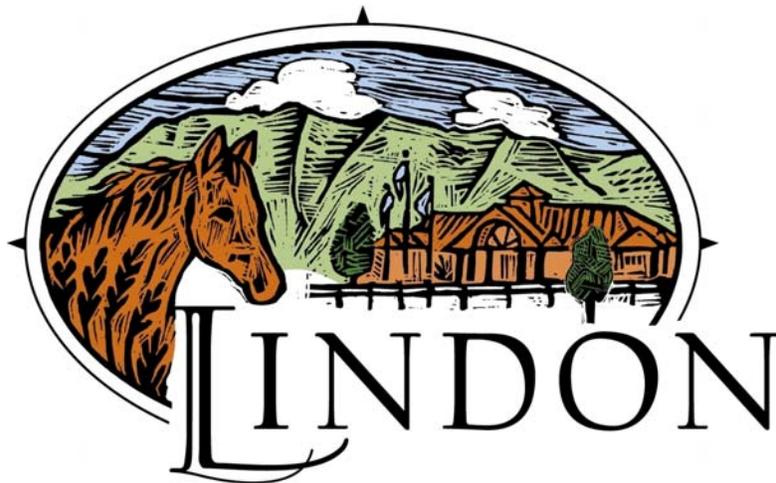


# LINDON CITY CORPORATION STATE OF UTAH

100 NORTH STATE STREET  
LINDON, UT 84042  
[WWW.LINDONCITY.ORG](http://WWW.LINDONCITY.ORG)

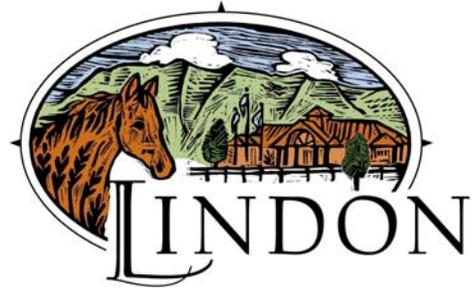
## COMPREHENSIVE ANNUAL FINANCIAL REPORT



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



## **TABLE OF CONTENTS (Continued)**

	<b><u>PAGE</u></b>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	1
Organization Chart	8
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	9
Management's Discussion and Analysis	11
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	22
Statement of Activities	24
Fund Financial Statements	
Balance Sheet - Governmental Funds	25
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	28
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	29
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Redevelopment Agency Special Revenue Fund	30
Statement of Net Position - Proprietary Funds	32
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	34
Statement of Cash Flows - Proprietary Funds	36
Notes to the Financial Statements	38
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	68
Schedule of Contributions	69

## TABLE OF CONTENTS (Continued)

	<b><u>PAGE</u></b>
<b>FINANCIAL SECTION (Continued)</b>	
Supplemental Information	
Combining Balance Sheet - Non-major Governmental Funds	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	73
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Major Governmental Fund – Debt Service Fund	74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Non-major Governmental Fund – P.A.R.C. Tax Special Revenue Fund	75
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Non-major Governmental Fund – Capital Projects Fund	76
Combining Statement of Net Position - Non-major Proprietary Funds	77
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Non-major Proprietary Funds	78
Combining Statement of Cash Flows – Non-major Proprietary Funds	79
<b>STATISTICAL SECTION</b>	
Financial Trends Information	
Net Position by Component	81
Changes in Net Position	82
Fund Balances of Governmental Funds	84
Changes in Fund Balances of Governmental Funds	85
Revenue Capacity Information	
Tax Revenue by Source	86
Direct and Overlapping Sales Tax Rates	87
Direct Taxable Sales by Category	88
Principal Sales Tax Payers	89
Direct and Overlapping Property Tax Rates	90
Assessed Value and Estimated Actual Value of Taxable Property	91
Property Tax Levies and Collections	92
Principal Property Tax Payers	93

## TABLE OF CONTENTS (Continued)

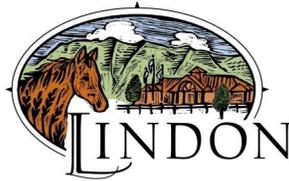
	<b><u>PAGE</u></b>
<b>STATISTICAL SECTION (Continued)</b>	
Debt Capacity Information	
Legal Debt Margin Information	94
Ratio of Outstanding Debt by Type	95
Direct and Overlapping Governmental Activities Debt	96
Pledged-Revenue Coverage	97
Demographic and Economic Information	
Demographic and Economic Statistics	103
Principal Employers	104
Operating Information	
Full-time Equivalent City Government Employees by Function/Program	105
Operating Indicators by Function/Program	106
Capital Asset Statistics by Function/Program	107



