>     | <u>\$ 15,339,201</u>                              | <u>\$ 18,903,814</u> | <u>\$ 4,430,196</u>               | <u>\$ 71,216,744</u> |



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

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**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>  |
|---|-----------------------|----------------------|----------------------|-----------------------|
| <b>Governmental Activities:</b>                             |                       |                      |                      |                       |
| 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 CITY CORPORATION**  
**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>  |
|---|-----------------------|----------------------|----------------------|-----------------------|
| <b>Business-type Activities</b>                             |                       |                      |                      |                       |
| 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**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<br>July 1, 2024 | Increases           | Decreases   | Balance<br>June 30, 2025 |
|-----------------------------------|-------------------------|---------------------|-------------|--------------------------|
| 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**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:

|  | Balance<br>July 1, 2024 | Additions           | Deletions            | Balance<br>June 30, 2025 | Current<br>Amounts Due |
|--|-------------------------|---------------------|----------------------|--------------------------|------------------------|
| <b>Governmental activities</b>                   |                         |                     |                      |                          |                        |
| <b>Direct Placements</b>                         |                         |                     |                      |                          |                        |
| 2004 Subordinated sales                          |                         |                     |                      |                          |                        |
| tax revenue bonds                                | \$ 7,955,000            | \$ -                | \$ 7,955,000         | \$ -                     | \$ -                   |
| <b>Other bonds and notes payable</b>             |                         |                     |                      |                          |                        |
| 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           | <u>\$ 111,345,030</u>   | <u>\$ 5,865,362</u> | <u>\$ 12,817,851</u> | <u>\$ 103,557,541</u>    | <u>\$ 5,320,716</u>    |

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

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

|  | Balance<br>July 1, 2024 | Additions            | Deletions           | Balance<br>June 30, 2025 | Current<br>Amounts Due |
|--|-------------------------|----------------------|---------------------|--------------------------|------------------------|
| <b>Business-type activities</b>                |                         |                      |                     |                          |                        |
| <b>Direct Placements</b>                       |                         |                      |                     |                          |                        |
| 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                |
| <b>Other bonds and notes payable</b>           |                         |                      |                     |                          |                        |
| 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                |
| <b>Business-type activities long-term debt</b> | <b>\$ 120,030,233</b>   | <b>\$ 21,560,717</b> | <b>\$ 3,923,549</b> | <b>\$ 137,667,401</b>    | <b>\$ 3,957,199</b>    |

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

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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:

| <b>Series</b>   | <b>Original<br/>Issue</b> | <b>Interest Rate</b> | <b>Premium Paid<br/>on Issue</b> | <b>Maturity<br/>Date</b> | <b>Principal and<br/>Unamortized<br/>Premium<br/>Outstanding</b> |
|---|---------------------------|----------------------|----------------------------------|--------------------------|--|
| <b>Governmental Activities</b>  |                           |                      |                                  |                          |  |
| <b>Bonds Payable</b>  |                           |                      |                                  |                          |  |
| 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                     | -  |
| <b>Notes Payable</b>  |                           |                      |                                  |                          |  |
| Tax increment note payable to developer -<br>West Timpanogos Community<br>Development Project Area    | 19,557,363                | -                    | -                                | 2034                     | 16,476,242   |
| Tax increment note payable to developer -<br>Traverse Mountain Community<br>Development Project Area  | 13,612,053                | -                    | -                                | 2031                     | 10,451,021   |
| Tax increment note payable to developer -<br>Alpine Highway West Economic<br>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  |
| <b>Total governmental activities</b>  |                           |                      |                                  |                          | <u>\$ 91,682,748</u>   |

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

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

| <b>Series</b>  | <b>Original<br/>Issue</b> | <b>Interest Rate</b> | <b>Premium Paid<br/>on Issue</b> | <b>Maturity<br/>Date</b> | <b>Principal and<br/>Unamortized<br/>Premium<br/>Outstanding</b> |
|--|---------------------------|----------------------|----------------------------------|--------------------------|--|
| <b>Business-type activities</b>                        |                           |                      |                                  |                          |  |
| <b>Bonds Payable</b>                                   |                           |                      |                                  |                          |  |
| 2010 Storm Drain revenue and refunding<br>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<br>bonds          | 53,890,000                | 4.00% - 5.00%        | 9,777,323                        | 2048                     | 60,303,481   |
| 2025 Franchise and sales tax revenue<br>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   |
| <b>Notes Payable</b>                                   |                           |                      |                                  |                          |  |
| Note payable to Provo Reservoir Water<br>User Company  | 419,011                   | 4.00%                | -                                | 2035                     | 263,462  |
| Note payable to Provo River Water<br>Users Association | 884,380                   | 4.00%                | -                                | 2035                     | 556,762  |
| <b>Total business-type activities</b>                  |                           |                      |                                  |                          | <u><u>\$ 134,433,530</u></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**

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**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, | <b>Other</b>         |                      |                      |                     |
|----------------------|----------------------|----------------------|----------------------|---------------------|
|                      | 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            | 7,715,000            | 1,578,715            | -                    | -                   |
|                      | 28,680,000           | 23,649,000           | 19,440,000           | 6,571,161           |
| Unamortized          |                      |                      |                      |                     |
| Premium              | 2,456,101            | (2,456,101)          | 1,836,253            | (1,836,253)         |
|                      | <u>\$ 31,136,101</u> | <u>\$ 21,192,899</u> | <u>\$ 21,276,253</u> | <u>\$ 4,734,908</u> |



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

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NOTE J – LONG-TERM OBLIGATIONS - CONTINUED

| Year ending June 30, | <b>Other Notes Payable</b> |                   |
|----------------------|----------------------------|-------------------|
|                      | Equipment                  |                   |
|                      | Finance                    |                   |
|                      | <u>Principal</u>           | <u>Interest</u>   |
| 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**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:

| Year ending June 30, | <b>Direct Placements</b> |                   |
|----------------------|--------------------------|-------------------|
|                      | Water                    |                   |
|                      | Revenue Bonds            |                   |
|                      | 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

| <b>Other Bonds and Notes</b> |                      |                      |                      |                      |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| 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      |                      |                      |                      |                      |
| Year ending June 30,         | Revenue Bonds        |                      |                      |                      |
|                              | 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

| Year ending June 30, | Note Payable to Provo<br>River Water<br>Users Association |                  | Note Payable to Provo<br>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<br>Revenues<br>Bonds | Water<br>Revenue<br>Bonds | Drainage<br>Revenue<br>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                                 | <u>1,758,343</u>              | <u>1,111,998</u>          | <u>365,089</u>               |
| 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**

