

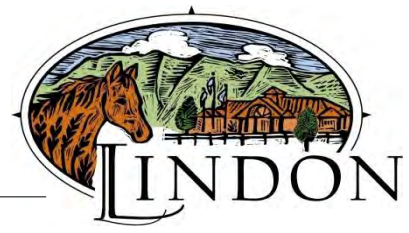
Lindon City Council Staff Report



Prepared by Lindon City
Administration

December 18, 2023

Notice of Meeting of the Lindon City Council



The Lindon City Council will hold a meeting at **5:15 pm on Monday, December 18, 2023** in the Lindon City Center Council Chambers, 100 North State Street, Lindon, Utah. Meetings are typically broadcast live at www.youtube.com/user/LindonCity. The agenda will consist of the following:

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



REGULAR SESSION – 5:15 P.M. - Conducting: Carolyn Lundberg, Mayor
Invocation: Jake Hoyt
Pledge of Allegiance: By invitation

(Review times are estimates only)
(2 minutes)

1. Call to Order / Roll Call

2. Presentations and Announcements:

(5 minutes)

- a) Employee Recognition Award: Callie Jenkins, Lindon City Accounts Payable Clerk
- b) Recognition of Outgoing Council members: Randi Powell, Daril Magleby and Mike Vanchiere
- c) Comments / Announcements from Mayor and Council members.

3. Open Session for Public Comment *(For items not listed on the agenda)*

(10 minutes)

4. Council Reports

(20 minutes)

5. Administrator’s Report

(5 minutes)

6. Approval of Minutes — The minutes of the regular City Council meeting of December 4, 2023 will be reviewed.

(5 minutes)

7. Consent Agenda — *(Items do not require public comment or discussion and can all be approved by a single motion.* The following consent agenda item was presented for approval.

(5 minutes)

- a) Planning Commissioner re-appointments: Mike Marchbanks; Rob Kallas

8. Review & Action — Financial Audit Report for Fiscal Year 2023. Representatives from Gilbert & Stewart, CPA PC, and the Lindon City Finance Department will present the city’s annual financial audit report, included as part of the Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2023.

(20 minutes)

9. Public Hearing — Ordinance Amendment, LCC 3.05 PARC Tax (Ordinance #2023-25-O). Given the approval and passage of the PARC Tax question in the 2023 municipal election, this is a City initiated action to update LCC Chapter 3.05 Parks, Arts, Recreation and Culture Tax, which will enact and levy a renewal of the existing tax to finance cultural and recreational facilities and ongoing operations, and to finance operations of cultural organizations within Lindon City pursuant to U.C.A. § 59-12-1402.

(10 minutes)

10. Public Hearing — (Continued from October 16, 2023) Ordinance #2023-17-O;

Recommendation from the Planning Commission to the Lindon City Council for an amendment to Lindon City Code 17.02, 17.80, and the Standard Land Use Table to define, allow, and adopt regulations for short-term rentals within Lindon City.

(20 minutes)

Adjourn

All or a portion of this meeting may be held electronically to allow a council member to participate by video conference or teleconference. Staff Reports and application materials for the agenda items above are available for review at the Lindon City Offices, located at 100 N. State Street, Lindon, UT. For specific questions on agenda items our staff may be contacted directly at (801)785-5043. City Codes and ordinances are available on the City web site found at www.lindoncity.org. The City of Lindon, in compliance with the Americans with Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for city-sponsored public meetings, services programs or events should call Kathryn Moosman, City Recorder at 801-300-8437, giving at least 24 hours-notice.

CERTIFICATE OF POSTING:

I certify that the above notice and agenda was posted in six public places within the Lindon City limits and on the State (<http://pmn.utah.gov>) and City (www.lindoncity.org) websites.

Posted by: /s/ Kathryn Moosman, City Recorder

Date: December 14, 2023; Time: 5:00 p.m.; Place: Lindon City Center, Lindon Police Dept., Lindon Community Development, Lindon Public Works, Lindon Community Center, Lindon Justice Court

Meetings are typically broadcast live at www.youtube.com/user/LindonCity

REGULAR SESSION – 5:15 P.M. - Conducting: Carolyn Lundberg, Mayor

Invocation: Jake Hoyt

Pledge: By invitation

Item 1 – Call to Order / Roll Call

December 18, 2023 Lindon City Council meeting.