# **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

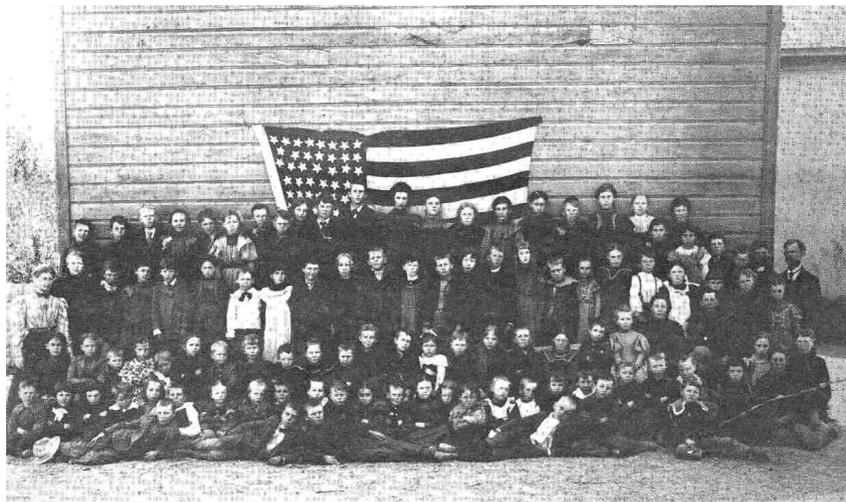
## **Profile of the Government**

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

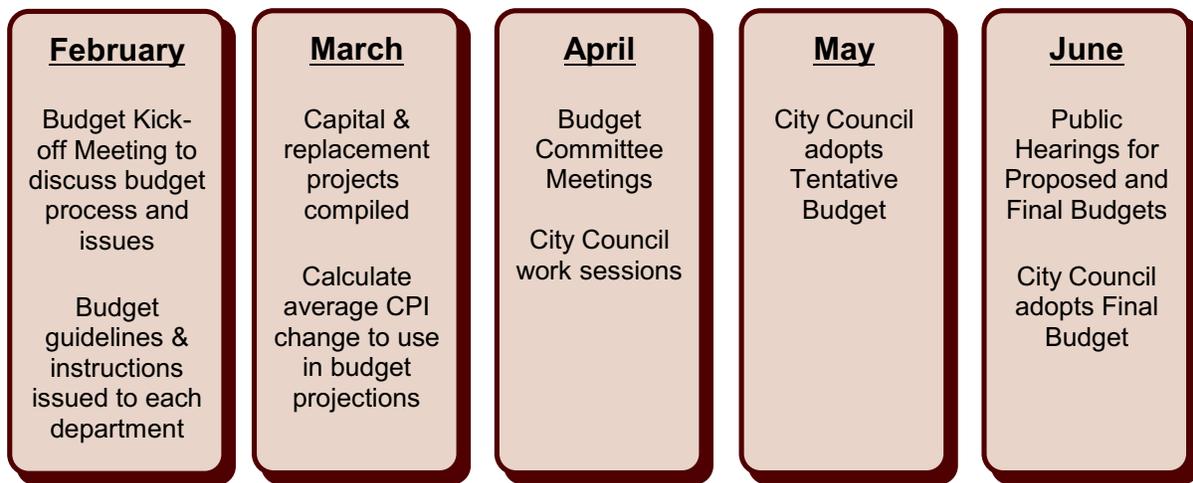
Lindon City is a beautiful place to live. Lindon shares a boundary with Orem City on the south and Pleasant Grove City and American Fork City on the north. To the west is Utah Lake with the Lindon Marina, which is used for boating and fishing. The City extends east to the Wasatch Mountains where Lindon 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).

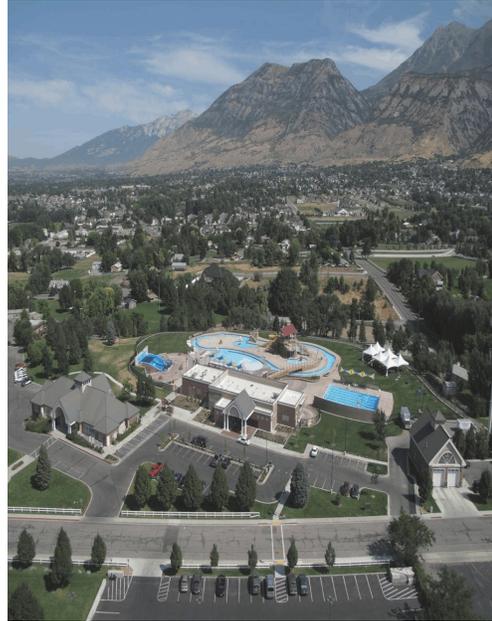
**Factors Affecting Financial Condition**

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.