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

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

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**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                 | 1,435,000            | 57,000              | 1,492,000            |
|                      | <u>\$ 15,635,000</u> | <u>\$ 5,134,900</u> | <u>\$ 20,769,900</u> |

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

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**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                 | 395,000             | 20,737              | 415,737             |
|                      | <u>\$ 3,805,000</u> | <u>\$ 1,436,261</u> | <u>\$ 5,241,261</u> |



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

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

**Details of Direct Placement Bonds – Business-type Activities**

Series 2022 Water Revenue Bond

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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                 | 280,000             | 2,800             | 285,600             |
|                      | <u>\$ 3,643,000</u> | <u>\$ 312,450</u> | <u>\$ 4,231,470</u> |

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

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

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

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**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: | <u>Principal</u>     | <u>Interest</u>      | <u>Total</u>         |
|----------------------|----------------------|----------------------|----------------------|
| 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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

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

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**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                 | 1,460,000            | 76,650               | 1,536,650            |
|                      | <u>\$ 18,400,000</u> | <u>\$ 10,824,332</u> | <u>\$ 29,224,332</u> |

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

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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<br>Value of Right<br>To Use Asset | Type of Right<br>to Use Asset | Discount<br>Rate | Lease Terms   |
|--|-------------------------------|------------------|---|
| \$ 104,631                                 | Library<br>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<br>Payments | Interest<br>Payments | Total             |
|----------------------|-----------------------|----------------------|-------------------|
| 2026                 | <u>\$ 108,061</u>     | <u>\$ 5,849</u>      | <u>\$ 113,910</u> |
|                      | <u>\$ 108,061</u>     | <u>\$ 5,849</u>      | <u>\$ 113,910</u> |



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

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**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**

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**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**

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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](http://www.urs.org/general/publications).

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

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NOTE L - RETIREMENT PLANS – CONTINUED

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

Retirement benefits are as follows:

**Summary of Benefits by System**

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

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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<br>Paid | Employer<br>Contribution<br>Rates | Employer<br>Rate for<br>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 Hyebrid 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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**NOTE L - RETIREMENT PLANS - CONTINUED**

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

| <u>System</u>                           | <u>Employer<br/>Contributions</u> | <u>Employee<br/>Contributions</u> |
|---|-----------------------------------|-----------------------------------|
| 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.

|   | <u>Proportionate<br/>Share</u> | <u>Net<br/>Pension<br/>Asset</u> | <u>Net<br/>Pension<br/>Liability</u> |
|---|--------------------------------|----------------------------------|--------------------------------------|
| 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>-</u>                         | <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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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**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<br>Outflows<br><u>of Resources</u> | Deferred<br>Inflows<br><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<br>on pension plan investments                     | 1,753,468                                   | -  |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | 297,468                                     | 70,303                                     |
| Contributions subsequent to the measurement date  | <u>2,698,522</u>                            | <u>-</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<br>Outflows<br>(Inflows)<br><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 CITY CORPORATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2025**

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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<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 1,904,110                         | \$ -                                |
| Changes in assumptions  | 264,334                              | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments                     | 962,562                              | -                                   |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | -                                    | 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<br>Outflows<br>(Inflows)<br>of Resources |
|---------------------|---|
| 2026                | \$ 1,814,383                                      |
| 2027                | 1,755,114   |
| 2028                | (390,577)   |
| 2029                | (71,323)  |
| 2030                | -   |
| Thereafter          | -   |



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

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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<br>Outflows<br>of Resources | Deferred<br>Inflows<br>of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience  | \$ 276,674                           | \$ -                                |
| Changes in assumptions  | -                                    | -                                   |
| Net difference between projected and actual earnings<br>on pension plan investments                     | 453,144                              | -                                   |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | -                                    | 7,097                               |
| Contributions subsequent to the measurement date  | 409,655                              | -                                   |
| 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<br>Outflows<br>(Inflows)<br>of Resources |
|---------------------|---|
| 2026                | \$ 296,938  |
| 2027                | 643,205   |
| 2028                | (184,058)   |
| 2029                | (33,364)  |
| 2030                | -   |
| Thereafter          | -   |

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

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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<br>Outflows<br><u>of Resources</u> | Deferred<br>Inflows<br><u>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 897,659                                  | \$ -                                       |
| Changes in assumptions  | 65,533                                      | -  |
| Net difference between projected and actual earnings<br>on pension plan investments                     | 233,533                                     | -  |
| Changes in proportion and differences between contributions<br>and proportionate share of contributions | 84,953                                      | 12,664                                     |
| Contributions subsequent to the measurement date  | <u>16,604</u>                               | <u>-</u>                                   |
| 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:

|                     | Deferred<br>Outflows<br>(Inflows)<br><u>of Resources</u> |
|---------------------|--|
| Year Ended June 30, |  |
| 2026                | \$ 462,498   |
| 2027                | 672,459  |
| 2028                | 114,171  |
| 2029                | 19,886   |
| 2030                | -  |
| Thereafter          | -  |

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

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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<br>Outflows<br><u>of Resources</u> | Deferred<br>Inflows<br><u>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 434,704                                  | \$ 6,927                                   |
| Changes in assumptions  | 335,838                                     | 104  |
| Net difference between projected and actual earnings<br>on pension plan investments                     | 64,269                                      | -  |
| Changes in proportion and differences between contributions<br>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:

|                     | Deferred<br>Outflows<br>(Inflows)<br><u>of Resources</u> |
|---------------------|--|
| Year Ended June 30, |  |
| 2026                | \$ 115,227   |
| 2027                | 178,476  |
| 2028                | 76,967   |
| 2029                | 94,886   |
| 2030                | 224,788  |
| Thereafter          | 279,702  |