Carolyn Lundberg

Jake Hoyt

Van Broderick

Mike Vanchiere

Randi Powell

Daril Magleby

Item 2 – Presentations and Announcements

- a) Employee Recognition Award: Callie Jenkins, Lindon City Accounts Payable Clerk will be recognized.
- b) Recognition of Outgoing Council members: Randi Powell, Daril Magleby and Mike Vanchiere
- c) Comments / Announcements from Mayor and Council members.

Item 3 – Open Session for Public Comment *(For items not on the agenda - 10 minutes)*

Item 4 - COUNCIL REPORTS:*(20 minutes)*

- A) MAG/MPO, COG, UIA, Utah Lake Commission, ULCT, Youth Council, Public Relations (media) – Carolyn Lundberg
- B) Public Works/Eng., Irrigation Co. Representative, Cemetery, Facilities/Building, Planning Commission - Van Broderick
- C) Emergency Management/CERT, Youth Council Lead Advisor, Senior Center, Education Grants - Randi Powell
- D) Lindon Days, Tree Advisory Board, UV Chamber, Historical Commission, 2024 Centennial Celebration - Daril Magleby
- E) Planning/Zoning, Gen. Plan, Economic Dev. PG/Lindon Chamber of Commerce, Transfer Station Board - Mike Vanchiere
- F) Parks, Trails, and Recreation, Police/Fire/EMS, Utah League of Cities & Towns Alternate - Jake Hoyt

Item 5 - ADMINISTRATOR'S REPORT

(10 minutes)

Misc. Updates:

- Next regular council meetings: January 2nd & January 16th (**Tuesday meetings**)
- January 2024 newsletter assignment (due last week of December): Brian Haws
- Misc. Items.

Item 6 – Approval of Minutes

- Review and approval of City Council minutes: **December 4, 2023 Regular City Council Minutes will be reviewed.**

2 The Lindon City Council regularly scheduled meeting on **Monday, December 4, 2023,**
4 **at 7:00 pm** in the Lindon City Center, City Council Chambers, 100 North State Street,
Lindon, Utah.

6 **REGULAR SESSION – 7:00 P.M.**

8 Conducting: Carolyn Lundberg, Mayor
Invocation: Mike Vanchiere, Councilmember
10 Pledge of Allegiance: Anthony Sanchez

12 **PRESENT**

Carolyn Lundberg, Mayor
14 Jake Hoyt, Councilmember
Van Broderick, Councilmember
16 Randi Powell, Councilmember
Mike Vanchiere, Councilmember
18 Adam Cowie, City Administrator
Brian Haws, City Attorney
20 Mike Florence, Community Dev. Director
Mary Barnes, Associate Planner
22 Kathryn Moosman, Recorder

EXCUSED

Daril Magleby, Councilmember

24 **1. Call to Order/Roll Call** – The meeting was called to order at 7:00 p.m.

26 **2. Presentations and Announcements:** There were no presentations or
28 announcements at this time.

30 a) Promotion for Sargent to take Matt Barlow’s position. Chief Brower
invited Officer Gil Sanchez and his wife forward. He then gave some
32 background on Officer Sanchez and the promotion process stating officer
Sanchez is highly qualified and will do a great job in this position. The
34 mayor and council expressed their full support and congratulated Sargent
Sanchez on his achievement.

36 **3. Open Session for Public Comment** – Mayor Lundberg called for any public
38 comments. There were no public comments.

40 **4. COUNCIL REPORTS:**

Councilmember Hoyt – Councilmember Hoyt reported the Parks and Recreation Dept.
42 will be putting on a lot of holiday events including the Tree Lighting that was held earlier
tonight that was very well attended, the Santa Extravaganza, Letters to Santa and the
44 Santa Parade that is coming up on Friday. He also reported the Police Department had
several arrests over the past weeks and they are in the hiring process for the sergeant

2 position. He expressed that he likes that we promote within the organization and this
process has been handled really well. He also appreciates the hiring committee.

