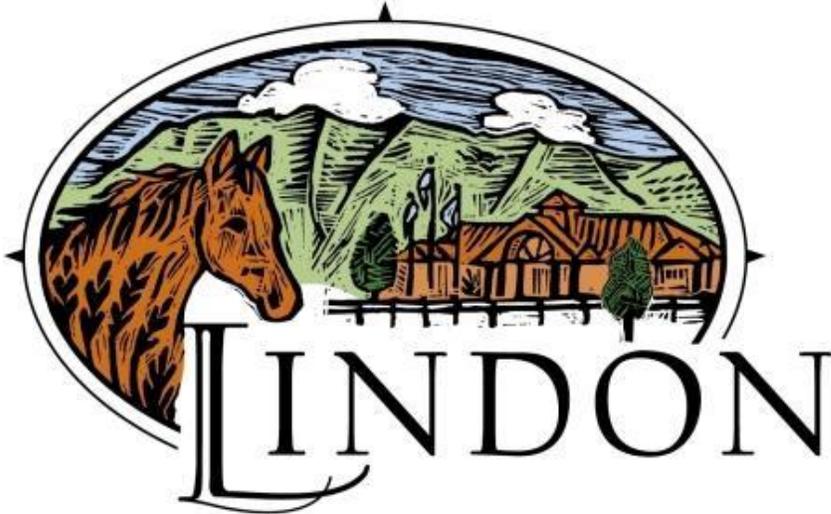
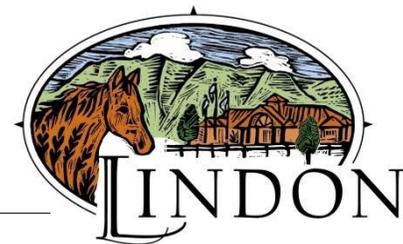


Lindon City Council Staff Report



Prepared by Lindon City
Administration

December 1, 2015



Notice of Meeting of the Lindon City Council

The Lindon City Council will hold a regularly scheduled meeting beginning at **6:00 p.m.** on **Tuesday, December 1, 2015** in the Lindon City Center council chambers, 100 North State Street, Lindon, Utah. The agenda will consist of the following:

Scan or click here for link to download agenda & staff report materials:



WORK SESSION – 6:00 P.M. - Conducting: Mayor Jeff Acerson

1. Discussion with State Legislators (60 minutes)

Lindon City Council will meet with State Legislators including Senator Dayton, Senator Jackson, Representative Stratton, and Representative Peterson to discuss matters of common interest. No motions will be made.

REGULAR SESSION – 7:00 P.M. - Conducting: Mayor Jeff Acerson

Pledge of Allegiance: By Invitation

Invocation: Randi Powell

(Review times are estimates only)

1. Call to Order / Roll Call (5 minutes)

2. Presentations and Announcements (5 minutes)

a) Comments / Announcements from Mayor and Council members.

3. Approval of minutes: November 12, 2015 (5 minutes)

4. Consent Agenda – No Items

5. Open Session for Public Comment (For items not on the agenda) (10 minutes)

6. Review & Action — Financial Audit Report for Fiscal Year 2014-15 (20 minutes)

Representatives from Keddington & Christensen, LLP and Lindon City Finance Director, Kristen Colson, will present for the Mayor and Council's acceptance the city's annual financial audit report, included as part of the Comprehensive Annual Financial Report (CAFR), for fiscal year ended June 30, 2015.

7. Review & Action — Architectural Elevations for Lindon Public Safety Building (60 minutes)

The City Council approved the site plan for the Public Safety Building on November 17th but continued the architectural elevations to gather more information prior to a final decision on the design. Representatives from Curtis Miner Architecture will review the proposed building elevations with the City Council members. Additional discussion on bidding alternatives for the building may also be discussed prior to a final motion.

8. Review & Action — 700 North Specific Area Plan Committee (30 minutes)

Councilmember Lundberg requests appointment of herself, Matt Bean, Bob Wily, Dan Fish, Kevin Long, Ron Anderson, and staff members Hugh Van Wagenen and Adam Cowie to serve on the 700 North Specific Area Plan Committee to formulate and recommend to the City Council specific development visioning plans for the corridor. The intent and objectives of the committee will also be reviewed.

9. Review & Action — Street Lighting Request at 300 North 910 East (5 minutes)

The City Council will review and consider a citizen initiated request from Irene Dougherty for a new street light at the corner of 300 North 910 East at an approximate cost of \$5,454.35.

10. Review & Action — Appointment to North Utah Valley Animal Shelter Board (5 minutes)

Councilmember Hoyt has been unable to attend the animal shelter board meetings and has asked to be replaced. Staff recommends Chief Cody Cullimore be appointed as Lindon's representative on the Board.

11. Review & Action — 2016 Public Meeting Calendar (5 minutes)

The Council will review and consider adoption of the 2016 Public Meeting Calendar for meeting dates of the City Council, Planning Commission, and Board of Adjustment.

12. Council Reports: (20 minutes)

A) MAG, COG, UIA, Utah Lake, ULCT, Budget Committee

B) Public Works, Irrigation/water, City Buildings

C) Planning, BD of Adjustments, General Plan, Budget Committee

- Jeff Acerson
- Van Broderick
- Matt Bean

- D) Parks & Recreation, Trails, Tree Board, Cemetery - Carolyn Lundberg
 E) Administration, Com Center Board, Lindon Days, Little Miss Lindon - Randi Powell
 F) Public Safety, Court, Animal Control, Historic Commission, Budget Committee, Chamber of C. - Jacob Hoyt

13. Administrator's Report

(15 minutes)

Adjourn

This meeting may be held electronically to allow a council member to participate by video conference or teleconference. Staff Reports and application materials for the agenda items above are available for review at the Lindon City Offices, located at 100 N. State Street, Lindon, UT. For specific questions on agenda items our staff may be contacted directly at (801)785-5043. City Codes and ordinances are available on the City web site found at www.lindoncity.org. The City of Lindon, in compliance with the Americans with Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for city-sponsored public meetings, services programs or events should call Kathy Moosman at 801-785-5043, giving at least 24 hours notice.

Posted By: Kathy Moosman

Date: November 24, 2015

Time: ~3:00 p.m.

Place: Lindon City Center, Lindon Police Dept, Lindon Community Center

WORK SESSION – 6:00 P.M. - Conducting: Mayor Jeff Acerson

I. Discussion with State Legislators

(60 minutes)

Lindon City Council will meet with State Legislators including Senator Dayton, Senator Jackson, Representative Stratton, and Representative Peterson to discuss matters of common interest. No motions will be made.

REGULAR SESSION – 7:00 P.M. - Conducting: Mayor Jeff Acerson

Pledge of Allegiance: By Invitation
Invocation: Randi Powell

Item 1 – Call to Order / Roll Call

December 1, 2015 Lindon City Council meeting.

Jeff Acerson
Matt Bean
Van Broderick
Jake Hoyt
Carolyn Lundberg
Randi Powell

Staff present: _____

Item 2 – Presentations and Announcements

- a) Comments / Announcements from Mayor and Council members.

Item 3 – Approval of Minutes

- Review and approval of City Council minutes: **November 12, 2015**

2 The Lindon City Council held a meeting on **Thursday, November 12, 2015, beginning**
4 **at 7:00 p.m.** in the Lindon City Center, City Council Chambers, 100 North State Street,
Lindon, Utah.

6 **REGULAR SESSION** – 7:00 P.M.

8 Conducting: Jeff Acerson, Mayor
Pledge of Allegiance: Ron Anderson
10 Invocation: Carolyn Lundberg, Councilmember

12 **PRESENT** **ABSENT**

Jeff Acerson, Mayor
14 Jacob Hoyt, Councilmember – Electronic participation
Randi Powell, Councilmember
16 Matt Bean, Councilmember
Van Broderick, Councilmember
18 Carolyn Lundberg, Councilmember
Adam Cowie, City Administrator
20 Hugh Van Wagenen, Planning Director
Cody Cullimore, Chief of Police
22 Brian Haws, City Attorney
Kathryn Moosman, City Recorder

- 24 1. **Call to Order/Roll Call** – The meeting was called to order at 7:00 p.m.
- 26 2. **Presentations/Announcements** –
- 28 a) Mayor/Council Comments – There were no announcements at this time.
- 30 3. **Approval of Minutes** – No minutes to approve at this time.
- 32 4. **Consent Agenda** – No items.
- 34 5. **Open Session for Public Comment** – Mayor Acerson called for any public
comment not listed as an agenda item. There were no public comments.

36 **CURRENT BUSINESS**

38 6. **Public Hearing** – **General Plan Map Amendment, approx. 500 North**
40 **Anderson Lane (Ordinance #2015-25-0).** Ken Watson of Ivory
Development is requesting a General Plan Land Use Map Amendment from
42 Mixed Commercial to Residential-High. Residential-High is defined as
greater than 3.6 dwelling units per acre. The subject properties are located at
44 approximately 500 North Anderson Lane, identified by Utah County Parcel
IDs #14:063:0061, #14:050:0006, #14:063:0048, #14:063:0046,
46 #14:063:0047, #14:053:0042, #14:064:0012 and approximately 150 North
1700 West, which is a portion of the parcel identified by Utah County Parcel

2 ID #14:063:0068 and are within the Mixed Commercial (MC) zone. The
4 Planning Commission recommends approval of the General Plan Land Use
Map amendment.

6 COUNCILMEMBER POWELL MOVED TO OPEN THE PUBLIC HEARING.
8 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

10 Hugh Van Wagenen, Planning Director gave a brief overview stating that over a
12 year ago, Ivory Development approached the City regarding a master planned residential
community west of Geneva Road, adjacent to the Creekside community, on the Anderson
14 Dairy Farm. He stated that since that time, there have been numerous work sessions with
Ivory Development, City Staff, the Planning Commission and City Council to review and
comment on a concept plan developed by Ivory Development. He noted there was also a
16 public open house earlier this year in which Ivory Development presented the concept to
the Creekside neighborhood.

18 Mr. Van Wagenen mentioned there has been a lot misinformation quoted in recent
days about this specific application and what impact this may have to the existing and
20 surrounding properties. He clarified the general land use map has a 5-20 year timeline
and is visionary in nature and a guide for the city. He noted the General Plan was adopted
22 in November of 2011 after an extensive review and so it has been on the books for
several years. He also clarified that the zoning map refers to what the ground conditions
24 are today and it did not change in 2011 and is different from the General Plan Land Use
Map; it shows what can you do today and the Standard Land Use Table guides that. Mr.
26 Van Wagenen stated tonight we are not looking at any zoning changes. He added that
part of the city code states that any zone change needs to conform to the General Plan; to
28 get a zone change you would need to do a general plan map amendment.

30 Mr. Van Wagenen went on to explain that the General Plan currently designates
the property under the category of Mixed Commercial. This category includes retail and
32 service oriented businesses, and shopping centers that serve community and regional
needs, as well as light industrial and research and business uses. He stated that Ivory
Development is requesting that the General Plan designation of the property be changed
34 to Residential-High, which refers to a density of greater than 3.6 dwelling units per acre.
He then referenced the relevant General Plan policies to consider in determining whether
36 the requested change will be in the public interest.

38 Mr. Van Wagenen noted the entire project is about 137 acres, of which about 92
acres is currently designated as Residential-High on the General Plan Land Use Map.
This request would change the remaining 45 acres of the project to Residential-High from
40 its current designation of Mixed Commercial. This is a first step in a multi-step process
that would make the concept plan a reality. In addition to this General Plan change being
42 approved, there would need to be zoning map approval along with approval of a new
ordinance governing the zone change. More than likely, there will be a development
44 agreement entered into between Ivory Development and the City requiring additional
review by the Planning Commission and City Council. The conversation and question to
46 look at tonight is whether the city wants residential in this area long term. He then
referenced a table identifying the meeting history of the project and noted the latest

2 version of the concept is included in the staff packets. He added that following review of
this information the Planning Commission voted 6 to 0 to recommend approval of this
4 General Plan Land Use Map change to the City Council.

6 Mr. Van Wagenen then presented the most recent concept plan showing the entire
project and outlining the specific areas that are under consideration in this application. He
noted there is also a modified plan (included in the packets) looking at just the northeast
8 area. Mr. Van Wagenen stated this plan contemplates commercial development that may
need additional depth from 700 North than what is shown on the overall concept plan. He
10 mentioned that the City has expressed a desire to keep this option in order to
accommodate future commercial development. Mr. Van Wagenen pointed out there has
12 been some discussion on the 700 north corridor as to how much commercial property the
city should try to retain to promote economic development in that area. 700 North was
14 paid for and the City continues to bond for that roadway in anticipation of commercial
and retail businesses on that prime corridor. With that consideration, within the last day
16 Ivory and city staff have contemplated amending this request a little bit and pulling away
about 10 acres from their original request and maintain that in the mixed commercial
18 zone which would give them a possible bigger site and depth for a larger commercial user
(Option A).

20 Mr. Van Wagenen stated staff feels very comfortable with this option knowing
the concerns of the planning commission and city council is to not take away an option in
22 the future for a large commercial use. He pointed out the concept plan we are looking at
tonight does not show that but shows a conceptual site plan. Mr. Van Wagenen stated
24 that depending on which way the motion goes tonight the City Council could reference
the exhibit with the commercial site cut out of the general plan change so it stays in the
26 mixed commercial designation for the general plan. Mr. Van Wagenen then referenced
the submitted written comments regarding the application which are included as
28 attachments: Shaun Houston of 473 North 1200 West; Universal Industrial Sales, Inc. of
433 North 1030 West; and Goodfellow Corporation of 390 North 2000 West.

30 Mr. Van Wagenen also mentioned that several letters have been submitted since
the staff report went out (of which two have been placed in front of the City Council).
32 He pointed out with the general plan modifications it is a legislative decision and
technically not findings of fact that are required on any decision on the part of the
34 Council. He emphasized they are not getting into the details of the concept plan as that is
later item assuming this moves forward. He re-iterated that the question the Council will
36 contemplate tonight is whether they want additional high residential in the areas on the
map shown before them tonight.

38 Mr. Van Wagenen then referenced the map showing the requested General Plan
Land Use Map change, an aerial photo of the proposed area to be re-classified, Ivory
40 Development Concept Plan, modified plan for northeast area, letter from Shaun Houston,
letter from Universal Industrial Sales, letter from Goodfellow Corporation, a map of
42 properties that were mailed notices, and Ordinance 2015-25-O followed by some general
discussion.

44 Mayor Acerson called for any questions from the Council at this time, based on
the information that has been stated, before he turns the discussion over to public
46 comment.

2 Councilmember Powell asked for clarification that the zoning map was not
 4 changed in 2011. Mr. Cowie confirmed there were no changes made at that time related
 6 to the general plan. She also asked when the last zoning change was made in this area.
 8 Mr. Cowie stated they have tried to make ordinances more business friendly for
 10 businesses to expand. It has been zoned light and heavy industrial in that area for 10+
 years. Mr. Van Wagenen then showed the zoning map for reference. He emphasized
 since the inception of discussions of the Ivory plan at any time has there been
 conversation amongst city staff or officials contemplating rezoning property outside of
 what Ivory has put in their concept plan.

12 Councilmember Lundberg stated she is aware there are other areas in the city
 14 where there is currently light industrial backing up to residential right now and asked
 staff to point those out to show that this has occurred before and how, in their estimation,
 16 over the past 10 years what complaints have come with these users. Mr. Van Wagenen
 18 referenced the current zoning map showing the Creekside Development that is adjacent to
 the light industrial zone. Also on 800 West (collector road) has homes bordering and
 adjacent to the light industrial uses. There is also another area by Sunroc and Mountain
 States Steel area etc. that borders the LI zone. There have been a handful of nuisance
 20 complaints in the past three years (3 that he is aware of). In his experience there has not
 been a lot of complaints or very frequent. Mr. Cowie stated in the almost 11 years that he
 22 has been at the city there has been a dozen or fewer complaints over those 10 years and
 they have been resolved. Brian Haws, City Attorney, commented that in the 17 years he
 24 has worked with the city he has never had an action referred to him to bring an abatement
 or action for a nuisance in these areas.

26 Councilmember Bean inquired if it would it be correct to say that under our
 ordinance, businesses (whatever zone they are in) are governed by types of noise, light
 etc. regardless of the zone they are in or next to them and if so, would those issues have
 28 been addressed and enforced. Mr. Van Wagenen confirmed that statement. Mr. Van
 Wagenen then turned the time over to the applicant for comment.

30 Mayor Acerson invited the applicant forward at this time. Ken Watson,
 representing Ivory Development along with Chris Gamvroulas, were in attendance to
 32 address the Council. Mr. Watson stated they appreciate the opportunity to be here tonight
 and thanked the City Council for taking the time over the past 15 months to review the
 34 project with them. He noted that staff has been outstanding to get through the project and
 noted they have had numerous meetings and open houses being held of which were well
 36 received and they feel good about that. Mr. Watson stated this process has been going on
 for about 15 months and they have been dealing with the issues and they have spent a
 38 great deal of money to get to this point. He stated it is nice to be here and to bring some
 of these issues to fruition. Mr. Watson then referenced the concept plan and pointed out
 40 and described a designated park. He noted they are requesting a general plan land use
 amendment from commercial to residential and only on the 45 acres in question as the
 42 other is already zoned that way.

44 Mr. Watson stated they feel this plan is very harmonies with the adjacent residents
 and the culture of the community and provides an environment that is rural with high
 quality residential housing for people who want to stay or locate in Lindon. Ivory feels
 46 this community provides four stages of living within this project 1. Apartment 2.
 Townhome 3. Nice quality home 4. Retirement years/adult community. This a quality

2 land use that will continue to contribute to the unique character of the community and
 4 will strengthen the community values and does not infringe on existing developments or
 adversely affect environmental conditions or create adverse transportation needs. Mr.
 Watson stated he would be happy to answer any questions at this time.

6 Councilmember Broderick referenced the UIS building. He mentioned as they
 have talked about different classifications in other business areas in town and the nature
 8 of the business that is there now with the noise, the odors and the truck traffic (attractive
 nuisances). He questioned if there are there any types of mitigation for these types of
 10 concerns with the high residential proposed in the area if this change is approved.

12 Mr. Watson referenced ordinance Chapter 17.49.09 (industrial zones) in the
 special provisions section. He then read the code section referencing nuisances.
 Specifically what they will do to mitigate some of these concern is to implement a tall
 14 masonry wall (6 ft. - 8 ft.) on 500 south. They will have landscaping and sidewalks, etc.
 and a lot of those things that will mitigate the noise situation and whatever it takes.
 16 Secondly, they do not have access or do the trucks have access to their development.
 They will try to keep the trucks from going that way and to keep the traffic from going
 18 back up the road with a curved type arrangement. He pointed out that the biggest noise
 issue would be the freeway.

20 Councilmember Lundberg commented that she has looked at other municipalities
 and a lot of land uses today are looking at mixed uses going forward to find ways to
 22 complement them and to create more compatibility. She noted she visited the site today
 to look at and measure distances, landscaping, buffers, structures, sidewalks etc. and
 24 questioned what the proposed typical setbacks are. Mr. Watson stated 25 to 30 ft., but he
 could get those exact numbers. She mentioned they had soil issues when she built her
 26 house with significant chemicals that are now prohibited. They had to sign a discloser
 stating they were aware of the potential chemicals in the soil and questioned if the
 28 residents could be required to sign a disclosure document of some kind that they are
 aware that their property abuts an industrial area so they don't complain down the road;
 30 this would protect the business owner and the property owner as well. Mr. Watson stated
 they are completely aware of that and it is handled through their CC & R's and disclosed
 32 to all of their buyers and they declare what the neighboring properties are. Mr. Haws
 commented that state law provides if there is a manufacturing facility that has existed for
 34 more than 3 years that changing the zoning around it can't be used to claim either a
 public or private nuisance as long as that use continues and wasn't a nuisance at the time
 36 of the zone change so there is legal protection through state law.

38 At this time Mr. Cowie gave some background of the area. He noted in 2011 UIS
 constructed their building. He noted at that time he was the planning director for the city
 and they spent a lot of time in their meetings discussing how their building would be
 40 compatible with the residential use across the street. They feel there have been instances
 where the business owners would try to be compatible with their residential neighbors
 42 with doing landscaping, trees, etc. to create a visual buffer to protect the residents across
 the street. When the building was approved there was a lot of discussion on how to
 44 protect Mr. Anderson's property rights in his current residence and the building. It was
 zoned light industrial and it was in place when that building was approved with the
 46 compatible uses, and since then and it appears that it has worked out. Mr. Cowie stated,
 on a separate note, some of the businesses are more than a mile from the two areas being

2 changed. He noted that the city understands a letter was sent to multiple industrial/
 4 manufacturing neighboring businesses indicating that their zoning is being changed. Mr.
 6 Cowie stressed the fact that the city has no intent to change the zoning or property use
 8 rights on any industrial businesses/properties in Lindon by this action tonight and the
 10 information that has been circulated is NOT correct information.

12 Councilmember Bean gave some history stating that he and Councilmember
 14 Lundberg were on the Planning Commission in 2011 when the general plan map was
 16 updated. The vision for the city back in 1940 when Geneva Steel was built it spawned a
 18 lot of industrial businesses that we see to this day and it made a lot of sense for that use to
 20 be on the west side. The planning commission talked about what they would like to see
 22 there in the future: i.e. Fieldstone and Creekside Developments and the homes already
 24 there that were very close to the industrial uses. They changed a lot of the general plan
 26 map to include residential high and changed the general plan map so there was no longer
 28 any light or heavy industrial because those were uses that the planning commission and
 the council decided on and that was a different direction they wanted to move in. They
 specifically did not change the zone in those areas only the general plan map as they
 wanted the zones to stay in place so if there were businesses that wanted to expand they
 could.

30 Councilmember Hoyt questioned what environmental liability the city has, i.e.,
 32 toxins, contaminants etc. and if that would come back on the city, and questioned if the
 34 city does environmental studies. Mr. Haws mentioned Utah State code states as long as
 36 the business continues to operate in the way they currently are those uses cannot be
 38 deemed a nuisance. He went on to say if there was an environmental accident he does not
 see how the city could be responsible; it would be the responsibility of the industrial user.
 Mayor Acerson asked if those are state regulations. Mr. Haws confirmed that statement.
 Mr. Haws added that environmental studies are the responsibility of the developer not the
 city.

40 Councilmember Lundberg commented to Mr. Watson that residential can
 42 potentially become more compatible with light industrial in dealing with space, distance
 44 buffers etc. She pointed out that there are a lot of different design technique to buffer the
 46 residential but yet protect the interest of the user on the other side. She asked if Ivory is
 willing to be flexible in some of those design elements. Mr. Watson stated that they
 would be glad to review those elements with staff and they are certainly open to those
 types of things. He noted this is their concept plan and what they are trying to do and
 they can look at these things but there are some that are already in place. He pointed out
 that they don't have control of the Thorne property to the west.

Mayor Acerson opened the meeting to public comment at this time. Several
 residents in attendance addressed the Council as follows:

Shawn Monsen: Mr. Monsen stated he represents Universal Industrial Supply. He gave
 some background of the company noting they are a steel and galvanizing operation that
 sprawls over several acres and includes multiple industrial processes. He noted they
 utilize some heavy duty temperature and chemicals with this process. He mentioned that
 there are also several other manufacturers in this area. Mr. Monsen stated UIS has been in
 Lindon for over 30 years and they provide substantial benefits including jobs, taxes and
 property taxes etc. Their concerns with this proposal are rooted in the fact that there

2 needs to be a buffer between the residential and industrial areas especially with the high
 4 density. This will be multiple families coming in and it will present dangers and safety
 6 issues for children and it would be a significant concern that their operation would be an
 8 attraction for children. Mr. Monsen stated when the city developed the master plan it
 10 said there needs to be a buffer per the general plan. He then read a portion of the general
 12 plan. He noted that it took a lot of time to decide on the general plan and what has
 14 changed but the fact that Ivory wants to put in high density residential development in
 16 this area. Mr. Monsen noted that he serves on a planning commission and one thing he
 18 has often wished is that he could know the feelings and hear the voices of all residents
 20 when he makes a decision. Mr. Monsen mentioned a Lindon City survey done in 2010.
 22 He noted the survey showed that the top four items that the citizens chose that make
 Lindon unique were as follows: 1. Rural feel 2. Lots sizes 3. Safety 4. Open space. Mr.
 Monsen admonished that this development doesn't accomplish any of these things that
 are important to Lindon City residents.

Steve Smith: Mr. Smith stated that the Lindon City website homepage shows that
 Lindon City is recognized for being a top 100 community for raising children. If this
 decision for the future is made tonight we will not have any more of those recognitions as
 we will not be one of the top communities to raise children because it will be changing
 Lindon to something it has not been in the past.

Eric Jensen: Mr. Jensen stated he is a consultant planner for Vineyard City and other
 communities in the state. He mentioned that UIS asked him to address the Council
 tonight to present his basic land use and tax policy presentation. Mr. Jensen then showed
 his presentation indicating some of the bulleted points shown below:

- A general plan is not a map, but maps are part of the general plan.
- Value industrial and value residential.
- The fallacy of the post-industrial era, manufacturing facilities are going away.
- Sales tax revenue is less painful.
- Hadachek v. Sebastian (1915) what we can learn from history. What happens when incompatible uses are put next to each other?
- What is the future?
- If they change the general plan map these manufacturer will eventually be forced out because uses don't play well together people do not want to hear that kind of message.

Councilmember Lundberg commented on Mr. Jensen's points. She noted that
 these questions may be more in the past than others and one or the other would have to be
 eliminated and these big cities are trying to figure out how to blend and have a mixed use
 approach. Mr. Jensen commented when you have two uses that don't blend well together
 you have to try to retrofit them and it is a better solution to avoid the problem in the first
 place.

Darrel Frampton: Mr. Frampton stated he owns property on 500 north where he owns
 and operates a machine shop. He noted that he served on the Lindon City Council in the

2 1970's and they thought they were forward thinkers but they wanted the residents to be
 4 happy. They decided at that time that everything west of Geneva road would be industrial
 6 because Lindon was considered to be a bedroom community (where you live here but not
 8 work here). People built businesses in those areas years ago when residential moves in
 10 right across the street what are they to do. There are lights, noise, odors, etc. that may
 impact those residents who will complain. Mr. Frampton questioned why the council is
 considering changing any zoning west of Geneva Road. He has lived in Lindon longer
 than anyone in this room and he has tried to do the best for the city and hired a lot of
 people through his shop. He feels we are here to take care of our brothers and sisters.

12 **Dave Nicolson:** Mr. Nicolson stated he has been a resident of Lindon for 24 years and
 14 feels it is a great community. He noted there is a commercial part of Lindon that brings
 16 in revenue. He added that Lindon has a great staff as he has dealt with them a lot through
 18 his business dealings and he is award that they will do what they can with whoever comes
 20 in to the area. He is here tonight as a resident to understand what the city council is doing
 22 as he wants to make sure we do things for the right reasons. He moved his business here
 24 15 years ago on Geneva Road and employs 150 people. There is no doubt that Ivory has
 26 some great communities, but they may have some that may not be right for Lindon. Mr.
 28 Nicolson then referenced the zoning map and talked about buffers on 800 west. He noted
 that he is not sure that the Fieldstone Development represents what Lindon is. He also
 brought up safety issues and the traffic and the amount of people that this development
 will bring. He added that the buffer needs to be addressed by Ivory; this community may
 happen someday and the parks are great buffers. The question to the Council tonight is
 does this proposed development benefit the city. He would suggest taking into account
 that what decision is made may impact the businesses and they will have to move
 because a group of people/residents complain and say they are a nuisance.

30 **John Springmeyer:** Mr. Springmeyer is with Bonneville Research. Mr. Springmeyer
 32 stated he was asked by Ivory to come and address the council tonight. He noted that they
 34 work with economic development and from a land use planning side, this is a multi-phase
 36 development that will serve the population from 18-80. He noted these types of
 38 developments help keep communities alive and thriving and the population up; Sandy
 City is a good example. Mr. Springmeyer commented that the reality is Sandy City had to
 change their minds on a similar issue as their kids didn't have anywhere to go and they
 could not afford to live there so they left. Mr. Springmeyer stated that Ivory is not giving
 any proposals or plans that would cause any existing businesses to leave. Mr.
 Springmeyer then gave his presentation with some of the bulleted points as follows:

- Proposed residential development assesses valuation 200 million dollars
- Taxable valuation 108 million
- Property tax 200,000 a year
- Other taxing entities a million combined
- Residential = more property tax
- Residential = more sales tax
- Conclusion – in general more property tax than industrial
- Raise sales tax revenue
- Increase the population of Lindon raising the city's population based sales

2 tax revenue.

4 **Celeste Livingston:** Ms. Livingston stated that she was one of the first families in the
 6 Fieldstone Development neighborhood and they are there and they exist. There are 180
 8 families there and she is speaking for a lot of those people. She stressed that their
 10 neighborhood is a part of Lindon and they do matter. They are very involved in the
 12 schools and city and they matter in a huge way. She noted that she has been in the UIS
 14 building and feels it is a great company and they handle themselves very well. She noted
 16 they hear the sounds and they knew they existed before they moved in. They have not
 18 affected their neighborhood and they love Lindon and where they live. She went on to
 20 say that the idea of not turning the area into residential and perhaps putting in more
 22 industrial affects their kids and their neighborhood more. Ms. Livingstone stated that they
 want Ivory to go in and they want more homes and want others to see the joys of Lindon
 and feels the buffers can make it work. She added that the Fieldstone residents weren't
 here to vote on the survey so their voices weren't heard and they do want this
 development to go in. She pointed out if the homes go in there will be a lot of businesses
 follow on 700 north and it will thrive. She concluded by stating this is her whole life and
 they want more families in their neighborhood and they are not going anywhere and the
 businesses have done a great job and will continue to do so. She implored the Council to
 go with the residential change and approve the development and put those homes in.

24 **John Williams:** Mr. Williams stated he is a Lindon resident and business owner. He also
 26 mentioned that he is in that area in question and they are expanding. He noted that the
 28 previous presentation was great about the sales tax and he is not opposed but he does not
 30 think Ivory is coming in with the intention of pushing out businesses. They want to make
 32 money and there is nothing wrong with that. The businesses are not against homes or
 apartments coming into Lindon but their opposition is if it is coming in the right place
 and the right way. These businesses have been here a long time and all they are asking
 for is the protection from children wandering in and residents who may complain as they
 have their rights and they would ask the Council to review this and look at how it can
 benefit everyone.