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

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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<br>Outflows<br><u>of Resources</u> | Deferred<br>Inflows<br><u>of Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 373,243                                  | \$ 32,393                                  |
| Changes in assumptions  | 345,749                                     | 9,681                                      |
| Net difference between projected and actual earnings<br>on pension plan investments                     | 39,960                                      | -  |
| Changes in proportion and differences between contributions<br>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:

|                     | Deferred<br>Outflows<br>(Inflows)<br><u>of Resources</u> |
|---------------------|--|
| Year Ended June 30, |  |
| 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**

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

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NOTE L - RETIREMENT PLANS – CONTINUED

| Asset class                        | Expected Return Arithmetic Basis |                                       |   |
|------------------------------------|----------------------------------|---------------------------------------|---|
|                                    | Target<br>Asset<br>Allocation    | Real<br>Return<br>Arithmetic<br>Basis | Long-term<br>Expected<br>Portfolio<br>Real<br>Rate of<br>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**

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**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:

|                                      | 1%<br>Decrease<br>(5.85%) | Discount<br>Rate<br>(6.85%) | 1%<br>Increase<br>(7.85%) |
|--------------------------------------|---------------------------|-----------------------------|---------------------------|
| <b>System</b>                        |                           |                             |                           |
| 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 | <u>2,102,235</u>          | <u>616,508</u>              | <u>(410,237)</u>          |
| 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**

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**NOTE N – COMMITMENTS AND CONTINGENCIES**

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

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**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<br>in estimates       | 556,016           | 639,635           |
| Payments on claims during the year                                |                   |                   |
| Payments made by insurance  | 472,849           | 61,888            |
| Coinsurance and deductible insurance<br>payments made by the City | <u>450,067</u>    | <u>77,747</u>     |
| Claims liability, June 30   | <u>\$ 383,100</u> | <u>\$ 750,000</u> |

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

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**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               | <u>322,731</u>      |
|                           |                             | <u>\$ 6,498,031</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:

|                            | <u>Transfers in to:</u> |                                 |                         |                                |                               | <u>Total</u>         |
|----------------------------|-------------------------|---------------------------------|-------------------------|--------------------------------|-------------------------------|----------------------|
|                            | <u>General</u>          | <u>Local Building Authority</u> | <u>Capital Projects</u> | <u>Other Governmental Fund</u> | <u>Internal Service Funds</u> |                      |
| <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>\$ 1,008,365</u>     | <u>\$ 1,735,680</u>             | <u>\$ 7,550,000</u>     | <u>\$ 1,884,120</u>            | <u>\$ 500,004</u>             | <u>\$ 12,678,169</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**

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**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**

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**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<br>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>\$ 8,996,822</u>  |
| Outstanding loans to finance RDA projects                                  | <u>\$ 34,559,207</u> |
| Expenditures:  |                      |
| Tax increments paid to other taxing agencies                               | \$ 1,157,106         |
| Principal  | 1,562,621            |
| Redevelopment costs  | <u>5,760,193</u>     |
|  | <u>\$ 8,479,920</u>  |

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

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**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<br>Taxes   | Sales<br>Taxes    |
|--|---------------------|-------------------|
| <u>RDA Project Area tax abatements</u> |                     |                   |
| 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             | 55,868              | 125,044           |
|  | <u>1,511,354</u>    | <u>125,044</u>    |
| Other relocation incentive<br>projects | -                   | 80,006            |
|  | <u>\$ 1,511,354</u> | <u>\$ 205,050</u> |

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

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**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,<br>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<br>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**

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**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<br>In Excess of<br><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<br>fiscal<br>year<br>ended<br>June 30, | Actuarial<br>determined<br>contributions | Contributions in<br>relation to the<br>contractually<br>required<br>contribution | Contribution<br>deficiency<br>(excess) | Covered<br>payroll | Contribution<br>as a<br>percentage<br>of covered<br>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\*\***

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|   | As of<br>fiscal<br>year<br>ended<br>June 30, | Actuarial<br>determined<br>contributions | Contributions in<br>relation to the<br>contractually<br>required<br>contribution | Contribution<br>deficiency<br>(excess) | Covered<br>payroll | Contribution<br>as a<br>percentage<br>of covered<br>payroll** |
|---|--|--|--|--|--------------------|---|
| Tier 2 Public Safety and Firefighter<br>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<br>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<br>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**

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*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<br>FINAL BUDGET<br>POSITIVE<br>(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                          | 48,118,637       | 50,258,637    | 50,687,328    | 428,691   |
| 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                          | 3,344,000        | 6,344,000     | 5,875,958     | (468,042)   |
| 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                          | 6,629,500        | 6,629,500     | 8,518,041     | 1,888,541   |
| 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                          | 9,885,697        | 9,965,697     | 9,678,363     | (287,334)   |
| 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                 | 70,420,834       | 77,153,334    | 79,481,492    | 2,328,158   |
| 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                          | 754,315          | 754,315       | 717,788       | 36,527  |
| 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                          | 1,689,219        | 1,701,219     | 1,640,349     | 60,870  |
| TREASURY                       |                  |               |               |   |
| PERSONNEL                      | 545,529          | 545,529       | 552,792       | (7,263)   |
| OPERATIONS AND MAINTENANCE     | 76,700           | 76,700        | 85,575        | (8,875)   |
| TOTAL                          | 622,229          | 622,229       | 638,367       | (16,138)  |