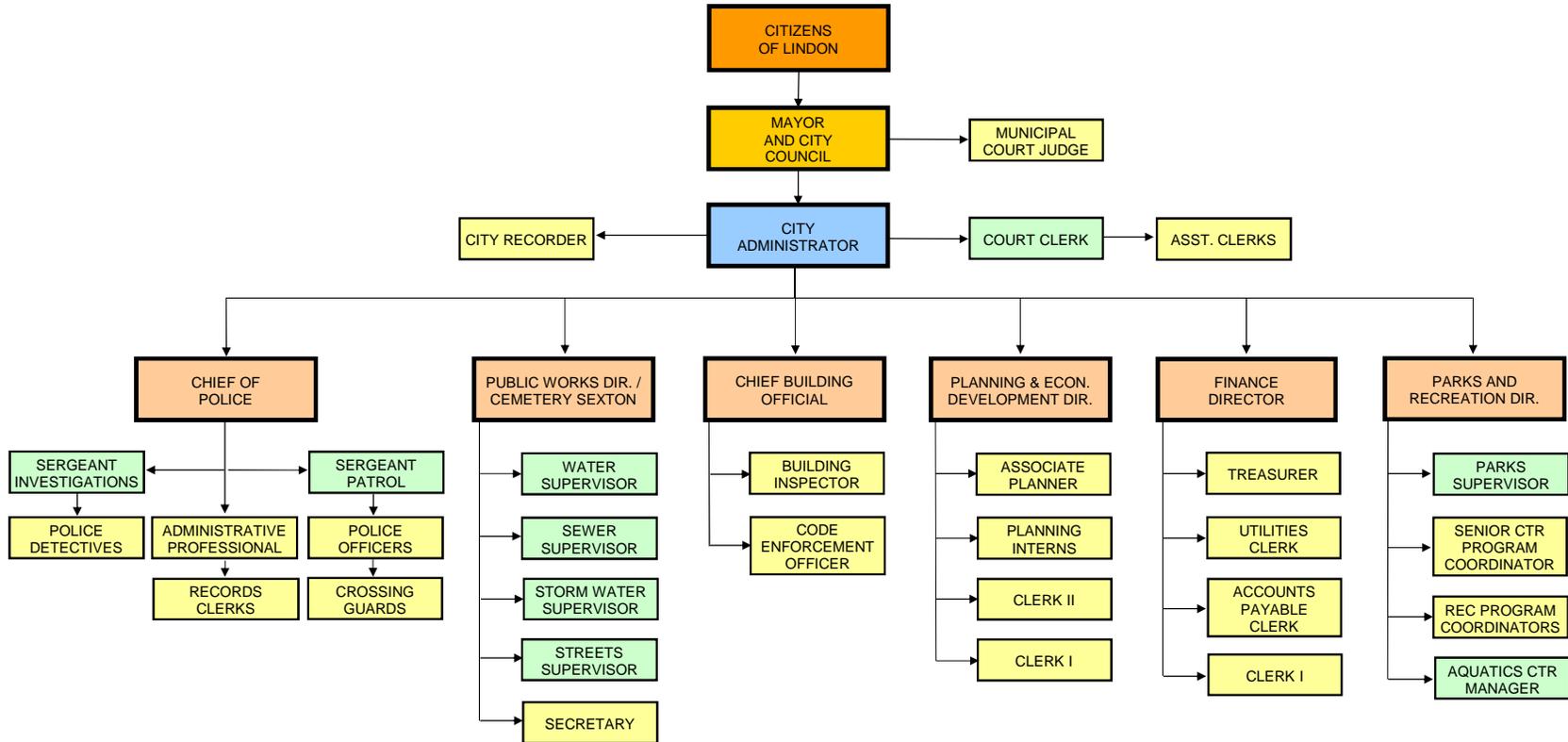
Respectfully submitted,

A handwritten signature in black ink that reads "Kristen Colson". The signature is fluid and cursive, with the first name "Kristen" being more prominent than the last name "Colson".

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**





## 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%
<b>Total Assets</b>	<b>36,613</b>	<b>34,523</b>	<b>52,593</b>	<b>52,909</b>	<b>89,206</b>	<b>87,432</b>	-2.0%
<b>Deferred outflows of resources</b>	<b>224</b>	<b>281</b>	<b>40</b>	<b>952</b>	<b>264</b>	<b>1,233</b>	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%
<b>Total Liabilities</b>	<b>5,852</b>	<b>4,836</b>	<b>18,469</b>	<b>18,451</b>	<b>24,321</b>	<b>23,287</b>	-4.3%
<b>Deferred inflows of resources</b>	<b>2,648</b>	1,979	-	<b>36</b>	<b>2,648</b>	<b>2,015</b>	-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%
<b>Total Net Position</b>	<b>\$ 28,337</b>	<b>\$ 27,989</b>	<b>\$ 34,164</b>	<b>\$ 35,374</b>	<b>\$ 62,501</b>	<b>\$ 63,363</b>	<b>1.4%</b>

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**

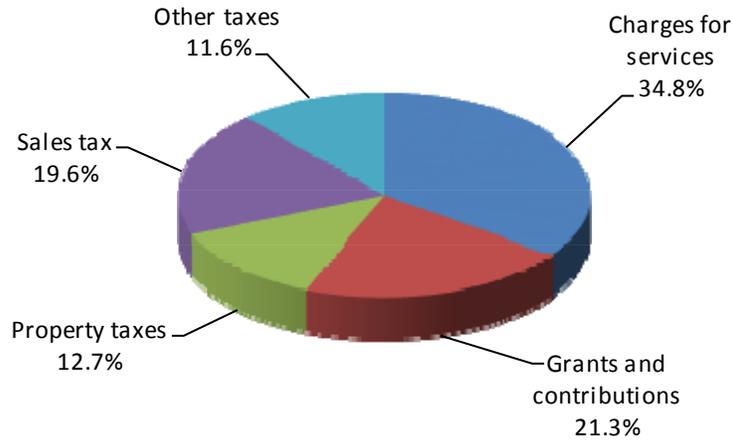
Lindon City's net position increased 1.4%. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation is true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

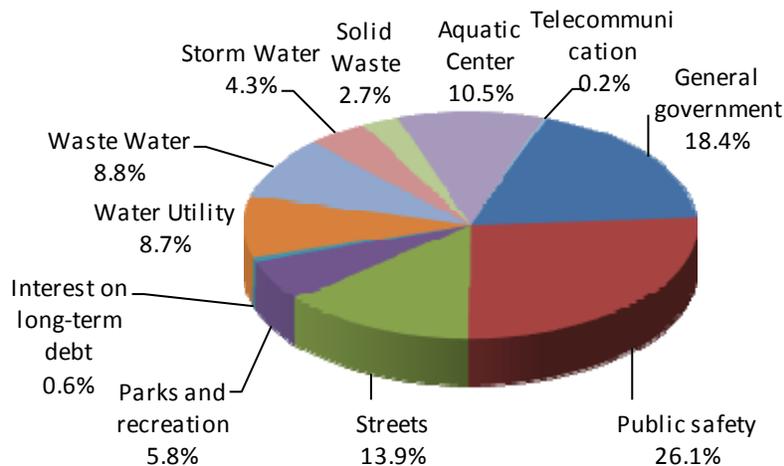
**LINDON CITY CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
 June 30, 2015

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	
<b>Revenues</b>							
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%
<b>Total revenues</b>	<b>9,707</b>	<b>9,593</b>	<b>4,923</b>	<b>6,090</b>	<b>14,630</b>	<b>15,683</b>	<b>7.2%</b>
<b>Expenses</b>							
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%
<b>Total expenses</b>	<b>9,909</b>	<b>9,594</b>	<b>4,720</b>	<b>5,227</b>	<b>14,629</b>	<b>14,821</b>	<b>1.3%</b>
<b>Excess (deficiency) before transfers</b>	<b>(202)</b>	<b>(1)</b>	<b>203</b>	<b>863</b>	<b>1</b>	<b>862</b>	<b>86100.0%</b>
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%
<b>Total Net Position</b>	<b>\$ 28,337</b>	<b>\$ 27,989</b>	<b>\$ 34,164</b>	<b>\$ 35,374</b>	<b>\$ 62,501</b>	<b>\$ 63,363</b>	<b>1.4%</b>

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%
<b>Total</b>	<b>\$ 28,885</b>	<b>\$ 26,808</b>	<b>\$ 49,217</b>	<b>\$ 49,057</b>	<b>\$ 78,102</b>	<b>\$ 75,865</b>	<b>-2.9%</b>

**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%
<b>Total</b>	<b>\$ 5,037</b>	<b>\$ 2,401</b>	<b>\$ 17,657</b>	<b>\$ 17,746</b>	<b>\$ 20,680</b>	<b>\$ 20,147</b>	<b>-2.6%</b>

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.