34 **Angie Neuwirth:** Ms. Neuwirth commented that she served on the Planning Commission
 36 when the general plan was approved. She noted that she lives in the Salisbury
 38 Development and loves it she is located right next to Walmart and the light industrial
 40 zone but she doesn't mind it. She noted there is no street buffer against the light
 42 industrial and the park is only a small buffer. There is not a problem and there is not a
 44 high fence and anyone can look in but there has not been any incidences. The odors and
 46 noises are not a problem; this is light industrial that is tolerable. Ms. Neuwirth pointed
 out when the general plan was done the houses were in and they did not want the small
 island of homes (Fieldstone Development). The fact is that they are there so they looked
 at creating a buffer. In her professional life she knows you have to have the rooftops for
 the 700 North corridor and she is hoping for higher density and houses that would create
 the community we love and the same things others in Lindon enjoy. However, she does
 have some concerns about having apartments as that may turn into a problem.

2 **Ray Tuckland:** Mr. Tuckland mentioned the 700 north corridor and the fact that Ivory
 4 involvement has given reason to get more excited with his clients as he represents
 6 landlords, developers and tenants. He noted that the retailers follow the houses which is
 8 specific to the issue at hand. Mr. Tuckland pointed out that we are talking about 45 acres
 10 of high density and he is intrigued by the diversity of the high density. He added that it is
 12 exciting to look at the high range and how it relates to retail. With the planned
 14 community families can grow up and never have to move out of the neighborhood and
 16 the way it is designed plays to that. Mr. Tuckland noted that Ivory brings quality and the
 type of development that attracts equal level of people along the corridor. There are the
 economic numbers but obviously sales tax and property tax gives Lindon the opportunity
 to reap the tax money and bring it back to Lindon. He noted this could potentially
 employ 250 -300 employees. Mr. Tuckland concluded by stating from a professional
 retail prospective he would encourage the City to allow Ivory to do what they have
 planned and let Lindon reap the benefits.

18 **Ryan Done:** Mr. Done stated he also lives in the Fieldstone Development and he grew up
 20 in Lindon and loves Lindon. He also feels their neighborhood is sometimes
 22 underrepresented. He stated he loves the outlying fields but knows there will be growth
 24 and the question is who do we want as neighbors? He expressed his concerns that more
 26 industrial will bring less of a community feel to their area. He has seen the example of an
 Ivory Development and was really impressed with the quality of the homes. They are
 very high quality homes and he would love to have more out in their neighborhood. Mr.
 Done stated there are a lot of his neighbors that couldn't be here tonight but they feel the
 same way; they would love to have Ivory move out there.

28 **David Gartner:** Mr. Gartner feels that a lot of assumptions have been made tonight that
 30 if someone builds across from a business they will complain. They were made aware of
 32 the noises etc. when they moved there. There is a need to come to an even ground. Ivory
 will bring more people and then they won't be the "step child" on the west side. Mr.
 Gartner stated the residents want to tell the Anderson's that they can sell their property
 but they would like to pick the buyers.

34 **Clark Olsen:** Mr. Olsen stated he owns Utah Pacific Bridge and Steel. He noted the
 36 business owners are not concerned about high density but are concerned about it being
 38 adjacent to them. He noted there has been talk about barriers and space and buffers but
 40 one house doesn't complain near as much as 900 houses do, and that is what they have to
 42 deal with. That is his biggest concern with the general use plan. Mr. Olsen stated he has
 44 been in business for 40 years and he is concerned that this occurred in 2011 and that he
 was not made aware of it. He has concerns that if we choose to sell our land and we want
 to decide who can purchase that land not someone else deciding for us. It seems the city
 wants to decide what happens with their land. This needs a good buffer but this plan does
 not provide that buffer and he sees this encroaching more and more as the years pass and
 ultimately becoming the general map that we were not involved in.

46 **Martin Snow:** Mr. Snow brought up the issue of nuisance complaints. He referenced the
 zoning map. He mentioned an issue at Sonic Plastics where a lady complained so much

2 that they had to move and asked how it was mitigated. He noted the woman complained
4 about radios on at night, lights being on in the back, a silo that may tip over, and the noise
6 of the trucks that were bothering her horse. There were numerous other complaints with
8 Peter Built Trucks who had a conditional use permit who had to put a cinder block wall
10 and 2 additional stacks of blocks. Mr. Snow stated the buildings were here first and he
12 had to pay the costs.

8
Mark Miner: Mr. Miner stated he lives in the Creekside Development. He stated he
10 loves Lindon and the neighbors, businesses, and industrial and everyone seems to be very
12 conscientious and mentioned that some interests are more important than others. He is a
14 Dad and there are 600 people in their neighborhood and they want to be here for life and
16 he does care. He is a realtor and he knows that property values go up where Ivory has
18 touched as they are very conscientious. Mr. Miner commented that we can learn to play
20 nice together and we may have to do a little mitigation and it should not all be on the
22 business owners. He concluded by stating he would rather have people than a warehouse
24 in the area and he hopes and prays that the Council makes the decision that will benefit
all of them as they do love their community and they do care. It is a small part of the
town and he would love to see this development go in.

20
Mike Cluff: Mr. Cluff stated that he also lives in the Creekside Development and really
22 likes the idea of homes moving in to the area. But having residents by a business can
24 happen and there may be problems but the residential is great for him but they can't run
the businesses out if they complain.

26
Steward Rees: Mr. Rees expressed that they want a strong tax base and also a safe and
28 happy community, and it all comes back to the buffer. He noted there have been several
30 stories of businesses getting shut down, but he doesn't mind the odors as it represents
someone's livelihood. They don't want to get pushed out or fellow businesses but this
may generate complaints.

32
Ron Anderson: Mr. Anderson brought up a few points, one being the misrepresentation
34 that the desire is to drive out the industry. He pointed out that the application today is to
36 just change the one area which is a small area and somewhere there has to be a change
and a dividing line. Ivory has worked really hard on this and he knows there are things
38 that need to be mitigated and worked out together as he hopes it will be a good thing for
the city. He stated that the city isn't trying to drive out any industrial uses. They didn't
ask for this or created this but have been trying to work with the city and hopefully we
can work together to mitigate these issues.

40
Chris Gamvroulas: Mr. Gamvroulas expressed that he appreciates the hundreds of hours
42 of staff time for the better part of a year to make sure this is done right and they feel it is a
44 good defensible plan. He mentioned that the park is 15 acres and intended to be a dual
use to try and give some buffer between the townhomes. He feels the freeway is more
46 problematic. He noted that they may be close to the industrial but they do not abut it. Mr.
Gamvroulas stated they want to be good neighbors and would not try to run someone out
as that is unconscionable and they do not want to do that; they will be good neighbors. He

2 also named a lot of other developments that are close to industrial etc. He noted that
 4 attractive nuisances are the responsibility of everyone. He also mentioned buffers and
 what is already planned there. They can build an 8 ft. wall and add landscaping buffers.
 6 They also do a disclosure on a separate document from everything else so it is very clear
 and they can disclose and abate the noise. He added that they already do things in their
 8 homes that are above and beyond what is required. He then explained the phases of the
 project. Mr. Gamvroulas stated Ivory can and will continue to work with city staff and
 10 this will be a high quality Ivory brand development. It is a very important location for
 them and they have heard all of the concerns and they have listened and want to be a
 good neighbor and a good addition to the city.

12

At this time Mayor Acerson asked the business owners to write down some clarity
 14 of what they want to do and what they see their business doing down the road and turn it
 back to the city for feedback as to understand their concerns and insights that will help
 16 the Council make decisions down the road. He wants to ensure that they are a part of the
 process.

18

Mayor Acerson called for any further public comments or questions. Hearing
 none he called for a motion to close the public hearing.

20

COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
 22 COUNCILMEMBER POWELL SECONDED THE MOTION. ALL PRESENT VOTED
 IN FAVOR. THE MOTION CARRIED.

24

Mayor Acerson called for any further comments or questions from the Council.

26

Councilmember Hoyt brought up Exhibit E and asked the Council to consider the
 28 section of the Anderson property they have considered making a bigger commercial area
 of 400 ft. and questioned if it should be a part of the motion tonight; do we want that on
 30 700 north. He has concerns that we are limiting any commercial growth that could come
 in there. He questioned if we have considered having it stop at 500 ft. and why not have
 32 it at 900 ft. Why limit it case we get a Target or Costco; this is something to think about.
 The decision at hand is the general plan. He understands the concerns of the business
 34 owners if we adopt the general plan as we appreciate the business owners. He has safety
 concerns also when mixing the two uses. He noted he appreciates what Ivory is trying to
 36 accomplish but until there is something more substantial that is where he stands; there
 needs to be some brainstorming with the buffering options.

38

Councilmember Lundberg questioned who has the rights to the property in
 question. Mr. Watson stated that Ivory has the rights and it looks like Exhibit E is trying
 40 to accommodate that and they are being flexible. Mr. Van Wagenen stated that Exhibit E
 is really what is being considered under Ivory's application and they have agreed to
 42 modify it to eliminate the 400 ft. from the residential for this general plan land use
 change. Councilmember Bean pointed out that traditionally the commercial zones have
 44 been 500 ft. on each side of the street that has been the case on 700 North and the Council
 has had the opportunity to consider this over the past year. Given where we are at this
 46 point he shares his feeling that it would be nice to have a little deeper corridor on the
 south. Councilmember Powell commented that it may have been nice to map out a deeper

2 frontage at a much earlier date, but she feels the ball is too far down the road at this point.
 4 Mayor Acerson mentioned that Ivory is bringing forth the potential for the development project and they seem to be somewhat flexible.

6 Mr. Gamvroulas pointed out that he understands Councilmember Hoyt's concerns
 8 but there is no such thing as a 1,500 ft. deep commercial corridor as 500 ft. is standard.
 10 The fact is that they are half way through the process and they have acquiesced and it is
 12 their intent to be cooperative and he understands his concerns but it is just not very
 14 reasonable. He pointed out that a big box with retail around it is very reasonable and will
 16 act as a catalyst for the rest of the corridor. He sees this as a great value to the future and
 18 current residents and so he feels they are being very cooperative. Councilmember Hoyt
 20 stated he appreciates them working with us but the point he is trying to get across is that
 22 the 900 ft. corridor is what the big box is looking for not that we need to re-write the
 24 entire contract and it may limit us.

26 Councilmember Lundberg stated Ivory is accommodating almost half of this aside
 28 from the area next to the railroad tracks. Mayor Acerson suggested if we can come to
 30 some sort of understanding knowing potential growth is down the road that somehow
 32 Ivory may take it under consideration. Mr. Gamvroulas stated that may be something to
 34 consider down the road with perhaps a flexible use zone or future densities as they are
 36 looking for rooftops. Councilmember Powell thanked Ivory for being flexible and
 38 accommodating in meeting her concerns and those of the Council.

40 Councilmember Broderick commented that he appreciates the concerns of both
 42 sides and he wants to see business owners rights protected. He agrees we need to address
 44 the buffering zone and try to mitigate those concerns. He pointed out that the General
 46 plan map change is not a zoning change and not the individual aspects that may come.
 The lot size and traffic issues are a concern to him he but likes the idea of residential
 coming in.

28 Councilmember Powell stated she is very sensitive as to how people perceive the
 30 west side. Businesses on the west side deserve to be protected and applauded for what
 32 they bring to the city. She added that the Fieldstone Development is a community in and
 34 of itself and she appreciates what they bring to the community as are the businesses and
 36 we need to find a way to be good neighbors to each other.

38 Councilmember Lundberg complemented UIS noting they are a benefit to the city
 40 along with all the other businesses. The city does not want to see the industrial displaced
 42 as we need it here in the community as they do good work and provide service at large.

44 Councilmember Bean commented that 700 north is important to the city and it
 46 makes sense from a vision standpoint to get the kinds of merchants there to rely on
 rooftops and it must be considered when doing things on the west side. He is also
 sympathetic to the importance of industry and manufacturing in any city.

40 Mayor Acerson called for any further comments or questions from the Council.
 42 Hearing none he called for a motion.

44 COUNCILMEMBER POWELL MOVED TO APPROVE THE APPLICANTS
 46 REQUEST TO CHANGE THE GENERAL PLAN DESIGNATION OF THE AREA
 FROM MIXED COMMERCIAL TO RESIDENTIAL-HIGH ACCORDING TO
 ORDINANCE 2015-25-O AND HAVE IT BE ON THE RECORD THAT THIS IS FOR

2 EXHIBIT E. COUNCILMEMBER LUNDBERG SECONDED THE MOTION. THE
VOTE WAS RECORDED AS FOLLOWS:

4 COUNCILMEMBER POWELL AYE
COUNCILMEMBER BEAN AYE
6 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER HOYT NAY
8 COUNCILMEMBER LUNDBERG AYE
THE MOTION CARRIED 4 TO 1 IN FAVOR.

10

Councilmember Hoyt left the meeting (via electronically) at this time.

12

- 14 7. **Public Hearing – General Plan Map Amendment, approx. 115/117/119 South**
State Street (Ordinance #2015-26-O). The City Council will review and discuss
16 proposed FY2016 budget amendments and fee schedule updates with Lindon
City Department Heads. A public hearing on final recommendations for the
18 budget amendment and the schedule changes will be held on November 17,
2015.

20

COUNCILMEMBER LUNDBERG MOVED TO OPEN THE PUBLIC
HEARING. COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL
22 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

24

Mr. Van Wagenen opened this agenda item by explaining that the applicant, Mr.
Leonard Lee, is requesting that the general plan designation, and, in the next item, the
26 zoning classification, be changed from Commercial to Mixed Commercial to allow, more
broadly, other light industrial, manufacturing, and office/warehousing uses in the
28 buildings. Mr. Van Wagenen further explained that Mr. Lee has owned the existing
structures on the subject parcels for many years (County records indicate that the
30 structures were constructed in 1988). He noted the buildings have typically housed light
manufacturing, and other industrial related, uses. Similar uses have continued to operate
32 from the structures over the years. Presently, the buildings are in the General Commercial
(CG) zone, which is now a zone that is predominantly oriented toward office and retail
34 uses only. Consequently, as prospective industrial tenants have attempted to obtain
business licenses from the City to operate out of the structures, staff has had to conduct
36 research to determine whether the buildings have nonconforming rights to the specific
uses proposed.

38

Mr. Van Wagenen commented that the current zoning does not allow for
manufacturing and light industrial uses. The Planning Commission continued this item
40 for several meetings in order to (1) conduct a site visit on the property and (2) review the
Standard Land Use (SLU) Table to compare the General Commercial and Mixed
42 Commercial (MC) zones. The site visit took place on October 13, 2015 and the SLU
Table review was on October 27, 2015.

44

Mr. Van Wagenen explained that following the site visit and SLU Table review
the Commission felt it appropriate to recommend approval of the General Plan change
46 request. However, during the SLU Table review, the Commission made changes to the
permitted and conditional uses in the MC zone for this particular request, which is

2 permissible when considering a zone change. Those changes were applied during the
 4 zone change agenda item; this item is the General Plan change request. A comparison of
 the CG, MC, and MC amended as created by the Planning Commission are included in
 the staff packets.

6 Mr. Van Wagenen noted that the General Plan currently designates the property
 under the category of Commercial. This category includes retail and service oriented
 8 businesses, and shopping centers that serve community and regional needs. The
 applicant requests that the General Plan designation of the property be changed to Mixed
 10 Commercial, which includes the uses in the General Commercial designation, as well as
 light industrial and research and business uses. Mr. Van Wagenen then referenced the
 12 relevant General Plan policies to consider in determining whether the requested change
 will be in the public interest as follows:

- 14 a. It is the purpose of the commercial area to provide areas in appropriate locations
 16 where a combination of business, commercial, entertainment, and related
 activities may be established, maintained, and protected.
- 18 b. Commercial use areas should be located along major arterial streets for high
 visibility and traffic volumes.
- 20 c. The goal of commercial development is to encourage the establishment and
 development of basic retail and commercial stores which will satisfy the ordinary
 and special shopping needs of Lindon citizens, enhance the City's sales and
 22 property tax revenues, and provide the highest quality goods and services for area
 residents.
- 24 i. Objectives of this goal are to:
 - 26 1) Expand the range of retail and commercial goods and services available
 within the community.
 - 28 2) Promote new office, retail, and commercial development along State Street
 and 700 North.
- 30 d. Applicable city-wide land use guidelines:
 - 32 i. The relationship of planned land uses should reflect consideration of existing
 development, environmental conditions, service and transportation needs, and
 fiscal impacts.
 - 34 ii. Transitions between different land uses and intensities should be made gradually
 with compatible uses, particularly where natural or man-made buffers are not
 available.
 - 36 iii. Commercial and industrial uses should be highly accessible, and developed
 compatibly with the uses and character of surrounding districts.

38 Mr. Van Wagenen then referenced an aerial photo of the proposed area to be re-
 40 classified, photos of the existing structures, use comparison: CG to MC to MC amended,
 ordinance 2015-26-O, and the applicant's letter followed by some general discussion. He
 42 then turned the time over to Mr. Lee for comment. Mr. Lee gave a brief history of the
 properties and stated his request tonight is have the property rezoned to be consistent with
 44 the historical use of the property. He noted the buildings are currently fully occupied.
 There was then some general discussion regarding this item including traffic related to
 46 the charter school access.

2 Mayor Acerson called for any public comments or questions. Hearing none he
called for a motion to close the public hearing.

4 COUNCILMEMBER POWELL MOVED TO CLOSE THE PUBLIC HEARING.
6 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

8
10 Mayor Acerson called for any comments or questions from the Council. Hearing
none he called for a motion.

12 COUNCILMEMBER BRODERICK MOVED TO APPROVE THE
14 APPLICANTS REQUEST TO CHANGE THE GENERAL PLAN DESIGNATION
FROM COMMERCIAL TO MIXED COMMERCIAL ACCORDING TO ORDINANCE
2015-26-O. COUNCILMEMBER BEAN SECONDED THE MOTION. THE VOTE
16 WAS RECORDED AS FOLLOWS:
COUNCILMEMBER POWELL AYE
18 COUNCILMEMBER BEAN AYE
COUNCILMEMBER BRODERICK AYE
20 COUNCILMEMBER LUNDBERG AYE
THE MOTION CARRIED WITH ONE ABSENT.

- 22
24 **8. Public Hearing – Zone Map Amendment, approx. 115/117/119 South State**
Street (Ordinance #2015-27-O). Leonard Lee of L.A. Lee Enterprises requests
26 approval of a Zone Map amendment to rezone property located at 115/117/119
South State Street (Utah County Tax IDs 14:0070:0306 from General
28 Commercial (CG) to Mixed Commercial (MC). The Planning Commission
recommends approval of the zone change.

30 COUNCILMEMBER POWELL MOVED TO OPEN THE PUBLIC HEARING.
COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
32 VOTED IN FAVOR. THE MOTION CARRIED.

34 Mr. Van Wagenen stated this item is the zone change following the general plan
map amendment that was just approved by the City Council involving the General Plan
36 designation of the lot. He then gave some background of the subject parcels that was
presented in the staff report for the accompanying General Plan map amendment (the
38 previous agenda item). He noted this is a request to rezone the parcels from General
Commercial (CG) to Mixed Commercial (MC). Both the CG and MC zones are subject to
40 the Commercial Design Guidelines, and both have similar landscaping requirements
(20% open space required in CG and 15% in MC). Both the General Commercial and the
42 Mixed Commercial zones only allow outdoor storage of merchandise when the inventory
is stored behind a sight-obscuring fence.

44 Mr. Van Wagenen noted that following a site visit and Standard Land Use Table
review the Planning Commission felt it appropriate to recommend approval of the Zone
46 change request. However, during the SLU Table review, the Commission made changes
to the permitted and conditional uses in the MC zone for this particular request, which is

2 permissible when considering a zone change. He noted that a comparison of the CG, MC,
4 and MC amended as created by the Planning Commission are included in the staff
packets. The current general plan designation does not permit the subject lots to be
rezoned from CG to MC.

6 Mayor Acerson called for any public comments or questions. Hearing none he
called for a motion to close the public hearing.

8
10 COUNCILMEMBER POWELL MOVED TO CLOSE THE PUBLIC HEARING.
COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
VOTED IN FAVOR. THE MOTION CARRIED.

12
14 Mayor Acerson called for any comments or discussion from the Council. Hearing
none he called for a motion.

16 COUNCILMEMBER BEAN MOVED TO APPROVE THE APPLICANTS
18 REQUEST TO CHANGE THE ZONING FROM GENERAL COMMERCIAL (CG) TO
MIXED COMMERCIAL (MC) ACCORDING TO ORDINANCE 2015-27-O.

20 COUNCILMEMBER LUNDBERG SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

22 COUNCILMEMBER POWELL AYE
COUNCILMEMBER BEAN AYE
24 COUNCILMEMBER BRODERICK AYE
COUNCILMEMBER LUNDBERG AYE
THE MOTION CARRIED WITH ONE ABSENT.

- 26
28 9. **Public Hearing** – ***Ordinance Amendment, LCC 17.76 PRD Overlay Parking***
(Ordinance #2015-24-O). Lindon City staff is requesting an amendment to the
30 Planned Residential Overlay parking requirements in order to allow parking
spaces to be accessed directly form a public street rather than from a private
drive.

32
34 COUNCILMEMBER LUNDBERG MOVED TO OPEN THE PUBLIC
HEARING. COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL
PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

36
38 Mr. Van Wagenen led this discussion by stating the City recently adopted Section
17.76 of the Lindon City code governing Planned Residential Development Overlays in
commercial zones. The standards in that code section prohibited private drives for PRD
40 projects with the expectation that units would be accessed from a public roadway.
However, there was an existing section of code in the parking ordinance prohibiting
42 direct parking stall access for any development, excepting one and two family dwellings.
This existing ordinance requires any multi-family project to access parking stalls from a
44 private drive, as is evidenced in many of the R2 or old PUD projects in the City.

46 Mr. Van Wagenen noted that ultimately, the code conflict made it difficult to
process the first site plan application taking advantage of the PRD Overlay. Additionally,
the City Engineer is concerned with an increase conflict in areas that could result if direct

2 parking access were consistently available to PRD projects as more vehicles would be
 4 pulling onto the street. He added that the proposed amendment solves the conflict in the
 existing code while allowing PRD projects to address parking stall access as other multi-
 family projects have previously done. He then referenced the ordinance for the
 6 recommended changes (Proposed PRD Amendment to 17.76.110). Mr. Van Wagenen
 mentioned that staff feels this is just a housekeeping item and a pretty straightforward
 8 request and recommends approval.

Mayor Acerson called for any public comments or questions. Hearing none he
 10 called for a motion to close the public hearing.

12 COUNCILMEMBER LUNDBERG MOVED TO CLOSE THE PUBLIC
 HEARING. COUNCILMEMBER POWELL SECONDED THE MOTION. ALL
 14 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

16 Mayor Acerson called for any further comments or questions from the Council.
 Hearing none he called for a motion.

18 COUNCILMEMBER LUNDBERG MOVED TO APPROVE ORDINANCE
 20 AMENDMENT 2015-24-O AS PRESENTED. COUNCILMEMBER BRODERICK
 SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

22 COUNCILMEMBER POWELL AYE
 COUNCILMEMBER BEAN AYE
 24 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER LUNDBERG AYE
 26 THE MOTION CARRIED WITH ONE ABSENT.

28 **10. Discussion Item – *Used Car Lots in CG Zone along State Street.*** Per direction
 30 from the City Council, staff will discuss land uses generally within the CG zone
 (General Commercial) with specific interest on used auto sales businesses along
 the State Street corridor. Lindon currently has eight existing and /or approved
 32 used auto sales businesses along it 1.6 miles of State Street with interested
 parties looking for additional sites for used auto sales locations along State
 34 Street.

36 Hugh Van Wagenen stated that Councilmember Bean asked that this discussion
 item be scheduled with the Council as there continues to be interest from used auto
 38 dealers to add additional used car dealership locations along the State Street corridor
 through Lindon. He gave a brief history noting that a few years ago a new zone was
 40 created that specifically allows Used Auto Sales (he referenced the darker red areas on
 the map along State Street), whereas the traditional CG zoning does not allow used auto
 42 sales. The CG zone does allow a new auto dealership (Honda, Ford, Toyota, etc.) which
 could sell used autos as part of their new dealership.

44 Mr. Van Wagenen stated the intent of this discussion is to assist in giving the
 Planning Staff direction on how to proceed when approached with requests for zone
 46 changes to allow more Used Auto dealerships along State Street. The question is are
 additional used auto sales uses something to encourage and expand, or a use the Council

2 wants to see limited to existing specific zones. There was then some general discussion
by the Council regarding this agenda item.

4 Following discussion Mr. Van Wagenen stated there is a possibility of drafting an
ordinance that addresses used cars specifically that would address the concerns that could
6 be mitigated so they would have to meet the parameters. Councilmember Powell noted
she is comfortable with the current number but added she is business friendly but feels it
8 should be limited as there is limited amount of space on State Street. She also knows the
citizenry feel very strongly about this issue. Councilmember Lundberg commented that
10 previous Council's put a cap on used auto sales (6) and we have allowed more. It is a
concern of residents that used auto lots do not look good and are not aesthetically
12 pleasing and they feel we have gone too far already. New dealerships encompass a great
area and do more landscaping, and have new inventory etc.

14 Mr. Van Wagenen reminded the Council that used car lots are allowed in the
mixed commercial and light industrial areas and it is just along State Street where there is
16 the certain pocket that is in question. Councilmember Bean commented that he is leaning
to allowing more lots. He pointed out that the Planning Commission was pretty positive
18 towards this because it could be regulated and it feels a bit arbitrary because we can spot
zone. He noted that it would be easier to consider and approve if some of them were
20 removed.

Councilmember Broderick inquired what the verbiage is regarding used auto
22 dealerships. Mr. Van Wagenen stated there is nothing specific for used car lots. He re-
iterated that there are some concerns that could be mitigated through an ordinance and if
24 they met those parameters it could be discussed. Mr. Van Wagenen stated he could do an
exercise with the Planning Commission to see if it fits a certain criteria to see what makes
26 sense from a business standpoint to find the well-defined criteria. Councilmember
Broderick stated he would like to see it defined but would also like to be responsive to
28 any inquiries. There was then some additional lengthy discussion regarding used auto
sales on State Street.

30 Mr. Cowie commented that what he is hearing is that the Council is in agreement
that there is not a strong interest to increase the actual number beyond what is allowed
32 now for used auto dealerships along State Street. The Council also heard a brief concept
from Devin Dastrup regarding a request for a zone change proposal at 475 North State
34 Street on 2.3 acres for a Used Auto lot. Mayor Acerson commented that he feels the
Council has given Mr. Dastrup sufficient feedback that the Council would hear further
36 information on the concept to move forward. The Council also agreed to have some work
sessions for further discussion after the New Year and after the exercise with the
38 Planning Commission is completed.

40 Mayor Acerson called for any further comments or questions from the Council.
Hearing none he moved on to the next agenda item.

- 42 **11. Public Hearing – *FY2016 Budget Amendments & Fee Schedule updates***
(*Resolution #2015-8-R*). The City Council will review and discuss FY 2016
44 budget amendments and fee schedule updates. The proposed changes were
previously discussed in a public meeting on October 20, 2015.

2 COUNCILMEMBER BRODERICK MOVED TO OPEN THE PUBLIC
 HEARING. COUNCILMEMBER POWELL SECONDED THE MOTION. ALL
 4 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

6 Mr. Cowie explained on October 20, 2015 Lindon City Department Heads met
 with the Council to present proposed budget and fee schedule amendments for the current
 8 fiscal year. Mr. Cowie then explained the few minor adjustments that are reflected in the
 new documents that included in the staff packets. He added that in the end with all of the
 10 changes we are saving money. He noted he sent the updated fee schedule to the Council
 earlier today. He noted a formal public hearing is required as part of the adoption process
 12 for the amendment and it has been properly noticed. Following some general discussion
 Mayor Acerson called for a motion.

14 Mayor Acerson called for any public comments or questions. Hearing none he
 called for a motion to close the public hearing.

16 COUNCILMEMBER POWELL MOVED TO CLOSE THE PUBLIC HEARING.
 18 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
 VOTED IN FAVOR. THE MOTION CARRIED.

20 Mayor Acerson called for further comments or questions from the Council.
 22 Hearing none he called for a motion.

24 COUNCILMEMBER BEAN MOVED TO APPROVE RESOLUTION #2015-8-
 R OUTLINING THE PROPOSED FY2016 BUDGET AMENDMENTS AND FEE
 26 SCHEDULE UPDATES AS PRESENTED. COUNCILMEMBER BRODERICK
 SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

28 COUNCILMEMBER POWELL AYE
 COUNCILMEMBER BEAN AYE
 30 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER LUNDBERG AYE
 32 THE MOTION CARRIED WITH ONE ABSENT.

34 **12. Recess to Lindon City Redevelopment Agency Meeting (RDA)**

36 COUNCILMEMBER POWELL MOVED TO ADJOURN THE LINDON CITY
 COUNCIL MEETING AT 11:42 PM AND CONVENE AS THE LINDON CITY
 38 REDEVELOPMENT AGENCY BOARD. COUNCILMEMBER BRODERICK
 SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION
 40 CARRIED.

42 BOARDMEMBER POWELL MADE A MOTION TO ADJOURN THE RDA
 MEETING AT 11:47 PM AND RECONVENE THE LINDON CITY COUNCIL
 44 MEETING. BOARDMEMBER BRODERICK SECONDED THE MOTION. ALL
 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Item 4 – Consent Agenda – *(Consent agenda items are only those which have been discussed beforehand and do not require further discussion)*

- No Items.

Item 5 – Open Session for Public Comment *(For items not on the agenda)*

6. Review & Action — Financial Audit Report for Fiscal Year 2014-15 *(20 minutes)*

Representatives from Keddington & Christensen, LLP and Lindon City Finance Director, Kristen Colson, will present for the Mayor and Council's acceptance the city's annual financial audit report, included as part of the Comprehensive Annual Financial Report (CAFR), for fiscal year ended June 30, 2015.

In accordance with State Law, the City is required to annually have a complete financial audit performed by an independent auditing firm.

Keddington & Christensen, LLP (K&C) was hired by the City to perform the audit for the 2014-15 fiscal year ending June 30, 2015. Over the last several months their firm has been reviewing the City's financial records, policies, and procedures.