CONTINUE 3



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

|                            |       | BUDGETED AMOUNTS |            |            | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|----------------------------|-------|------------------|------------|------------|---|
|                            |       | ORIGINAL         | FINAL      | ACTUAL     |   |
| 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**

|                                 |       |           |            | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |           |
|---------------------------------|-------|-----------|------------|---|-----------|
| BUDGETED AMOUNTS                |       |           |            |   |           |
|                                 |       | 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**

|  |  | BUDGETED AMOUNTS |               | ACTUAL        | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|--|------------------|---------------|---------------|---|
|  |  | ORIGINAL         | FINAL         |               |   |
| LITERACY CENTER                                      |  |                  |               |               |   |
| PERSONNEL  |  | 396,123          | 396,123       | 320,840       | 75,283  |
| OPERATIONS AND MAINTENANCE                           |  | 94,750           | 94,750        | 89,485        | 5,265   |
| CAPITAL  |  | -                | -             | -             | -   |
| TOTAL  |  | 490,873          | 490,873       | 410,325       | 80,548  |
| 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  |  | 1,820,551        | 1,820,551     | 1,760,096     | 60,455  |
| TOTAL PARKS, RECREATION AND CULTURE                  |  | 16,665,122       | 17,021,122    | 16,829,780    | 191,342   |
| 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  |  | 695,216          | 735,216       | 713,604       | 21,612  |
| DEBT SERVICE   |  |                  |               |               |   |
| CAPITAL LEASE PAYMENTS - PRINCIPAL                   |  | -                | 13,641        | 13,641        | -   |
| CAPITAL LEASE PAYMENTS - INTEREST                    |  | -                | 559           | 559           | -   |
| TOTAL  |  | -                | 14,200        | 14,200        | -   |
| TOTAL EXPENDITURES                                   |  | 67,921,981       | 72,674,481    | 71,147,310    | 1,527,171   |
| EXCESS (DEFICIENCY) OF REVENUES<br>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                        |  | (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  |

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

|  | BUDGETED AMOUNTS    |                      | ACTUAL               | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|---------------------|----------------------|----------------------|---|
|  | ORIGINAL            | FINAL                |                      |   |
| <b>REVENUES</b>                              |                     |                      |                      |   |
| 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>                                      |
| <b>EXPENDITURES</b>                          |                     |                      |                      |   |
| 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<br>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                                | <u>(911,600)</u>    | <u>(911,600)</u>     | <u>(911,508)</u>     | <u>92</u>   |
| 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<br>REVENUE FUND<br>REDEVELOPMENT<br>AGENCY | DEBT<br>SERVICE<br>FUND | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>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  | 204,096  | 1,750                   | 205,846                                    |
| DEFERRED INFLOWS OF RESOURCES  |  |                         |  |
| TAXES  | 9,463,305  | -                       | 9,463,305                                  |
| TOTAL DEFERRED INFLOWS OF<br>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<br>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<br>REVENUE FUND<br>REDEVELOPMENT<br>AGENCY | DEBT<br>SERVICE<br>FUND | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>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<br>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**

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|  | BUDGETED AMOUNTS    |                     |                     | VARIANCE WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|---------------------|---------------------|---------------------|---|
|  | ORIGINAL            | FINAL               | ACTUAL              |   |
| <b>REVENUES</b>                                      |                     |                     |                     |   |
| 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)   |
| <b>EXPENDITURES</b>                                  |                     |                     |                     |   |
| 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<br>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                          | <u>\$ 2,356,675</u> | <u>\$ 2,356,675</u> | <u>\$ 4,283,494</u> | <u>\$ 1,926,819</u>                                     |



**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<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--|---------------------|---------------------|---------------------|---|
|  | ORIGINAL            | FINAL               | ACTUAL              |   |
| <b>REVENUES</b>                              |                     |                     |                     |   |
| INTEREST ON INVESTMENTS                      | \$ -                | \$ -                | \$ 41,541           | \$ 41,541   |
| <b>TOTAL REVENUES</b>                        | <u>-</u>            | <u>-</u>            | <u>41,541</u>       | <u>41,541</u>   |
| <b>EXPENDITURES</b>                          |                     |                     |                     |   |
| 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             | -   |
| <b>TOTAL EXPENDITURES</b>                    | <u>1,884,113</u>    | <u>1,884,113</u>    | <u>3,441,884</u>    | <u>(1,557,771)</u>                                      |
| DEFICIENCY OF REVENUES UNDER<br>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                                 | <u>1,884,113</u>    | <u>1,884,113</u>    | <u>1,884,120</u>    | <u>7</u>  |
| 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            | <u>4,768,479</u>    | <u>4,768,479</u>    | <u>4,768,479</u>    | <u>-</u>  |
| 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<br>NONMAJOR<br>PROPRIETARY<br>FUNDS |
| <b>ASSETS</b>                                   |                          |                   |   |
| <b>CURRENT ASSETS</b>                           |                          |                   |   |
| 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                                    |
| <b>TOTAL CURRENT ASSETS</b>                     | <b>7,639,152</b>         | <b>598,598</b>    | <b>8,237,750</b>                          |
| <b>NON-CURRENT ASSETS</b>                       |                          |                   |   |
| 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                                |
| <b>TOTAL NON-CURRENT ASSETS</b>                 | <b>54,480,454</b>        | <b>-</b>          | <b>54,480,454</b>                         |
| <b>TOTAL ASSETS</b>                             | <b>\$ 62,119,606</b>     | <b>\$ 598,598</b> | <b>\$ 62,718,204</b>                      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                          |                   |   |
| DEFERRED OUTFLOWS RELATED TO PENSIONS           | \$ 206,074               | \$ -              | \$ 206,074                                |
| <b>TOTAL DEFERRED OUTFLOWS<br/>OF RESOURCES</b> | <b>\$ 206,074</b>        | <b>\$ -</b>       | <b>\$ 206,074</b>                         |