4
6 **Councilmember Vanchiere** – Councilmember Vanchiere reported there were two
development review applicants that came to the DRC meeting this morning. They had
8 questions on setbacks, parking etc. He noted that the Community Development staff does
a great job. In regards to the North Point Solid Waste District, they are having regular
10 negotiations on a few issues including the final draft that their council approved with
changing from a special service district to a local agency. They can come and do a full
12 presentation or they can just meet with the mayor and Adam Cowie. He noted this takes
Utah County out of the equation. The auditor, Rob Mann is requesting that we consider
14 this so it is a smooth transition noting everyone is in favor of it. He also reported there are
a lot of activities going on with the PG/Lindon Chamber of Commerce and they will
continue to be active.

16
18 **Councilmember Magleby** – Councilmember Magleby was absent.

20 **Councilmember Powell**– Councilmember Powell reported that the Tree Lighting
Ceremony tonight was phenomenal with such a great crowd. She noted she loved all the
22 traditions and also the fresh approach, adding there were great comments offered. She
also expressed her congratulations to Officer Sanchez and his promotion noting he will
do a fabulous job in this capacity. She also reported they are taking donation of socks
24 and food over the next month at the Senior Center. They will also be showing the Irving
Berlin Christmas movie on their new screen. She noted the Senior Christmas party will
26 be held on Wednesday the 13th at 5:30 and an rsvp is needed. She also reported on the
youth council and events they are helping with.

28
30 **Councilmember Broderick** – Councilmember Broderick reported the annual Tree
Lighting Ceremony held tonight was a wonderful event. He added it is well supported by
the community and they enjoy the spirit of the season. He also mentioned there are a lot
32 of great holiday events going on this month.

34 **Mayor Lundberg** – Mayor Lundberg reported there will be an upcoming interfaith art
show at the community center noting Nathan Osmond will be singing. The tickets sales
36 will support a school in Columbia. She also attended a meeting with UTA where they
discussed bus stops in Lindon. She also spoke on Officer Barlow’s retirement noting his
38 open house was a great event. She also reported the County will be hosting an event for
elected officials. They are also trying to get a major league baseball team to locate here
40 and there is a good chance we may get the franchise. She also met with MAG noting we
have our heritage trail nearly completed and hopefully we can get this done. It will go
42 from the east mountains to the lake and is the first in the county. She noted there is one
hangup down by the lake involving the Union Pacific. She noted the Board was asked
44 for an increase in the original grant to complete the trail. She was also invited to attend
the Alpine School District breakfast. She mentioned they discussed the district trying to

2 split that failed last year; they are undergoing changes in programs that affects Lindon
4 Elementary and Rocky Mountain Elementary and they will provide the discussion results
6 of the study of those programs. They have hired a 3rd party on a reconfiguration (dividing
the district) and will provide the results in January or February and dependent on the
results they may put it on the ballot in 2024.

8 **Administrator’s Report:** Mr. Cowie reported on the following items.

10 **Misc. Updates:**

- 12 • Next regular council meetings: December 18th & January 2nd
- 12 • January 2024 newsletter assignment (due last week of December): Brian Haws
- 14 • Dec 4th, 6:00pm, Tree Lighting at Community Center
- 14 • Dec. 4th, Santa Extravaganza, after tree lighting ceremony
- 16 • Dec. 6th, Santa Parade, beginning at 6pm
- 16 • Dec 13th, Kathy Moosman retirement open house 12 – 1pm
- 18 • Dec 15th, Employee Christmas Party at Community Center, 6:00pm.
- 18 • Misc. Items.

20 **6. Approval of Minutes** – The minutes of the regular City Council meeting of
November 20, 2023 will be reviewed.

22
24 COUNCILMEMBER HOYT TO APPROVE THE MINUTES OF THE
REGULAR CITY COUNCIL MEETING OF NOVEMBER 20, 2023 AS PRESENTED.
26 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

28 COUNCILMEMBER HOYT	AYE
28 COUNCILMEMBER BRODERICK	AYE
28 COUNCILMEMBER POWELL	AYE
30 COUNCILMEMBER VANCHIERE	AYE

THE MOTION CARRIED UNANIMOUSLY.

32
34 **7. Consent Agenda Items** – The following consent agenda item was presented for
approval.