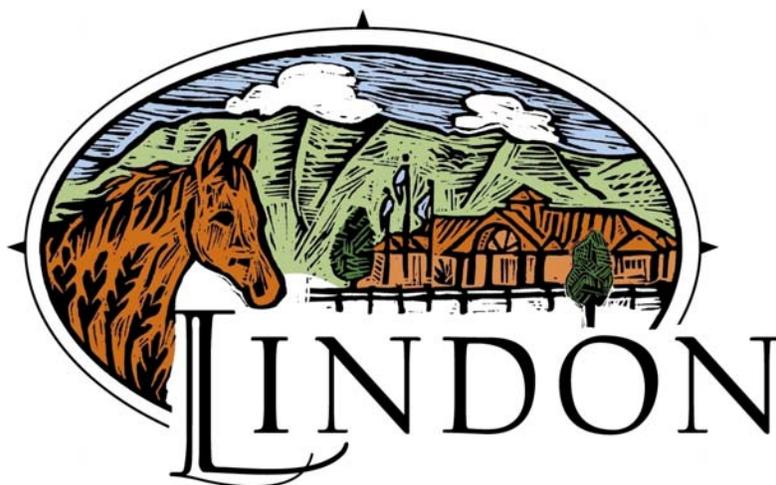
Staff recommends that the City Council accept the Fiscal Year 2014-15 audit as presented. Please see attached FY2015 Annual Financial Statements included as part of the CAFR and the Auditor's Supplementary Report. Representatives from K&C and the Lindon City Finance Director will be available to present the report and answer questions.

Sample Motion: I move to accept the audit report as presented for fiscal year ended June 30, 2015.

LINDON CITY CORPORATION STATE OF UTAH

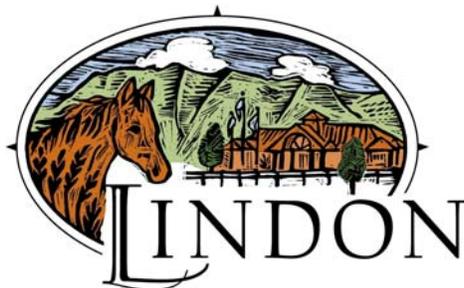
100 NORTH STATE STREET
LINDON, UT 84042
WWW.LINDONCITY.ORG

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For Fiscal Year Ended June 30, 2015

Prepared By:
Kristen Colson, Finance Director



Principal Officials

**For the Fiscal Year
July 1, 2014 - June 30, 2015**

Jeff Acerson
Mayor

Matt Bean
Councilperson

Van Broderick
Councilperson

Jake Hoyt
Councilperson

Carolyn Lundberg
Councilperson

Randi Powell
Councilperson

Adam Cowie
City Administrator

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INTRODUCTORY SECTION

Lindon City
100 N State St
Lindon, UT 84057



phone: 801-785-5043
fax: 801-785-4510
www.lindoncity.org

November 19, 2015

To the Honorable Mayor, City Council and Citizens of Lindon 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 audited financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm or licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Lindon City (the City) for the fiscal year ended June 30, 2015.

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 Keddington & Christensen LLC, 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, 2015 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 unqualified opinion that the City's financial statements for the fiscal year June 30, 2015, 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. The Governmental Accounting Standards Board (GASB) requires that management provide 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 auditors.



Lindon City Center, built 1997

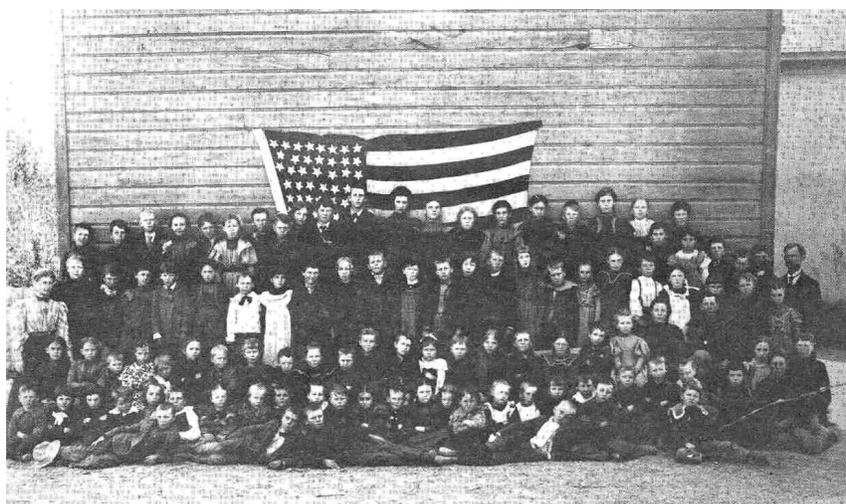
Profile of the Government

Lindon is located in the north of Utah County, 33 miles south of Salt Lake City, and 10 miles north of Provo, the County Seat. Lindon was established as an outgrowth of Pleasant Grove in 1850 and was known originally as Stringtown because the houses were built along a single road – State Street. The final name of the City was inspired by an old linden tree growing in the town in 1901. The spelling of the town name was changed when approval was received from the Federal Post Office for a mail drop at “Lindon City.” The City was incorporated in March of 1924 with a population of “458 souls.”

Lindon is a fourth class city and operates under a six member form of government. 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 appointing the City’s administrator, recorder, and treasurer. The City’s administrator is responsible for carrying out policies and ordinances of the governing council and for overseeing the day-to-day operations of the government. 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.

Lindon has a rich history. When Lindon City was settled in the early 1900's, it was settled under a different settlement policy than the other cities in Utah County. Instead of being located on a natural stream, the City of Lindon was established on a table of land away from natural streams. Water had to be diverted from its natural channels onto the land. Also, instead of building houses in a central cluster, houses in Lindon have been built individually and in small subdivision clusters throughout the entire municipality. This has resulted in a rather evenly but sparsely built community having relatively long utility and service lines in comparison to the number of buildings.



Elementary children at Lindon Amusement Hall, early 1900's

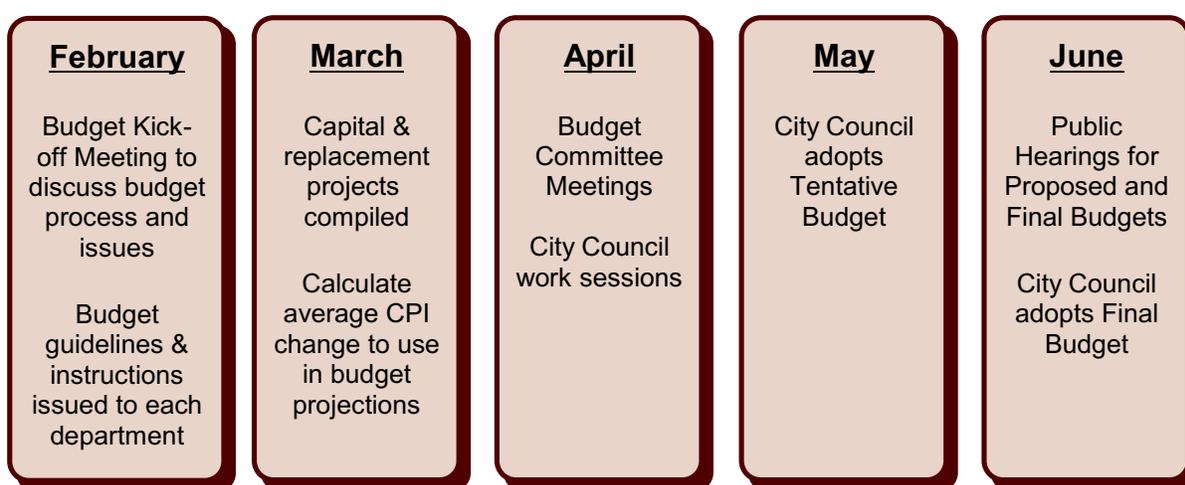
Lindon City is a beautiful place to live. Lindon shares a boundary with Orem City on the south and Pleasant Grove City and American Fork City on the north. To the west is Utah Lake with the Lindon Marina, which is used for boating and fishing. The City extends east to the Wasatch Mountains where Lindon City's trail systems connect with the Great Western Trail and the Bonneville Shoreline Trail. The Great Western Trail connects Canada and Mexico and is the basis for many of Utah's Trail Systems today. The Bonneville Shoreline Trail is on or near the shoreline bench of ancient glacial Lake Bonneville in Cache, Box Elder, Weber, Davis, Salt Lake, and Utah Counties.

A variety of activities, including hiking, mountain biking, swimming, fishing, camping and skiing, are available within thirty minutes of Lindon.

The City has a very western feel with large animal rights throughout Lindon. Lindon Days is a week long annual celebration in August. Residents of Lindon and surrounding communities come together to enjoy the many different events which include a kiddy rodeo, a Mayor and Council breakfast, a parade, concerts, and fireworks.

The City provides a full range of services, including public safety (police and fire), highways and streets, sanitation, public improvements, planning and zoning, both commercial and residential building inspections, general administrative services, a wide variety of recreation programs, cultural events, and an Aquatics Center among other things. Some of these services are provided under contract with other entities. The City recently purchased and renovated a former church building to serve as the Lindon Community and Senior Center. The City also owns and operates a culinary water system, a secondary water system, a waste water collection system, and a storm water drainage system.

The annual budget serves as the foundation for the City's financial planning and control. The City's budget process starts in February. The budget is adopted by June 22 and goes into effect July 1. The creation of the budget follows the time line below.



The City holds two public hearings on the budget. These public hearings are held in June for the proposed and final budgets. Utah State law requires that the final budget public hearing must be held before June 22 for the adoption of the final budget.

Within the existing budget, department heads ensure that the department's total appropriation is not over-expended. Transfers of appropriations between departments 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. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the special revenue funds and the capital project fund).

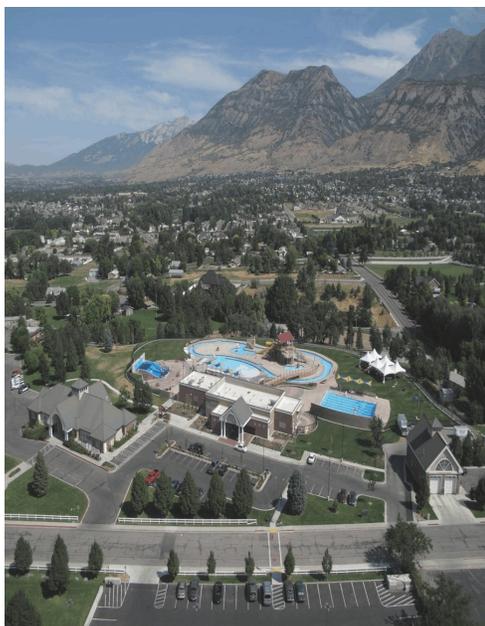
Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Utah is coming out of the recession more rapidly than the U.S., as has been the case with every downturn since World War II. Job growth from June 2014 to June 2015 in Utah County, the county in which the City is located, dramatically increased 7.2%, which is better than Utah State's increase of 3.8% and the nation's increase of 2.1%.

Retail sales plummeted 2007-2010 causing a reduction of sales tax collections in the General Fund which is substantially supported by these revenues. Since 2010, retail sales have slowly increased and the City's local economy appears to have emerged from the recession. Lindon City maintains an optimistic outlook that consumer confidence will continue to improve and sales tax revenue will continue to increase.

The commercial development already present in the City adds to both the sales and property tax base of the community. Major retailers in Lindon include Wal-Mart Supercenter, Murdock Hyundai, Home Depot, Mercedes Benz, Stock Building Supply, Sunroc, Burton Lumber, Low Book Sales, Harley Davidson and Roofers Supply.



Aerial photo of Lindon City Aquatics Center

The City is less than 10 miles from Utah Valley University and Brigham Young University, which provide the residents of Lindon the opportunity for higher educational programs. These higher education facilities employ more than 20,000 people and provide a strong educated work force for a large number of high tech businesses in the area. The region also provides some of the best medical facilities in the western United States. In June 2015, Utah County had an unemployment rate of 3.2%, which is lower than the State of Utah's rate of 3.6%. These both compare favorably to the national unemployment rate of 5.1%.

Long-term Financial Planning

The City's long-term goals are expressed simply as meeting tomorrow's needs with good financial decisions and by continuing to forecast capital improvements into the future. The City maintains capital facilities plans which, combined with maintenance schedules of existing infrastructure, helps the City plan for the needs of current and future citizens. When considering a new project, such as the Aquatics Center or Community Center, years of preparation begin with surveys. Lindon officials want to make sure that the majority of citizens support these endeavors. Lindon officials also maintain fiscal responsibility in building reserves, and when necessary, seeking other funding.

Impact fees also help the City fund the capital improvements that are needed to accommodate new growth. Existing impact fees include parks, recreation and trails; streets; water; sewer; and storm drainage.

The identification and implementation of long term planning has permitted the City to construct one of the finest park systems in our region. From just three parks a decade ago to more than sixteen major facilities today, we have successfully transformed our community's park system and created 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, bicyclists and horse riders to enjoy the Heritage Trail, which runs under State Street and will eventually connect to the west side trail system, including Utah Lake.

Other facilities available to the citizens are the Veteran's Memorial Hall, the City Center, the Community Center and the Aquatics Center. The Veteran's Hall and Community Center can be reserved and rented for wedding receptions, social gatherings and meetings. The Aquatics Center provides a variety of amenities. There is a zero entry pool, a lap pool, and a lazy river. There is also a flow rider where patrons learn how to surf and boogie board using a simulated ocean environment.

Lindon City has numerous long-term goals for the City's utilities. These include maintenance of a high service level and sufficient advance planning to meet expected demands. For example, the culinary water system planning process has required the City Engineer to prepare a capital facilities plan that provides for the provision of resources, storage and transmission systems to keep up with the demands of our growing community. New improvements are constantly being upgraded and updated. Without a strategic plan in place, the City would not be able to anticipate infrastructure needs in a timely manner and some services could be interrupted.

Our sewer system plans have included ambitious expansions to deal with the pressure of growth. Likewise, road and storm water drainage systems are under careful review to be certain that as our systems age, they are maintained in a manner that identifies and solves problems before failures occur. The City Engineer recently updated the capital facilities plan for the storm water drainage system. With long term plans, it becomes easier to be proactive rather than being reactive.

Finally, our commitment to public safety cannot be overstated. On July 1, 2008, the City started its very own police department and contracted with Orem City for full time fire and emergency medical services. The implementation of this much needed service was a culmination of years of planning. This was only one step in a continuing effort to improve public safety.

Because the City wanted to provide exceptional service to the residents, the police department hired fifteen full time police officers. Additional personnel were hired by Orem City to provide fire and EMS services to the citizens of Lindon. This has been a

great partnership, and the improved response time to accidents and fires has made every resident feel safer within our City.

As a long-term goal, it is clear that a sense of safety must be maintained if our citizens are to enjoy the wide array of programs and activities being provided in the community. Lindon and Orem's strategic plan has identified the need for a Fire Station to be built by 2018. Studies are being done to evaluate whether this should be a Public Safety Building that will house our Police Department as well.

Relevant financial policies

Lindon City increases utility rates annually in order to cover increasing operating expenses. The City uses the Consumer Price Index (CPI) to calculate the rate increases. These annual increases are done to avoid more drastic and sporadic increases over time. Periodically the City Engineer will do a rate study to more accurately evaluate the utility rates' ability to provide the funding necessary for the corresponding expenses. The most recent rate study was completed in May 2015. The recommended rate changes are being implemented in the 2015-2016 fiscal year.

Acknowledgements

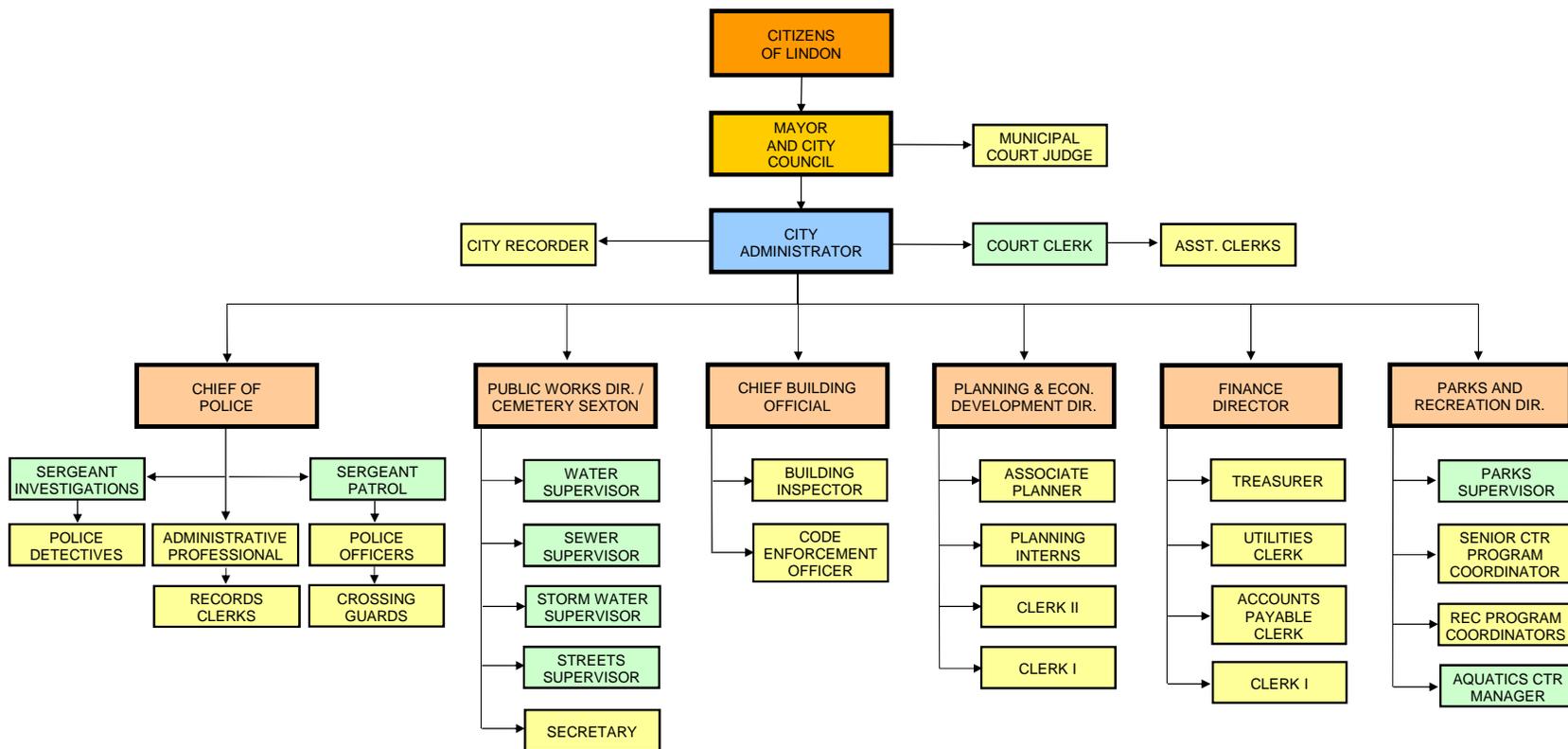
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. We would like to express our appreciation to all department heads and staff throughout the City who assisted and contributed to the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

Respectfully submitted,



Kristen Colson
Finance Director

LINDON CITY ORGANIZATIONAL CHART Fiscal Year 2014-2015



Contract Services:
 Attorney
 Engineer
 Fire & Emergency Medical
 Garbage Collection
 Water Reclamation

	CITIZENS (VOTERS)
	MAYOR AND CITY COUNCIL
	CITY ADMINISTRATOR
	DEPARTMENT HEADS
	SUPERVISORS
	OTHER CITY EMPLOYEES

FINANCIAL SECTION



Keddington & Christensen, LLC
 Certified Public Accountants

Gary K. Keddington, CPA
 Phyl R. Warnock, CPA
 Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
 Members of City Council
 Lindon City Corporation
 Lindon City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lindon City Corporation as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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 Lindon City Corporation as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 9 to the financial statements, in fiscal year 2015, Lindon City Corporation adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, schedule of contributions, and the related notes to the required supplementary information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lindon City Corporation's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund statements, including the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Major Governmental Fund – Debt Service Fund and P.A.R.C. Tax Special Revenue Fund, and the schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Nonmajor Governmental Funds listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Report Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2015, on our consideration of Lindon City Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Keddington & Christensen, LLC

November 25, 2015

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2015

This section of Lindon City's annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2015. We encourage readers to consider the information presented here in conjunction with the City's financial statements and notes to the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Government Wide

- The assets of Lindon City exceeded its liabilities as of June 30, 2015 by \$63,362,934 (net position). Of this amount, \$5,005,865 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$862,485. Net position of our business-type activities increased \$1,210,466 and the net position of our governmental activities decreased \$347,981.

Fund Level

- Lindon City's governmental funds reported combined ending fund balances this year of \$4,752,496, an increase of \$930,550, most of which was due to increased P.A.R.C. and Sales taxes.
- The unassigned fund balance for the general fund ended at \$1,733,178, or 21% of total general fund expenditures.

Long-term Debt

- Lindon City's long-term liabilities had a net decrease of \$532,810 (3%) during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this report have been prepared in compliance with generally accepted accounting principles. The basic financial statements include two kinds of statements that present different views of the City: government-wide financial statements and fund financial statements.

Government-wide financial statements

The government-wide financial statements provide both long-term and short-term information about the City's overall financial status. The statements are designed to provide readers with a broad overview of Lindon City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Lindon City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. To assess the overall health of the City, you need to consider additional nonfinancial factors such as changes in the City's sales tax base and the condition of the City's roads.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2015

The statement of activities presents information showing how Lindon City'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., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Lindon 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 Lindon City include general government, public safety, streets and public improvements, and parks and recreation. The business-type activities of Lindon City include operating the water, sewer, and storm water drainage systems; supervising the solid waste collection; operating the aquatics and community centers; and managing utility accounts for customers paying for telecommunication access through a fiber optic network operated by Utah Infrastructure Agency (UIA).

The government-wide financial statements can be found on pages 22-24 of this report.

Fund financial statements

The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lindon 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 Lindon City can be divided into two categories: governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Lindon City maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for each major governmental fund and summarized for the non-major funds. Simply put, a non-major fund is less than 10% of all of the governmental funds combined. The three major funds are the general fund, the redevelopment fund, and the debt service fund. The two non-major funds account for the P.A.R.C tax and capital projects.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2015

Lindon City adopts an annual appropriated budget for its general fund and other governmental funds. A budgetary comparison statement has been provided for the general fund and the major special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 25-30 of this report.

Proprietary funds. Lindon City maintains six enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Lindon City uses enterprise funds to account for its operation of the water, sewer, and storm water drainage systems, supervision of the solid waste collection, operation of the aquatics center and pass-through billing for the UTOPIA fiber optic telecommunications network.

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 each of the four major funds (water, sewer, storm water drainage and aquatics center) and combined information for the non-major funds (solid waste collection and telecommunications).

The basic proprietary fund financial statements can be found on pages 32-37 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-66 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which can be found on pages 68-69 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Lindon City, assets exceeded liabilities by \$63,362,934 as of June 30, 2015.

As indicated in Table A-1, the largest portion of Lindon City's net position (89%) reflects its investment in capital assets (i.e. land, buildings, roads, sidewalks, utility systems, water rights and equipment), less any related debt used to acquire those assets that is still outstanding. Lindon City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lindon 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.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2015

Table A-1
 Lindon City's Net Position
 (Stated in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change
	2014	2015	2014	2015	2014	2015	2014-2015
Current and other assets	\$ 7,728	\$ 7,715	\$ 3,376	\$ 3,852	\$ 11,104	\$ 11,567	4.2%
Capital assets	28,885	26,808	49,217	49,057	78,102	75,865	-2.9%
Total Assets	36,613	34,523	52,593	52,909	89,206	87,432	-2.0%
Deferred outflows of resources	224	281	40	952	264	1,233	367.0%
Long-term debt outstanding	3,023	2,401	17,657	17,745	20,680	20,146	-2.6%
Other liabilities	2,829	2,435	812	706	3,641	3,141	-13.7%
Total Liabilities	5,852	4,836	18,469	18,451	24,321	23,287	-4.3%
Deferred inflows of resources	2,648	1,979	-	36	2,648	2,015	-23.9%
Net Position							
Net investment in capital assets	26,013	24,568	32,040	31,811	58,053	56,379	-2.9%
Restricted	1,243	1,155	1,189	823	2,432	1,978	-18.7%
Unrestricted	1,081	2,266	935	2,740	2,016	5,006	148.3%
Total Net Position	\$ 28,337	\$ 27,989	\$ 34,164	\$ 35,374	\$ 62,501	\$ 63,363	1.4%

An additional portion of Lindon City's net position (3.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$5,005,865 (7.9%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position

Lindon City's net position increased 1.4%. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation is true for the prior fiscal year.

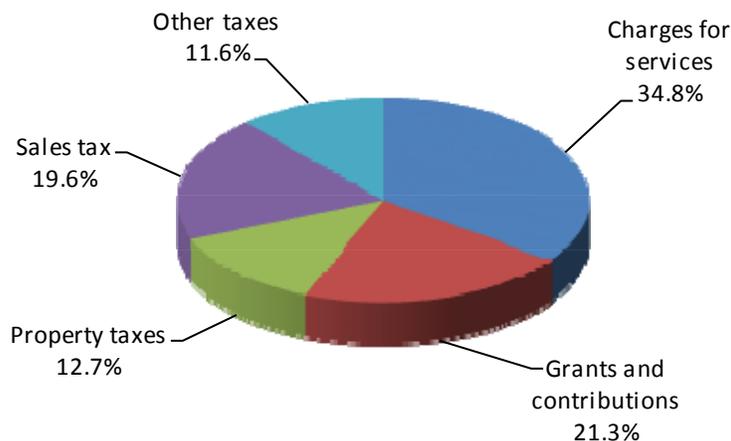
Figure A-1, on the following page, shows the City's revenue by source less Other Revenues which totaled -\$2,046,400 due to a loss on disposition of capital assets. This loss was experienced as a result of turning roads over to the State of Utah.

Sales and property taxes account for 32.3% of the City's revenue (see Figure A-1) with 44 cents of every dollar raised coming from some type of tax. Grants and contributions amounted to 21.3% of this year's changes in net position. Another 34.9% comes from fees charged for services, and most of the remaining miscellaneous revenue is made up of impact fees and interest earnings.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

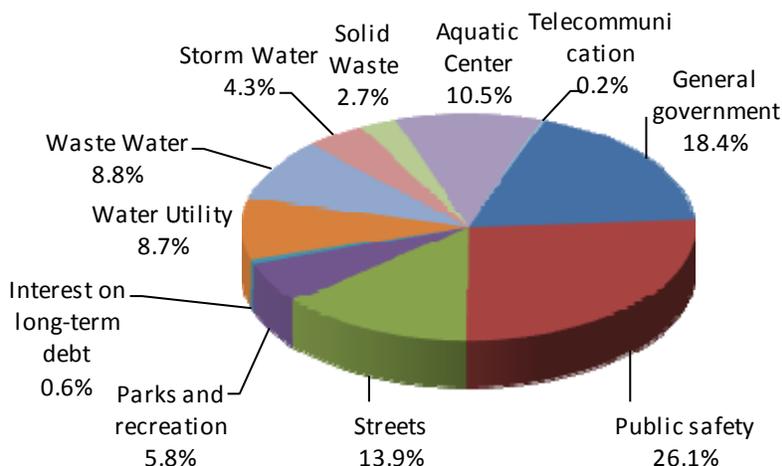
June 30, 2015

Figure A-1
 Lindon City
 Sources of Revenue for Fiscal Year 2015



The City's expenses cover a range of services, with 64.8% from governmental activities and 35.2% from business-type activities. Public safety, a major portion of general government activities, encompassed 26.1% of the City's total expenses. (See Figure A-2.)

Figure A-2
 Lindon City
 Functional Expenses for Fiscal Year 2015



Governmental Activities

As indicated in Table A-2, the cost of all governmental activities this year was \$9,593,778. Some of the costs were paid by those who directly benefitted from the City's services (\$1,588,166), or other governmental organizations that subsidized certain programs with grants and contributions (\$2,274,111). However, the amount of taxes that were required to subsidize these activities was \$5,731,501, the net cost of the governmental functions. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The City paid for the remaining "public benefit" portion with tax revenue.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2015

Property tax revenue decreased by 1.7%. Sales tax revenue increased by 8.5% compared to the prior year.

Business-type Activities

The cost of all business-type activities this year was \$5,227,053. The program revenues exceeded costs by \$862,785. Net program revenues plus other revenues totaled \$863,744, before transfers.

Table A-2
Lindon City's Changes in Net Position
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change 2014-2015
	2014	2015	2014	2015	2014	2015	
Revenues							
Program revenues							
Charges for services	\$ 1,173	\$ 1,588	\$ 4,269	\$ 4,591	\$ 5,442	\$ 6,179	13.5%
Grants and contributions	1,312	2,274	607	1,498	1,919	3,772	96.6%
General revenues							
Property taxes	2,292	2,253	-	-	2,292	2,253	-1.7%
Sales tax	3,194	3,467	-	-	3,194	3,467	8.5%
Other taxes	1,706	2,058	-	-	1,706	2,058	20.6%
Other revenues	30	(2,047)	47	1	77	(2,046)	-2757.1%
Total revenues	9,707	9,593	4,923	6,090	14,630	15,683	7.2%
Expenses							
General government	3,158	2,725	-	-	3,158	2,725	-13.7%
Public safety	3,686	3,862	-	-	3,686	3,862	4.8%
Streets	2,210	2,054	-	-	2,210	2,054	-7.1%
Parks and recreation	736	858	-	-	736	858	16.6%
Interest on long-term debt	119	95	-	-	119	95	-20.2%
Water Utility	-	-	1,174	1,291	1,174	1,291	10.0%
Waste Water	-	-	1,028	1,307	1,028	1,307	27.1%
Storm Water	-	-	568	641	568	641	12.9%
Solid Waste	-	-	386	388	386	388	0.5%
Aquatic Center	-	-	1,520	1,557	1,520	1,557	2.4%
Telecommunication	-	-	44	43	44	43	-2.3%
Total expenses	9,909	9,594	4,720	5,227	14,629	14,821	1.3%
Excess (deficiency) before transfers	(202)	(1)	203	863	1	862	86100.0%
Transfers	(683)	(347)	683	347	-	-	n/a
Increase (decrease) in net position	(885)	(348)	886	1,210	1	862	86100.0%
Beginning Net Position	29,222	28,337	33,278	34,164	62,500	62,501	0.0%
Total Net Position	\$ 28,337	\$ 27,989	\$ 34,164	\$ 35,374	\$ 62,501	\$ 63,363	1.4%

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2015

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds

The largest changes in major funds were:

- The General Fund's fund balance was increased by \$582,266, mainly due to increased Sales taxes.
- The Redevelopment Agency's fund balance decreased by \$14,517, most of which is due to improvements to RDA districts.