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

|                                      | BUSINESS-TYPE ACTIVITIES |              |   |
|--------------------------------------|--------------------------|--------------|---|
|                                      | DRAINAGE                 | GARBAGE      | TOTAL<br>NONMAJOR<br>PROPRIETARY<br>FUNDS |
| <b>LIABILITIES</b>                   |                          |              |   |
| 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                              |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                          |              |   |
| DEFERRED INFLOWS RELATED TO PENSIONS | \$ 1,555                 | \$ -         | \$ 1,555                                  |
| <b>NET POSITION</b>                  |                          |              |   |
| 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<br>PROPRIETARY<br>FUNDS |
|---|---------------|--------------|----------------------------------|
| OPERATING REVENUES (PLEDGED AS SECURITY<br>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<br>TRANSFERS   | (222,856)     | (322,366)    | (545,222)                        |
| CAPITAL CONTRIBUTIONS, IMPACT FEES AND OTHER<br>IMPACT FEE REVENUE (PLEDGED AS SECURITY<br>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<br>PROPRIETARY<br>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)<br>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<br>FINANCING ACTIVITIES         | -            | (8,501)      | (8,501)                          |
| CASH FLOWS FROM CAPITAL AND RELATED<br>FINANCING ACTIVITIES  |              |              |                                  |
| ACQUISITION AND CONSTRUCTION OF<br>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<br>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<br>INVESTING ACTIVITIES                 | 365,089      | 322,222      | 687,311                          |
| NET INCREASE (DECREASE) IN CASH AND CASH<br>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<br>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              |
|   | <u>\$ 1,722,118</u> | <u>\$ (313,721)</u> | <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 responsible. 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<br>TECHNOLOGY | FLEET         | RISK<br>MANAGEMENT | BUILDING AND<br>GROUNDS | TOTALS        |
|---|---------------------------|---------------|--------------------|-------------------------|---------------|
| <b>ASSETS</b>   |                           |               |                    |                         |               |
| <b>CURRENT ASSETS</b>                                 |                           |               |                    |                         |               |
| CASH AND CASH EQUIVALENTS                             | \$ 177,819                | \$ 319,353    | \$ -               | \$ 162,591              | \$ 659,763    |
| OTHER RECEIVABLES                                     | 227                       | 2,085         | -                  | 9,237                   | 11,549        |
| DUE FROM OTHER FUNDS                                  | -                         | 476,136       | -                  | -                       | 476,136       |
| INVENTORY   | -                         | 51,850        | -                  | -                       | 51,850        |
| TOTAL CURRENT ASSETS                                  | 178,046                   | 849,424       | -                  | 171,828                 | 1,199,298     |
| <b>NON-CURRENT ASSETS</b>                             |                           |               |                    |                         |               |
| 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                              | 206,347                   | 10,906,449    | -                  | 278,375                 | 11,391,171    |
| TOTAL ASSETS  | \$ 384,393                | \$ 11,755,873 | \$ -               | \$ 450,203              | \$ 12,590,469 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                           |               |                    |                         |               |
| DEFERRED OUTFLOWS OF RESOURCES<br>RELATED TO PENSIONS | \$ 122,497                | \$ 105,178    | \$ 29,484          | \$ 242,520              | \$ 499,679    |
| <b>LIABILITIES</b>                                    |                           |               |                    |                         |               |
| <b>CURRENT LIABILITIES</b>                            |                           |               |                    |                         |               |
| 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 ASESTS:                       |                           |               |                    |                         |               |
| ACCRUED INTEREST                                      | -                         | 129,364       | -                  | -                       | 129,364       |
| DUE 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                             | 51,073                    | 1,360,892     | 799,853            | 152,823                 | 2,364,641     |
| <b>NON-CURRENT LIABILITIES</b>                        |                           |               |                    |                         |               |
| 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 CURREENT<br>MATURITIES            | -                         | 3,716,998     | -                  | -                       | 3,716,998     |
| TOTAL NON-CURRENT LIABILITIES                         | 124,235                   | 3,841,580     | 48,463             | 228,881                 | 4,243,159     |
| TOTAL LIABILITIES                                     | \$ 175,308                | \$ 5,202,472  | \$ 848,316         | \$ 381,704              | \$ 6,607,800  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                           |               |                    |                         |               |
| DEFERRED INFLOWS OF RESOURCES<br>RELATED TO PENSIONS  | \$ 924                    | \$ 794        | \$ 222             | \$ 1,830                | \$ 3,770      |
| <b>NET POSITION (DEFICIT)</b>                         |                           |               |                    |                         |               |
| 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)                          | \$ 330,658                | \$ 6,657,785  | \$ (819,054)       | \$ 309,189              | \$ 6,478,578  |

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

|   | INTERNAL SERVICE FUNDS    |              |                    |                         |              |
|---|---------------------------|--------------|--------------------|-------------------------|--------------|
|   | INFORMATION<br>TECHNOLOGY | FLEET        | RISK<br>MANAGEMENT | BUILDING AND<br>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                    | 1,660,507                 | 3,735,980    | 2,188,113          | 2,139,243               | 9,723,843    |
| 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                    | 1,813,898                 | 3,930,941    | 2,918,746          | 2,416,718               | 11,080,303   |
| OPERATING INCOME (LOSS)                     | (153,391)                 | (194,961)    | (730,633)          | (277,475)               | (1,356,460)  |
| 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)     | 10,492                    | 38,252       | (46,092)           | 10,054                  | 12,706       |
| INCOME (LOSS) BEFORE TRANSFERS              | (142,899)                 | (156,709)    | (776,725)          | (267,421)               | (1,343,754)  |
| TRANSFERS IN                                | -                         | 500,004      | -                  | -                       | 500,004      |
| CHANGE IN NET POSTION                       | (142,899)                 | 343,295      | (776,725)          | (267,421)               | (843,750)    |
| NET POSITION (DEFICIT) AT BEGINNING OF YEAR | 473,557                   | 6,314,490    | (42,329)           | 576,610                 | 7,322,328    |
| NET POSTION (DEFICIT) AT END OF YEAR        | \$ 330,658                | \$ 6,657,785 | \$ (819,054)       | \$ 309,189              | \$ 6,478,578 |