36 a) Employee Merit Increases; Mid-Year Budget Evaluation. In the FY2023-24
38 budget the City Council approved a merit increase for employees (based upon
employee performance) in accordance with the adopted pay scale. If warranted,
40 the merit increases will be effective the first pay period of January 2024. Per past
practice, the City evaluates mid-fiscal year budget constraints and economic
42 indicators to determine if recommended merit increases are financially prudent.
Given an optimistic local economic outlook and healthy General Fund reserves,
44 the City Administration recommends the merit increase be applied as approved in
the budget

2 COUNCILMEMBER POWELL MOVED TO APPROVE THE CONSENT
AGENDA ITEM AS PRESENTED. COUNCILMEMBER VANCHIERE SECONDED
4 THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER VANCHIERE AYE
6 COUNCILMEMBER POWELL AYE
COUNCILMEMBER BRODERICK AYE
8 COUNCILMEMBER HOYT AYE
COUNCILMEMBER VANCHIERE AYE

10 THE MOTION CARRIED UNANIMOUSLY.

12 **CURRENT BUSINESS**

14 **8. Recess to Lindon City Redevelopment Agency Meeting (RDA)**

16 COUNCILMEMBER POWELL MOVED TO RECESS THE LINDON CITY
COUNCIL MEETING AND CONVENE AS THE LINDON CITY RDA.
18 COUNCILMEMBER HOYT SECONDED MOTION. THE VOTE WAS RECORDED
AS FOLLOWS:

20 COUNCILMEMBER POWELL AYE
COUNCILMEMBER BRODERICK AYE
22 COUNCILMEMBER HOYT AYE
COUNCILMEMBER VANCHIERE AYE

24 THE MOTION CARRIED UNANIMOUSLY.

26 BOARDMEMBER VANCHIERE MOVED TO ADJOURN THE LINDON RDA
MEETING AND RECONVENE THE LINDON CITY COUNCIL MEETING.

28 BOARDMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS
RECORDED AS FOLLOWS:

30 BOARDMEMBER POWELL AYE
BOARDMEMBER VANCHIERE AYE
32 BOARDMEMBER BRODERICK AYE
BOARDMEMBER HOYT AYE

34 THE MOTION CARRIED UNANIMOUSLY.

36 **9. Review & Action — Resolution #2023-25-R.** Consideration for adoption of a
38 resolution of the City Council of Lindon City, Utah (the “City”), authorizing the
execution of a sales tax agreement and the issuance of the City obligation created
40 thereunder; authorizing and approving the execution of a general indenture, a
supplemental indenture and other documents that may be required in connection
42 therewith; acknowledging the issuance and sale by the Lindon City
Redevelopment Agency, Utah of tax increment and sales tax revenue bonds,
Series 2023; authorizing the taking of all other actions necessary to the
44 consummation of the transactions contemplated by this resolution; and related
matters.

2 Mr. Cowie presented this item stating this is the resolution acting as the city
 4 council authorizing the issuance of the tax increment and sales tax revenue bonds, Series
 6 2023 Bond; he then explained the parameters and structures of the bond. Mr. Jason
 8 Burningham stressed the point in order to secure these rates with the sales tax as a
 10 backstop will be a big credit enhancement. Mr. Burningham explained the matrix noting
 12 one of the primary objectives and major lens was the city’s ability to pay this early and
 there is some “call” flexibility. He then went over the different options and explained the
 tax increment and sales tax revenue bonds. He also reminded the council of the timeline
 noting we are an accelerated closing and will close on December 13th. He added with this
 motion and adoption, the legal documents will be prepared and then negotiate the
 purchase of the land quickly thereafter.

14 Mr. Cowie mentioned an issue they just found out last week with the greenbelt
 16 rollback taxes that are \$97,000 that we are required to pay as Ivory is not willing to pay
 those taxes. He noted this will be out of the general fund reserve to pay to the county. He
 stated we will continue to explore this issue and have more discussion.

18 Mayor Lundberg called for any further comments. Hearing none she called for a
 motion.

20 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION #2023-25-
 22 R ADOPTING THE FINAL BOND RESOLUTION AND FINAL TERMS,
 24 CONDITIONS AND PROVISIONS RELATED TO THE ISSUANCE OF THE SERIES
 2023 BOND AS PRESENTED WITH THE CHANGES AS DISCUSSED BASED ON
 OPTION B. COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE
 VOTE WAS RECORDED AS FOLLOWS:
 26 COUNCILMEMBER VANCHIERE AYE
 COUNCILMEMBER POWELL NAY
 28 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER HOYT AYE
 30 THE MOTION CARRIED 3 TO 1.