*(This page is intentionally left blank.)*

## **BASIC FINANCIAL STATEMENTS**

**LINDON CITY CORPORATION**  
**STATEMENT OF NET POSITION**

June 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
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
<b>Total Assets</b>	<b>34,522,545</b>	<b>52,909,170</b>	<b>87,431,715</b>
<b>Deferred Outflows of Resources</b>			
Deferred outflows relating to pensions	281,429	49,868	331,297
Deferred charge on bond refunding	-	902,392	902,392
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 34,803,974</b>	<b>\$ 53,861,430</b>	<b>\$ 88,665,404</b>

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
<b>Liabilities:</b>			
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
<b>Total Liabilities</b>	<b>4,835,847</b>	<b>18,451,558</b>	<b>23,287,405</b>
<b>Deferred Inflows of Resources:</b>			
Deferred inflows for property taxes	1,759,247	-	1,759,247
Deferred inflows relating to pensions	219,992	35,826	255,818
<b>Total Deferred Inflows of Resources</b>	<b>1,979,239</b>	<b>35,826</b>	<b>2,015,065</b>
<b>Net Position:</b>			
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
<b>Total Net Position</b>	<b>27,988,888</b>	<b>35,374,046</b>	<b>63,362,934</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 34,803,974</b>	<b>\$ 53,861,430</b>	<b>\$ 88,665,404</b>

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
<b>Governmental Activities:</b>							
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)
<b>Total Governmental Activities</b>	<b>9,593,778</b>	<b>1,588,166</b>	<b>1,911,409</b>	<b>362,702</b>	<b>(5,731,501)</b>	<b>-</b>	<b>(5,731,501)</b>
<b>Business-type Activities:</b>							
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
<b>Total Business-type Activities</b>	<b>5,227,053</b>	<b>4,591,578</b>	<b>5,835</b>	<b>1,492,425</b>	<b>-</b>	<b>862,785</b>	<b>862,785</b>
<b>Total Government</b>	<b>\$ 14,820,831</b>	<b>\$ 6,179,744</b>	<b>\$ 1,917,244</b>	<b>\$ 1,855,127</b>	<b>(5,731,501)</b>	<b>862,785</b>	<b>(4,868,716)</b>
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
<b>Assets</b>					
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
<b>Total Assets</b>	<b>\$ 4,932,626</b>	<b>\$ 1,908,525</b>	<b>\$ 34,943</b>	<b>\$ 862,376</b>	<b>\$ 7,738,470</b>
<b>Liabilities</b>					
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
<b>Total Liabilities</b>	<b>1,136,733</b>	<b>23,762</b>	<b>34,943</b>	<b>31,289</b>	<b>1,226,727</b>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue - property taxes	1,638,935	120,312	-	-	1,759,247
<b>Total Deferred Inflows of Resources</b>	<b>1,638,935</b>	<b>120,312</b>	<b>-</b>	<b>-</b>	<b>1,759,247</b>
<b>Fund Balances:</b>					
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
<b>Total Fund Balances</b>	<b>2,156,958</b>	<b>1,764,451</b>	<b>-</b>	<b>831,087</b>	<b>4,752,496</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,932,626</b>	<b>\$ 1,908,525</b>	<b>\$ 34,943</b>	<b>\$ 862,376</b>	<b>\$ 7,738,470</b>

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

<b>Total Fund Balance - Governmental Funds</b>	\$	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)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b><u>27,988,888</u></b>

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
<b>Revenues:</b>					
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
<b>Total Revenues</b>	<b>8,809,124</b>	<b>184,947</b>	<b>-</b>	<b>770,886</b>	<b>9,764,957</b>
<b>Expenditures:</b>					
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
<b>Total Expenditures</b>	<b>8,251,576</b>	<b>325,352</b>	<b>1,240,748</b>	<b>321,592</b>	<b>10,139,268</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>557,548</b>	<b>(140,405)</b>	<b>(1,240,748)</b>	<b>449,294</b>	<b>(374,311)</b>
<b>Other Financing Sources (Uses):</b>					
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
<b>Total Other Financing Sources (Uses)</b>	<b>24,718</b>	<b>125,888</b>	<b>1,240,748</b>	<b>(86,493)</b>	<b>1,304,861</b>
<b>Net Change in Fund Balances</b>	<b>582,266</b>	<b>(14,517)</b>	<b>-</b>	<b>362,801</b>	<b>930,550</b>
<b>Fund Balances, Beginning</b>	<b>1,574,692</b>	<b>1,778,968</b>	<b>-</b>	<b>468,286</b>	<b>3,821,946</b>
<b>Fund Balances, Ending</b>	<b>\$ 2,156,958</b>	<b>\$ 1,764,451</b>	<b>\$ -</b>	<b>\$ 831,087</b>	<b>\$ 4,752,496</b>

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:

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$	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 style="border-top: 1px solid black;"/>
<b>Change in Net Position - Governmental Activities</b>	<b>\$</b>	<b>(347,981)</b>
		<hr style="border-top: 3px double black;"/>

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		
<b>Revenues:</b>				
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
<b>Total Revenues</b>	<b>7,784,219</b>	<b>8,426,715</b>	<b>8,809,124</b>	<b>382,409</b>
<b>Expenditures:</b>				
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)
<b>Total Expenditures</b>	<b>8,405,129</b>	<b>8,487,490</b>	<b>8,251,576</b>	<b>235,914</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(620,910)</b>	<b>(60,775)</b>	<b>557,548</b>	<b>618,323</b>
<b>Other Financing Sources (Uses):</b>				
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
<b>Total Other Financing Sources (Uses)</b>	<b>(254,742)</b>	<b>(983)</b>	<b>24,718</b>	<b>25,701</b>
<b>Net Change in Fund Balances</b>	<b>(875,652)</b>	<b>(61,758)</b>	<b>582,266</b>	<b>644,024</b>
<b>Fund Balances, Beginning</b>	<b>1,574,692</b>	<b>1,574,692</b>	<b>1,574,692</b>	<b>-</b>
<b>Fund Balances, Ending</b>	<b>\$ 699,040</b>	<b>\$ 1,512,934</b>	<b>\$ 2,156,958</b>	<b>\$ 644,024</b>