Proprietary funds

The changes in major funds were:

- The Water Fund's fund balance increased by \$769,999, mostly due to capital contributions.
- The Waste Water's fund balance increased by \$263,539, mostly due to capital contributions.
- The Storm Water's fund balance increased by \$48,321, due capital contributions.
- The Recreation fund balance increased by \$70,698, due to transfers into the fund to subsidize the fund's activities.

General Fund Budgetary Highlights

- The General Fund amended budget was \$113,476 less than the original budget.
- The General Fund amended budget showed an increase in sales tax revenue of \$150,000.
- The General Fund amended budget showed a decrease in the amount budgeted for transfer to the Recreation fund of \$145,140.
- Additional minor variances between the General Fund's original budget and amended budgets may be seen on page 29.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As indicated in Table A-3, at the end of fiscal year 2015, the City had invested \$75,865,204 net of accumulated depreciation in a broad range of capital assets, including land, buildings, improvements, equipment, roads, sidewalks, water, sewer and storm water lines. More detailed information about the City's capital assets is presented in Note 6 to the financial statements.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

June 30, 2015

This year's major capital asset additions included:

- Subdivision and infrastructure contributions amounted to \$1,012,206 in the governmental funds and \$1,048,664 in the business-type funds.
- The waste water collection system and storm drainage system were upgraded, increasing the funds' assets (net of developer contributions) by \$49,033 and 52,935, respectively.

Table A-3
Lindon City's Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change
	2014	2015	2014	2015	2014	2015	2014-2015
Land	\$ 6,034	\$ 5,984	\$ 1,359	\$ 1,359	\$ 7,393	\$ 7,343	-0.7%
Water Stock	-	-	10,131	10,402	10,131	10,402	2.7%
Buildings	2,546	2,456	9,079	8,820	11,625	11,276	-3.0%
Infrastructure	15,657	12,796	-	38	15,657	12,834	-18.0%
Water System	-	-	9,405	9,380	9,405	9,380	-0.3%
Sewage System	-	-	10,324	10,083	10,324	10,083	-2.3%
Storm Drain System	-	-	8,538	8,604	8,538	8,604	0.8%
Net investment in capital assets	3,778	4,636	-	-	3,778	4,636	22.7%
Equipment	197	154	309	314	506	468	-7.5%
Vehicles	385	510	68	51	453	561	23.8%
Construction in Progress	288	272	4	6	292	278	-4.8%
Total	\$ 28,885	\$ 26,808	\$ 49,217	\$ 49,057	\$ 78,102	\$ 75,865	-2.9%

Long-term Debt

As indicated in Table A-4, at the year-end the City had \$19,915,498 in bonds (including unamortized premiums), notes, and capital leases outstanding. Accruals for compensated absences total \$231,375, making total long-term liabilities \$20,146,873. More detailed information about the City's long-term liabilities is presented in Note 8 to the financial statements. Lindon City does not have any general obligation bonds. There are four bonds which are paid with sales tax revenue. The first was issued in June 2005 for \$3.7 million and secured by sales tax revenue for the extension of 700 North. The other two, totaling \$10,365,000 were issued in 2008 and 2009 for the construction of the Aquatics Center. The most recent was issued for \$7,470,000 during this fiscal year to partially refund the 2008 bond.

Table A-4
Lindon City's Long-term Liabilities
(In thousands of dollars)

	Governmental Activities		Business-Type Activities		Total		% Change
	2014	2015	2014	2015	2014	2015	2014-2015
Revenue Bonds	\$ 2,465	\$ 1,742	\$ 14,821	\$ 15,118	\$ 17,286	\$ 16,860	-2.5%
Notes Payable	80	70	2,411	2,314	2,491	2,384	-4.3%
Leases	327	429	360	243	687	672	-2.2%
Compensated absences	151	160	65	71	216	231	6.9%
Total	\$ 5,037	\$ 2,401	\$ 17,657	\$ 17,746	\$ 20,680	\$ 20,147	-2.6%

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2015

Lindon City's total long-term liabilities had a net decrease of \$532,810 (3%) during the current fiscal year. The major factor for changes in debt was regularly scheduled principal payments on existing debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- For June 2015, the unemployment rate for Utah County was 3.2%, which is slightly lower than the state average of 3.6%, but significantly lower than the national average of 5.1%.
- A 1.4% average annual increase in the Consumer Price Index from March 2014 to February 2015, provided by the U.S. Department of Labor, was considered in preparing the 2016 budget.

These indicators were taken into account when adopting the budget for fiscal 2016. Sales and property tax revenues are still expected to increase due to increasing consumer confidence and new growth that continues to come to Lindon. The increased tax revenues will be used for capital projects.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of Lindon City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Lindon City, 100 North State Street, Lindon, UT 84042.

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BASIC FINANCIAL STATEMENTS

LINDON CITY CORPORATION
STATEMENT OF NET POSITION

June 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 2,898,309	\$ 2,969,389	\$ 5,867,698
Receivables:			
Accounts, net	88,866	417,704	506,570
Taxes	1,830,047	-	1,830,047
Intergovernmental	626,268	-	626,268
Other	253,865	-	253,865
Prepaid assets	69,996	3,853	73,849
Internal balances	791,000	(791,000)	-
Note receivable	-	428,927	428,927
Restricted assets:			
Cash and cash equivalents	1,155,176	823,261	1,978,437
Net pension asset	608	242	850
Capital assets not being depreciated:			
Land and collectibles	5,984,492	1,359,243	7,343,735
Water stock and rights	-	10,401,649	10,401,649
Construction in progress	271,620	5,924	277,544
Capital assets, net of accumulated depreciation:			
Buildings	2,455,806	8,819,534	11,275,340
Infrastructure	12,796,445	38,230	12,834,675
Water distribution system	-	9,379,771	9,379,771
Waste water collection system	-	10,083,260	10,083,260
Storm water drainage system	-	8,603,841	8,603,841
Improvements other than buildings	4,635,611	-	4,635,611
Machinery and equipment	154,308	313,747	468,055
Vehicles	510,128	51,595	561,723
Total Assets	34,522,545	52,909,170	87,431,715
Deferred Outflows of Resources			
Deferred outflows relating to pensions	281,429	49,868	331,297
Deferred charge on bond refunding	-	902,392	902,392
Total Assets and Deferred Outflows of Resources	\$ 34,803,974	\$ 53,861,430	\$ 88,665,404

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF NET POSITION (Continued)

June 30, 2015

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 504,152	\$ 336,053	\$ 840,205
Accrued liabilities	81,566	50,330	131,896
Accrued interest payable	10,433	84,764	95,197
Retainage payable	652	-	652
Unearned revenue	1,411	1,178	2,589
Developer and customer deposits	614,004	9,675	623,679
Noncurrent liabilities			
Due within one year	376,527	978,126	1,354,653
Due in more than one year	2,024,448	16,767,772	18,792,220
Net pension liability	1,222,654	223,660	1,446,314
Total Liabilities	4,835,847	18,451,558	23,287,405
Deferred Inflows of Resources:			
Deferred inflows for property taxes	1,759,247	-	1,759,247
Deferred inflows relating to pensions	219,992	35,826	255,818
Total Deferred Inflows of Resources	1,979,239	35,826	2,015,065
Net Position:			
Net investment in capital assets	24,567,459	31,811,173	56,378,632
Restricted for:			
Impact fees/expansion of systems	542,139	514,061	1,056,200
P.A.R.C. taxes	224,479	-	224,479
Debt service	17,865	309,200	327,065
Future development	370,693	-	370,693
Unrestricted	2,266,253	2,739,612	5,005,865
Total Net Position	27,988,888	35,374,046	63,362,934
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 34,803,974	\$ 53,861,430	\$ 88,665,404

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 2,725,191	\$ 1,528,161	\$ 879,263	\$ -	\$ (317,767)	\$ -	\$ (317,767.00)
Public safety	3,861,734	-	19,940	-	(3,841,794)	-	(3,841,794)
Highway and public improvements	2,054,293	-	1,012,206	362,702	(679,385)	-	(679,385)
Parks and recreation	857,127	60,005	-	-	(797,122)	-	(797,122)
Interest and issuance costs on long-term debt	95,433	-	-	-	(95,433)	-	(95,433)
Total Governmental Activities	9,593,778	1,588,166	1,911,409	362,702	(5,731,501)	-	(5,731,501)
Business-type Activities:							
Water utility	1,291,078	1,727,987	-	639,024	-	1,075,933	1,075,933
Waster water	1,307,048	1,399,884	-	458,468	-	551,304	551,304
Storm water	640,826	489,124	-	356,703	-	205,001	205,001
Solid waste	388,263	420,807	5,835	-	-	38,379	38,379
Recreation	1,556,772	504,725	-	-	-	(1,052,047)	(1,052,047)
Telecommunications	43,066	49,051	-	38,230	-	44,215	44,215
Total Business-type Activities	5,227,053	4,591,578	5,835	1,492,425	-	862,785	862,785
Total Government	\$ 14,820,831	\$ 6,179,744	\$ 1,917,244	\$ 1,855,127	(5,731,501)	862,785	(4,868,716)
General Revenues:							
Property taxes					2,252,637	-	2,252,637
Sales taxes					3,467,260	-	3,467,260
Franchise taxes					1,582,506	-	1,582,506
Other taxes					475,198	-	475,198
Unrestricted investment earnings					16,548	959	17,507
Loss on disposition of capital assets					(2,063,907)	-	(2,063,907)
Transfers					(346,722)	346,722	-
Total General Revenues and Transfers					5,383,520	347,681	5,731,201
Changes in Net Position					(347,981)	1,210,466	862,485
Net Position, Beginning, Restated					28,336,869	34,163,580	62,500,449
Net Position, Ending					\$ 27,988,888	\$ 35,374,046	\$ 63,362,934

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2015

	General	Redevelopment Agency	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 1,103,035	\$ 1,788,213	\$ -	\$ 7,061	\$ 2,898,309
Receivables:					
Accounts, net	119,351	-	-	88,866	208,217
Property tax	1,709,735	120,312	-	-	1,830,047
Sales tax	626,268	-	-	-	626,268
Franchise tax	134,514	-	-	-	134,514
Prepaid assets	35,053	-	34,943	-	69,996
Due from other funds	815,943	-	-	-	815,943
Restricted cash and cash equivalents	388,727	-	-	766,449	1,155,176
Total Assets	\$ 4,932,626	\$ 1,908,525	\$ 34,943	\$ 862,376	\$ 7,738,470
Liabilities					
Accounts payable	\$ 439,752	\$ 23,110	\$ 10,000	\$ 31,289	\$ 504,151
Accrued liabilities	81,566	-	-	-	81,566
Unearned revenue	1,411	-	-	-	1,411
Developer and customer deposits	614,004	-	-	-	614,004
Retainage payable	-	652	-	-	652
Due to other funds	-	-	24,943	-	24,943
Total Liabilities	1,136,733	23,762	34,943	31,289	1,226,727
Deferred Inflows of Resources					
Unavailable revenue - property taxes	1,638,935	120,312	-	-	1,759,247
Total Deferred Inflows of Resources	1,638,935	120,312	-	-	1,759,247
Fund Balances:					
Nonspendable:					
Prepaid items	35,053	-	-	-	35,053
Restricted for:					
Impact fees/expansion of systems	169	-	-	541,970	542,139
P.A.R.C. taxes	-	-	-	224,479	224,479
Debt service	17,865	-	-	-	17,865
Future development	370,693	-	-	-	370,693
Assigned for:					
Redevelopment agency functions	-	1,764,451	-	-	1,764,451
P.A.R.C. tax fund	-	-	-	57,577	57,577
Capital projects	-	-	-	7,061	7,061
Unassigned:					
General fund	1,733,178	-	-	-	1,733,178
Total Fund Balances	2,156,958	1,764,451	-	831,087	4,752,496
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,932,626	\$ 1,908,525	\$ 34,943	\$ 862,376	\$ 7,738,470

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
 FUNDS TO THE STATEMENT OF NET POSITION**
 June 30, 2015

Amounts reported for governmental activities in the statement of net position are

Total Fund Balance - Governmental Funds	\$	4,752,496
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		26,808,410
Interest expense is not due and payable in the current period and, therefore, is not recorded in the funds.		(10,433)
Pension obligations and assets, including deferred inflows and outflows relating to pensions, are not obligations in the current period and, therefore, are not reported in the funds.		(1,160,609)
Long-term liabilities, including bonds, capital leases, notes, termination benefits, workers' compensation, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(2,400,976)
Total Net Position - Governmental Activities	\$	<u>27,988,888</u>

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	General	Redevelopment Agency	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 7,128,564	\$ 173,839	\$ -	\$ 475,198	\$ 7,777,601
Licenses and permits	494,080	-	-	-	494,080
Intergovernmental	382,642	-	-	-	382,642
Charges for services	217,809	-	-	-	217,809
Fines and forfeitures	346,747	-	-	-	346,747
Impact fees	98,218	-	-	292,500	390,718
Interest	14,724	11,108	-	3,188	29,020
Miscellaneous	126,340	-	-	-	126,340
Total Revenues	8,809,124	184,947	-	770,886	9,764,957
Expenditures:					
Current:					
General government	1,965,829	-	411,089	-	2,376,918
Public safety	4,312,240	-	-	-	4,312,240
Highways and public improvements	1,150,542	-	-	-	1,150,542
Parks and recreation	443,200	-	-	227,326	670,526
Redevelopment Agency	-	300,611	-	-	300,611
Debt service:					
Principal	378,791	-	732,813	-	1,111,604
Interest	974	-	96,846	-	97,820
Capital outlay	-	24,741	-	94,266	119,007
Total Expenditures	8,251,576	325,352	1,240,748	321,592	10,139,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	557,548	(140,405)	(1,240,748)	449,294	(374,311)
Other Financing Sources (Uses):					
Issuance of new debt	480,520	-	-	-	480,520
Sale of capital assets	291,800	-	-	-	291,800
Transfers in	917,788	-	1,240,748	-	2,158,536
Transfers out	(1,665,390)	(753,375)	-	(86,493)	(2,505,258)
Contributions from other governments	-	879,263	-	-	879,263
Total Other Financing Sources (Uses)	24,718	125,888	1,240,748	(86,493)	1,304,861
Net Change in Fund Balances	582,266	(14,517)	-	362,801	930,550
Fund Balances, Beginning	1,574,692	1,778,968	-	468,286	3,821,946
Fund Balances, Ending	\$ 2,156,958	\$ 1,764,451	\$ -	\$ 831,087	\$ 4,752,496

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$	930,550
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(1,640,160)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.		1,919,037
The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets.		(2,355,707)
In the Statement of Activities, interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.		2,387
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		1,111,604
Net proceeds from issuance of noncurrent liabilities is recorded as income in the governmental funds. However, the issuance of noncurrent liabilities is recorded as a liability in the Statement of Net Position.		(480,520)
Some expenses, including accrued termination benefits and the difference between the actuarially calculated pension expense and retirement contributions, reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		164,828
		<hr/>
Change in Net Position - Governmental Activities	\$	(347,981)
		<hr/> <hr/>

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 6,593,419	\$ 6,901,000	\$ 7,128,564	\$ 227,564
Licenses and permits	245,500	465,000	494,080	29,080
Intergovernmental	368,500	358,245	382,642	24,397
Charges for services	106,000	192,250	217,809	25,559
Fines and forfeitures	350,000	340,000	346,747	6,747
Impact fees	2,000	37,000	98,218	61,218
Interest	6,800	11,900	14,724	2,824
Miscellaneous	112,000	121,320	126,340	5,020
Total Revenues	7,784,219	8,426,715	8,809,124	382,409
Expenditures:				
Current:				
General government:				
Mayor and council	87,255	91,290	85,942	5,348
Judicial	465,355	440,445	418,592	21,853
Administrative	897,200	910,200	889,820	20,380
Elections	-	-	26	(26)
Buildings	103,500	105,580	82,900	22,680
Planning and zoning	507,705	446,005	471,365	(25,360)
Grants and contributions	6,750	18,000	17,184	816
Public Safety:				
Law enforcement	2,709,782	2,809,577	2,677,445	132,132
Fire protection	1,367,137	1,356,222	1,356,282	(60)
Protective inspections	260,820	261,570	254,191	7,379
Animal controls	18,700	25,291	24,322	969
Highways and public improvements				
Streets	917,250	821,900	797,064	24,836
Public works administration	360,945	361,075	353,478	7,597
Parks and recreation				
Parks	440,970	430,680	414,693	15,987
Cemetery	10,410	13,890	13,502	388
Recreation and culture	21,350	16,000	15,005	995
Debt service:				
Principal	230,000	379,048	378,791	257
Interest	-	717	974	(257)
Total Expenditures	8,405,129	8,487,490	8,251,576	235,914
Excess (Deficiency) of Revenues Over (Under) Expenditures	(620,910)	(60,775)	557,548	618,323
Other Financing Sources (Uses):				
Proceeds from issuance of debt	400,000	480,520	480,520	-
Transfers in	917,788	917,887	917,788	(99)
Transfers out	(1,802,530)	(1,665,390)	(1,665,390)	-
Sale of capital assets	230,000	266,000	291,800	25,800
Total Other Financing Sources (Uses)	(254,742)	(983)	24,718	25,701
Net Change in Fund Balances	(875,652)	(61,758)	582,266	644,024
Fund Balances, Beginning	1,574,692	1,574,692	1,574,692	-
Fund Balances, Ending	\$ 699,040	\$ 1,512,934	\$ 2,156,958	\$ 644,024

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – REDEVELOPMENT
AGENCY SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 1,055,000	\$ 1,053,000	\$ 173,839	\$ 879,161
Interest	10,200	9,800	11,108	1,308
Total Revenues	<u>1,065,200</u>	<u>1,062,800</u>	<u>184,947</u>	<u>880,469</u>
Expenditures:				
Materials, supplies and services	277,500	299,841	300,611	(770)
Capital outlay	103,623	50,000	24,741	25,259
Total Expenditures	<u>381,123</u>	<u>349,841</u>	<u>325,352</u>	<u>24,489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>684,077</u>	<u>712,959</u>	<u>(140,405)</u>	<u>904,958</u>
Other Financing Sources (Uses):				
Transfers out	(753,375)	(753,375)	(753,375)	-
Contributions from other governments	-	-	879,263	879,263
Total Other Financing Sources (Uses)	<u>(753,375)</u>	<u>(753,375)</u>	<u>125,888</u>	<u>879,263</u>
Net Change in Fund Balances	(69,298)	(40,416)	(14,517)	25,899
Fund Balances, Beginning	<u>1,778,968</u>	<u>1,778,968</u>	<u>1,778,968</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,709,670</u>	<u>\$ 1,738,552</u>	<u>\$ 1,764,451</u>	<u>\$ 25,899</u>

The notes to the basic financial statements are an integral part of this statement.

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LINDON CITY CORPORATION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2015

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Assets and Deferred Outflows of Resources						
Current Assets:						
Cash and cash equivalents	\$ 1,638,930	\$ 1,243,458.00	\$ -	\$ 6,508	\$ 80,493	\$ 2,969,389
Accounts receivable, net	170,248	147,369	43,926	10,741	45,420	417,704
Prepaid assets	-	-	-	3,853	-	3,853
Restricted cash and cash equivalents	315,152	195,615	3,294	309,200	-	823,261
Total Current Assets	2,124,330	1,586,442	47,220	330,302	125,913	4,214,207
Noncurrent Assets:						
Notes receivable	-	-	-	-	428,927	428,927
Net pension asset	80	59	57	46	-	242
Capital assets, net of accumulated depreciation:						
Land	428,610	107,392	823,241	-	-	1,359,243
Water stock and rights	10,401,649	-	-	-	-	10,401,649
Construction in Process	5,924	-	-	-	-	5,924
Buildings	-	-	-	8,819,534	-	8,819,534
Telecom Infrastructure	-	-	-	-	38,230	38,230
Water distribution system	9,379,771	-	-	-	-	9,379,771
Waste water collection system	-	10,083,260	-	-	-	10,083,260
Storm water drainage system	-	-	8,603,841	-	-	8,603,841
Machinery and equipment	14,209	49,654	179,569	70,315	-	313,747
Vehicles	5,344	-	12,912	33,339	-	51,595
Capital assets, net	20,235,507	10,240,306	9,619,563	8,923,188	38,230	49,056,794
Total Noncurrent Assets	20,235,587	10,240,365	9,619,620	8,923,234	467,157	49,485,963
Deferred Outflows of Resources						
Deferred outflows relating to pensions	16,516	12,190	11,651	9,511	-	49,868
Deferred charge on bond refunding	-	-	-	902,392	-	902,392
Total Assets and Deferred Outflows of Resources	\$ 22,376,433	\$ 11,838,997	\$ 9,678,491	\$ 10,165,439	\$ 593,070	\$ 54,652,430

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
 June 30, 2015

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Liabilities and Deferred Inflows of Resources						
Current Liabilities:						
Accounts payable	\$ 107,618	\$ 107,489	\$ 32,494	\$ 55,545	\$ 32,907	\$ 336,053
Accrued liabilities	4,766	3,304	3,103	39,157	-	50,330
Accrued interest payable	43,535	-	4,788	36,441	-	84,764
Unearned revenue	-	-	-	1,178	-	1,178
Developer and customer deposits	9,675	-	-	-	-	9,675
Due to other funds	-	-	334,863	455,116	1,021	791,000
Compensated absences	22,365	17,489	10,469	8,188	-	58,511
Current portion of long-term debt	174,156	240,778	65,829	420,000	18,852	919,615
Total Current Liabilities	362,115	369,060	451,546	1,015,625	52,780	2,251,126
Noncurrent Liability:						
Compensated absences, net	8,895	517	2,459	968	-	12,839
Long-term debt, net of current portion	2,907,233	4,158,128	419,430	8,860,067	410,075	16,754,933
Net pension liability	74,074	54,674	52,253	42,659	-	223,660
Total Noncurrent Liability	2,990,202	4,213,319	474,142	8,903,694	410,075	16,991,432
Deferred Inflows of Resources:						
Deferred inflows relating to pensions	11,865	8,758	8,370	6,833	-	35,826
Total Liabilities and Deferred Inflows of Resources	3,364,182	4,591,137	934,058	9,926,152	462,855	19,278,384
Net Position:						
Net investment in capital assets	17,154,118	5,841,400	9,134,304	(356,879)	38,230	31,811,173
Restricted for:						
Impact fees/expansion of systems	315,152	195,615	3,294	-	-	514,061
Debt service reserves	-	-	-	309,200	-	309,200
Unrestricted	1,542,981	1,210,845	(393,165)	286,966	91,985	2,739,612
Total Net Position	19,012,251	7,247,860	8,744,433	239,287	130,215	35,374,046
Total Liabilities and Net Position	\$ 22,376,433	\$ 11,838,997	\$ 9,678,491	\$ 10,165,439	\$ 593,070	\$ 54,652,430

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS**
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Operating Revenues:						
Service fees	\$ 1,535,682	\$ 1,378,891	\$ 489,158	\$ 504,591	\$ 469,858	\$ 4,378,180
Other fees	82,601	9,678	-	-	-	92,279
Miscellaneous	109,704	11,315	(34)	134	-	121,119
Total Operating Revenues	1,727,987	1,399,884	489,124	504,725	469,858	4,591,578
Operating Expenses:						
Salaries and wages	160,847	111,285	107,597	416,605	-	796,334
Employee benefits	80,783	47,891	49,616	79,080	-	257,370
Materials, supplies and services	627,606	616,915	163,859	423,328	431,329	2,263,037
Depreciation	318,973	465,030	299,503	276,368	-	1,359,874
Total Operating Expenses	1,188,209	1,241,121	620,575	1,195,381	431,329	4,676,615
Operating Income (Loss)	\$ 539,778	\$ 158,763	\$ (131,451)	\$ (690,656)	\$ 38,529	\$ (85,037)

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Nonoperating Income (Expense):						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 5,835	\$ -	\$ 5,835
Interest income	553	306	-	100	-	959
Interest expense	(102,869)	(65,927)	(20,251)	(361,391)	-	(550,438)
Total Nonoperating Income (Expense)	<u>(102,316)</u>	<u>(65,621)</u>	<u>(20,251)</u>	<u>(355,456)</u>	<u>-</u>	<u>(543,644)</u>
Income (Loss) Before Transfers and Capital Contributions	437,462	93,142	(151,702)	(1,046,112)	38,529	(628,681)
Capital contributions	562,216	178,217	270,001	-	38,230	1,048,664
Impact fee contributions	76,808	280,251	86,702	-	-	443,761
Transfers in	-	-	-	1,116,810	-	1,116,810
Transfers out	<u>(306,487)</u>	<u>(288,071)</u>	<u>(156,680)</u>	<u>-</u>	<u>(18,850)</u>	<u>(770,088)</u>
Changes in Net Position	769,999	263,539	48,321	70,698	57,909	1,210,466
Net Position, Beginning, Restated	<u>18,242,252</u>	<u>6,984,321</u>	<u>8,696,112</u>	<u>168,589</u>	<u>72,306</u>	<u>34,163,580</u>
Net Position, Ending	<u>\$ 19,012,251</u>	<u>\$ 7,247,860</u>	<u>\$ 8,744,433</u>	<u>\$ 239,287</u>	<u>\$ 130,215</u>	<u>\$ 35,374,046</u>

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Cash Flows From Operating Activities:						
Receipts from customers and users	\$ 1,725,724	\$ 1,374,040	\$ 483,997	\$ 488,337	\$ 469,043	\$ 4,541,141
Payments to suppliers	(593,152)	(596,271)	(144,460)	(590,705)	(430,952)	(2,355,540)
Payments to employees and related benefits	(231,197)	(160,699)	(156,251)	(485,567)	-	(1,033,714)
Deposits received (refunded)	(1,075)	-	-	-	-	(1,075)
Net cash from operating activities	900,300	617,070	183,286	(587,935)	38,091	1,150,812
Cash Flows From Capital and Related Financing Activities:						
Purchase of property and equipment	(5,924)	(49,033)	(52,935)	(43,568)	-	(151,460)
Proceeds from issuance of debt	-	-	-	7,149,522	-	7,149,522
Payment to refunded bond escrow agent	-	-	-	(7,030,000)	-	(7,030,000)
Receipt of impact fees	76,808	280,251	86,702	-	-	443,761
Principal paid on bonds and capital lease	(167,998)	(236,779)	(63,930)	(449,000)	-	(917,707)
Interest paid on bonds and capital lease	(107,434)	(65,927)	(15,463)	(360,588)	-	(549,412)
Net cash from capital and related financing activities	(204,548)	(71,488)	(45,626)	(733,634)	-	(1,055,296)
Cash Flows From Non-Capital Financing Activities:						
Cash subsidy from federal grants	-	-	-	5,835	-	5,835
Payments on long-term pension obligation	(9,509)	(7,018)	(6,708)	(5,476)	-	(28,711)
Payments from (to) other funds on loans	700,000	975,996	25,719	(138,206)	(3,596)	1,559,913
Payments received on notes from residents	-	-	-	-	25,520	25,520
Principal paid on notes for residential connections	-	-	-	-	(25,520)	(25,520)
Transfers from (to) other funds	(306,487)	(288,071)	(156,680)	1,116,810	(18,850)	346,722
Net cash from non-capital financing activities	\$ 384,004	\$ 680,907	\$ (137,669)	\$ 978,963	\$ (22,446)	\$ 1,883,759

The notes to the basic financial statements are an integral part of this statement.

LINDON CITY CORPORATION
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Cash Flows From Investing Activity:						
Interest on investments	\$ 553	\$ 306	\$ -	\$ 100	\$ -	\$ 959
Net cash from investing activity	<u>553</u>	<u>306</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>959</u>
Net Increase (Decrease) In Cash	1,080,309	1,226,795	(9)	(342,506)	15,645	1,980,234
Cash and Cash Equivalents At Beginning of Year	<u>873,773</u>	<u>212,278</u>	<u>3,303</u>	<u>658,214</u>	<u>64,848</u>	<u>1,812,416</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,954,082</u>	<u>\$ 1,439,073</u>	<u>\$ 3,294</u>	<u>\$ 315,708</u>	<u>\$ 80,493</u>	<u>\$ 3,792,650</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	\$ 539,778	\$ 158,763	\$ (131,451)	\$ (690,656)	\$ 38,529	\$ (85,037)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	318,973	465,030	299,503	276,368	-	1,359,874
(Increase) Decrease in accounts receivables	(2,263)	(25,844)	(5,127)	(10,436)	(815)	(44,485)
(Increase) Decrease in prepaid assets	-	-	-	2,297	-	2,297
Increase (Decrease) in accounts payable	34,454	20,644	19,399	(169,674)	377	(94,800)
Increase (Decrease) in accrued liabilities	1,797	1,082	196	10,516	-	13,591
Increase (Decrease) in compensated absences	8,636	(2,605)	766	(398)	-	6,399
Increase (Decrease) in deferred revenue	-	-	-	(5,952)	-	(5,952)
Increase (Decrease) in deposits	(1,075)	-	-	-	-	(1,075)
Net cash from operating activities	<u>\$ 900,300</u>	<u>\$ 617,070</u>	<u>\$ 183,286</u>	<u>\$ (587,935)</u>	<u>\$ 38,091</u>	<u>\$ 1,150,812</u>
Noncash investing, capital, and financing activities:						
Contributions from developers	\$ 562,216	\$ 178,217	\$ 270,001	\$ -	\$ 38,230	\$ 1,048,664
Increase to UIA notes payable and receivable	-	-	-	-	39,300	\$ 39,300

The notes to the basic financial statements are an integral part of this statement.

**LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Lindon City Corporation (the City) was incorporated in March of 1924, under the provisions of the Utah State Code. Lindon City Corporation is a political subdivision of the State of Utah. The City operates under a six member council form of government and provides services authorized by its charter, including public safety, (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services. Some of these services are provided under contract with other entities.

B. Reporting Entity

The accompanying financial statements present the financial position of the various fund types, the results of operations of the various fund types and the cash flows of the proprietary funds. The financial statements are presented as of and for the fiscal year ended June 30, 2015.

For financial reporting purposes, Lindon City Corporation has included all funds, and component units. The City has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria in GASB Statement No. 14 to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose financial burdens on the City.

As required by generally accepted accounting principles, this report presents the financial information of both Lindon City Corporation (the primary government) and its component units. The component units are included in the City's reporting entity because of the significance of the component unit's operational or financial relationships with the City.