32 *Councilmember Powell explained her nay vote stating that while she hopes this*
 34 *project is smooth sailing, she equates this to having an outdoor wedding this time of year,*
but she does want this to work.

36 **10. Public Hearing — Amendment to the Standard Land Use Table; Ordinance**
 38 **#2023-23-O.** The City Council will hold a public hearing to amend the Lindon
 Standard Land Use Table. The applicant, Utah Air Guns, requests approval from
 40 the Lindon City Council to allow indoor gun ranges as a conditional use in the
 Heavy Industrial zone.

42 COUNCILMEMBER POWELL MOVED TO OPEN THE PUBLIC HEARING.
 44 COUNCILMEMBER HOYT SECONDED THE MOTION. ALL PRESENT VOTED IN
 FAVOR. THE MOTION CARRIED.

2 Ms. Barnes presented this item noting that the applicant Justin Jacobson and Kyle
 4 Terry are present representing Utah Airguns. Ms. Barnes began by stating that the
 applicant is proposing an ordinance amendment to make gun ranges a conditional use in
 6 the Heavy Industrial (HI) zone where they are currently not permitted. She then explained
 that the 2023 general plan states the purpose of the Heavy industrial zone uses support
 8 intensive, high-impact industrial activities such as manufacturing, warehousing,
 assembly, and outdoor storage involving large-scale machinery and structures. A single
 district is located in the city on the west side of Geneva Road.

10 Ms. Barnes went on to say that uses should be designed and implemented to
 minimize any impact on the community, taking into account the preservation of natural
 12 resources and viewsheds, and minimizing use-generated impacts such as pollution, noise,
 and traffic. The application of transitional land uses along the edges of this district and
 14 the application of physical buffering techniques, such as walls and landscape screens, will
 help offset the impacts of heavy industry to adjacent and nearby uses.

16 Ms. Barnes stated that the majority of this concrete tilt building will be a
 warehouse, but there will also be a showroom and "shooting range" for their customers. It
 18 should also be noted that the "shooting range" that Utah Airguns is proposing will not
 accommodate any actual firearms that use powder to send the projectile downrange. The
 20 Utah Airguns range will only accommodate air powered guns. She then noted that indoor
 gun ranges are conditional in almost every other zone in the city, except for the planned
 22 commercial, research and business, and residential zones. In light industrial zones, which
 almost completely surrounds the Heavy Industrial zone, this is a conditional use. She
 24 stated that staff believes that allowing indoor gun ranges as a conditional use in the HI
 zone will have a minimal impact on the HI community. Staff believes that allowing gun
 26 ranges as a conditional use will help Lindon to diversify its business base, and provide a
 new and experiential business.

28 The applicant explained the business, the facility and how airguns work. He noted
 with their current rapid growth they will be one the biggest airgun suppliers. The are
 30 trying to make this a welcoming place with it being more of a novelty type facility.

32 Following some general discussion, the council was in agreement to approve this
 request as presented by staff.

34 Mayor Lundberg called for any further public comments. Hearing none she called
 for a motion to close the public hearing.

36 COUNCILMEMBER HOYT MOVED TO CLOSE THE PUBLIC HEARING.
 38 COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL PRESENT
 VOTED IN FAVOR. THE MOTION CARRIED.

40 Following general discussion, Mayor Lundberg called for any further comments.
 Hearing none she called for a motion.

42 COUNCILMEMBER POWELL MOVED TO APPROVE ORDINANCE #2023-
 44 23-O APPROVING AMENDMENTS TO THE STANDARD LAND USE TABLE TO
 ALLOW INDOOR GUN RANGES AS A CONDITIONAL USE IN THE HEAVY

2 INDUSTRIAL ZONE AS PRESENTED. COUNCILMEMBER HOYT SECONDED
THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

4	COUNCILMEMBER VANCHIERE	AYE
	COUNCILMEMBER POWELL	AYE
6	COUNCILMEMBER BRODERICK	AYE
	COUNCILMEMBER HOYT	AYE

8 THE MOTION CARRIED UNANIMOUSLY.

10 **11. Discussion and Work Item — Commercial Farm Zone.** City council will
discuss potential amendments to the Commercial Farm zone. This item is for
12 discussion purposes only with no action necessary.