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

*(This page intentionally left blank.)*

**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	
<b>Assets and Deferred Outflows of Resources</b>						
<b>Current Assets:</b>						
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
<b>Total Current Assets</b>	<b>2,124,330</b>	<b>1,586,442</b>	<b>47,220</b>	<b>330,302</b>	<b>125,913</b>	<b>4,214,207</b>
<b>Noncurrent Assets:</b>						
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
<b>Total Noncurrent Assets</b>	<b>20,235,587</b>	<b>10,240,365</b>	<b>9,619,620</b>	<b>8,923,234</b>	<b>467,157</b>	<b>49,485,963</b>
<b>Deferred Outflows of Resources</b>						
Deferred outflows relating to pensions	16,516	12,190	11,651	9,511	-	49,868
Deferred charge on bond refunding	-	-	-	902,392	-	902,392
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 22,376,433</b>	<b>\$ 11,838,997</b>	<b>\$ 9,678,491</b>	<b>\$ 10,165,439</b>	<b>\$ 593,070</b>	<b>\$ 54,652,430</b>

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	
<b>Liabilities and Deferred Inflows of Resources</b>						
<b>Current Liabilities:</b>						
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
<b>Total Current Liabilities</b>	<b>362,115</b>	<b>369,060</b>	<b>451,546</b>	<b>1,015,625</b>	<b>52,780</b>	<b>2,251,126</b>
<b>Noncurrent Liability:</b>						
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
<b>Total Noncurrent Liability</b>	<b>2,990,202</b>	<b>4,213,319</b>	<b>474,142</b>	<b>8,903,694</b>	<b>410,075</b>	<b>16,991,432</b>
<b>Deferred Inflows of Resources:</b>						
Deferred inflows relating to pensions	11,865	8,758	8,370	6,833	-	35,826
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>3,364,182</b>	<b>4,591,137</b>	<b>934,058</b>	<b>9,926,152</b>	<b>462,855</b>	<b>19,278,384</b>
<b>Net Position:</b>						
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
<b>Total Net Position</b>	<b>19,012,251</b>	<b>7,247,860</b>	<b>8,744,433</b>	<b>239,287</b>	<b>130,215</b>	<b>35,374,046</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 22,376,433</b>	<b>\$ 11,838,997</b>	<b>\$ 9,678,491</b>	<b>\$ 10,165,439</b>	<b>\$ 593,070</b>	<b>\$ 54,652,430</b>

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	
<b>Operating Revenues:</b>						
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
<b>Total Operating Revenues</b>	<b>1,727,987</b>	<b>1,399,884</b>	<b>489,124</b>	<b>504,725</b>	<b>469,858</b>	<b>4,591,578</b>
<b>Operating Expenses:</b>						
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
<b>Total Operating Expenses</b>	<b>1,188,209</b>	<b>1,241,121</b>	<b>620,575</b>	<b>1,195,381</b>	<b>431,329</b>	<b>4,676,615</b>
<b>Operating Income (Loss)</b>	<b>\$ 539,778</b>	<b>\$ 158,763</b>	<b>\$ (131,451)</b>	<b>\$ (690,656)</b>	<b>\$ 38,529</b>	<b>\$ (85,037)</b>

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	
<b>Nonoperating Income (Expense):</b>						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 5,835	\$ -	\$ 5,835
Interest income	553	306	-	100	-	959
Interest expense	(102,869)	(65,927)	(20,251)	(361,391)	-	(550,438)
<b>Total Nonoperating Income (Expense)</b>	<u>(102,316)</u>	<u>(65,621)</u>	<u>(20,251)</u>	<u>(355,456)</u>	<u>-</u>	<u>(543,644)</u>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	437,462	93,142	(151,702)	(1,046,112)	38,529	(628,681)
<b>Capital contributions</b>	562,216	178,217	270,001	-	38,230	1,048,664
<b>Impact fee contributions</b>	76,808	280,251	86,702	-	-	443,761
<b>Transfers in</b>	-	-	-	1,116,810	-	1,116,810
<b>Transfers out</b>	<u>(306,487)</u>	<u>(288,071)</u>	<u>(156,680)</u>	<u>-</u>	<u>(18,850)</u>	<u>(770,088)</u>
<b>Changes in Net Position</b>	769,999	263,539	48,321	70,698	57,909	1,210,466
<b>Net Position, Beginning, Restated</b>	<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>
<b>Net Position, Ending</b>	<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	
<b>Cash Flows From Operating Activities:</b>						
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)
<b>Net cash from operating activities</b>	<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>
<b>Cash Flows From Capital and Related Financing Activities:</b>						
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)
<b>Net cash from capital and related financing activities</b>	<u>(204,548)</u>	<u>(71,488)</u>	<u>(45,626)</u>	<u>(733,634)</u>	<u>-</u>	<u>(1,055,296)</u>
<b>Cash Flows From Non-Capital Financing Activities:</b>						
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
<b>Net cash from non-capital financing activities</b>	<u>\$ 384,004</u>	<u>\$ 680,907</u>	<u>\$ (137,669)</u>	<u>\$ 978,963</u>	<u>\$ (22,446)</u>	<u>\$ 1,883,759</u>

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	
<b>Cash Flows From Investing Activity:</b>						
Interest on investments	\$ 553	\$ 306	\$ -	\$ 100	\$ -	\$ 959
<b>Net cash from investing activity</b>	<u>553</u>	<u>306</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>959</u>
<b>Net Increase (Decrease) In Cash</b>	1,080,309	1,226,795	(9)	(342,506)	15,645	1,980,234
<b>Cash and Cash Equivalents At Beginning of Year</b>	<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>
<b>Cash and Cash Equivalents at End of Year</b>	<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>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>						
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)
<b>Net cash from operating activities</b>	<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>
<b>Noncash investing, capital, and financing activities:</b>						
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:

Assets	Years
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:

	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Rating (1)</u>	<u>Weighted Average Years to Maturity (2)</u>
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:

	Receivable	Payable
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
	\$ 815,943	\$ 815,943

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:

	Transfers In	Transfers Out
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
	\$ 3,275,346	\$ 3,275,346

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:

	<b>Balance June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2015</b>
<b>Governmental Activities:</b>				
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:

<b>Governmental Activities:</b>	
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)**

	<b>Balance</b> <b>June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b> <b>June 30, 2015</b>
<b>Business-type Activities:</b>				
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
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, not being depreciated	11,494,140	276,667	(3,991)	11,766,816
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
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets, being depreciated	51,779,446	927,448	-	52,706,894
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)
	<hr/>	<hr/>	<hr/>	<hr/>
Total accumulated depreciation	(14,057,042)	(1,359,874)	-	(15,416,916)
	<hr/>	<hr/>	<hr/>	<hr/>
Total capital assets being depreciated, net	37,722,404	(432,426)	-	37,289,978
	<hr/>	<hr/>	<hr/>	<hr/>
Business-type Activities capital assets, net	\$ 49,216,544	\$ (155,759)	\$ (3,991)	\$ 49,056,794

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
	<hr/>
Total depreciation expense - business-type activities	\$ 1,359,874

**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 June 30, 2014</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2015</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
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	<u>326,838</u>	<u>480,520</u>	<u>(378,790)</u>	<u>428,568</u>	<u>109,155</u>
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	<u>150,499</u>	<u>122,527</u>	<u>(113,002)</u>	<u>160,024</u>	<u>110,779</u>
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>
<b>Business-type Activities:</b>					
Bonds payable:					
Revenue bonds	14,767,807	7,470,000	(7,719,832)	14,517,975	669,095
Plus: unamortized premiums	<u>53,790</u>	<u>612,841</u>	<u>(66,566)</u>	<u>600,065</u>	<u>-</u>
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	<u>359,769</u>	<u>-</u>	<u>(117,097)</u>	<u>242,672</u>	<u>120,890</u>
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	<u>64,951</u>	<u>32,008</u>	<u>(25,608)</u>	<u>71,351</u>	<u>58,511</u>
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

**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,	<b>Governmental Activities</b>	
	<b>Revenue Bonds</b>	
	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,	<b>Governmental Activities</b>	
	<b>Notes Payable</b>	
	Principal	Interest
2016	\$ 10,000	\$ -
2017	10,000	-
2018	10,000	-
2019	10,000	-
2020	10,000	-
2021-2022	20,000	-
<b>Total</b>	<b>\$ 70,000</b>	<b>\$ -</b>

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

Year Ending June 30,	<b>Business-type Activities</b>	
	<b>Revenue Bonds</b>	
	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	<b>\$ 5,817,611</b>
Plus: unamortized premium	600,065	
Total revenues bonds	<b>\$ 15,118,040</b>	

LINDON CITY CORPORATION  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

NOTE 8 – LONG-TERM DEBT (Continued)

Year Ending June 30,	<b>Business-type Activities</b>	
	<b>Notes Payable</b>	
	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,	<b>Business-type</b>
	<b>Activities</b>
	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:

	<b>Governmental</b>
	<b>Activities</b>
Asset:	
Vehicles	\$ 553,956
Less: accumulated depreciation	(68,722)
Total	<u>\$ 485,234</u>
	<b>Business-Type</b>
	<b>Activities</b>
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**

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

<b>Utah Retirement Systems</b>	<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	<u>0.2809760%</u>	<u>850</u>	<u>-</u>
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:

<b>Year Ended December 31,</b>	<b>Deferred Outflows (inflows) of Resources</b>
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%
<b>Totals</b>	<b>100%</b>		<b>5.23%</b>
		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%)
<b>Proportionate share of</b>			
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
	1,053,102
Total tax increment collected	\$ 1,053,102

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
	1,078,727
Total amounts expended by RDA	\$ 1,078,727

Outstanding bonds and loans to finance RDA projects	\$ -
	-

**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>
<b>GOVERNMENTAL ACTIVITIES</b>			
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>
<b>BUSINESS-TYPE ACTIVITIES</b>			
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.*

*(This page intentionally left blank.)*

**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>
<b>ASSETS</b>			
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
<b>Total Assets</b>	<b>\$ 313,345</b>	<b>\$ 549,031</b>	<b>\$ 862,376</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 31,289	\$ -	\$ 31,289
<b>Total Liabilities</b>	<b>31,289</b>	<b>-</b>	<b>31,289</b>
<b>Fund Balances:</b>			
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	-	-	-
<b>Total Fund Balances</b>	<b>282,056</b>	<b>549,031</b>	<b>831,087</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 313,345</b>	<b>\$ 549,031</b>	<b>\$ 862,376</b>