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

|  | INTERNAL SERVICE FUNDS    |              |                    |                         |                |
|--|---------------------------|--------------|--------------------|-------------------------|----------------|
|  | INFORMATION<br>TECHNOLOGY | FLEET        | RISK<br>MANAGEMENT | BUILDING AND<br>GROUNDS | TOTALS         |
| CASH FLOWS FROM OPERATING ACTIVITIES   |                           |              |                    |                         |                |
| CASH RECEIVED FROM INTERFUND<br>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)<br>OPERATING ACTIVITIES   | (111,418)                 | 1,793,401    | (421,161)          | (128,394)               | 1,132,428      |
| CASH FLOWS FROM NON-CAPITAL FINANCING<br>ACTIVITIES  |                           |              |                    |                         |                |
| INTEREST PAID ON INTERFUND ADVANCE   | -                         | (12,599)     | (46,092)           | -                       | (58,691)       |
| NET CASH PROVIDED BY NON-CAPITAL<br>FINANCING ACTIVITIES   | -                         | (12,599)     | (46,092)           | -                       | (58,691)       |
| CASH FLOWS FROM CAPITAL AND RELATED<br>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<br>CAPITAL ASSETS  | -                         | (3,132,217)  | -                  | (38,571)                | (3,170,788)    |
| NET CASH USED IN CAPITAL AND RELATED<br>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<br>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   | \$ 177,819                | \$ 1,224,056 | \$ -               | \$ 162,591              | \$ 1,564,466   |
| CASH AND CASH EQUIVALENTS AT END OF YEAR<br>CONSISTS OF:   |                           |              |                    |                         |                |
| UNRESTRICTED CASH  | \$ 177,819                | \$ 319,353   | \$ -               | \$ 162,591              | \$ 659,763     |
| RESTRICTED CASH  | -                         | 904,703      | -                  | -                       | 904,703        |
|  | \$ 177,819                | \$ 1,224,056 | \$ -               | \$ 162,591              | \$ 1,564,466   |
| RECONCILIATION OF OPERATING INCOME TO NET<br>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<br>TO NET CASH PROVIDED BY (USED IN)<br>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<br>DEFERRED INFLOWS AND OUTFLOWS<br>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         |
|  | \$ (111,418)              | \$ 1,793,401 | \$ (421,161)       | \$ (128,394)            | \$ 1,132,428   |

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

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|---|-------------|
| <b>FINANCIAL TRENDS</b>   | 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.  |             |
| <b>REVENUE CAPACITY</b>   | 145 - 148   |
| These schedules contain information to help the reader understand the City's capacity to raise revenues and the sources of these revenues.  |             |
| <b>DEBT CAPACITY</b>  | 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.                     |             |
| <b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>   | 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.  |             |
| <b>OPERATING INFORMATION</b>  | 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                  |
| <b>Expenses</b>   |                       |                       |                       |                       |                       |
| Governmental activities                                   |                       |                       |                       |                       |                       |
| General government  | \$ 6,904,634          | \$ 9,041,919          | \$ 8,274,466          | \$ 8,961,845          | \$ 8,959,799          |
| Public Safety   | 11,170,823            | 12,096,387            | 13,656,195            | 15,513,181            | 16,559,907            |
| Community Development                                     | 4,079,029             | 5,796,634             | 4,928,368             | 4,836,058             | 5,777,381             |
| Streets and Highways                                      | 10,632,298            | 11,727,234            | 12,764,811            | 13,522,976            | 14,920,711            |
| Parks, recreation, and culture                            | 9,251,152             | 9,856,045             | 10,486,576            | 11,220,816            | 11,186,187            |
| Cemetery  | 443,058               | 406,824               | 414,906               | 430,339               | 473,663               |
| Interest on long-term debt                                | 4,832,597             | 4,834,457             | 4,906,081             | 4,877,481             | 5,824,032             |
| Total governmental activities                             | <u>47,313,591</u>     | <u>53,759,500</u>     | <u>55,431,403</u>     | <u>59,362,696</u>     | <u>63,701,680</u>     |
| Business-type activities                                  |                       |                       |                       |                       |                       |
| 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                            | <u>45,758,657</u>     | <u>51,583,671</u>     | <u>94,090,774</u>     | <u>65,146,946</u>     | <u>64,358,546</u>     |
| Total primary government expenses                         | <u>\$ 93,072,248</u>  | <u>\$ 105,343,171</u> | <u>\$ 149,522,177</u> | <u>\$ 124,509,642</u> | <u>\$ 128,060,226</u> |
| <b>Revenues</b>   |                       |                       |                       |                       |                       |
| Governmental activities                                   |                       |                       |                       |                       |                       |
| Charges for services                                      |                       |                       |                       |                       |                       |
| General government  | \$ 1,225,124          | \$ 1,035,384          | \$ 1,270,675          | \$ 1,431,761          | \$ 1,343,004          |
| Public Safety   | 772,926               | 1,515,823             | 1,510,422             | 1,897,103             | 1,685,241             |
| Community Development                                     | 4,122,688             | 4,539,888             | 6,753,793             | 6,115,690             | 5,093,446             |
| Parks, recreation, and culture                            | 3,669,216             | 3,701,396             | 3,989,072             | 4,035,165             | 2,855,378             |
| Cemetery  | 240,285               | 219,065               | 232,520               | 256,950               | 322,605               |
| Operating grants and contributions                        | 1,921,433             | 3,449,482             | 2,687,038             | 2,734,035             | 7,488,372             |
| Capital grants and contributions                          | 17,731,567            | 24,434,520            | 28,063,535            | 28,364,171            | 17,986,306            |
| Total governmental activities                             | <u>29,683,239</u>     | <u>38,895,558</u>     | <u>44,507,055</u>     | <u>44,834,875</u>     | <u>36,774,352</u>     |
| Business-type activities                                  |                       |                       |                       |                       |                       |
| Charges for services                                      |                       |                       |                       |                       |                       |
| 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                            | <u>65,709,931</u>     | <u>80,902,486</u>     | <u>96,853,889</u>     | <u>105,848,859</u>    | <u>86,477,222</u>     |
| Total primary government program revenues                 | <u>\$ 95,393,170</u>  | <u>\$ 119,798,044</u> | <u>\$ 141,360,944</u> | <u>\$ 150,683,734</u> | <u>\$ 123,251,574</u> |
| Net (Expense)/Revenue                                     |                       |                       |                       |                       |                       |
| Governmental activities                                   | \$ (22,076,340)       | \$ (18,242,733)       | \$ (15,349,057)       | \$ (14,527,821)       | \$ (26,927,328)       |
| Business-type activities                                  | 14,853,433            | 23,987,587            | 25,912,376            | 40,701,913            | 22,118,676            |
| Total primary government net (expense)/revenue            | <u>\$ (7,222,907)</u> | <u>\$ 5,744,854</u>   | <u>\$ 10,563,319</u>  | <u>\$ 26,174,092</u>  | <u>\$ (4,808,652)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                       |                       |                       |                       |                       |
| 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                             | <u>34,980,745</u>     | <u>39,085,786</u>     | <u>40,153,030</u>     | <u>40,782,594</u>     | <u>49,190,438</u>     |
| Business-type activities                                  |                       |                       |                       |                       |                       |
| 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                            | <u>105,415</u>        | <u>734,928</u>        | <u>1,096,112</u>      | <u>2,037,704</u>      | <u>2,141,324</u>      |
| Total primary government                                  | <u>\$ 35,086,160</u>  | <u>\$ 39,820,714</u>  | <u>\$ 41,249,142</u>  | <u>\$ 42,820,298</u>  | <u>\$ 51,331,762</u>  |
| Change in Net Position                                    |                       |                       |                       |                       |                       |
| Governmental activities                                   | \$ 17,350,393         | \$ 24,221,844         | \$ 29,228,682         | \$ 26,254,773         | \$ 22,263,110         |
| Business-type activities                                  | 20,056,689            | 30,053,743            | 36,959,227            | 42,739,617            | 24,260,000            |
| Total primary government                                  | <u>\$ 37,407,082</u>  | <u>\$ 54,275,587</u>  | <u>\$ 66,187,909</u>  | <u>\$ 68,994,390</u>  | <u>\$ 46,523,110</u>  |