14 Mike Florence, Community Development Director presented this item stating on
June 19, 2023, the Lindon City Council approved the ordinance amendment for Bed and
16 Breakfast uses in the Commercial Farm Zone. He noted at the same meeting the city
council reviewed the current list of permitted and conditional uses allowed in the
18 Commercial Farm Zone. The city council asked that the ordinance be reviewed to see if
regulations and uses allowed in the zone need to be “tightened up” to ensure the original
20 intent of the ordinance is met. The city council did remove amphitheater uses from the
allowable list of conditional uses. Mr. Florence noted the city council will not be making
22 any official decisions at this meeting, but discussing options with city staff in preparation
for a future ordinance draft and public hearing.

24 Mr. Florence then explained that the topic of discussion with the planning
commission and overview of comments to ensure that the 40% open space/agricultural
26 requirement in the Commercial Farm zone is the primary focus of the zone. At the June
19, 2023 meeting, the city council requested further discussion of whether additional
28 agricultural standards should be added to the ordinance. The planning commission felt
like a few minor changes could be made to the ordinance which includes the following:

- 30 1. amending the ordinance from an expectation of profit to reasonable
revenue. Second, moving section 17.51.015, which is the Agricultural
32 Production Requirement, above the list of permitted uses so that it is the
focus of the ordinance.
- 34 2. Review of the number and types of allowable conditional uses in the
Commercial Farm Zone.

36
38 Mr. Florence further explained the Commercial Farms zone currently allows 14
commercial uses as conditional uses. With the ordinance, as is currently adopted, a
property owner could request for conditional use permit approval for each of the 14 uses.

40 a. The planning commission felt like the uses in the zone did not need to be modified.
Their opinion was that with the parking requirements and 40% agricultural requirement
42 the list of conditional uses is self-regulating. 86 b. List of allowable conditional uses in
17.15.012: Caretaker’s or farm-help accessory dwelling unit; commercial horse stables;
44 farmers’ market; greenhouses; plant or garden nursery; garden center; bed and breakfast
guestroom units; educational programs and associated facilities; reception center;

2 conference center; boutique; cafe; restaurant; veterinary clinic; and food manufacturing
 (not to exceed two thousand (2,000) square feet of processing and production area) c. If
 4 the city council wants to look at options to regulate the number of uses below are a few
 ideas: i. Cap the allowable building square footages ii. Reduce the percentage of
 6 allowable building coverage in the zone. (a) Wadley Farms has an approximate building
 coverage of 5% of the entire property. A 40% building coverage would allow up 318,859
 8 square feet of building coverage. (b) Walker Farms has an approximate building coverage
 of 9% of the entire property. A 40% building coverage would allow up to 105,589 square
 10 feet of building coverage. (c) Most likely neither commercial farm zone would meet their
 allowed building coverage due to parking requirements. iii. Regulate the overall number
 12 of uses. iv. Regulate the number of uses by acreage. v. Follow something similar to the
 animal code where a property owner is allowed to have a certain number and type of uses
 14 depending on the overall acreage and type of uses. 3. Clarify in the ordinance that the
 40% building coverage only applies to the non-agricultural areas. Currently, the
 16 ordinance says that 40% of the overall lot or parcel can construct up to 40% of the
 property in buildings.

18 Mr. Alan Colledge stated he helped work with the city years ago on how to
 preserve agriculture within the city. At that time, it was forward thinking, and what they
 20 thought they may see in 10 years. He stated that in trying to preserve Lindon, the
 conditional uses are what will help maintain those open spaces with the owner’s ability to
 22 supplement. He noted that he isn’t sure what the future will hold, but these conditional
 uses will allow open spaces to remain. He stated that he didn’t see any concern with the
 24 conditional uses as listed due to the city having input in making sure that any new
 Commercial Farms stay in compliance.

26 Mr. Florence asked for direction from the council at this time including the
 number of conditional uses, 40% building coverage and revenue vs. profit. There was
 28 then some general discussion regarding these topics. Mr. Florence stated he come back
 with an ordinance draft for the public hearing.

30 Brian Haws, City Attorney, stated it comes down to complaint-based issues where
 we will review and ensure they are complying with the ordinance noting this gives us an
 32 instrument if a problem arises.