Component Units

These component units are entities, which are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. They have the same governing board and provide services almost entirely to Lindon City. They are reported as funds of the City. These organizations for which Lindon City is financially accountable, and the relationship with Lindon City is significant enough that exclusion would possibly lead to misleading or incomplete financial statements. To obtain separate individual component unit financial statements please send requests to Lindon City, c/o the City Administrator, 100 North State Street, Lindon, Utah 84042.

Lindon City Redevelopment Agency. The Agency was established for the purpose of aiding and cooperating in the planning, undertaking, construction, or operation of redevelopment and economic development projects within the area in which it is authorized to act. The members of the City Council are also members of the Redevelopment Agency's Board of Directors and, as such, are authorized to transact the business and exercise their power to plan, engineer, and carry out projects of the Redevelopment Agency. The Agency is reported as a special revenue fund.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general governmental services, public safety, highways and streets, planning and engineering, parks, and redevelopment are classified as governmental activities. The City's water, waste water, storm water, recreation, waste collection, and telecommunication funds are classified as business-type activities.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its blended component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they became available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The financial resources used to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than expenditures in the government-wide financial statements.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (generally within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when the City receives cash.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures or expenses as appropriate.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Redevelopment Agency special revenue fund reports the activities of the Agency as described previously.

The Debt Service fund reports the payments of long term debt.

The government reports the following major proprietary funds:

The Water Fund accounts for the activities of the city's water utility and water distribution system.

The Waste Water Fund accounts for the activities of the city's sewer utility.

The Storm Water Fund accounts for the activities of the city's storm drain utility.

The Recreation Fund accounts for the activities at the city's swimming pool and community center.

Additionally, the City reports the following non-major funds:

The Parks, Arts, Recreation, and Culture (P.A.R.C.) Tax special revenue fund records the receipts and use of tax the P.A.R.C. tax.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Capital Projects Fund accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government.

The Waste Collection Fund (an enterprise fund) accounts for the service fees and expenses associated with garbage collection in the City.

The Telecommunications Fund (an enterprise fund) accounts for the receivables and associated debt and the collections on those receivables for resident connections to the Utah Infrastructure Agency fiber optic network.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the City's internal service funds are charges to customers. Operating expenses for enterprise funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

E. Assets, Liabilities, and Net Position

1. Deposits and Investments

Cash and cash equivalents consists of amounts in demand and certificates of deposit and all highly liquid investments maturing within three months. Cash balances are invested to the extent available. Investments are held in Utah Public Treasurers' Investment Fund (PTIF). Investments are stated at cost.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

3. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

All trade receivables are shown net of an allowance for uncollectible. The allowance for doubtful accounts for all funds is \$6,400 and is concentrated in the enterprise funds.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position (Continued)

4. Restricted Assets

Cash and investments are often restricted to a particular use due to statutory, budgetary or legal requirements and are therefore classified as “restricted” on the City’s balance sheets. When both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

5. Capital Assets

Capital assets, which include property, land, buildings, water/sewer/storm systems, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000. Purchased or constructed assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

<u>Assets</u>	<u>Years</u>
Buildings	20 to 40
Infrastructure	20 to 40
Water distribution system	25 to 50
Waste water collection system	3 to 10
Storm water drainage system	5 to 10
Improvements other than buildings	5 to 20
Machinery and equipment	5 to 10
Vehicles	5

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

6. Unearned Revenue

Unearned revenue arises when resources are received by the City before it has earned them, as when grant monies or donations are received prior to the incurrence of qualifying expenditures. In subsequent periods when the City has earned the resources, the revenue is recognized.

7. Deposits

Developer and customer deposits are principally deposits from developers that are held by the City until building projects and developments receive the required City inspections and are in compliance with all City ordinances.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position (Continued)

8. Compensated Absences

Accumulated vacation leave that is due and payable at year-end is reported as an expenditure and a fund liability for governmental funds. Amounts of accumulated vacation leave that are not reported as a current period expenditure in the governmental funds are reported on the government-wide financial statements as a noncurrent liability. Accumulated vacation in business-type funds is recorded as an expense and a liability as employees earn these benefits. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulated rights to receive sick pay benefits.

9. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize other financing sources or uses for bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

10. Pensions

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

11. Deferred Outflows and Deferred Inflows of Resources

The statement of net position reports a separate section from assets for deferred outflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred charges on bond refundings and deferred outflows of resources relating to pensions. In addition, the statement of net position reports a separate section from liabilities for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources relating to pensions and for property taxes received in future periods.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, and Net Position (Continued)

12. Fund Balances

In the fund financial statements, governmental funds report classifications of fund balances based on a hierarchy that shows the level or form of constraints on fund balance resources, and the extent to which the City is bound to honor those constraints. Fund balance classifications are:

Nonspendable – includes fund balance amounts that cannot be spent because they are either a) not in spendable form, or b) legally or contractually required to be maintained intact. Fund balances related to inventory, long term portions of notes receivable and prepaid expenditures are classified as nonspendable.

Restricted – includes fund balance amounts that are subject to external constraints that have been placed on the use of the resources imposed by either a) creditors, grantors, contributors, or laws and regulations of other governments, or b) law through constitutional provisions or enabling legislation. Restricted fund balances include unspent tax revenues for specific purposes.

Committed – the portion of unrestricted fund balance that can only be used for specific purposes as established by formal action of the Mayor and City Council. Fund balance commitments can only be removed or changed by the same action of the mayor and city council. Committed resources also include any contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – the portion of unrestricted fund balance that the City intends to be used for a specific purpose but are neither restricted nor committed. These are established by the City Council. It includes all remaining positive fund balance amounts that are reported in governmental funds, other than the General Fund, which have specific purposes and that are not classified as one of the previous classifications.

Unassigned – remaining unrestricted funds in excess of other categories in the General Fund and any residual deficits in any fund.

F. Taxes

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, state law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Utah County.

Taxes are levied as of January 1 and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bears interest from January 1 until paid. Tax liens are placed on a property on January 1 following the due date of unpaid taxes. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Taxes (Continued)

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. Franchise taxes are collected by telephone, mobile phone, natural gas, electric utilities, and cable television companies and remitted to the City periodically.

G. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year, beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Special Revenue Funds and Enterprise Funds. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. 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 at the department level. Each department head is responsible to the Mayor and City Council for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of General Fund balance until unrestricted fund balance (the total of committed, assigned, and unassigned fund balance) exceeds 5% of the General Fund revenues. Additionally, unrestricted fund balance is limited to 25% of the current year revenues not including any appropriations of fund balance. The City follows these procedures in accordance with Utah Code in establishing the budgetary data reflected in the financial statements:

- The City prepares its budgets on a GAAP basis.
- On or before the first regularly scheduled meeting of the Mayor and City Council in May, the finance director prepares a tentative budget for the ensuing fiscal year.
- The tentative budget as adopted by the Mayor and City Council is then made available to the public for inspection for a period of at least ten days prior to the adoption of the final budget.
- Prior to June 22, the budget is legally enacted through passage of a resolution.
- The City Council approves, by resolution, total budget appropriations only. The finance director is authorized to transfer any unexpended appropriation balances from one expenditure account to another within departments during the budget year. The originally adopted budget may be amended during the year. The City Council by resolution may transfer any unexpended appropriation balance from one department to another within the same fund. In order to increase expenditures in any fund the City must hold a public hearing in addition to passing a resolution.
- Unused appropriations for all annually budgeted funds lapse at the end of the fiscal year on June 30.
- Unused capital project fund appropriations are carried into the subsequent fiscal year.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 – DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost, which approximate fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" which also includes cash accounts that are separately held by several of the City's funds.

Deposits – Utah State law requires that City funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

Investments – The City's investment policies are governed by State statutes. The City follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions. The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. 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 operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasures' Office.

Deposits - Custodial Credit Risk – 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 that deposits be in a qualified depository whose deposits are insured by an agency of the 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. The deposits for the City at June 30, 2015 were \$4,369,599. Of these, \$3,869,599 were exposed to custodial credit risk because they were uninsured and uncollateralized.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments – Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, interest rate risk is managed by compliance to the Utah Money Management Act which provides guidance for handling depository and investing transactions in order to minimize interest rate risk. The City’s weighted average maturity for investments as of June 30, 2015 was less than one year.

Investments – Credit Risk – The City follows the requirements of the Utah Money Management Act (Section 51, Chapter 7 of the Utah Code) in handling its depository and investing transactions. City funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the City to invest in the Utah Public Treasurer’s Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. Agency Issues, high-grade commercial paper, bankers’ acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah. The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The City has no other investment policy that would further limit its investment choices.

Investments - Custodial Credit Risk – 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. The City does not have a formal policy for custodial credit risk.

As of June 30, 2015, the City had the following deposits and investments:

	Fair Value	Carrying Amount	Credit Rating (1)	Weighted Average Years to Maturity (2)
Cash on Deposit	\$ 4,428,970	\$ 4,428,970	N/A	N/A
Cash on Hand	2,700	2,700		
Total cash on hand and deposit	<u>\$ 4,431,670</u>	<u>\$ 4,431,670</u>		
Investments (3):				
Utah State Treasurer's Investment Pool	\$ 3,431,402	\$ 3,414,465	N/A	NA
Total investments	<u>\$ 3,431,402</u>	<u>\$ 3,414,465</u>		
Total cash and cash equivalents	<u>\$ 7,863,072</u>	<u>\$ 7,846,135</u>		
Portfolio weighted average maturity				N/A

(1) Ratings are provided where applicable to indicate associated **Credit Risk**. N/A indicates not applicable.

(2) **Interest Rate Risk** is estimated using the weighted average days to maturity.

(3) All investments are considered cash equivalents on the financial statements.

NOTE 4 – NOTES RECEIVABLE

Notes receivable consist of many individual notes with residents who have financed installation of fiber optic lines to their home from Utah Infrastructure Agency (UIA). Notes between the residents and the City were signed simultaneously with notes between the City and UIA. The notes receivable from the residents and the notes payable to UIA were both \$428,927 at June 30, 2015.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from Other Funds

Loans made between funds are reflected as "due to" or "due from" on the respective funds' Balance Sheet (governmental funds) and/or Statement of Net Position (business-type funds). As of June 30, 2015 due to and due from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activities		
General Fund	\$ 815,943	\$ -
Debt Service	-	24,943
Business-type Activities		
Storm Water	-	334,863
Recreation	-	455,116
Non major business-type funds	-	1,021
	<u>\$ 815,943</u>	<u>\$ 815,943</u>

All loans are either payable or receivable to the General Fund. The above amounts will be repaid by the respective funds.

Transfers Between Funds

The City's interfund transfers for the year ended June 30, 2015 were:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
General Fund	\$ 917,788	\$ 1,665,390
Redevelopment Agency	-	753,375
Debt Service	1,240,748	-
Non major governmental funds	-	86,493
Business-type Activities		
Water	-	306,487
Waste Water	-	288,071
Storm Water	-	156,680
Recreation	1,116,810	-
Non major business-type funds	-	18,850
	<u>\$ 3,275,346</u>	<u>\$ 3,275,346</u>

The City's interfund transfers are the result of the allocation of administrative costs from the general fund to the other funds, subsidies for other general fund services, and transfers to the Debt Service fund to meet debt service obligations.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 6,034,419	\$ -	\$ (49,927)	\$ 5,984,492
Construction in progress	287,717	24,741	(40,838)	271,620
Total capital assets, not being depreciated	<u>6,322,136</u>	<u>24,741</u>	<u>(90,765)</u>	<u>6,256,112</u>
Capital assets, being depreciated:				
Buildings	3,522,731	-	-	3,522,731
Infrastructure	33,479,459	350,910	(3,808,328)	30,022,041
Improvements other than buildings	5,294,253	1,103,704	-	6,397,957
Machinery and equipment	1,595,011	-	-	1,595,011
Vehicles	920,150	480,520	(428,029)	972,641
Total capital assets, being depreciated	<u>44,811,604</u>	<u>1,935,134</u>	<u>(4,236,357)</u>	<u>42,510,381</u>
Less accumulated depreciation for:				
Buildings	(976,438)	(90,487)	-	(1,066,925)
Infrastructure	(17,821,974)	(1,147,039)	1,743,417	(17,225,596)
Improvements other than buildings	(1,516,654)	(245,692)	-	(1,762,346)
Machinery and equipment	(1,398,454)	(42,249)	-	(1,440,703)
Vehicles	(534,980)	(114,693)	187,160	(462,513)
Total accumulated depreciation	<u>(22,248,500)</u>	<u>(1,640,160)</u>	<u>1,930,577</u>	<u>(21,958,083)</u>
Total capital assets being depreciated, net	<u>22,563,104</u>	<u>294,974</u>	<u>(2,305,780)</u>	<u>20,552,298</u>
Governmental Activities capital assets, net	<u>\$ 28,885,240</u>	<u>\$ 319,715</u>	<u>\$ (2,396,545)</u>	<u>\$ 26,808,410</u>

Depreciation expense was charged to functions/programs for the year ended June 30, 2015 is as follows:

Governmental Activities:	
General government	\$ 71,433
Public safety	127,193
Highways and public improvements	1,205,961
Parks and recreation	<u>235,573</u>
Total depreciation expense - governmental activities	<u>\$ 1,640,160</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,359,243	\$ -	\$ -	\$ 1,359,243
Water Stock	10,130,906	270,743	-	10,401,649
Construction in progress	3,991	5,924	(3,991)	5,924
	<u>11,494,140</u>	<u>276,667</u>	<u>(3,991)</u>	<u>11,766,816</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	10,376,893	-	-	10,376,893
Telecom Infrastructure	-	38,230	-	38,230
Water system	15,044,614	291,473	-	15,336,087
Waste water system	13,546,348	221,503	-	13,767,851
Storm water system	11,439,714	326,927	-	11,766,641
Equipment	1,063,290	49,315	-	1,112,605
Vehicles	308,587	-	-	308,587
	<u>51,779,446</u>	<u>927,448</u>	<u>-</u>	<u>52,706,894</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(1,297,937)	(259,422)	-	(1,557,359)
Telecom Infrastructure	-	-	-	-
Water system	(5,639,680)	(316,636)	-	(5,956,316)
Waste water system	(3,222,351)	(462,240)	-	(3,684,591)
Storm water system	(2,902,279)	(260,521)	-	(3,162,800)
Equipment	(753,888)	(44,970)	-	(798,858)
Vehicles	(240,907)	(16,085)	-	(256,992)
	<u>(14,057,042)</u>	<u>(1,359,874)</u>	<u>-</u>	<u>(15,416,916)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net				
	<u>37,722,404</u>	<u>(432,426)</u>	<u>-</u>	<u>37,289,978</u>
Business-type Activities capital assets, net				
	<u>\$ 49,216,544</u>	<u>\$ (155,759)</u>	<u>\$ (3,991)</u>	<u>\$ 49,056,794</u>

Depreciation expense was charged to functions/programs for the year ended June 30, 2015 is as follows:

Business-type Activities	
Water	\$ 318,973
Waste water	465,030
Storm water	299,503
Recreation	276,368
	<u>1,359,874</u>
Total depreciation expense - business-type activities	<u>\$ 1,359,874</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 – DEFERRED INFLOWS OF RESOURCES – PROPERTY TAXES

In conjunction with GASB pronouncement 33, “Accounting and Financial Reporting for Nonexchange Transactions” the City has accrued property tax receivable and a deferred property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$1,638,935 and \$120,312, respectively.

NOTE 8 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the June 30, 2015:

	<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
Bonds payable:					
Revenue bonds payable	\$ 2,465,196	\$ -	\$ (722,813)	\$ 1,742,383	\$ 146,593
Total bonds payable	<u>2,465,196</u>	<u>-</u>	<u>(722,813)</u>	<u>1,742,383</u>	<u>146,593</u>
Notes payable and capital leases:					
Notes payable	80,000		(10,000)	70,000	10,000
Capital leases	326,838	480,520	(378,790)	428,568	109,155
Total notes payable and capital leases	<u>406,838</u>	<u>480,520</u>	<u>(388,790)</u>	<u>498,568</u>	<u>119,155</u>
Other liabilities:					
Compensated absences	150,499	122,527	(113,002)	160,024	110,779
Total other liabilities	<u>150,499</u>	<u>122,527</u>	<u>(113,002)</u>	<u>160,024</u>	<u>110,779</u>
Total Governmental activities long-term liabilities	<u>3,022,533</u>	<u>603,047</u>	<u>(1,224,605)</u>	<u>2,400,975</u>	<u>376,527</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	14,767,807	7,470,000	(7,719,832)	14,517,975	669,095
Plus: unamortized premiums	53,790	612,841	(66,566)	600,065	-
Total bonds payable	<u>14,821,597</u>	<u>8,082,841</u>	<u>(7,786,398)</u>	<u>15,118,040</u>	<u>669,095</u>
Notes payable and capital leases:					
Notes payable	2,410,833	39,300	(136,298)	2,313,835	129,630
Capital leases	359,769	-	(117,097)	242,672	120,890
Total notes payable and capital leases	<u>2,770,602</u>	<u>39,300</u>	<u>(253,395)</u>	<u>2,556,507</u>	<u>250,520</u>
Other liabilities:					
Compensated absences	64,951	32,008	(25,608)	71,351	58,511
Total other liabilities	<u>64,951</u>	<u>32,008</u>	<u>(25,608)</u>	<u>71,351</u>	<u>58,511</u>
Total Business-type activities long-term liabilities	<u>17,657,150</u>	<u>8,154,149</u>	<u>(8,065,401)</u>	<u>17,745,898</u>	<u>978,126</u>
Total long-term Liabilities	<u>\$ 20,679,683</u>	<u>\$ 8,757,196</u>	<u>\$ (9,290,006)</u>	<u>\$ 20,146,873</u>	<u>\$ 1,354,653</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Long-term debt at June 30, 2015 consists of the following:

GOVERNMENTAL ACTIVITIES

Revenue Bonds

The Sales Tax Revenue Bonds Series 2005 was issued for \$3,700,000 with interest at 3.75%. Debt service payments are made annually beginning December 2005 with the final payment due June 2025. The liability is split between Governmental and Proprietary funds in order to help finance the road, water and storm drain improvements of 700 North west of Geneva Road. The debt service is paid from sales tax revenues of the City.

\$ 1,742,383

Total Revenue Bonds - Governmental Activities

\$ 1,742,383

Notes Payable

The 2013 PRWUA Note Payable consisted of \$100,000 in debt issued for the purchase of Lindon View Park property. Debt service payments are made annually with interest at 0% from park impact fee revenues.

\$ 70,000

Total Notes Payable - Governmental Activities

\$ 70,000

Capital Leases

2014 Police Vehicle Lease was issued for original amount of \$73,436, with lease payments due in annual installments ranging from \$12,598 to \$16,931 including interest at 1.6% beginning March 2014, with the final payment due March 2018. The principal and interest payments are made from the General Fund revenues. The lease was used to finance police vehicles and replaced a prior police vehicle lease for vehicles that were traded in. Payments will be funded by the General Fund revenues.

\$ 49,213

2014 Police Vehicle Lease was issued for original amount of \$480,520, with lease payments due in annual installments of \$101,166 including interest at 2.15% beginning December 2014, with the final payment due December 2018. The principal and interest payments are made from the General Fund revenues. The lease was used to finance police vehicles and replaced a prior police vehicle lease for vehicles that were traded in. Payments will be funded by the General Fund revenues.

379,355

Total Capital Leases - Governmental Activities

\$ 428,568

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES

Revenue Bonds

The Water Revenue Bonds, Series 2006, were issued for \$256,000 with interest at 5.0%. The bonds were issued to finance replacement of the waterline along 400 North Street. Debt service payments are made annually beginning September 2006 with the final payment due September 2016. Debt service payments are made from the revenues of the Water fund. \$ 61,645

The City entered into an agreement with the Central Utah Water Conservancy District (CUWCD), Central Utah Project (CUP), in August of 1997 for rights to 1,425 acre feet of water per year for 50 years starting in 1998. In January 2000, Lindon City received a grant of \$1,899,011 from CUWCD. As part of the terms of the grant, the City gave back rights to 500 acre feet, leaving the City with rights to 925 acre feet per year. Lindon City had deferred payments for 10 years. Debt service payments are made annually with interest at 3.222% beginning February 2008 with the final payment due February 2047. Debt service payments are made from the revenues of the Water fund. 2,817,712

The Sales Tax Revenue Bonds, Series 2005, were issued for \$3,700,000 with interest at 3.75%. Debt service payments are made annually beginning December 2005 with the final payment due June 2025. The liability is split between Governmental and Proprietary funds in order to help finance the road, water and storm water improvements of 700 North west of Geneva Road. The debt service is paid from sales tax revenues of the City. 444,618

The Sales Tax Revenue Bonds, Series 2008, were issued in the amount of \$9,565,000 with coupon rates between 3.75% and 5.0%. Debt service is due in semi-annual installments beginning in July 2009 with the final payment due July 2033. Payments after July 2018 were refunded in advance using the proceeds of the Sales Tax Revenue Bonds, Series 2015. The principal portion refunded in advance and still outstanding as of the end of this fiscal year is \$7,030,000. Proceeds from the Series 2015 bond remain in escrow until the Series 2008 bonds can be called and refunded. This bond was issued to pay for the Aquatics Center. Debt service payments are made from sales tax revenues of the City. 1,210,000

The Waste Water Revenue Bonds Series 2011 consisted of \$3,000,000 with interest at 2.5%. The bonds were issued to finance additions and improvements to the waste water system. Debt service payments are made annually beginning July 2011 with the final payment due July 2031. Debt service payments are expected to be made from the Waster Water fund revenues. 2,514,000

The Sales Tax Revenue Refunding Bonds, Series 2015, were issued in the amount of \$7,470,000 with coupon rates between 2.0 and 4.0%. Debt service is due in semi-annual installments beginning July 2015 with the final payment due July 2033. This bond was issued to partially refund in advance the Sales Tax Revenue Bonds, Series 2008, which were originally issued to pay for the Aquatics Center. The total debt service refunded in advance was anticipated to be \$12,550,133, and total debt service for the new debt is \$12,065,423. The present value of debt service savings from the advance refunding is \$367,063. Debt service payments are expected to be made from the sales tax revenues of the City. 7,470,000

Total Revenue Bonds - Business-type Activities	\$ 14,517,975
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LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Notes Payable

The 2010 Orem Sewer Expansion Note Payable consisted of \$2,217,241 principal with interest at 0%. The debt was issued to finance construction to increase waste water discharge capacity related to the expansion of the City of Orem's Water Reclamation Facility, with which the City contracts to process its waste water. Debt service payments are made annually beginning February 2013 with the final payment due February 2032. Debt service payments are made from the revenues of the Waster Water fund.

\$ 1,884,907

The UIA Notes Payable consists of \$428,928 of debt payable to UIA for hookup costs of Lindon City residents to the fiber optic network, payable in monthly installments of \$25-\$30 over 10 or 20 years with interest between 6-8%. The City has recorded notes receivable from the Lindon City residents in the same amount. \$39,300 of new notes were added during the year under the same terms. The last note comes due in April 2035. The amounts payable to UIA are paid by Lindon City residents.

428,928

Total Notes Payable - Business-type Activities

\$ 2,313,835

Capital Leases

2011 Water Meter Lease was issued for original amount of \$385,075, with lease payments due in annual installments totaling \$85,287 including interest at 3.5% with payments beginning July 2011, with the final payment due July 2015. The principal and interest payments are made from the Water fund revenues.

\$ 82,403

2014 Street Sweeper Lease was issued for original amount of \$197,750, with lease payments due in annual installments totaling \$42,798 including interest at 2.69% with payments beginning August 2014, with the final payment due August 2018. The principal and interest payments are made from the Storm Water fund revenues.

160,269

Total Capital Leases - Business-type Activities

\$ 242,672

The annual debt service requirements to maturity, both principal and interest, for long-term debt is as follows:

Year Ending June 30,	Governmental Activities	
	Revenue Bonds	
	Principal	Interest
2016	\$ 146,593	\$ 65,339
2017	152,170	59,842
2018	157,747	54,136
2019	164,120	48,221
2020	170,494	42,066
2021-2025	951,259	109,618
Total	<u>\$ 1,742,383</u>	<u>\$ 379,221</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Year Ending June 30,	Governmental Activities Notes Payable	
	Principal	Interest
2016	\$ 10,000	\$ -
2017	10,000	-
2018	10,000	-
2019	10,000	-
2020	10,000	-
2021-2022	20,000	-
Total	<u>\$ 70,000</u>	<u>\$ -</u>

Year Ending June 30,	Governmental Activities Capital Leases
2016	\$ 121,581
2017	118,144
2018	116,247
2019	99,582
Total minimum lease payments	455,554
Less: amount representing interest	<u>(26,986)</u>
Present value of net minimum lease payments	<u>\$ 428,568</u>

Year Ending June 30,	Business-type Activities Revenue Bonds	
	Principal	Interest
2016	\$ 669,095	\$ 396,040
2017	591,685	469,624
2018	581,251	448,946
2019	598,649	429,065
2020	620,104	405,215
2021-2025	3,376,298	1,745,159
2026-2030	3,699,980	1,146,740
2031-2035	2,981,926	466,819
2036-2040	519,031	192,989
2041-2045	608,211	103,809
2046-2047	271,745	13,205
	14,517,975	<u>\$ 5,817,611</u>
Plus: unamortized premium	<u>600,065</u>	
Total revenues bonds	<u>\$ 15,118,040</u>	

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Year Ending June 30,	Business-type Activities	
	Notes Payable	
	Principal	Interest
2016	\$ 129,630	\$ 32,028
2017	131,006	30,652
2018	132,484	29,174
2019	134,073	27,585
2020	135,780	25,878
2021-2025	676,119	101,766
2026-2030	685,619	55,207
2031-2034	289,124	8,177
	<u>\$ 2,313,835</u>	<u>\$ 310,467</u>

Year Ending June 30,	Business-type
	Activities
	Capital Leases
2016	\$ 128,085
2017	42,798
2018	42,798
2019	42,796
Total minimum lease payments	256,477
Less: amount representing interest	(13,805)
Present value of net minimum lease payments	<u>\$ 242,672</u>

Assets acquired by capital lease for the year ended June 30, 2015, are as follows:

	Governmental
	Activities
Asset:	
Vehicles	\$ 553,956
Less: accumulated depreciation	(68,722)
Total	<u>\$ 485,234</u>
	Business-Type
	Activities
Asset:	
Water Meters	\$ 385,078
Less: accumulated depreciation	(38,476)
Total	<u>\$ 346,602</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Pledges of future revenues

The City has pledged various revenues as part of debts issued by the City. Information concerning the pledge revenues, by type, is shown below for the year ended June 30, 2015:

	<u>Sales Taxes</u>	<u>Water Revenues</u>	<u>Sewer Revenues</u>
Total future revenues pledged over the life of the debts	\$ 14,752,614	\$ 4,623,376	\$ 3,081,200
Revenues for the year ended June 30, 2015	\$ 3,467,260	\$ 1,727,987	\$ 1,399,884
Payments on debt from pledged revenues for the year ended June 30, 2015	\$ 927,268	\$ 175,557	\$ 192,075
Percent of current year revenues to total pledged revenues	24%	37%	45%

Conduit Debt

Lindon City has issued two industrial development revenue bonds. These limited-obligation bonds are for the express purpose of providing capital financing for the third parties listed below. Although conduit debt obligations bear the name of Lindon City, the City has no obligation for the debt. The debt service payments are made monthly by the borrower directly to the lender.

Mountain States Project Mountain States Steel borrowed \$1,500,000 at an interest rate of 5.07% on May 1, 2008 to fund purchase of equipment. The amount of principal outstanding as of June 30, 2015 based on the amortization schedule is \$166,814. These bonds mature on February 1, 2016.

Interstate Gratings Project West Ridge Investments borrowed \$3,500,000 at an interest rate of 4.75% on December 19, 2008 to fund the acquisition, construction and equipment of property. The amount of principal outstanding as of June 30, 2015 based on the amortization schedule is \$2,692,833. These bonds mature on December 10, 2018.

NOTE 9 – PENSION PLANS

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.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple-employer, cost sharing, public employee retirement system.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

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

Benefits Provided

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

Summary of Benefits by System

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

* With actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except 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 no met may be carried forward to subsequent years.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Contributions

As a condition of participation in the Systems, 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 are as follows:

Utah Retirement Systems	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
Contributory System			
111 - Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43 - Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122 - Other Division A Contributory Tier 2	N/A	N/A	23.550%

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

At December 31, 2014, we reported a net pension asset of \$851 and a net pension liability of \$1,446,315.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	0.1806246%	\$ -	\$ 784,314
Public Safety System	0.5264068%	-	662,000
Tier 2 Public Employees System	0.2809760%	850	-
Total Net Pension Asset / Liability		<u>\$ 850</u>	<u>\$ 1,446,314</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

For the year ended December 31, 2014, we recognized pension expense of \$385,323. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 90,233
Changes in assumptions	-	165,585
Net difference between projected and actual earnings on pension plan	33,620	-
Changes in proportion and differences between contributions and	-	-
Contributions subsequent to the measurement date	297,677	-
Total	\$ 331,297	\$ 255,818

The \$297,676 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. 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 December 31,	Deferred Outflows (inflows) of Resources
2015	\$ (61,868)
2016	(61,868)
2017	(61,868)
2018	(35,664)
2019	(149)
Thereafter	(782)

Actuarial Assumptions

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table.

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the 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. 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:

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real Assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
		Inflation	2.75%
		Expected arithmetic nominal return	7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. 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.

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 7.50 percent as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of			
Net pension (asset) / liability	\$ 3,567,475	\$ 1,445,464	\$ (301,785)

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

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 10 – DEFERRED COMPENSATION PLANS

The City sponsors a defined contribution deferred compensation plan administered by Utah Retirement Systems under the Internal Revenue Code Section 401(k). All full-time regular employees are eligible to participate in this plan. Although not required by the Systems to contribute to the 401(k), the City contributed 4.5% of salaries through December 31, 2015 and 1.5% plus up to a 1.5% match beginning January 1, 2015. The rate of City participation is determined by the City Council.

The City sponsors a defined contribution deferred compensation plan administered by Utah Retirement Systems under the Internal Revenue Code Section 457. All full-time regular employees are eligible to participate in this plan.

The City sponsors a Roth Individual Retirement Account (Roth IRA) deferred compensation plan administered by Utah Retirement Systems. All full-time regular employees are eligible to participate in this plan.