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            |
| <b>Expenses</b>   |                |                |                 |                 |                 |
| 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                             | 65,052,800     | 66,388,688     | 74,899,219      | 82,717,140      | 96,967,049      |
| 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                            | 75,340,613     | 79,618,841     | 108,941,467     | 104,378,371     | 104,613,520     |
| Total primary government expenses                         | \$ 140,393,413 | \$ 146,007,529 | \$ 183,840,686  | \$ 187,095,511  | \$ 201,580,569  |
| <b>Revenues</b>   |                |                |                 |                 |                 |
| 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                             | 57,691,025     | 61,099,055     | 32,629,966      | 31,045,496      | 50,166,995      |
| 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                            | 101,578,794    | 120,682,300    | 105,805,764     | 120,242,728     | 132,097,488     |
| Total primary government program revenues                 | \$ 159,269,819 | \$ 181,781,355 | \$ 138,435,730  | \$ 151,288,224  | \$ 182,264,483  |
| Net (Expense)/Revenue                                     |                |                |                 |                 |                 |
| Governmental activities                                   | \$ (7,361,775) | \$ (5,289,633) | \$ (42,269,253) | \$ (51,671,644) | \$ (46,800,054) |
| Business-type activities                                  | 26,238,181     | 41,063,459     | (3,135,703)     | 15,864,357      | 27,483,968      |
| Total primary government net (expense)/revenue            | \$ 18,876,406  | \$ 35,773,826  | \$ (45,404,956) | \$ (35,807,287) | \$ (19,316,086) |
| <b>General Revenues and Other Changes in Net Position</b> |                |                |                 |                 |                 |
| 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                             | 50,398,823     | 51,747,416     | 101,155,105     | 61,080,645      | 72,827,774      |
| 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                            | 1,537,194      | 1,313,778      | 4,982,613       | 7,658,525       | 5,973,710       |
| Total primary government                                  | \$ 51,936,017  | \$ 53,061,194  | \$ 106,137,718  | \$ 68,739,170   | \$ 78,801,484   |
| 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                                  | \$ 70,812,423  | \$ 88,835,020  | \$ 60,732,762   | \$ 32,931,883   | \$ 59,485,398   |

**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  | 290,781,382    | 337,239,165    | 396,125,017    | 405,534,018    | 431,561,738    |
| 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 | 429,964,236    | 472,341,473    | 474,188,383    | 497,711,265    | 531,168,943    |
| 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       | \$ 720,745,618 | \$ 809,580,638 | \$ 870,313,400 | \$ 903,245,283 | \$ 962,730,681 |

|   | 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  | 145,775,925    | 169,997,769    | 199,226,451    | 225,481,224    | 247,744,334    |
| 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 | 268,176,274    | 298,230,017    | 335,189,244    | 377,928,861    | 402,188,861    |
| 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       | \$ 413,952,199 | \$ 468,227,786 | \$ 534,415,695 | \$ 603,410,085 | \$ 649,933,195 |

**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                |
| <b>Revenues</b>  |                     |                       |                     |                      |                     |
| 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           |
| <b>Total revenues</b>  | <b>52,051,035</b>   | <b>57,105,797</b>     | <b>64,444,491</b>   | <b>69,139,881</b>    | <b>77,016,327</b>   |
| <b>Expenditures</b>  |                     |                       |                     |                      |                     |
| 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           |
| <b>Total expenditures</b>                                      | <b>52,290,827</b>   | <b>71,075,264</b>     | <b>60,637,837</b>   | <b>60,820,488</b>    | <b>77,842,842</b>   |
| Excess (deficiency) of revenues over (under) expenditures      | (239,792)           | (13,969,467)          | 3,806,654           | 8,319,393            | (826,515)           |
| <b>Other Financing Sources (Uses)</b>                          |                     |                       |                     |                      |                     |
| 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              |
| <b>Total other financing sources (uses)</b>                    | <b>1,358,149</b>    | <b>4,182,769</b>      | <b>5,820,520</b>    | <b>18,790,590</b>    | <b>28,869</b>       |
| <b>Net change in fund balances</b>                             | <b>\$ 1,118,357</b> | <b>\$ (9,786,698)</b> | <b>\$ 9,627,174</b> | <b>\$ 27,109,983</b> | <b>\$ (797,646)</b> |
| <b>Debt service as a percentage of noncapital expenditures</b> | <b>22.41%</b>       | <b>21.93%</b>         | <b>25.12%</b>       | <b>19.30%</b>        | <b>23.95%</b>       |