**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

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

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

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

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		
<b>Revenues:</b>				
P.A.R.C. Tax	\$ 325,000	\$ 450,000	\$ 475,198	\$ (25,198)
Interest	500	800	881	(81)
<b>Total Revenues</b>	<u>325,500</u>	<u>450,800</u>	<u>476,079</u>	<u>(25,279)</u>
<b>Expenditures:</b>				
Parks and recreation	208,000	260,306	227,326	32,980
<b>Total Expenditures</b>	<u>208,000</u>	<u>260,306</u>	<u>227,326</u>	<u>32,980</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>117,500</u>	<u>190,494</u>	<u>248,753</u>	<u>(58,259)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(32,925)	(89,925)	(76,493)	(13,432)
<b>Total Other Financing Sources (Uses)</b>	<u>(32,925)</u>	<u>(89,925)</u>	<u>(76,493)</u>	<u>(13,432)</u>
<b>Net Change in Fund Balances</b>	84,575	100,569	172,260	71,691
<b>Fund Balances, Beginning</b>	<u>109,796</u>	<u>109,796</u>	<u>109,796</u>	<u>-</u>
<b>Fund Balances, Ending</b>	<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		
<b>Revenues:</b>				
Impact Fees	\$ 70,000	\$ 288,000	\$ 292,500	\$ (4,500)
Interest	1,000	1,900	2,307	(407)
<b>Total Revenues</b>	<b>71,000</b>	<b>289,900</b>	<b>294,807</b>	<b>(4,907)</b>
<b>Expenditures:</b>				
Current:				
Parks and recreation	-	-	-	-
Capital outlay	110,000	214,300	94,266	120,034
<b>Total Expenditures</b>	<b>110,000</b>	<b>214,300</b>	<b>94,266</b>	<b>120,034</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(39,000)</b>	<b>75,600</b>	<b>200,541</b>	<b>115,127</b>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(10,000)	(10,000)	(10,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(49,000)</b>	<b>65,600</b>	<b>190,541</b>	<b>115,127</b>
<b>Fund Balances, Beginning</b>	<b>358,490</b>	<b>358,490</b>	<b>358,490</b>	<b>-</b>
<b>Fund Balances, Ending</b>	<b>\$ 309,490</b>	<b>\$ 424,090</b>	<b>\$ 549,031</b>	<b>\$ 115,127</b>

LINDON CITY CORPORATION  
**COMBINING STATEMENT OF NET POSITION – NON-MAJOR  
 PROPRIETARY FUNDS**  
 June 30, 2015

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

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

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

	<b>Business-type Activities - Enterprise Funds</b>		<b>Total Nonmajor Proprietary Funds</b>
	<b>Waste Collection Fund</b>	<b>Telecommunications Fund</b>	
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers and users	\$ 420,131	\$ 48,912	\$ 469,043
Payments to suppliers	(387,886)	(43,066)	(430,952)
<b>Net cash from operating activities</b>	<b>32,245</b>	<b>5,846</b>	<b>38,091</b>
<b>Cash Flows From Non-Capital Financing Activities:</b>			
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)
<b>Net cash from non-capital financing activities</b>	<b>(16,600)</b>	<b>(5,846)</b>	<b>(22,446)</b>
<b>Net Increase (Decrease) In Cash</b>	<b>15,645</b>	<b>-</b>	<b>15,645</b>
<b>Cash and Cash Equivalents At Beginning of Year</b>	<b>64,848</b>	<b>-</b>	<b>64,848</b>
<b>Cash and Cash Equivalents At End of Year</b>	<b>\$ 80,493</b>	<b>\$ -</b>	<b>\$ 80,493</b>
<b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b>			
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
<b>Net cash from operating activities</b>	<b>\$ 32,245</b>	<b>\$ 5,846</b>	<b>\$ 38,091</b>
<b>Noncash investing, capital, and financing activities:</b>			
Contributions from developers	\$ -	\$ 38,230	\$ 38,230
Increase to UIA notes payable and receivable	-	39,300	39,300

*(This page is intentionally left blank.)*

# **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
<b>Expenses</b>										
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>
<b>Program Revenues</b>										
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
<b>General Revenues and Other Changes in Net Assets</b>										
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>
<b>Change in Net Assets</b>										
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>

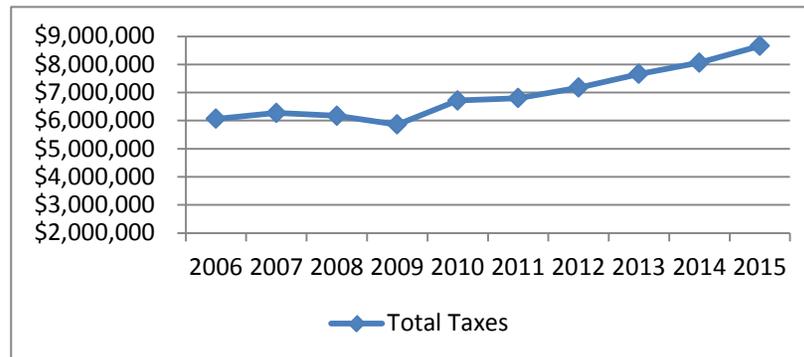
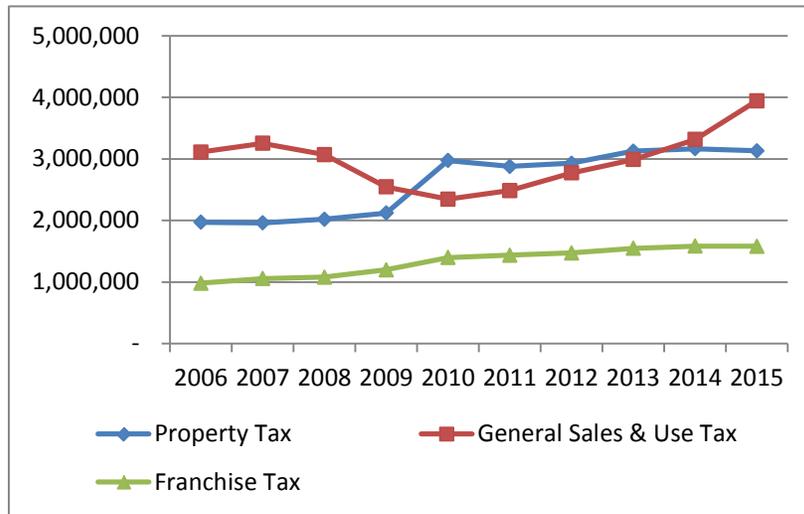
**Schedule 4**  
**Lincoln City Corporation**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
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>
<b>Expenditures</b>										
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>
<b>Other Financing Sources (Uses)</b>										
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**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>General Sales &amp; Use Tax</b>	<b>Franchise Tax</b>	<b>Total Taxes</b>
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 <sup>(1) (2)</sup>	PARC Tax Rate <sup>(3)</sup>	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.

<sup>(1)</sup> 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.