The following illustrates the three year trend analysis of employer and employee contributions to the Utah Retirement System for deferred compensation plans:

<u>System</u>	<u>Year Ended</u> <u>June 30,</u>	<u>Employee paid</u> <u>Contributions</u>	<u>Employer paid</u> <u>Contributions*</u>
Defined Contribution System:			
457 Plan	2015	\$ 53,525	\$ -
	2014	50,597	-
	2013	51,698	-
401(k) Plan	2015	113,059	150,653
	2014	118,447	140,224
	2013	140,225	129,433
Roth IRA Plan	2015	13,752	-
	2014	12,857	-
	2013	9,015	-

* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 – REDEVELOPMENT AGENCY

For the year ended June 30, 2015, the following activity occurred in the Lindon City Redevelopment Agency:

Tax increment collected from taxing agencies for project areas as follows:

State Street	\$ 213,798
District #3	839,304
	<hr/>
Total tax increment collected	<u>\$ 1,053,102</u>

Amounts expended for:

Site improvements and preparation costs	\$ 24,741
Administrative costs	178,470
Tax increment paid to other entities	269,841
Transfers out for debt service	605,675
	<hr/>
Total amounts expended by RDA	<u>\$ 1,078,727</u>

Outstanding bonds and loans to finance RDA projects	<u>\$ -</u>
---	-------------

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The City contracted with construction companies during the year for various projects. However, at year end, the City did not have any significant commitments or construction contracts remaining.

NOTE 13 – INTERLOCAL AGREEMENTS

The City is one of 11 founding members of the Utah Telecommunications Open Infrastructure Agency (UTOPIA), an interlocal cooperative agreement organized under the laws of the State of Utah. UTOPIA was created to design, finance, build, operate, and maintain an open, wholesale, public and telecommunication infrastructure that delivers high-speed connections to every home and business in the member communities. UTOPIA issues annual audited financial statements which are available either from UTOPIA or the Utah State Auditor.

The City is a pledging member who has pledged sales and use tax revenues to partially guarantee payment of UTOPIA's bonds. In return for the pledge, the City will be among the first cities to receive UTOPIA's services. In December 2011, UTOPIA issued an \$185,000,000 revenue refunding bond, which will become due in June 2040. The debt service payments will be made by the 11 pledging members according to their respective percentages up to a specific dollar amount. The City's percentage of the Debt Service Reserve shortfall is 3.08% with a yearly liability limit set at a maximum of \$419,311 for the coming year ended June 30, 2016. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 13 – INTERLOCAL AGREEMENTS (Continued)

The City has made the pledged payments to UTOPIA for debt service beginning in fiscal year 2010. Pledge payments made during the year ended June 30, 2015 totaled \$411,089. The aggregate amount of pledges paid to UTOPIA totals \$2,106,223 as of June 30, 2015. This amount (plus accrued interest of \$31,747) has been recorded as a note payable by UTOPIA to the City. The City believes that repayment is unlikely and has expensed the amounts as incurred.

The City is also one of eight founding members of the Utah Infrastructure Agency (UIA), an interlocal cooperative agreement organized in July of 2010 under the laws of the State of Utah. Like UTOPIA, UIA was organized to provide for acquisition, construction, and installation of advanced communication lines, improvements, and facilities. The City has pledged franchise tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements, which is that UIA must have revenue equal to the operations and maintenances expenses and the capital costs in a fiscal year. In the event that there is an operations expense (OpEx) shortfall, the City has agreed to lend UIA its franchise tax revenues. The percentage of the City's share of the shortfall pledge is 3.35% with a yearly liability limit set at a maximum of \$172,516. The City has agreed by resolution to loan some funding to UIA to cover a portion of their OpEx shortfall. Pledge payments made for the OpEx shortfall during the years ended June 30, 2015 and 2014 totaled \$0 and \$62,345, respectively. The aggregate amount of OpEx pledges paid to UIA totals \$118,155 as of June 30, 2015. This amount (plus accrued interest of \$837) has been recorded as a note payable by UIA to the City. The City believes that repayment is unlikely and has expensed the amounts as incurred. UIA's annual audited financial statements are available either from UIA or the Utah State Auditor.

NOTE 14 – RISK MANAGEMENT

The City is exposed to various risks of loss including third party claims; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is insured through the Utah Risk Management Mutual Association (URMMA) for liability and claims. The State of Utah Insurance Department regulates URMMA to ensure sound actuarial standards are used. While URMMA pays for any liability and property claims exceeding the deductible amount, these claims are repaid by the City through a five year recapture program. Thus, each year the City pays its annual premium plus a recapture component. There were no settlements in excess of the insurance coverage in any of the three prior years.

Real property is either self-insured or insured through commercial policies. Some vehicles are self-insured (generally those valued at less than \$50,000) while the police fleet and those valued over \$50,000 are typically insured commercially. Where possible and appropriate, in contractual transactions with other persons or entities, responsibility for damages is transferred to the other party or person(s) that perform work for the City.

The City is insured by Utah Local Government Trust for worker's compensation claims. The coverage is \$100,000 per incident with no deductible. No claims exceeded this coverage in any of the three prior years

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

During the year, the City implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. This statement provides improved accounting and financial reporting guidelines for state and local governments for pensions. As required by GASBS 68, the provisions of the standard have been applied retroactively. The effect of the implementation on the major components of the previously issued 2014 financial statements is presented below:

	<u>Total Assets and Deferred Outflows</u>	<u>Total Liabilities and Defereed Inflows</u>	<u>Net Position</u>
GOVERNMENTAL ACTIVITIES			
June 30, 2014, as previously reported	\$ 36,612,763	\$ 6,940,931	\$ 29,671,832
Implementation of GASB 68	<u>223,866</u>	<u>1,558,829</u>	<u>(1,334,963)</u>
June 30, 2014, as restated	<u>\$ 36,836,629</u>	<u>\$ 8,499,760</u>	<u>\$ 28,336,869</u>
BUSINESS-TYPE ACTIVITIES			
June 30, 2014, as previously reported	\$ 52,592,389	\$ 18,190,722	\$ 34,401,667
Implementation of GASB 68	<u>39,926</u>	<u>278,013</u>	<u>(238,087)</u>
June 30, 2014, as restated	<u>\$ 52,632,315</u>	<u>\$ 18,468,735</u>	<u>\$ 34,163,580</u>

NOTE 16 – SUBSEQUENT EVENTS

Lindon City switched from URMMA to Utah Local Governments Trust for liability and property insurance effective July 1, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

LINDON CITY CORPORATION
SCHEDULE OF PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY

December 31, 2014
 Last 10 Fiscal Years *

	Noncontributory System	Public Safety System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	0.1806246%	0.5264068%	0.0280976%
Proportionate share of the net pension liability (asset)	\$ 784,315	\$ 662,000	\$ (851)
Covered employee payroll	\$ 1,539,768	\$ 947,778	\$ 138,033
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.9%	69.8%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.5%	103.5%

** In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the current year.*

LINDON CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS

December 31, 2014
 Last 10 Fiscal Years *

	Noncontributory System	Public Safety System	Tier 2 Public Employees System
Contractually required contribution	\$ 283,891	\$ 259,284	\$ 11,592
Contributions in relation to the contractually required contribution	<u>(283,891)</u>	<u>(259,284)</u>	<u>(11,592)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,539,768	\$ 947,778	\$ 138,033
Contributions as a percentage of covered-employee payroll**	18.44%	27.36%	8.40%

** Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10-years of information. The schedule above is only for the current year.*

*** Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.*

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SUPPLEMENTAL INFORMATION

LINDON CITY CORPORATION
**COMBINING BALANCE SHEET – NON-MAJOR
 GOVERNMENTAL FUNDS**

June 30, 2015

	<u>Special Revenue Fund</u> P.A.R.C. Tax Fund	<u>Capital Projects Fund</u> General Capital Projects	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 7,061	\$ 7,061
Accounts receivable	88,866	-	88,866
Restricted cash and cash equivalents	224,479	541,970	766,449
Total Assets	\$ 313,345	\$ 549,031	\$ 862,376
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 31,289	\$ -	\$ 31,289
Total Liabilities	31,289	-	31,289
Fund Balances:			
Restricted for:			
Impact fees and future development	-	541,970	541,970
P.A.R.C. taxes	224,479	-	224,479
Assigned, reported in:			
P.A.R.C. tax fund	57,577	-	57,577
Capital projects	-	7,061	7,061
Unassigned	-	-	-
Total Fund Balances	282,056	549,031	831,087
Total Liabilities and Fund Balances	\$ 313,345	\$ 549,031	\$ 862,376

LINDON CITY CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NON-MAJOR
GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2015

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	P.A.R.C. Tax Fund	General Capital Projects	
Revenues:			
Impact fees	\$ -	\$ 292,500	\$ 292,500
P.A.R.C. Tax	475,198	-	475,198
Interest	881	2,307	3,188
Total Revenues	476,079	294,807	770,886
Expenditures:			
Current:			
Parks and recreation	227,326	-	227,326
Capital outlay	-	94,266	94,266
Total Expenditures	227,326	94,266	321,592
Excess (Deficiency) of Revenues Over (Under) Expenditures	248,753	200,541	449,294
Other Financing Sources (Uses):			
Transfers out	(76,493)	(10,000)	(86,493)
Total Other Financing Sources (Uses)	(76,493)	(10,000)	(86,493)
Net Change in Fund Balances	172,260	190,541	362,801
Fund Balances, Beginning	109,796	358,490	468,286
Fund Balances, Ending	\$ 282,056	\$ 549,031	\$ 831,087

LINDON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL – MAJOR
GOVERNMENTAL FUND – DEBT SERVICE FUND

For the Fiscal Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Difference from Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	411,089	411,089	411,089	-
Debt service:				
Principal	732,813	732,813	732,813	-
Interest	96,846	96,846	96,846	-
Total Expenditures	<u>1,240,748</u>	<u>1,240,748</u>	<u>1,240,748</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,240,748)</u>	<u>(1,240,748)</u>	<u>(1,240,748)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers in	(1,240,748)	(1,240,748)	1,240,748	2,481,496
Total Other Financing Sources (Uses)	<u>(1,240,748)</u>	<u>(1,240,748)</u>	<u>1,240,748</u>	<u>2,481,496</u>
Net Change in Fund Balances	<u>(2,481,496)</u>	<u>(2,481,496)</u>	<u>-</u>	<u>2,481,496</u>
Fund Balances, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ (2,481,496)</u>	<u>\$ (2,481,496)</u>	<u>\$ -</u>	<u>\$ 2,481,496</u>

LINDON CITY CORPORATION
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACUTAL – NON-MAJOR
 GOVERNMENTAL FUND – P.A.R.C. TAX SPECIAL REVENUE FUND**
 For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
P.A.R.C. Tax	\$ 325,000	\$ 450,000	\$ 475,198	\$ (25,198)
Interest	500	800	881	(81)
Total Revenues	<u>325,500</u>	<u>450,800</u>	<u>476,079</u>	<u>(25,279)</u>
Expenditures:				
Parks and recreation	208,000	260,306	227,326	32,980
Total Expenditures	<u>208,000</u>	<u>260,306</u>	<u>227,326</u>	<u>32,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>117,500</u>	<u>190,494</u>	<u>248,753</u>	<u>(58,259)</u>
Other Financing Sources (Uses):				
Transfers out	(32,925)	(89,925)	(76,493)	(13,432)
Total Other Financing Sources (Uses)	<u>(32,925)</u>	<u>(89,925)</u>	<u>(76,493)</u>	<u>(13,432)</u>
Net Change in Fund Balances	84,575	100,569	172,260	71,691
Fund Balances, Beginning	<u>109,796</u>	<u>109,796</u>	<u>109,796</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 194,371</u>	<u>\$ 210,365</u>	<u>\$ 282,056</u>	<u>\$ 71,691</u>

LINDON CITY CORPORATION
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL – NON-MAJOR
 GOVERNMENTAL FUND – CAPITAL PROJECTS FUND**
 For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Impact Fees	\$ 70,000	\$ 288,000	\$ 292,500	\$ (4,500)
Interest	1,000	1,900	2,307	(407)
Total Revenues	71,000	289,900	294,807	(4,907)
Expenditures:				
Current:				
Parks and recreation	-	-	-	-
Capital outlay	110,000	214,300	94,266	120,034
Total Expenditures	110,000	214,300	94,266	120,034
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,000)	75,600	200,541	115,127
Other Financing Sources (Uses):				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	(10,000)	(10,000)	(10,000)	-
Net Change in Fund Balances	(49,000)	65,600	190,541	115,127
Fund Balances, Beginning	358,490	358,490	358,490	-
Fund Balances, Ending	\$ 309,490	\$ 424,090	\$ 549,031	\$ 115,127

LINDON CITY CORPORATION
COMBINING STATEMENT OF NET POSITION – NON-MAJOR
PROPRIETARY FUNDS

June 30, 2015

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 80,493	\$ -	\$ 80,493
Accounts receivable, net	40,670	4,750	45,420
Total Current Assets	121,163	4,750	125,913
Noncurrent Assets:			
Notes receivable	-	428,927	428,927
Capital assets, net of accumulated depreciation:			
Telecom Infrastructure	-	38,230	38,230
Total Noncurrent Assets	-	467,157	467,157
Total Assets	\$ 121,163	\$ 471,907	\$ 593,070
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 32,907	\$ -	\$ 32,907
Due to other funds	-	1,021	1,021
Current portion of long-term debt	-	18,852	18,852
Total Current Liabilities	32,907	19,873	52,780
Noncurrent Liability			
Long-term debt, net of current portion	-	410,075	410,075
Total Noncurrent Liability	-	410,075	410,075
Total Liabilities	32,907	429,948	462,855
Net Position:			
Net investment in capital assets	-	38,230	38,230
Unrestricted	88,256	3,729	91,985
Total Net Position	88,256	41,959	130,215
Total Liabilities and Net Position	\$ 121,163	\$ 471,907	\$ 593,070

LINDON CITY CORPORATION
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION – NON-MAJOR PROPRIETARY FUNDS**
 For the Fiscal Year Ended June 30, 2015

	<u>Business-type Activities - Enterprise Funds</u>		<u>Total Nonmajor Proprietary Funds</u>
	<u>Waste Collection Fund</u>	<u>Telecommunications Fund</u>	
Operating Revenues:			
Service fees	\$ 420,807	\$ 49,051	\$ 469,858
Total Operating Revenues	<u>420,807</u>	<u>49,051</u>	<u>469,858</u>
Operating Expenses:			
Materials, supplies, and services	388,263	43,066	431,329
Total Operating Expenses	<u>388,263</u>	<u>43,066</u>	<u>431,329</u>
Income (Loss) Before Transfers and Capital Contributions	<u>32,544</u>	<u>5,985</u>	<u>38,529</u>
Capital contributions	-	38,230	38,230
Transfers in (out)	<u>(16,600)</u>	<u>(2,250)</u>	<u>(18,850)</u>
Changes in Net Position	15,944	41,965	57,909
Net Position, Beginning	<u>72,312</u>	<u>(6)</u>	<u>72,306</u>
Net Position, Ending	<u>\$ 88,256</u>	<u>\$ 41,959</u>	<u>\$ 130,215</u>

LINDON CITY CORPORATION
COMBINING STATEMENT OF CASH FLOWS – NON-MAJOR
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 420,131	\$ 48,912	\$ 469,043
Payments to suppliers	(387,886)	(43,066)	(430,952)
Net cash from operating activities	32,245	5,846	38,091
Cash Flows From Non-Capital Financing Activities:			
Loans from (payments to) other funds	-	(3,596)	(3,596)
Payments received on note from residents	-	25,520	25,520
Principal paid on note for residential connections	-	(25,520)	(25,520)
Transfers from other funds	(16,600)	(2,250)	(18,850)
Net cash from non-capital financing activities	(16,600)	(5,846)	(22,446)
Net Increase (Decrease) In Cash	15,645	-	15,645
Cash and Cash Equivalents At Beginning of Year	64,848	-	64,848
Cash and Cash Equivalents At End of Year	\$ 80,493	\$ -	\$ 80,493
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ 32,544	\$ 5,985	\$ 38,529
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
(Increase) Decrease in accounts receivable	(676)	(139)	(815)
Increase (Decrease) in accounts payable	377	-	377
Net cash from operating activities	\$ 32,245	\$ 5,846	\$ 38,091
Noncash investing, capital, and financing activities:			
Contributions from developers	\$ -	\$ 38,230	\$ 38,230
Increase to UIA notes payable and receivable	-	39,300	39,300

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STATISTICAL SECTION

Schedule 1
Lindon City Corporation
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 8,518,176	\$ 15,326,513	\$ 23,800,677	\$ 24,554,661	\$ 25,173,729	\$ 26,642,523	\$ 25,894,349	\$ 26,348,062	\$ 26,013,206	\$ 24,567,459
Restricted	4,808,015	2,300,938	2,160,894	1,919,213	3,681,647	3,288,071	3,337,296	1,099,461	1,242,928	1,155,176
Unrestricted	5,080,790	3,233,932	3,804,641	2,717,139	974,579	801,307	762,567	3,143,717	2,415,698	2,266,253
Total governmental activities net assets	<u>18,406,981</u>	<u>20,861,383</u>	<u>29,768,220</u>	<u>29,191,013</u>	<u>29,829,955</u>	<u>30,731,901</u>	<u>29,994,212</u>	<u>30,591,240</u>	<u>29,671,832</u>	<u>27,988,888</u>
Business-type activities										
Invested in capital assets, net of related debt	21,252,007	23,070,795	27,429,937	28,615,934	29,147,158	28,625,987	29,440,855	31,648,427	32,039,492	31,811,173
Restricted	417,698	744,096	1,169,959	1,277,978	1,142,918	1,265,871	984,830	1,189,253	1,188,889	823,261
Unrestricted	1,484,041	1,696,585	1,871,422	988,636	1,283,993	2,687,594	2,542,313	893,512	1,173,286	2,739,612
Total business-type activities net assets	<u>23,153,746</u>	<u>25,511,476</u>	<u>30,471,318</u>	<u>30,882,548</u>	<u>31,574,069</u>	<u>32,579,452</u>	<u>32,967,998</u>	<u>33,731,192</u>	<u>34,401,667</u>	<u>35,374,046</u>
Primary government										
Invested in capital assets, net of related debt	29,770,183	38,397,308	51,230,614	53,170,595	54,320,887	55,268,510	55,335,204	57,996,489	58,052,698	56,378,632
Restricted	5,225,713	3,045,034	3,330,853	3,197,191	4,824,565	4,553,942	4,322,126	2,288,714	2,431,817	1,978,437
Unrestricted	6,564,831	4,930,517	5,676,063	3,705,775	2,258,572	3,488,901	3,304,880	4,037,229	3,588,984	5,005,865
Total primary government net assets	<u>\$ 41,560,727</u>	<u>\$ 46,372,859</u>	<u>\$ 60,237,530</u>	<u>\$ 60,073,561</u>	<u>\$ 61,404,024</u>	<u>\$ 63,311,353</u>	<u>\$ 62,962,210</u>	<u>\$ 64,322,432</u>	<u>\$ 64,073,499</u>	<u>\$ 63,362,934</u>

Schedule 2
Lindon City Corporation
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 2,010,929	\$ 2,333,583	\$ 2,336,916	\$ 2,290,386	\$ 2,557,443	\$ 2,379,690	\$ 2,739,323	\$ 2,903,618	\$ 3,158,062	\$ 2,725,191
Public Safety	1,497,376	1,757,197	2,564,032	3,620,281	3,463,961	3,443,846	3,570,719	3,718,666	3,685,970	3,861,734
Streets and Highways	1,407,783	1,689,359	1,837,792	2,945,905	2,291,864	2,235,869	2,329,918	2,250,021	2,209,585	2,054,293
Parks and recreation	468,314	471,751	637,136	490,080	456,958	476,011	469,752	490,908	735,528	857,127
Interest on long-term debt	582,756	402,629	269,622	235,390	207,195	178,414	164,534	130,456	118,558	95,433
Total governmental activities expenses	<u>5,967,158</u>	<u>6,654,519</u>	<u>7,645,498</u>	<u>9,582,042</u>	<u>8,977,420</u>	<u>8,713,830</u>	<u>9,274,246</u>	<u>9,493,669</u>	<u>9,907,703</u>	<u>9,593,778</u>
Business-type activities:										
Water Utility	940,942	1,034,574	1,166,207	1,128,159	1,070,405	1,118,571	1,032,175	1,175,460	1,174,078	1,291,078
Waste Water	750,043	856,342	891,194	912,420	892,513	774,933	943,929	959,522	1,028,189	1,307,048
Storm Water	340,384	396,846	471,950	462,119	525,849	512,750	492,691	775,143	568,308	640,826
Solid Waste	269,768	285,343	306,921	340,770	340,546	370,620	354,845	338,739	385,960	388,263
Recreation	-	-	-	495,790	1,199,893	1,225,602	1,297,679	1,369,782	1,519,649	1,556,772
Telecommunications	-	-	-	-	-	-	-	44,421	43,905	43,066
Total business-type activities expenses	<u>2,301,137</u>	<u>2,573,105</u>	<u>2,836,272</u>	<u>3,339,258</u>	<u>4,029,206</u>	<u>4,002,476</u>	<u>4,121,319</u>	<u>4,663,067</u>	<u>4,720,089</u>	<u>5,227,053</u>
Total primary government expenses	<u>\$ 8,268,295</u>	<u>\$ 9,227,624</u>	<u>\$ 10,481,770</u>	<u>\$ 12,921,300</u>	<u>\$ 13,006,626</u>	<u>\$ 12,716,306</u>	<u>\$ 13,395,565</u>	<u>\$ 14,156,736</u>	<u>\$ 14,627,792</u>	<u>\$ 14,820,831</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,124,967	\$ 1,151,140	\$ 1,057,794	\$ 768,689	\$ 911,640	\$ 852,252	\$ 769,361	\$ 956,700	\$ 1,069,810	\$ 1,528,161
Parks and recreation	-	-	-	-	-	-	-	60,870	103,378	60,005
Operating grants and contributions	7,221	168,544	3,359,115	25,403	-	146,049	71,974	686,319	95,864	1,911,409
Capital grants and contributions	812,990	1,006,332	5,432,836	925,187	973,749	1,823,781	625,029	360,096	343,943	362,702
Total governmental activities revenues	<u>1,945,178</u>	<u>2,326,016</u>	<u>9,849,745</u>	<u>1,719,279</u>	<u>1,885,389</u>	<u>2,822,082</u>	<u>1,466,364</u>	<u>2,063,985</u>	<u>1,612,995</u>	<u>3,862,277</u>
Business-type activities:										
Charges for services:										
Water Utility	1,538,415	2,028,148	1,560,716	1,513,091	1,580,249	1,573,510	1,555,430	1,625,822	1,664,217	1,727,987
Waste Water	1,025,889	1,091,071	1,183,022	965,448	987,338	1,020,119	1,122,403	1,211,931	1,264,370	1,399,884
Storm Water	307,503	323,626	337,311	352,574	366,028	415,227	443,198	415,580	424,247	489,124
Solid Waste	278,122	295,887	316,397	354,429	366,157	369,809	391,982	382,234	415,724	420,807
Aquatics Center	-	-	-	151,055	478,506	451,196	464,650	483,042	454,749	504,725
Telecommunications	-	-	-	-	-	-	-	41,869	46,043	49,051
Operating grants and contributions	-	-	-	-	560,000	87,850	11,210	-	63,401	5,835
Capital grants and contributions	939,044	1,054,720	4,400,922	1,087,238	511,953	900,476	270,673	1,040,780	543,489	1,492,425
Total business-type activities revenues	<u>4,088,973</u>	<u>4,793,452</u>	<u>7,798,368</u>	<u>4,423,835</u>	<u>4,850,231</u>	<u>4,818,187</u>	<u>4,259,546</u>	<u>5,201,258</u>	<u>4,876,240</u>	<u>6,089,838</u>
Total primary government program revenues	<u>\$ 6,034,151</u>	<u>\$ 7,119,468</u>	<u>\$ 17,648,113</u>	<u>\$ 6,143,114</u>	<u>\$ 6,735,620</u>	<u>\$ 7,640,269</u>	<u>\$ 5,725,910</u>	<u>\$ 7,265,243</u>	<u>\$ 6,489,235</u>	<u>\$ 9,952,115</u>
Net (Expense)/Revenue										
Governmental activities	\$ (4,021,980)	\$ (4,328,503)	\$ 2,204,247	\$ (7,862,763)	\$ (7,092,031)	\$ (5,891,748)	\$ (7,807,882)	\$ (7,429,684)	\$ (8,294,708)	\$ (5,731,501)
Business-type activities	1,787,836	2,220,347	4,962,096	1,084,577	821,025	815,711	138,227	538,191	156,151	862,785
Total primary govt net (expense)/revenue	<u>\$ (2,234,144)</u>	<u>\$ (2,108,156)</u>	<u>\$ 7,166,343</u>	<u>\$ (6,778,186)</u>	<u>\$ (6,271,006)</u>	<u>\$ (5,076,037)</u>	<u>\$ (7,669,655)</u>	<u>\$ (6,891,493)</u>	<u>\$ (8,138,557)</u>	<u>\$ (4,868,716)</u>

Schedule 2
Lindon City
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	\$ 1,971,395	\$ 1,961,186	\$ 2,020,414	\$ 2,119,754	\$ 2,973,029	\$ 2,880,001	\$ 2,930,475	\$ 3,124,819	\$ 3,164,300	\$ 2,252,637
Sales taxes	3,109,624	3,253,435	3,067,758	2,543,777	2,346,438	2,485,410	2,770,958	2,989,353	3,193,638	3,467,260
Franchise taxes	980,467	1,056,906	1,080,511	1,197,828	1,397,295	1,436,983	1,471,554	1,547,616	1,587,931	1,582,506
Other taxes	-	-	-	-	-	-	-	-	117,404	475,198
Earnings on investments	413,022	470,503	259,195	103,487	34,396	21,463	31,045	21,727	18,320	16,548
Miscellaneous	912,705	114,609	217,535	628,442	840,397	161,294	126,334	5,641	4,828	-
Gain (loss) on disposal of capital assets	12,576	18,249	12,254	-	8,230	(6,788)	(19,826)	-	6,448	(2,063,907)
Transfers In (Out)	102,810	(91,084)	42,914	685,097	130,603	(184,668)	(244,051)	(222,780)	(683,448)	(346,722)
Total governmental activities	<u>7,502,599</u>	<u>6,783,804</u>	<u>6,700,581</u>	<u>7,278,385</u>	<u>7,730,388</u>	<u>6,793,695</u>	<u>7,066,489</u>	<u>7,466,376</u>	<u>7,409,421</u>	<u>5,383,520</u>
Business-type activities										
Earnings on investments	37,345	36,301	40,660	33,512	5,113	5,004	6,265	2,223	1,427	959
Gain (loss) on disposal of capital assets	67,749	10,000	-	-	-	-	-	-	45,000	-
Transfers In (Out)	(102,810)	91,084	(42,914)	(685,097)	(130,603)	184,668	244,051	222,780	683,448	346,722
Total business-type activities	<u>2,284</u>	<u>137,385</u>	<u>(2,254)</u>	<u>(651,585)</u>	<u>(125,490)</u>	<u>189,672</u>	<u>250,316</u>	<u>225,003</u>	<u>729,875</u>	<u>347,681</u>
Total primary government	<u>\$ 7,504,883</u>	<u>\$ 6,921,189</u>	<u>\$ 6,698,327</u>	<u>\$ 6,626,800</u>	<u>\$ 7,604,898</u>	<u>\$ 6,983,367</u>	<u>\$ 7,316,805</u>	<u>\$ 7,691,379</u>	<u>\$ 8,139,296</u>	<u>\$ 5,731,201</u>
Change in Net Assets										
Governmental activities	\$ 3,480,619	\$ 2,455,301	\$ 8,904,828	\$ (584,378)	\$ 638,357	\$ 901,947	\$ (741,393)	\$ 36,692	\$ (885,287)	\$ (347,981)
Business-type activities	1,790,120	2,357,732	4,959,842	432,992	695,535	1,005,383	388,543	763,194	886,026	1,210,466
Total primary government	<u>\$ 5,270,739</u>	<u>\$ 4,813,033</u>	<u>\$ 13,864,670</u>	<u>\$ (151,386)</u>	<u>\$ 1,333,892</u>	<u>\$ 1,907,330</u>	<u>\$ (352,850)</u>	<u>\$ 799,886</u>	<u>\$ 739</u>	<u>\$ 862,485</u>

Schedule 3
Lindon City Corporation
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,228	\$ 21,199	\$ 57,285	\$ 2,897	\$ 35,053
Restricted	1,806,498	892,026	959,114	423,343	1,790,155	1,358,910	1,103,557	732,703	522,458	388,727
Unassigned	2,349,087	2,082,918	2,967,147	2,178,775	860,501	762,679	991,942	1,322,074	1,049,337	1,733,178
Total general fund	<u>4,155,585</u>	<u>2,974,944</u>	<u>3,926,261</u>	<u>2,602,118</u>	<u>2,650,656</u>	<u>2,271,817</u>	<u>2,116,698</u>	<u>2,112,062</u>	<u>1,574,692</u>	<u>2,156,958</u>
All Other Governmental Funds										
Restricted	4,072,535	1,408,912	1,201,780	1,495,870	1,891,492	1,929,161	2,233,739	382,666	720,470	766,449
Committed	-	-	-	-	-	17,071	-	-	-	-
Assigned	-	-	-	-	-	-	-	1,885,144	1,542,736	1,829,089
Unassigned	1,726,134	1,229,826	925,887	648,446	227,818	-	18,571	-	(15,952)	-
Total all other governmental funds	<u>5,798,669</u>	<u>2,638,738</u>	<u>2,127,667</u>	<u>2,144,316</u>	<u>2,119,310</u>	<u>1,946,232</u>	<u>2,252,310</u>	<u>2,267,810</u>	<u>2,247,254</u>	<u>2,595,538</u>
Total governmental funds	<u>\$ 9,954,254</u>	<u>\$ 5,613,682</u>	<u>\$ 6,053,928</u>	<u>\$ 4,746,434</u>	<u>\$ 4,769,966</u>	<u>\$ 4,218,049</u>	<u>\$ 4,369,008</u>	<u>\$ 4,379,872</u>	<u>\$ 3,821,946</u>	<u>\$ 4,752,496</u>