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                  |
| <b>Revenues</b>  |                      |                      |                      |                       |                       |
| 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             |
| <b>Total revenues</b>  | <b>93,018,424</b>    | <b>90,987,055</b>    | <b>82,863,466</b>    | <b>86,387,569</b>     | <b>101,562,355</b>    |
| <b>Expenditures</b>  |                      |                      |                      |                       |                       |
| 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             |
| <b>Total expenditures</b>  | <b>81,563,047</b>    | <b>70,262,343</b>    | <b>74,323,091</b>    | <b>102,874,310</b>    | <b>130,780,402</b>    |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>11,455,377</b>    | <b>20,724,712</b>    | <b>8,540,375</b>     | <b>(16,486,741)</b>   | <b>(29,218,047)</b>   |
| <b>Other Financing Sources (Uses)</b>                            |                      |                      |                      |                       |                       |
| 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                |
| <b>Total other financing sources (uses)</b>                      | <b>1,702,078</b>     | <b>(457,266)</b>     | <b>31,250,724</b>    | <b>(218,198)</b>      | <b>(424,048)</b>      |
| <b>Net change in fund balances</b>                               | <b>\$ 13,157,455</b> | <b>\$ 20,267,446</b> | <b>\$ 39,791,099</b> | <b>\$(16,704,939)</b> | <b>\$(29,642,095)</b> |
| <b>Debt service as a percentage of noncapital expenditures</b>   | <b>18.28%</b>        | <b>16.34%</b>        | <b>13.61%</b>        | <b>8.19%</b>          | <b>7.08%</b>          |

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

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| <u>Fiscal<br/>Year</u> | <u>Property<br/>Tax</u> | <u>General Use<br/>and Sales<br/>Tax</u> | <u>Franchise<br/>Tax</u> | <u>Fees in Lieu<br/>of Personal<br/>Property<br/>Tax</u> | <u>Total</u>  |
|------------------------|-------------------------|--|--------------------------|--|---------------|
| 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<br>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<br>Year | Real<br>Property | Personal<br>Property (1) | Total Taxable<br>Assessed<br>Value | Total<br>Direct Tax<br>Rate | Estimated<br>Actual<br>Value | Assessed<br>Value as a<br>Percentage of<br>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**

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| Fiscal<br>Year | Total<br>Tax Levy | Collected within the<br>Fiscal Year of the Levy |                       | Collections<br>in Subsequent<br>Years | Total Collections to Date |                       |
|----------------|-------------------|---|-----------------------|---------------------------------------|---------------------------|-----------------------|
|                |                   | Amount  | Percentage<br>of Levy |                                       | Amount                    | Percentage<br>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<br>Year | Lehi City Direct Rates |                         |                         | Overlapping Rates            |                |  |   |   |          |
|-------------|------------------------|-------------------------|-------------------------|------------------------------|----------------|--|---|---|----------|
|             | General<br>Fund        | Debt<br>Service<br>Fund | Total<br>Direct<br>Rate | Alpine<br>School<br>District | Utah<br>County | Central Utah<br>Water<br>Conservancy<br>District | North Utah<br>County Water<br>Conservancy<br>District | Lehi<br>Metropolitan<br>Water<br>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                       |      |  |
|--------------------------------------|----------------------------|------|--|----------------------------|------|--|
|                                      | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation |
| 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                                | <u>\$ 1,847,431,467</u>    |      | <u>13.77%</u>                                  | <u>\$ 699,160,045</u>      |      | <u>15.53%</u>                                  |

Source: Utah County Treasurer's Office

**LEHI CITY CORPORATION**  
**SCHEDULE 10**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**

| Fiscal<br>Year | Governmental Activities       |                           |         |                  | Business-Type Activities  |                              |                                 |  |                  |                                |                                     |               |
|----------------|-------------------------------|---------------------------|---------|------------------|---------------------------|------------------------------|---------------------------------|--|------------------|--------------------------------|-------------------------------------|---------------|
|                | Sales Tax<br>Revenue<br>Bonds | Lease<br>Revenue<br>Bonds | Leases  | Notes<br>Payable | Water<br>Revenue<br>Bonds | Electric<br>Revenue<br>Bonds | Storm Drain<br>Revenue<br>Bonds | Franchise &<br>Sales Tax<br>Revenue<br>Bonds | Notes<br>Payable | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |
| 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**  
**SCHEDULE 11**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

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| <u>Fiscal<br/>Year</u> | <u>General<br/>Obligation<br/>Bonds</u> | <u>Other<br/>Bonds</u> | <u>Total</u> | <u>Percentage of<br/>Actual Taxable<br/>Value of<br/>Property</u> | <u>Per<br/>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**

| <u>Governmental Unit</u>                | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percentage<br/>Applicable to<br/>Lehi (1)</u> | <u>Estimated<br/>Amount<br/>Applicable to<br/>Lehi</u> |
|---|-----------------------------|--|--|
| 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>\$ 464,978,629</u>       |  | <u>\$ 156,439,312</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<br/>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<br>Year | Gross<br>Revenues (1) | Operating<br>Expenses (2) | Net Revenue<br>Available for<br>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<br>Year | Sales Tax<br>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<br>Year | Gross<br>Revenues (1) | Operating<br>Expenses (2) | Cash<br>Reserves<br>Used | Net Revenue<br>Available for<br>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<br>Year | Gross<br>Revenues (1) | Operating<br>Expenses (2) | Net Revenue<br>Available for<br>Debt Service | Debt Service Requirements |           |            | Coverage |
|----------------|-----------------------|---------------------------|--|---------------------------|-----------|------------|----------|
|                |                       |                           |  | 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**

| <u>Fiscal Year</u> | <u>Limited Sales Tax Revenue</u> | <u>Gas &amp; Electric Franchise Fee Revenue</u> | <u>Gross Revenues (1)</u> | <u>Operating Expenses (2)</u> | <u>Net Revenue Available for Debt Service</u> | <u>Debt Service Requirements</u> |                 |              | <u>Coverage</u> |
|--------------------|----------------------------------|---|---------------------------|-------------------------------|---|----------------------------------|-----------------|--------------|-----------------|
|                    |                                  |   |                           |                               |   | <u>Principal</u>                 | <u>Interest</u> | <u>Total</u> |                 |
| 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**

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| <u>Fiscal<br/>Year</u> | <u>Population<br/>Estimate</u> | <u>Personal<br/>Income</u> | <u>Per Capita<br/>Personal<br/>Income (1)</u> | <u>Unemployment<br/>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<br/>Employees</u> | <u>Estimated<br/>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<br>(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<br>(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