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

<sup>(3)</sup> 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**

<b>Fiscal Year</b>	<b>Category</b>				<b>Total</b>	<b>City Direct Sales Tax Rate <sup>(1)</sup></b>
	<b>Retail</b>	<b>Services</b>	<b>Manufacturing &amp; Construction</b>	<b>Other</b>		
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

<sup>(1)</sup> 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**

<b>Taxpayer</b>	<b>2015</b>			<b>2006</b>		
	<b>Sales Tax<sup>(1)</sup></b>	<b>Rank</b>	<b>% of Total Sales Tax<sup>(1)</sup></b>	<b>Sales Tax<sup>(1)</sup></b>	<b>Rank</b>	<b>% of Total Sales Tax<sup>(1)</sup></b>
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
<b>Total</b>	<b>\$1,761,570</b>		<b>50.81%</b>	<b>\$ 2,072,768</b>		<b>66.67%</b>

Source: Utah State Tax Commission

<sup>(1)</sup> 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 <sup>(1)</sup>	Lindon City <sup>(2)</sup>			Alpine School District	Utah County	Central Utah Water Conservancy District	Other	Total for District 80 <sup>(3)</sup>	Northern Utah County Water Conservancy District	Total for District 85 <sup>(3)</sup>
	General Fund	Debt Service Fund	Total							
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.

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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 <sup>(1)</sup>										% of T.V.
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
<b>Real Property</b>											
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%
<b>Total real property</b>	<b>554,719,958</b>	<b>611,426,270</b>	<b>794,786,890</b>	<b>892,342,023</b>	<b>947,468,674</b>	<b>888,433,334</b>	<b>823,692,882</b>	<b>826,058,342</b>	<b>859,076,865</b>	<b>923,598,263</b>	<b>87.3%</b>
<b>Personal Property</b>											
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%
<b>Total personal property</b>	<b>65,103,847</b>	<b>75,379,959</b>	<b>87,802,237</b>	<b>116,881,071</b>	<b>122,956,731</b>	<b>102,057,607</b>	<b>104,281,386</b>	<b>117,698,789</b>	<b>114,695,239</b>	<b>107,497,228</b>	<b>10.2%</b>
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%
<b>Total Taxable Assessed Value</b>	<b>637,413,520</b>	<b>705,104,786</b>	<b>903,512,226</b>	<b>1,030,320,758</b>	<b>1,092,313,242</b>	<b>1,011,875,018</b>	<b>949,340,773</b>	<b>965,323,963</b>	<b>997,223,807</b>	<b>1,058,000,861</b>	<b>100.0%</b>
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

<sup>(1)</sup> 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**

<b>Calendar Year<sup>(1)</sup></b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Taxes Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Taxes Collected</b>
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

<sup>(1)</sup> 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 <sup>(2)</sup>	2014 <sup>(1)</sup>			2005 <sup>(1)</sup>		
	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%
<b>Total</b>		<b>\$ 142,383,832</b>	<b>13.81%</b>		<b>91,963,940</b>	<b>8.67%</b>

Source: Utah County Clerk/Auditor

<sup>(1)</sup> 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**

<b>Fiscal Year Ending</b>	<b>Taxable Value<sup>(1)</sup></b>	<b>Debt Limit (4%)</b>	<b>Total debt applicable to limit<sup>(2)</sup></b>	<b>Legal debt margin</b>	<b>Percentage of Debt to Debt Limit</b>
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

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

<sup>(2)</sup> 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
<b>Governmental Activities</b>										
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
<b>Total Governmental Activities Debt</b>	<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>
<b>Business-Type Activities</b>										
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
<b>Total Business-Type Activities Debt</b>	<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>
<b>Total Primary Government</b>	<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>
<b>% of Personal Income<sup>(1)</sup></b>	7.00%	5.86%	4.82%	8.71%	8.27%	10.45%	9.19%	8.38%	8.21%	7.84%
<b>Debt Per Capita<sup>(1)</sup></b>	\$ 1,403	\$ 1,216	\$ 1,058	\$ 1,951	\$ 1,868	\$ 2,315	\$ 2,147	\$ 2,063	\$ 1,924	\$ 1,801

<sup>(1)</sup> 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<sup>(1)</sup></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.

<sup>(1)</sup> 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**

<b>Fiscal Year</b>	<b>Sales Tax Revenue</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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**

<b>Fiscal Year</b>	<b>Excise Tax Revenue</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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**

<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Operating Expenses<sup>(1)</sup></b>	<b>Net Revenue Available</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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.

<sup>(1)</sup> Total operating expenses exclusive of depreciation.

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

<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Operating Expenses <sup>(1)</sup></b>	<b>Net Revenue Available</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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.

<sup>(1)</sup> Total operating expenses exclusive of depreciation.

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

<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Operating Expenses <sup>(1)</sup></b>	<b>Net Revenue Available</b>	<b>Debt Service Requirements</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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.

<sup>(1)</sup> Total operating expenses exclusive of depreciation.

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

<u>Fiscal Year</u>	<u>Gross Revenues</u>	<u>Operating Expenses <sup>(1)</sup></u>	<u>Net Revenue Available</u>	<u>Debt Service Requirements</u>			<u>Coverage</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
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.

<sup>(1)</sup> Total operating expenses exclusive of depreciation.

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Total Personal Income<sup>(1)</sup></b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate<sup>(2)</sup></b>		
				<b>Utah County</b>	<b>State of Utah</b>	<b>United States</b>
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%

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

<sup>(2)</sup> 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**

<u>Employer DBA</u>	<u>2015</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment<sup>(1)</sup></u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment<sup>(1)</sup></u>
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

<sup>(1)</sup> 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**

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
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
<b>Total</b>	<b>31</b>	<b>32</b>	<b>34</b>	<b>87</b>	<b>86</b>	<b>87</b>	<b>93</b>	<b>94</b>	<b>94</b>	<b>94</b>

**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 <sup>(1)</sup>										
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 <sup>(2)</sup>	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 <sup>(3)</sup>	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 <sup>(3)</sup>	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

<sup>(1)</sup> Lindon City established its own Police Department beginning July 1, 2008.

<sup>(2)</sup> 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**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
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