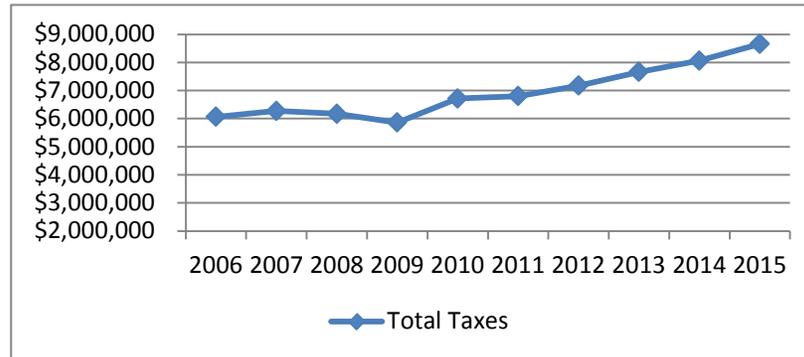
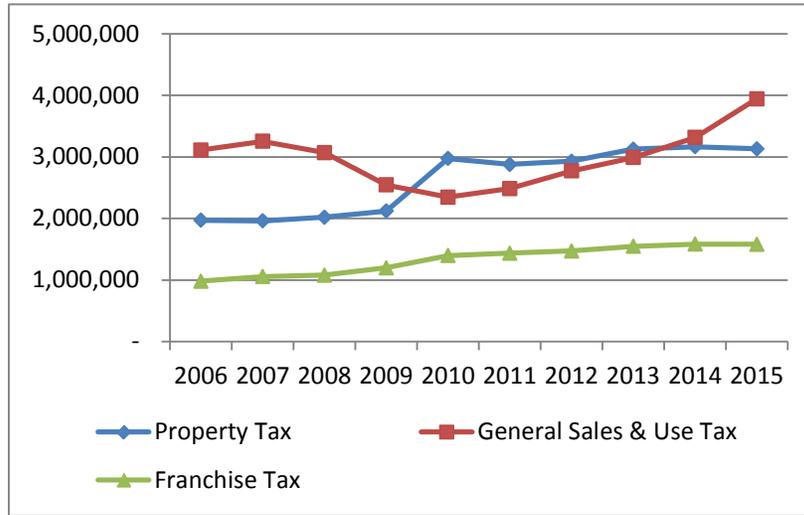
Schedule 4
Lincoln City Corporation
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 6,061,486	\$ 6,271,527	\$ 6,168,683	\$ 5,861,359	\$ 6,716,762	\$ 6,802,394	\$ 7,172,987	\$ 7,662,067	\$ 8,076,758	\$ 7,777,601
Licenses, fees and permits	305,638	395,342	450,350	219,475	227,804	226,138	199,211	224,767	278,381	494,080
Intergovernmental	319,543	529,058	3,730,952	373,920	355,764	525,982	434,963	370,826	354,048	382,642
Charges for services	97,181	110,645	121,493	92,221	133,246	95,683	80,254	105,761	154,908	217,809
Fines and forfeitures	626,720	573,741	412,485	415,898	496,903	436,573	400,540	339,795	355,214	346,747
Impact fees	95,428	71,412	73,466	41,095	53,687	93,858	89,356	143,260	233,066	390,718
Miscellaneous revenue	1,339,836	619,800	497,203	731,929	900,783	182,757	157,379	231,284	174,755	155,360
Total revenues	<u>8,845,832</u>	<u>8,571,525</u>	<u>11,454,632</u>	<u>7,735,897</u>	<u>8,884,949</u>	<u>8,363,385</u>	<u>8,534,690</u>	<u>9,077,760</u>	<u>9,627,130</u>	<u>9,764,957</u>
Expenditures										
General government	1,804,893	2,090,154	2,022,439	2,108,076	2,375,009	2,213,932	2,583,957	2,786,458	3,049,019	2,677,529
Public Safety	1,494,314	1,754,723	2,559,545	3,491,239	3,310,791	3,310,792	3,427,846	3,999,640	3,638,227	4,312,240
Streets and public works	598,888	671,138	747,968	1,567,055	905,282	927,415	988,713	1,324,125	1,375,298	1,150,542
Parks and recreation	468,195	471,568	642,646	488,217	457,402	476,217	467,133	496,469	539,480	670,526
Capital outlay	3,026,483	3,753,886	3,822,209	1,381,344	724,246	1,175,916	126,842	474,506	339,106	119,007
Debt Service										
Principal retirement	3,103,639	3,826,164	936,148	891,651	996,074	868,256	527,273	788,873	559,268	1,111,604
Interest and fiscal charges	608,920	416,357	279,203	244,971	230,435	174,707	162,134	131,423	121,646	97,820
Cost of issuance	62,100	-	-	-	-	-	-	-	-	-
Total expenditures	<u>11,167,432</u>	<u>12,983,990</u>	<u>11,010,158</u>	<u>10,172,553</u>	<u>8,999,239</u>	<u>9,147,235</u>	<u>8,283,898</u>	<u>10,001,494</u>	<u>9,622,044</u>	<u>10,139,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,321,600)</u>	<u>(4,412,465)</u>	<u>444,474</u>	<u>(2,436,656)</u>	<u>(114,290)</u>	<u>(783,850)</u>	<u>250,792</u>	<u>(923,734)</u>	<u>5,086</u>	<u>(374,311)</u>
Other Financing Sources (Uses)										
Issuance of new debt	4,587,000	298,590	-	425,305	6,633	416,601	34,295	528,029	73,436	480,520
Sale of capital assets	-	-	-	-	-	-	-	234,763	47,000	291,800
Transfers in	3,253,786	3,774,749	2,237,405	2,811,530	1,958,819	2,699,894	1,781,997	1,835,947	1,844,039	2,158,536
Transfers out	(3,150,977)	(3,865,833)	(2,194,491)	(2,126,433)	(1,828,216)	(2,884,562)	(2,026,048)	(2,058,727)	(2,527,487)	(2,505,258)
Grants and contributions	(124,532)	(135,612)	(47,143)	-	-	-	-	-	-	879,263
Total other financing sources (uses)	<u>4,565,277</u>	<u>71,894</u>	<u>(4,229)</u>	<u>1,110,402</u>	<u>137,236</u>	<u>231,933</u>	<u>(209,756)</u>	<u>540,012</u>	<u>(563,012)</u>	<u>1,304,861</u>
Net change in fund balances	<u>\$ 2,243,677</u>	<u>\$(4,340,571)</u>	<u>\$ 440,245</u>	<u>\$(1,326,254)</u>	<u>\$ 22,946</u>	<u>\$(551,917)</u>	<u>\$ 41,036</u>	<u>\$(383,722)</u>	<u>\$(557,926)</u>	<u>\$ 930,550</u>

**Schedule 5
Lindon City Corporation
Tax Revenues by Source
Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>General Sales & Use Tax</u>	<u>Franchise Tax</u>	<u>Total Taxes</u>
2006	1,971,395	3,109,624	980,467	\$ 6,061,486
2007	1,961,186	3,253,436	1,056,907	\$ 6,271,528
2008	2,020,414	3,067,758	1,080,511	\$ 6,168,683
2009	2,119,755	2,543,776	1,197,828	\$ 5,861,359
2010	2,973,030	2,346,438	1,397,295	\$ 6,716,763
2011	2,878,835	2,485,409	1,436,983	\$ 6,801,227
2012	2,930,474	2,770,958	1,471,554	\$ 7,172,986
2013	3,124,819	2,989,633	1,547,626	\$ 7,662,078
2014	3,164,300	3,314,644	1,584,339	\$ 8,063,283
2015	3,131,900	3,942,822	1,582,143	\$ 8,656,865

Growth
2006-2015 58.9% 26.8% 61.4% 42.8%



Schedule 6
Lindon City Corporation
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	Lindon City		Overlapping Rates			Total
	Direct Sales Tax Rate ^{(1) (2)}	PARC Tax Rate ⁽³⁾	State of Utah	Utah County	Mass Transit	
2006	1.0%	0.0%	4.75%	0.25%	0.25%	6.25%
2007	1.0%	0.0%	4.75%	0.25%	0.50%	6.50%
2008	1.0%	0.0%	4.65%	0.25%	0.55%	6.45%
2009	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2010	1.0%	0.0%	4.65%	0.25%	0.55%	6.45%
2011	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2012	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2013	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2014	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2015	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%

Source: Utah State Tax Commission

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City.

⁽¹⁾ Of the City direct sales tax assessed by municipalities within the state, 50 percent is distributed by the State of Utah based on point of sale and 50 percent is pooled and distributed to municipalities based on population. Because Lindon has a high sales tax base, but a relatively lower population, Lindon City actually receives less than 1% of the sales tax assessed locally.

⁽²⁾ The State of Utah determines the City's direct sales tax rate. The Utah State Tax Commission collects and distributes sales tax.

⁽³⁾ Voters approved a 0.1% Park, Arts, Recreation and Cultural (PARC) Tax on November 5, 2013 that went into effect on April, 1, 2014.

Schedule 7
Lindon City Corporation
Direct Taxable Sales by Category
Last Ten Years

Fiscal Year	Category				Total	City Direct Sales Tax Rate ⁽¹⁾
	Retail	Services	Manufacturing & Construction	Other		
2006	264,942,741	44,906,864	48,110,898	43,249,973	\$ 401,210,476	1%
2007	280,607,724	49,471,674	49,718,319	62,548,252	\$ 442,345,969	1%
2008	256,024,717	56,551,923	46,944,458	50,740,470	\$ 410,261,568	1%
2009	218,810,059	45,984,925	60,869,742	30,776,417	\$ 356,441,143	1%
2010	216,897,067	64,638,082	28,835,790	30,533,444	\$ 340,904,383	1%
2011	223,198,565	64,910,551	39,324,699	32,026,714	\$ 359,460,529	1%
2012	249,327,384	68,335,065	49,508,795	29,203,084	\$ 396,374,328	1%
2013	285,626,210	78,171,468	40,215,298	37,243,410	\$ 441,256,386	1%
2014	311,749,521	91,164,931	33,762,415	38,560,217	\$ 475,237,084	1%
2015	319,110,005	104,604,811	40,837,189	52,218,615	\$ 516,770,620	1%

Source: Utah State Tax Commission

⁽¹⁾ Of the City direct sales tax assessed by municipalities within the state, 50 percent is distributed by the State of Utah based on point of sale and 50 percent is pooled and distributed to municipalities based on population. Because Lindon has a high sales tax base, but a relatively lower population, Lindon City actually receives less than 1% of the sales tax assessed locally. Lindon City's actual sales tax collection is illustrated below. See Schedule 23 for information on Lindon's population.

Schedule 8
Lindon City Corporation
Principal Sales Tax Payers
Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Sales Tax⁽¹⁾	Rank	% of Total Sales Tax⁽¹⁾	Sales Tax⁽¹⁾	Rank	% of Total Sales Tax⁽¹⁾
Walmart Supercenter	N/A	1	N/A	N/A	1	N/A
Murdock Hyundai	N/A	2	N/A	N/A		-
Home Depot	N/A	3	N/A	N/A	3	N/A
Mercedes Benz of Lindon	N/A	4	N/A	N/A	10	-
Stock Building Supply West	N/A	5	N/A	N/A	7	N/A
Sunroc Corp.	N/A	6	N/A	N/A	2	N/A
Burton Lumber	N/A	7	N/A	N/A	4	N/A
Low Book Sales	N/A	8	N/A	N/A	9	-
Timpanogos Harley Davidson	N/A	9	N/A	N/A		N/A
Roofers Supply Inc.	N/A	10	N/A	N/A		-
Wheeler Machinery	N/A		-	N/A	5	N/A
Larry H. Miller Lexus of Lindon	N/A		-	N/A	6	N/A
Utah Auto Sales	N/A		-	N/A	8	N/A
Total	\$1,761,570		50.81%	\$ 2,072,768		66.67%

Source: Utah State Tax Commission

⁽¹⁾ Sales tax information is considered proprietary and cannot be shown by individual payer, so the group is shown in the aggregate.

Schedule 9
Lindon City Corporation
Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
Per \$1000 of assessed value

Calendar Year ⁽¹⁾	Lindon City ⁽²⁾		Total	Alpine School District	Utah County	Central Utah Water Conservancy District	Other	Total for District 80 ⁽³⁾	Northern Utah County Water Conservancy District	Total for District 85 ⁽³⁾
	General Fund	Debt Service Fund								
2006	1.702	-	1.702	6.883	1.079	0.357	0.183	10.204	0.028	10.232
2007	1.390	-	1.390	6.937	0.843	0.302	0.157	9.629	0.022	9.651
2008	1.296	-	1.296	7.057	0.809	0.286	0.296	9.744	0.022	9.766
2009	1.686	-	1.686	7.541	0.878	0.400	0.325	10.830	0.024	10.854
2010	1.873	-	1.873	8.220	1.108	0.421	0.186	11.808	0.026	11.834
2011	2.080	-	2.080	8.812	1.143	0.436	0.199	12.670	0.028	12.698
2012	2.107	-	2.107	8.828	1.324	0.455	0.000	12.714	0.029	12.743
2013	2.043	-	2.043	8.699	1.259	0.446	0.000	12.447	0.028	12.475
2014	1.862	-	1.862	8.096	1.149	0.422	0.000	11.529	0.025	11.554
2015	1.741	-	1.741	8.177	1.098	0.405	0.000	11.421	0.024	11.445

Source: Utah County Treasurer

Note: Overlapping property tax rates are those of other governments and agencies that apply to property owners within the City. Property taxes are assessed, collected and distributed to the appropriate entities by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year. Property taxes are due in November each year.

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

⁽²⁾ The City's certified property tax rate may be increased only by a majority vote of the city council, after holding one or more truth-in-taxation public hearings.

⁽³⁾ There are two taxing districts in Lindon City. Most of the city is in District 80 with a portion of the west side in District 85, which has an additional assessment from the North Utah County Water Conservancy District.

Schedule 10
Lindon City Corporation
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Calendar Years

	Taxable Value for Calendar Year ⁽¹⁾										% of T.V.
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
Real Property											
Primary residential	296,503,945	339,486,276	463,722,212	499,930,257	397,920,733	383,047,566	349,532,361	349,642,818	374,446,395	413,684,962	39.1%
Secondary residential	-	-	723,014	1,658,538	34,144,657	28,864,361	25,277,602	5,045,997	4,631,800	4,382,400	0.4%
Commercial and industrial	240,990,138	258,612,454	313,642,919	379,072,017	505,386,753	470,496,111	442,362,264	408,776,653	415,871,293	438,947,092	41.5%
Farmland Assessment Act (FAA) and agricultural	16,842,785	1,193,566	919,745	900,361	832,467	709,632	1,134,946	1,146,035	648,024	937,943	0.1%
Unimproved non FAA	383,090	12,133,974	15,779,000	10,780,850	9,184,064	5,315,664	5,385,709	61,446,839	63,479,353	65,645,866	6.2%
Total real property	<u>554,719,958</u>	<u>611,426,270</u>	<u>794,786,890</u>	<u>892,342,023</u>	<u>947,468,674</u>	<u>888,433,334</u>	<u>823,692,882</u>	<u>826,058,342</u>	<u>859,076,865</u>	<u>923,598,263</u>	<u>87.3%</u>
Personal Property											
Primary mobile homes	352,906	330,119	295,702	278,505	270,124	283,776	259,513	159,917	156,705	154,176	0.0%
Secondary mobile homes	-	-	-	-	-	-	-	-	-	-	0.0%
Other business	64,750,941	75,049,840	87,506,535	116,602,566	122,686,607	101,773,831	104,021,873	117,538,872	114,538,534	107,342,224	10.1%
SCME	-	-	-	-	-	-	-	-	-	828	0.0%
Total personal property	<u>65,103,847</u>	<u>75,379,959</u>	<u>87,802,237</u>	<u>116,881,071</u>	<u>122,956,731</u>	<u>102,057,607</u>	<u>104,281,386</u>	<u>117,698,789</u>	<u>114,695,239</u>	<u>107,497,228</u>	<u>10.2%</u>
Centrally Assessed	9,772,281	10,077,174	12,962,836	13,281,661	13,281,661	13,242,831	13,488,692	13,601,195	15,116,696	18,539,075	1.8%
Motor Vehicle Value	7,817,434	8,221,383	7,960,263	7,816,003	8,606,176	8,141,246	7,877,813	7,965,637	8,335,007	8,366,295	0.8%
Total Taxable Assessed Value	<u>637,413,520</u>	<u>705,104,786</u>	<u>903,512,226</u>	<u>1,030,320,758</u>	<u>1,092,313,242</u>	<u>1,011,875,018</u>	<u>949,340,773</u>	<u>965,323,963</u>	<u>997,223,807</u>	<u>1,058,000,861</u>	<u>100.0%</u>
Estimated Actual Value	880,296,398	983,136,382	1,283,163,247	1,439,582,472	1,418,105,761	1,325,509,752	1,235,534,124	1,251,526,201	1,303,717,252	1,396,596,519	
Assessed Value as a % of Actual Value	72.4%	71.7%	70.4%	71.6%	77.0%	76.3%	76.8%	77.1%	76.5%	75.8%	
Total Direct Tax Rate	0.001862	0.001702	0.001390	0.001296	0.001686	0.001873	0.002080	0.002107	0.002043	0.001862	

Source: Utah State Tax Commission - Property Tax Division

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

Notes: Utah County reassesses property in Lindon every five years, on average. The county assesses property at approximately 55% of actual value for primary residential and mobile home property and 100% of actual value for all other categories. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages.

SCME = Semiconductor Manufacturing Equipment

Schedule 11
Lindon City Corporation
Property Tax Levies and Collections
Last Ten Calendar Years

Calendar Year⁽¹⁾	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Taxes Collected
2004	937,662	860,249	91.74%	54,197	914,446	97.52%
2005	1,018,990	944,223	92.66%	104,401	1,048,624	102.91%
2006	1,066,862	987,293	92.54%	80,749	1,068,042	100.11%
2007	1,148,235	1,036,773	90.29%	68,743	1,105,516	96.28%
2008	1,197,213	1,052,432	87.91%	71,723	1,124,155	93.90%
2009	1,549,138	1,380,012	89.08%	102,110	1,482,122	95.67%
2010	1,671,383	1,472,780	88.12%	108,380	1,581,160	94.60%
2011	1,755,106	1,563,596	89.09%	155,669	1,719,265	97.96%
2012	1,828,894	1,624,324	88.81%	177,117	1,801,441	98.50%
2013	1,841,495	1,669,184	90.64%	259,754	1,928,938	104.75%
2014	1,973,877	1,836,385	93.03%	114,964	1,951,349	98.86%

Source: Utah County Treasurer

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

Schedule 12
Lindon City Corporation
Principal Property Tax Payers
Current Year and Nine Years Ago

Property Owner ⁽²⁾	2014 ⁽¹⁾			2005 ⁽¹⁾		
	Rank	Assessed Valuation	Percent of Total Assessed Valuation	Rank	Assessed Valuation	Percent of Total Assessed Valuation
Mecca Holdings LLC	1	\$ 38,123,600	3.70%			0.00%
Stag II Lindon LLC	2	\$ 17,307,900	1.68%			0.00%
Walmart Stores Inc.	3	\$ 15,890,200	1.54%	2	\$ 13,535,347	2.18%
M S Industrial Properties LLC	4	\$ 14,780,400	1.43%			0.00%
Shadow Mountain Industrial Prop.	5	\$ 10,869,894	1.05%			0.00%
MS Business Properties Group	6	\$ 10,745,932	1.04%	10	\$ 4,197,000	0.68%
Pacificorp	7	\$ 9,099,106	0.88%			0.00%
BAT Investments LC	8	\$ 8,645,200	0.84%	5	\$ 7,523,845	1.21%
Gateway Technology Center LLC	9	\$ 8,501,600	0.82%	7	\$ 6,369,500	1.03%
HD Development of Maryland Inc.	10	\$ 8,420,000	0.82%	6	\$ 6,619,084	1.07%
Canopy Properties Inc.				1	\$ 22,404,902	3.61%
GNL Lindon LLC				3	\$ 10,400,000	1.68%
Miller Family Real Estate LLC				4	\$ 10,269,261	1.66%
Olsen Enterprises Inc.				8	\$ 5,949,001	0.96%
Network LLC				9	\$ 4,696,000	0.76%
Total		\$ 142,383,832	13.81%		91,963,940	8.67%

Source: Utah County Clerk/Auditor

⁽¹⁾ Assessed values are reported by Utah County on a calendar year basis rather than a July 1 to June 30 fiscal year.

Schedule 13
Lindon City Corporation
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year Ending	Taxable Value⁽¹⁾	Debt Limit (4%)	Total debt applicable to limit⁽²⁾	Legal debt margin	Percentage of Debt to Debt Limit
2006	619,823,805	\$ 24,792,952	-	\$ 24,792,952	0.00%
2007	686,806,229	\$ 27,472,249	-	\$ 27,472,249	0.00%
2008	885,495,386	\$ 35,419,815	-	\$ 35,419,815	0.00%
2009	1,012,970,225	\$ 40,518,809	-	\$ 40,518,809	0.00%
2010	1,070,425,405	\$ 42,817,016	-	\$ 42,817,016	0.00%
2011	990,490,941	\$ 39,619,638	-	\$ 39,619,638	0.00%
2012	927,974,268	\$ 37,118,971	-	\$ 37,118,971	0.00%
2013	943,757,131	\$ 37,750,285	-	\$ 37,750,285	0.00%
2014	973,772,104	\$ 38,950,884	-	\$ 38,950,884	0.00%
2015	1,031,095,491	\$ 41,243,820	-	\$ 41,243,820	0.00%

Source: Utah State Tax Commission - Property Tax Division

⁽¹⁾ Taxable values are for the calendar year ending within that fiscal year. For example, 2014FY has valuations for 2013CY.

⁽²⁾ Debt margin applies only to general obligation bonds, which Lindon City does not have.

Schedule 14
Lindon City Corporation
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Fiscal Year Ending June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Obligation Debt	-	-	-	-	-	-	-	-	-	-
RDA Revenue Bonds	2,805,000	2,555,000	2,294,000	2,024,000	1,743,000	1,450,000	1,171,000	882,000	581,000	-
MBA Revenue Bonds	1,631,000	1,215,000	927,000	629,000	320,000	-	-	-	-	-
Sales Tax Revenue Bonds	2,845,812	2,740,648	2,631,500	2,518,369	2,400,457	2,278,562	2,151,887	2,020,431	1,884,196	1,742,383
Road Excise Tax Revenue Bonds	400,000	226,000	46,000	-	-	-	-	-	-	-
Special Assessment Bonds	591,000	470,000	372,000	301,000	90,000	60,000	30,000	-	-	-
Notes Payable	-	-	-	-	-	-	-	90,000	80,000	70,000
Capital Leases	-	-	-	331,785	261,256	341,694	262,171	365,434	326,838	428,568
Total Governmental Activities Debt	<u>8,272,812</u>	<u>7,206,648</u>	<u>6,270,500</u>	<u>5,804,154</u>	<u>4,814,713</u>	<u>4,130,256</u>	<u>3,615,058</u>	<u>3,357,865</u>	<u>2,872,034</u>	<u>2,240,951</u>
Business-Type Activities										
Water Revenue Bonds	4,713,421	4,349,201	4,023,950	3,780,470	3,499,261	3,333,281	3,254,377	3,172,442	3,087,368	2,998,986
Sewer Revenue Bonds	-	-	-	-	-	3,000,000	2,883,000	2,763,000	2,640,000	2,514,000
Storm Water Revenue Bonds	530,799	511,184	490,826	469,725	447,732	424,996	401,369	376,850	351,439	324,988
Aquatics Center Bonds	-	-	-	10,365,000	10,054,000	9,819,000	9,537,000	9,121,000	8,689,000	8,680,000
Notes Payable	-	-	-	-	-	2,217,241	2,217,241	2,512,526	2,410,832	2,313,835
Capital Leases	177,915	120,902	61,549	-	-	385,075	313,266	238,943	359,769	242,674
Total Business-Type Activities Debt	<u>5,422,136</u>	<u>4,981,287</u>	<u>4,576,325</u>	<u>14,615,194</u>	<u>14,000,993</u>	<u>19,179,593</u>	<u>18,606,252</u>	<u>18,184,761</u>	<u>17,538,408</u>	<u>17,074,483</u>
Total Primary Government	<u>\$ 13,694,948</u>	<u>\$ 12,187,935</u>	<u>\$ 10,846,825</u>	<u>\$ 20,419,348</u>	<u>\$ 18,815,706</u>	<u>\$ 23,309,849</u>	<u>\$ 22,221,310</u>	<u>\$ 21,542,626</u>	<u>\$ 20,410,441</u>	<u>\$ 19,315,434</u>
% of Personal Income⁽¹⁾	7.00%	5.86%	4.82%	8.71%	8.27%	10.45%	9.19%	8.38%	8.21%	7.84%
Debt Per Capita⁽¹⁾	\$ 1,403	\$ 1,216	\$ 1,058	\$ 1,951	\$ 1,868	\$ 2,315	\$ 2,147	\$ 2,063	\$ 1,924	\$ 1,801

⁽¹⁾ See Schedule 22 for personal income and population data.

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

Schedule 15
Lindon City Corporation
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

<u>Entity</u>	<u>2014 Taxable Assessed Property Value</u>	<u>Percentage Applicable to Lindon Citizens⁽¹⁾</u>	<u>Entity's General Obligation Debt Outstanding</u>	<u>Amount Applicable to Lindon Citizens</u>
Direct Debt:				
Lindon City	\$ 1,031,095,491	100.00%	\$ -	\$ -
Overlapping Debt:				
Central Utah Water Conservancy District	122,840,728,380	0.84%	741,214,743	\$ 6,221,578
Alpine School District	18,252,345,158	5.65%	400,782,678	\$ 22,640,664
Total Overlapping Debt				<u>\$ 28,862,242</u>
Total Direct and Overlapping Debt				<u>\$ 28,862,242</u>
Total Direct and Overlapping Debt Per Capita				<u>\$ 2,691.62</u>

Sources: Utah Property Tax Division and entities' financial statements filed with the Utah State Auditor's Office.

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

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

Schedule 16
Lindon City Corporation
Pledged-Revenue Coverage
Sales Tax Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2006	\$ 3,109,284	\$ 128,000	\$ 138,750	\$ 266,750	11.66
2007	\$ 3,253,040	\$ 132,000	\$ 133,950	\$ 265,950	12.23
2008	\$ 3,067,413	\$ 137,000	\$ 129,000	\$ 266,000	11.53
2009	\$ 2,543,455	\$ 142,000	\$ 123,863	\$ 265,863	9.57
2010	\$ 2,346,215	\$ 459,000	\$ 738,705	\$ 1,197,705	1.96
2011	\$ 2,485,202	\$ 388,000	\$ 571,960	\$ 959,960	2.59
2012	\$ 2,770,804	\$ 441,000	\$ 542,737	\$ 983,737	2.82
2013	\$ 2,989,353	\$ 581,000	\$ 523,558	\$ 1,104,558	2.71
2014	\$ 3,193,638	\$ 603,000	\$ 501,257	\$ 1,104,257	2.89
2015	\$ 3,467,260	\$ 627,000	\$ 478,104	\$ 1,105,104	3.14

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

Schedule 17
Lindon City Corporation
Pledged-Revenue Coverage
Excise Tax Road Bonds
Last Ten Fiscal Years

Fiscal Year	Excise Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2006	\$ 312,322	\$ 174,000	\$ 13,745	\$ 187,745	1.66
2007	\$ 354,028	\$ 180,000	\$ 6,529	\$ 186,529	1.90
2008	\$ 365,709	\$ 46,000	\$ 472	\$ 46,472	7.87
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-

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

Schedule 18
Lindon City Corporation
Pledged-Revenue Coverage
Revenue Refunding Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 781,665	\$ 161,338	\$ 620,327	\$ 290,000	\$ 91,330	\$ 381,330	1.63
2007	\$ 753,791	\$ 98,257	\$ 655,535	\$ 250,000	\$ 109,956	\$ 359,956	1.82
2008	\$ 756,636	\$ 103,889	\$ 652,747	\$ 261,000	\$ 100,156	\$ 361,156	1.81
2009	\$ 904,738	\$ 144,054	\$ 760,685	\$ 270,000	\$ 89,925	\$ 359,925	2.11
2010	\$ 1,313,465	\$ 663,535	\$ 649,930	\$ 281,000	\$ 79,341	\$ 360,341	1.80
2011	\$ 1,130,505	\$ 699,333	\$ 431,172	\$ 293,000	\$ 68,326	\$ 361,326	1.19
2012	\$ 1,085,568	\$ 513,413	\$ 572,154	\$ 279,000	\$ 56,840	\$ 335,840	1.70
2013	\$ 1,169,443	\$ 527,502	\$ 641,940	\$ 289,000	\$ 45,903	\$ 334,903	1.92
2014	\$ 1,157,638	\$ 836,648	\$ 320,990	\$ 301,000	\$ 34,574	\$ 335,574	0.96
2015	\$ 1,053,102	\$ 448,312	\$ 604,791	\$ 581,000	\$ 22,775	\$ 603,775	1.00

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

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 19
Lindon City Corporation
Pledged-Revenue Coverage
Water Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	1,538,415	\$ 791,107	\$ 747,308	\$ 122,000	\$ 22,150	\$ 144,150	5.18
2007	2,028,148	\$ 906,935	\$ 1,121,213	\$ 138,000	\$ 22,869	\$ 160,869	6.97
2008	1,560,716	\$ 816,064	\$ 744,652	\$ 317,757	\$ 28,450	\$ 346,207	2.15
2009	1,513,091	\$ 1,156,765	\$ 356,326	\$ 235,713	\$ 124,619	\$ 360,332	0.99
2010	1,580,249	\$ 1,004,598	\$ 575,651	\$ 273,113	\$ 117,894	\$ 391,007	1.47
2011	1,573,510	\$ 997,009	\$ 576,501	\$ 157,610	\$ 110,197	\$ 267,807	2.15
2012	1,555,430	\$ 898,983	\$ 656,447	\$ 70,207	\$ 105,350	\$ 175,557	3.74
2013	1,625,822	\$ 1,044,656	\$ 581,166	\$ 72,909	\$ 102,648	\$ 175,557	3.31
2014	1,664,217	\$ 1,036,713	\$ 627,504	\$ 75,720	\$ 99,837	\$ 175,557	3.57
2015	1,727,987	\$ 1,152,336	\$ 575,651	\$ 78,645	\$ 96,912	\$ 175,557	

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

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 20
Lindon City Corporation
Pledged-Revenue Coverage
Sewer Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-
2011	\$ 1,020,119	\$ 720,937	\$ 299,182	\$ -	\$ 8,410	\$ 8,410	35.58
2012	\$ 1,122,403	\$ 787,362	\$ 335,041	\$117,000	\$ 75,000	\$ 192,000	1.75
2013	\$ 1,211,931	\$ 893,941	\$ 317,990	\$120,000	\$ 72,075	\$ 192,075	1.66
2014	\$ 1,264,370	\$ 896,694	\$ 367,676	\$123,000	\$ 69,075	\$ 192,075	1.91
2015	\$ 1,399,884	\$ 1,014,866	\$ 385,018	\$126,000	\$ 66,000	\$ 192,000	2.01

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

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 21
Lindon City Corporation
Pledged-Revenue Coverage
Gateway SID Series Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses ⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	714,088	154,096	559,992	121,000	33,096	154,096	3.63
2007	559,992	124,320	435,672	98,000	26,320	124,320	3.50
2008	435,672	91,832	343,840	71,000	20,832	91,832	3.74
2009	184,173	87,856	96,317	211,000	16,856	227,856	0.42
2010	91,293	33,786	57,507	30,000	5,040	35,040	1.64
2011	37,505	1,818	35,687	30,000	3,360	33,360	1.07
2012	33,983	195	33,788	30,000	1,680	31,680	1.07
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-

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

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 22
Limdon City Corporation
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income⁽¹⁾	Per Capita Personal Income	Unemployment Rate⁽²⁾		
				Utah County	State of Utah	United States
2006	9,758	\$ 195,628,384	\$ 20,048	2.9%	3.0%	4.6%
2007	10,027	\$ 207,819,602	\$ 20,726	2.4%	2.6%	4.6%
2008	10,248	\$ 225,087,072	\$ 21,964	3.2%	3.2%	5.6%
2009	10,466	\$ 234,469,798	\$ 22,403	7.3%	7.9%	9.5%
2010	10,070	\$ 227,612,210	\$ 22,603	7.9%	8.1%	9.4%
2011	10,070	\$ 223,070,640	\$ 22,152	6.7%	7.0%	9.1%
2012	10,348	\$ 241,874,152	\$ 23,374	5.3%	5.5%	8.2%
2013	10,442	\$ 256,967,178	\$ 24,609	4.3%	4.6%	7.5%
2014	10,611	\$ 248,658,174	\$ 23,434	3.6%	3.5%	6.1%
2015	10,723	\$ 246,446,709	\$ 22,983	3.3%	3.5%	5.3%

⁽¹⁾ Estimates of total personal income are derived by multiplying per capita personal income amounts by the corresponding population.