34 Mayor Lundberg called for any further discussion or comments from the Council.
 Hearing none she moved on to the next agenda item.

36 **12. Public Hearing — Subdivision Ordinance Amendment #2023-22-O.** The City
 Council will hold a public hearing to amend 17.02 - Lindon Definitions, 17.08 -
 38 City Council Review, 17.32 - Subdivision, 17.09 - Land Use Authority and
 Appeal Authority, and 17.33 Plat Amendment codes. Lindon City requests
 40 approval from the Lindon City Council to amend the abovementioned Lindon
 City Codes and to bring those codes into compliance with Utah State Code (SB
 42 174

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

6 Mr. Florence also led this item stating that during the 2023 State of Utah
 8 legislative session, the legislature passed SB 174 which establishes a new process for
 8 subdivision review and approval. He noted one of the main points of the legislation is that
 10 it prohibits a city council from reviewing and approving a subdivision for single-family
 10 homes, two-family dwellings, or townhomes. The deadline for SB 174 requiring
 12 municipalities to adopt the provisions is February 1, 2024. In addition, the Utah
 12 legislature also passed HB 406 which limits the pavement width for a local residential
 14 roadway to 32'. Lindon City currently has a minimum pavement width of 34' for a local
 14 residential street. Mr. Florence noted after further review, the city council will be the only
 14 body reviewing the specifications of the development manual with a public hearing.

16 Mr. Florence then presented the draft ordinance amendments with an overview as
 16 follows:

18 17.02 – Definitions

- The proposal is to add the following State definitions to the city code:
 - 20 ○ Administrative Land Use Authority
 - 22 ○ Residential Roadway
 - 22 ○ Review Cycle
 - 24 ○ Subdivision Improvement Plan
 - 24 ○ Subdivision Ordinance Review
 - 26 ○ Subdivision Plan Review

26 17.08.090 – City Council Review

- This section allows the city council to be the final land use authority for any land
 28 use application prior to the planning commission reviewing it. With the new State
 30 code prohibiting the city council from approving specific subdivision types, this
 32 only leaves site plan and conditional use permit reviews that the city council
 34 could give final approval on. Because of the State Legislature's focus on the
 36 planning commission and city staff approving administrative items, city staff is
 recommending the removal this section of the code so the city council can focus
 on legislative issues. The city council will still be the final land use authority on
 all zone change and ordinance amendment applications.

38 17.09 – Land Use and Appeal Authority Table #1

- Amends which public bodies are the final land use and appeal authorities for
 40 Lindon City 17.32 Subdivision-Special Requirements
- Outlines that the planning commission is the final land use authority for
 42 preliminary subdivision approvals.
- Updates processing requirements for subdivisions.
- 44 • Allows for agricultural exemptions from plat requirements.

- 2 • Allows the planning commission to approve street alignments that vary from the Street Master Plan Map but still accomplish street connectivity requirements.
- 4 • Updates the categories of streets.
- 6 • Removes the requirement that the planning commission approves street names.
- 6 • Makes correct references to the General Plan and the Parks, Trails, and Recreation Master Plan.
- 8 • Removes the requirement for a conditional use permit for subdivisions.
- 8 • Makes a reference to the Flood Damage Prevention Ordinance found in 17.62 instead of design requirements in the subdivision code.
- 10 • Adopts the State appeals language for engineering standards. 17.33 – Amending a Recorded Plat
- 12 • Clarifies when an amended plat is required.
- 14 • Removes the requirement that if the city engineer and planning director have a “difficult question” about a lot line adjustment that the question goes to the planning commission.
- 16 • For Lot Line Adjustments, the appeal authority is changed to the board of adjustment.
- 18

20 Following some general discussion, the council was in agreement this is just housekeeping to come into compliance with state code. Mayor Lundberg stated she wants
22 to ensure transparency and the noticing procedures.

24 Councilmember Powell voiced her views on this update stating that citizens and the legislature needs to know this takes away their ability to have a say as an elected representative. Mayor Lundberg voiced her concerns and asked for clarification on some
26 items. Mr. Cowie gave clarification on this amendment using the 700 North Development area and that in order for the Council to have more input, it would require making those
28 specific changes now.