⁽²⁾ Unemployment rates are seasonally adjusted. The rates shown are for June of the fiscal year.

Sources:

Population and Per capita personal income information provided by the U.S. Census Bureau.

Unemployment rates provided by the Utah Department of Workforce Services and U.S. Department of Labor, Bureau of Labor Statistics

Schedule 23
Lindon City Corporation
Principal Employers
Current Year and Nine Years Ago

Employer DBA	2015			2006		
	Employees	Rank	Percentage of Total City Employment⁽¹⁾	Employees	Rank	Percentage of Total City Employment⁽¹⁾
Vivint Inc.	500	1	N/A			
Accessdata Group LLC	370	2	N/A			
Response North LLC	347	3	N/A			
Walmart Supercenter	324	4	N/A	N/A	3	N/A
Niels Fugal Sons Comp. LLC	227	5	N/A	N/A	5	N/A
Universal Industrial Sales	200	6	N/A	N/A	6	N/A
Symantec Corporation	190	7	N/A	N/A	7	N/A
Boostability	185	8	N/A			
Ace Recycling & Disposal	170	9	N/A			
American Crafts	170	10	N/A			
Teleperformance USA				N/A	1	N/A
Modus Link				N/A	2	N/A
Professional Marketing				N/A	4	N/A
Mountain State Steel				N/A	8	N/A
Home Depot				N/A	9	N/A
For Every Home LLC				N/A	10	N/A

N/A = Not Available

⁽¹⁾ Businesses are encouraged, but not required, to submit their number of employees when completing their business license applications, thus the total number of people employed in Lindon is not known.

Schedule 24
Lindon City Corporation
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	19	20	21	19	17	17	18	18	18	17
Public safety	0	0	0	18	17	17	18	19	19	19
Highways and streets	4	4	4	2	2	2	2	2	2	2
Park, recreation and culture	2	2	3	41	45	46	48	48	48	49
Water	3	3	3	3	2	2	2	2	2	3
Sewer	2	2	2	2	1	1	2	2	2	2
Storm Water Drainage	1	1	1	2	2	2	3	3	3	2
Total	31	32	34	87	86	87	93	94	94	94

Schedule 25
Lindon City Corporation
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Community development										
Residential building permits issued	163	176	199	110	113	126	108	118	137	170
Commercial building permits issued	74	67	82	46	58	49	37	36	44	53
Court										
Traffic and Misdemeanor cases handled	4,418	3,468	2,327	2,795	2,192	1,883	2,054	1,524	1,677	1,437
Police ⁽¹⁾										
Calls for service	N/A	N/A	N/A	11,604	10,709	9,153	9,228	8,467	8,410	8,685
Offenses	N/A	N/A	N/A	6,630	5,357	3,632	2,473	2,451	2,302	3,914
Arrests	N/A	N/A	N/A	1,253	849	638	787	735	605	510
Traffic Accidents	N/A	N/A	N/A	285	295	338	323	262	321	292
Recreation										
Recreation programs	3	3	3	3	3	3	3	5	5	5
Number of participants	612	631	650	1,692	2,009	1,668	1,066	1,181	1,298	1,425
Aquatics Center programs ⁽²⁾	N/A	N/A	N/A	N/A	6	7	7	6	5	8
Number of program participants	N/A	N/A	N/A	N/A	910	1,309	1,253	1,380	1,463	1,219
Number of Aquatics Center admissions	N/A	N/A	N/A	N/A	50,158	62,885	50,520	43,780	44,583	37,318
Community Center programs ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	5	13	12	14
Number of participants	N/A	N/A	N/A	N/A	N/A	N/A	1,220	857	252	465
Senior Center programs ⁽³⁾	N/A	N/A	N/A	N/A	N/A	N/A	6	31	23	13
Number of participants	N/A	N/A	N/A	N/A	N/A	N/A	194	150	579	345
Cemetery										
Acres maintained	3	3	3	3	3	3	3	3	3	3
Total gravesites	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Culinary Water										
Connections	2,618	2,787	2,814	2,515	2,624	2,748	2,775	2,818	2,847	2,896
Average daily consumption (thousands of gallons)	N/A	N/A	N/A	1,245	1,131	1,140	1,605	1,200	1,030	1,034
Sewer										
Sewer lines miles inspected	4.6	4.2	10.4	10.0	2.3	1.0	4.0	3.7	1.5	6.0

N/A = Not Available

⁽¹⁾ Lindon City established its own Police Department beginning July 1, 2008.

⁽²⁾ The Aquatics Center began operating May 23, 2009. The pool season (May-Sep) goes across fiscal years, but the statistics are reported here in the fiscal year that the pool closes for the season. For example, statistics for the May-Sep, 2013 pool season is reported in the 2014 fiscal year.

Schedule 26
Lindon City Corporation
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Streets and Highways										
Street lights	294	308	322	322	322	323	323	323	323	323
Street miles	51	54	54	54	54	55	55	55	55	54
Public works										
Incorporated area in square miles	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
City Center in square feet	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400	14,400
Parks and recreation										
Community Center in square feet	0	0	0	0	0	19,850	19,850	19,850	19,850	19,850
Park acreage	103	107	111	112	112	112	112	114	114	114
Baseball/softball diamonds	7	7	4	4	4	4	4	4	4	4
Soccer fields	2	2	2	2	2	2	2	2	3	3
Culinary water										
Water main line miles	67	69	71	71	71	71	71	71	75	77
Storage capacity (thousands of gallons)	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830	3,830
Sewer										
Sewer line miles	52	55	56	56	56	56	59	61	61	61
Secondary water										
Secondary water main line miles	45	45	46	46	46	46	46	46	47	49

**LINDON CITY CORPORATION
LINDON CITY, UTAH**

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015



Keddington & Christensen, LLC
Certified Public Accountants

**LINDON CITY CORPORATION
SUPPLEMENTARY REPORTS
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For the Fiscal Year Ended June 30, 2015**

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Keddington & Christensen, LLC
 Certified Public Accountants

Gary K. Keddington, CPA
 Phyl R. Warnock, CPA
 Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S
 REPORT ON INTERNAL CONTROL
 OVER FINANCIAL REPORTING AND ON
 COMPLIANCE AND OTHER MATTERS BASED
 ON AN AUDIT OF THE FINANCIAL STATEMENTS
 PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and
 Members of City Council
 Lindon City Corporation
 Lindon City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Lindon City Corporation (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 25, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Keddington & Christensen, LLC

November 25, 2015



Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

**INDEPENDENT AUDITOR'S REPORT IN
ACCORDANCE WITH THE STATE COMPLIANCE
AUDIT GUIDE ON COMPLIANCE WITH GENERAL
STATE COMPLIANCE REQUIREMENTS AND
ON INTERNAL CONTROL OVER COMPLIANCE**

Honorable Mayor and
Members of City Council
Lindon City Corporation
Lindon City, Utah

Report on Compliance with General State Compliance Requirements

We have audited Lindon City Corporation's (the City) compliance with the applicable general compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015, in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Utah Retirement Systems
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Tax Levy Revenue Recognition
- Restricted Taxes
- Open and Public Meetings Act
- Cash Management

The City did not have any state funding classified as a major program during the year ended June 30, 2015.

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs (if any).

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a direct and material effect on the City occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

Opinion

In our opinion, the City complied, in all material respects, with the general compliance requirements referred to above that could have a direct and material effect on the City for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompany *Schedule of Findings and Recommendations* as item 1.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted a matter involving internal control over compliance which we are submitting for your consideration. This matter is described in the accompanying *Schedule of Findings and Recommendations* as item 1.

City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying *Schedule of Responses to Auditor's Findings*. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Keddington & Christensen, LLC

November 25, 2015

**LINDON CITY CORPORATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2015**

FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS FINDINGS

No findings to report

STATE OF UTAH LEGAL COMPLIANCE FINDINGS

1. POSTING OF MINUTES TO THE UTAH PUBLIC NOTICE WEBSITE

Finding

Utah Code 52-4-203 states that cities are required to post minutes of City Council meetings to the Utah Public Notice Website within three days of approval by the City Council. While the City has been posting the City Council minutes to their own website, the City has not been uploading the minutes to the Utah Public Notice Website within 3 days of approval by the City Council. The City was not aware of the change in law regarding this requirement.

Recommendation

We recommend that the City post approved meeting minutes to the Utah Public Notice Website within 3 days of approval.

**LINDON CITY CORPORATION
SCHEDULE OF RESPONSES TO AUDITOR'S FINDINGS
For the Fiscal Year Ended June 30, 2015**

STATE OF UTAH LEGAL COMPLIANCE FINDINGS

1. POSTING OF MINUTES TO THE UTAH PUBLIC NOTICE WEBSITE

Lindon City has complied with uploading agendas, public notices, and pending minutes to the State Public Notice website as required by State Code but appears to have missed uploading approved minutes to the State website. However, approved minutes have been available through our city website. Our recorder is working to remedy this issue for all of Lindon's public bodies and will have approved minutes uploaded to the State website as soon as possible.

7. Review & Action — Architectural Elevations for Lindon Public Safety Building (60 minutes)

The City Council approved the site plan for the Public Safety Building on November 17th but continued the architectural elevations to gather more information prior to a final decision on the design. Representatives from Curtis Miner Architecture will review the proposed building elevations with the City Council members. Additional discussion on bidding alternatives for the building may also be discussed prior to a final motion.

At the last meeting the Council wanted to explore some options for possible decorative arches over the garage doors, and potentially adding additional colored and/or arched headers over windows. Architects Jay Taggart and Curtis Miner will be available to discuss the design and the materials on the building. Additional discussion on pros/cons and costs of various exterior materials will also take place. A review of existing city building's materials and designs will be presented for comparison to the proposed Public Safety Building materials.

**Updated sketches of elevations by the Architects should be available the day prior to the Council meeting.*

The Council also asked for information on potentially bidding the Police Department on the main level as alternate unfinished space to be completed as a Tenant Finish at some point in the future. Staff's understanding of this request is to determine if the interest saved by decreasing the total bond amount for the building is more or less than the estimated postponed construction cost of the Police Department. Initial evaluations appear like it's close to a wash to postpone construction when factoring both hard and soft costs compared to the potential interest saved on a lower bond amount. However, staff is waiting on some additional information from the architects before presenting final numbers on this 'PD tenant finish' option. If the Council determines to bid the PD as an alternate item the architects have informed us that there needs to be alternate plan sheets prepared. We'll discuss more in the meeting.

**Staff is gathering additional information on PD tenant finish costs that should be available the day prior to the Council meeting.*

Sample Motion: I move to (approve, deny, continue) the architectural building elevations and proposed materials for the Lindon Public Safety Building, with the following conditions: (list conditions, if any), and move to proceed with architectural plans to (finish all of the building interior spaces; bid the Police Department as an alternate unfinished space), with the following conditions:



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PUBLIC SAFETY BUILDING
 LINDON CITY
 100 NORTH STATE STREET
 LINDON, UT 84042

6 NOVEMBER 2015

CMA
 CURTIS MINER
 ARCHITECTURE
 233 SOUTH PLEASANT GROVE BLVD.
 SUITE #105
 PLEASANT GROVE, UTAH 84062
 PHONE: (801) 769-3000
 FAX: (801) 769-3001
 cma@cmautah.com

NOT FOR CONSTRUCTION



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 cma@cmautah.com

NOT FOR CONSTRUCTION

8. Review & Action — 700 North Specific Area Plan Committee

(30 minutes)

Councilmember Lundberg requests appointment of herself, Matt Bean, Bob Wily, Dan Fish, Kevin Long, Ron Anderson, and staff members Hugh Van Wagenen and Adam Cowie to serve on the 700 North Specific Area Plan Committee to formulate and recommend to the City Council specific development visioning plans for the corridor. The intent and objectives of the committee will also be reviewed.

Councilmember Lundberg was previously given direction by the Council to propose committee member recommendations and propose objectives for area specific planning of the 700 North corridor. The concept as briefly discussed included development of a specific set of guidelines and economic development objectives for the corridor which may be different from other General Commercial areas in Lindon.

Councilmember Lundberg has provided the following DRAFT objectives for the Council and Committee to consider:

1. Assemble a variety of individuals who are Lindon residents, staff, Council, Planning Commission, and professionals with an array of skills, experience, and networking capability.
2. Identify a vision and name for the 700 N Corridor that will guide the evolution of its development in a Specific Area Plan document.
3. Define values and how to coordinate them with local city and regional objectives, making Lindon a better place to live and work and play.
4. Identify goals, strategies, and implementation actions for the City to pursue to enact business retention, expansion, and attraction efforts.
5. Create an attractive gateway into Lindon city that is an active center for the community and establishes sustainable economic benefits.
6. Set aesthetic standards that strive to attain a harmonizing theme, yet maintain flexibility for potential development partners.
7. Create a 700 North Specific Area Economic Development Plan document that will act as a visioning tool for the City's General Plan.

The Council should consider the draft objectives above and provide feedback and direction to ensure the committee will be proceeding with appropriate guidance and its objectives are in-line with Council desires for the corridor.

Sample Motion: I move to (approve, deny, continue) appoint (list names) to the 700 North Specific Area Plan committee, and direct the committee to provide recommendations for the City Council to obtain the objectives for the corridor as discussed.

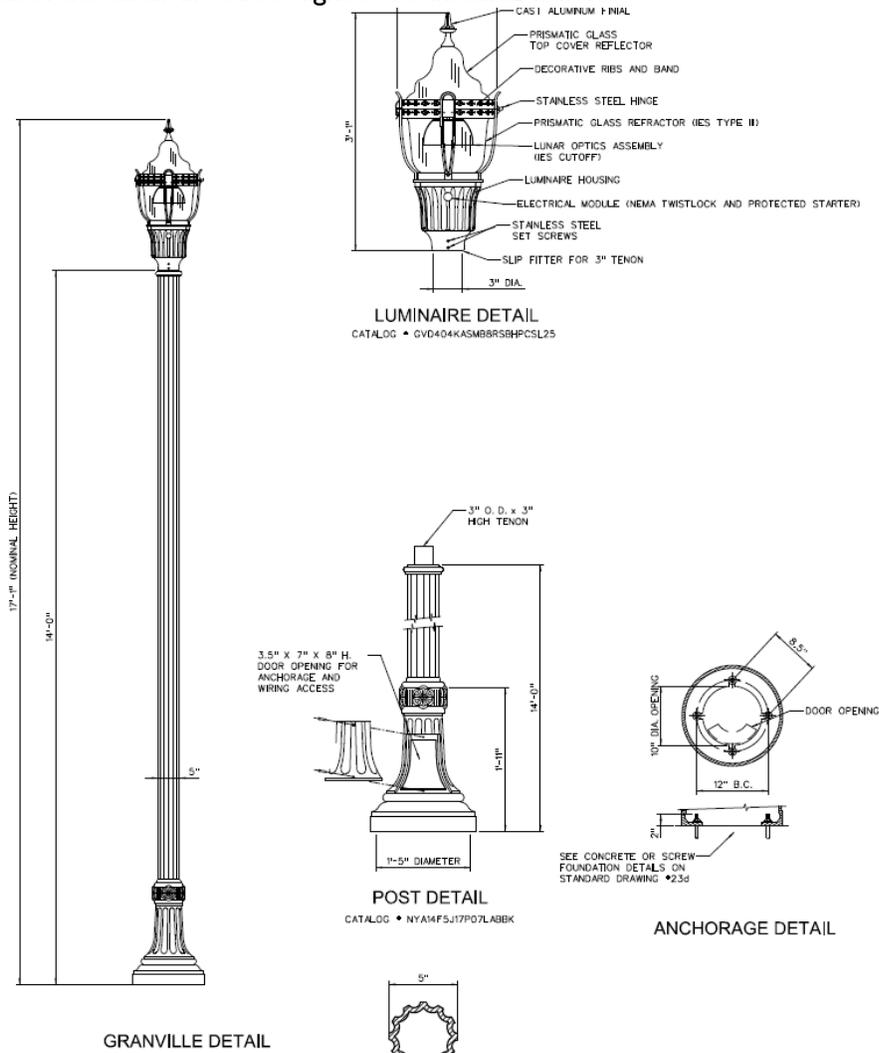
9. Review & Action — Street Lighting Request at 300 North 910 East (5 minutes)

The City Council will review and consider a citizen initiated request from Irene Dougherty for a new street light at the corner of 300 North 910 East at an approximate cost of \$5,454.35*.

The City has an established street lighting request application and process that can be submitted by any citizen. The attached request was turned in by Irene Dougherty for a new light to be installed on their corner property. They obtained the appropriate amount of signatures to meet the minimum standard for approval of a street light by the City. The City has budgeted \$15,000 for new street light installations this fiscal year.

The proposed light is listed on the Agenda as being estimated to cost about \$5,500 to install. *However, this pricing was for a commercial zone Esplanade light. The cost to install the Granville style street light for residential zones is estimated at \$4,282.50.

A sample detail of the Granville street light to be installed is below.



Sample Motion: I move to (approve, deny, continue) the streetlight installation request for a new Granville style light to be installed at the corner of 300 North 910 East.



Lindon City Streetlight Installation Application

LINDON CITY
OCT - 6 2015
RECEIVED

Date: October 6, 2015

Name: Irene Dougherty Phone#: 801-785-1295

Address: 278 North 910 East, Lindon, Utah 84042

The Lindon City street lighting policy guidelines.

When requested by this application, and approved by the Lindon City Council after consideration of street lighting impacts and budgetary constraints, Lindon City will facilitate the installation of streetlights in the following locations:

1. Knuckles or sharp bends on public streets that exceed the standard minimum centerline radius.
2. Minor public street intersections.
3. Major public street intersections.
4. End of cul-de-sacs and permanent dead-end public streets.
5. Right or left turn when changing direction which does not meet centerline standards.
6. Public streets longer than 650 feet in length may qualify for a street lights at mid-block (between intersections).

Lighting Styles:

Local streets in residential areas will have Granville style lights installed. Collector streets and all streets in industrial areas shall have Esplanade style lights. In the Commercial and Research and Business zones, Washington Postlite style lights are installed.

Exact location requested: 300 North, 910 East in Lindon

Reason the street light is being requested for this location:

At night, very dark on these streets. Lack of light makes it dangerous for adults or children who are out walking. Andrea Mattos said: "In the winter when my High School daughters catch the bus on 835 east, the Dougherty corner is pitch black, & I always walk my girls to the bus stop, because it is too dark down 910 East/300 North corner."

To validate this application, please notify adjoining property owners and/or residents within 500 feet of the proposed street light location and have them sign the back of this form if they are in agreement with the proposed light. This is especially important if the proposed location of the street light is not on the applicant's property. The majority of neighbors (over 50%) must approve of the installation of a street light before consideration for approval can be given.

Irene Dougherty
Signature of Applicant

October 6, 2015
Date

(Form with Signatures attached.)

Neighboring Citizens

	Name	Address	Phone #	Comments	Signature
1	ANDREW M. DOUGHERTY	278 N. 910 E	801-785-1295		<i>Andrew M. Dougherty</i>
2	Irene Dougherty	278 North 910 East	801-785-1295		<i>Irene Dougherty</i>
3	Adam Sorensen	242 N 910 East	801-785-1527		<i>Adam Sorensen</i>
4	Tony Wade	212 N 910 E	801-796-8071		<i>Tony Wade</i>
5	Bob Tukuaa	229 N 910 E	801-427-8709		<i>Bob Tukuaa</i>
6	Jessica Ehat	916 E 230 N	801-769-3351		<i>Jessica Ehat</i>
7	Andrea Motto	928 E 230 N	801-368-8365		<i>Andrea Motto</i>
8	Sandra Knowles	235 N. 910 East	801-615-0677		<i>Sandra Knowles</i>
9	Brock Nichols	241 N. 910 E.	801-785-8420		<i>Brock Nichols</i>
10	Neola Miles	275 N 910 E	801-785-4643		<i>Neola Miles</i>
11	Dale Miles	275 N 910 E	801-785-4643		<i>Dale Miles</i>
12	Joyce Shipp	234 N. 910 E.	801-785-1871		<i>Joyce Shipp</i>
13	Larry Shipp	234 N 910 E	801-785-1877		<i>Larry Shipp</i>
14	Nana Nichols	241 N 910 E	801-368-0026		<i>Nana Nichols</i>
15	Mike Kelly	853 E 300 N	801-472-6388		<i>Mike Kelly</i>
16	Michael Nellig	847 E 300 N	801-850-7152		<i>Michael Nellig</i>
17	Andrew Roberts	928 E. 300 N.	801-369-1116		<i>Andrew Roberts</i>
18	Amy Goodman	933 E. 300 N.	801-368-3414		<i>Amy Goodman</i>
19	Fran Eickbush	329 N 930 E.	801-796-3829		<i>Fran Eickbush</i>
20	Pauline Eickbush	" "	801-372-8148		<i>Pauline Eickbush</i>
21	Gary Hulet	375 N 930 E	801-796-8835		<i>Gary Hulet</i>
22	Alicia Andersen	360 N. 930 E.	801-358-5323		<i>Alicia Andersen</i>
23	BRAD STEVENS	844 E. 300 N	801-796-5323		<i>Brad Stevens</i>
24	G. Burton	915 E. 300 North	801-471-1161		<i>G. Burton</i>

Utah County Parcel Map

278 N 910 East Lindon



14:074:0012
LINDON CITY
31.76 acres

Lindon
View
14:072:0316
LINDON CITY
2.24 acres

14:074:0100
LINDON CITY...
0.96 acres

14:074:0089
ACERSON, JEFFREY and KAREN L...
Value: \$468,400 -- 23.37 acres

Lindon

This plat is for reference only and no liability is assumed for any inaccuracies, incorrect data or variations with an actual survey

Street Light Estimate

300 N. 910 E.

Granville Street Light (L.E.D.) 2,236.25

Foundation (base) 750.00

2 Junction Boxes 280.00

10 Wire 190.00

1"1/4 Conduit 831.25

Total \$4,282.50

Approximately: 100' to power supply

10. Review & Action — Appointment to North Utah Valley Animal Shelter Board (5 minutes)

Councilmember Hoyt has been unable to attend the animal shelter board meetings and has asked to be replaced. Staff recommends *Chief Cody Cullimore be appointed as Lindon's representative on the Board.

The North Utah Valley Animal Shelter allows each city it serves to have a representative on its Board of Directors. The Board typically meets at 10am on the last Thursday of each month at the Animal Shelter to discuss programing, budgeting, and other animal shelter needs/issues.

**Mayor Acerson contacted staff prior to this Staff Report being completed and requested that he be appointed to the Animal Shelter Board for the time being.*

Sample Motion: I move to (approve, deny, continue) the appointment of *Mayor Jeff Acerson as Lindon's representative on the North Utah Valley Animal Shelter Board.



North Utah Valley Animal Shelter (NUVAS), 193 N. 2000 W., Lindon

II. Review & Action — 2016 Public Meeting Calendar*(5 minutes)*

The Council will review and consider adoption of the 2016 Public Meeting Calendar for meeting dates of the City Council, Planning Commission, and Board of Adjustment.

The attached meeting calendar has been prepared and meetings scheduled to avoid holidays, elections, and Lindon Days events. A meeting calendar is required to be adopted by the Council prior to each calendar year.

Sample Motion: I move to (approve, continue, deny) the 2016 Public Meeting Schedule, with the following conditions:

LINDON CITY PUBLIC MEETING SCHEDULE 2016

ALL MEETINGS TO BE HELD AT THE LINDON CITY CENTER, 100 NORTH STATE STREET, LINDON UNLESS POSTED OTHERWISE

The following chart should be used as a guide when submitting applications for City Council, Planning Commission, and Board of Adjustment review. The City assumes no liability for a missed meeting. “The City of Lindon, in compliance with the Americans with Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for City sponsored public meetings, services, programs or events should call the City Recorder, Kathy Moosman, at 801-785-5043, giving at least 24 hours notice.”

Applications can be filed at any time. The application will be reviewed for completeness and conformance with City standards. When the application is considered complete and major issues have been addressed, it will then be scheduled for the next available meeting. Typical time frame for processing applications is 6 to 8 weeks. It is the applicant’s responsibility to contact the City and inquire as to the status of the application and when it will be scheduled for a particular meeting.

Business requiring Planning Commission, City Council and/or Board of Adjustment review will be heard on the dates listed below.

CITY COUNCIL	PLANNING COMMISSION	BOARD OF ADJUSTMENT	CITY OBSERVED HOLIDAYS
7:00 P.M. 1 st & 3 rd Tuesday	7:00 P.M. 2 nd & 4 th Tuesday		<i>City Offices Closed</i>
JANUARY 5, 2016 JANUARY 19, 2016 FEBRUARY 2, 2016 FEBRUARY 16, 2016 MARCH 1, 2016 MARCH 15, 2016 APRIL 5, 2016 APRIL 19, 2016 MAY 3, 2016 MAY 17, 2016 JUNE 7, 2016 JUNE 21, 2016 JULY 5, 2016 JULY 19, 2016 AUGUST 16, 2016 SEPTEMBER 6, 2016 SEPTEMBER 20, 2016 OCTOBER 4, 2016 OCTOBER 18, 2016 NOVEMBER 1, 2016 NOVEMBER 15, 2016 DECEMBER 6, 2016 DECEMBER 20, 2016	JANUARY 12, 2016 JANUARY 26, 2016 FEBRUARY 9, 2016 FEBRUARY 23, 2016 MARCH 8, 2016 MARCH 22, 2016 APRIL 12, 2016 APRIL 26, 2016 MAY 10, 2016 MAY 24, 2016 JUNE 14, 2016 JUNE 28, 2016 JULY 12, 2016 JULY 26, 2016 AUGUST 9, 2016 AUGUST 23, 2016 SEPTEMBER 13, 2016 SEPTEMBER 27, 2016 OCTOBER 11, 2016 OCTOBER 25, 2016 *NOVEMBER 22, 2016 DECEMBER 13, 2016	Board of Adjustment meets on an as needed basis.	JANUARY 1 st – New Year’s Day JANUARY 18 th – Martin Luther King Jr. Day FEBRUARY 15 th – President’s Day MAY 30 th – Memorial Day JULY 4 th – Independence Day JULY 25 th – Pioneer Day (observed) SEPTEMBER 5 th – Labor Day NOVEMBER 24 th – 25 th – Thanksgiving DECEMBER 26 th – 27 th – Christmas (observed)

The City Council will meet as the Redevelopment Agency and Municipal Building Authority on an as needed basis on the same date as its regularly scheduled meetings.

NOTE: The Board of Adjustment will meet on an as needed basis. Meeting times and dates are subject to change.

NOTE: Meeting dates may be canceled at the discretion of the City Council and Planning Commission due to holidays, municipal elections, or other unforeseen conflicts.

NOTE: Special meetings, as needed to serve the public needs, may be added throughout the year for any of the above groups - with a minimum 24 hours public notice.

*Meeting is subject to cancellation

12. **Council Reports:**

(20 minutes)

- | | |
|--|--------------------|
| A) MAG, COG, UIA, Utah Lake, ULCT, NUVAS, Budget Committee | - Jeff Acerson |
| B) Public Works, Irrigation/water, City Buildings | - Van Broderick |
| C) Planning, BD of Adjustments, General Plan, Budget Committee | - Matt Bean |
| D) Parks & Recreation, Trails, Tree Board, Cemetery | - Carolyn Lundberg |
| E) Administration, Com Center Board, Lindon Days, Little Miss Lindon | - Randi Powell |
| F) Public Safety, Court, Historic Commission, Budget Committee | - Jacob Hoyt |

13. Administrator's Report:

(15 minutes)

Misc Updates:

- November City newsletter: <http://siterepository.s3.amazonaws.com/442/november15final.pdf>
- Councilmember Powell is Mayor pro tem from October through December 2015
- Misc. Items:

Upcoming Meetings & Events:

- November 26th – Community Thanksgiving Dinner, 11am – 2pm at Community Center
- November 26-27th – City offices closed for Thanksgiving
- December 1 – 6:00pm work session with Legislative reps (Dayton, Jackson, Peterson, Stratton)
- December 7th @ 6:30pm – Tree Lighting Ceremony at Community Center
- December 8th – Noon @ Public Works. Engineering Coordination mtg: **Mayor, Van, ??**
- December 23rd – Noon @ Community Center, Employee Christmas Party
- December 23rd – 25th – City offices close at noon on Dec 23rd. Closed 24th and 25th
- January 1st – City offices closed for New Year's Day
- January 5th – regularly scheduled City Council meeting. Swearing-in of elected City Council members.

Adjourn