30 Mr. Haws, City Attorney stated that once an application is filed, even if city doesn't like it, the applicant is vested as long as they meet all code requirements. So, if the council has any concerns, now is the time to fix it. General discussion regarding
32 development agreements followed.

34 Following some additional comments, the Council was in agreement to approve the Subdivision Ordinance Amendment #2023-22-O as presented by staff.

36 Mayor Lundberg called for any further public comments. Hearing none she called for a motion to close the public hearing.

38 COUNCILMEMBER POWELL MOVED TO CLOSE THE PUBLIC HEARING.
40 COUNCILMEMBER VANCHIERE SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

42 Mayor Lundberg called for any further discussion or comments from the Council. Hearing none she called for a motion.
44

2 COUNCILMEMBER HOYT MOVED TO APPROVE ORDINANCE 2023-22-O
AS PRESENTED. COUNCILMEMBER POWELL SECONDED THE MOTION. THE
4 VOTE WAS RECORDED AS FOLLOWS:

- 6 COUNCILMEMBER HOYT AYE
- 6 COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER POWELL AYE
- 8 COUNCILMEMBER VANCHIERE AYE

THE MOTION CARRIED UNANIMOUSLY.

10 **13. Public Hearing — Development Manual Updates; Ordinance #2023-24-O.**

12 The City Council will hold a public hearing to amend and update the Lindon City
Land Development Policies, Standard Specifications and Drawings Manual
14 regarding land use procedures and processes, development specifications,
required document submittals, technical terms, and to bring the document into
16 compliance with Utah State Code (SB 174)

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

20 Mr. Florence presented this item giving a summary of the key issues noting along
22 with the amendments to the subdivision and zoning codes the city is also proposing to
update the Lindon City Land Development Policies Standard Specifications and Drawing
24 Manual (Development Manual). Since SB 174 only allows the city to perform four
review cycles on a subdivision application the ULCT recommends that all subdivision
26 checklists need to be updated. He noted the checklists are located within the
Development Manual.

28 Mr. Florence stated City staff decided since the checklists need to be updated that
the city should also do a comprehensive review of the Development Manual and update
30 any outdated information. The City is also proposing to update the pavement and
sidewalk specifications in the development manual. Current State law requires that
32 anytime the city updates a development specification that a public hearing is required to
be held.

34 Mr. Florence then gave an overview of Amendments to the Development Manual
as follows:

36 Chapter One – Welcome to Lindon

- 38 • Update the Lindon City Community Profile.
- Update department contact information.

40 Chapter Two – Application and Submittal Requirements

- 42 • Updates application process information from paper application to online applications.
- Provides correct times for Development Review Committee Meetings.
- 44 • Coordinates final land use authorities with zoning code.
- Provides guidance for when a traffic study is required by the city engineer.

- 2 • Update infrastructure bonding information.
- 4 • Refers to the State of Utah Low Impact Development requirements instead of Lindon City requirements. The State has specific requirements where in 2015 when the manual was last updated the city has suggested standards.
- 6 • Updates required documents to be submitted prior to a pre-construction meeting.
- 8 • Updates checklist of documents and plans to be submitted for all land use applications.
- 10 • Updates itemized information that needs to be included on the plans for review.
- 10 • Provides Utility Trench Patching requirements.
- 12 • Provides dewatering plan requirements.
- 12 • Provide asphalt and sawcut requirements for when a roadway is widened.
- 14 • Updates appropriate forms for each reviewing department.
- 14 Chapter 5 – Standard Drawings
 - 16 • Standard Drawing 2a –
 - 18 ○ Local Streets - reduces the pavement width from 34’ to 32’ and increases the sidewalk width from 4’ to 5’.
 - 20 ○ Collector and Local Commercial Streets – reduces the pavement width from 50’ to 48’ and increase the sidewalk width to 5’.
 - 22 ○ The purpose in increasing the sidewalk width to 5’ is that the city then maintains the same overall right-of-way width. In addition, a 5’ sidewalk is the standards width for most communities and it also provides for better ADA access landing areas. The additional sidewalk width is also better from a pedestrian standpoint, it provides for addition distance from the roadway and pedestrian passing. Finally, UDOT’s standard is a 5’ sidewalk when there is a park strip. This allows for a better transition from UDOT to Lindon sidewalks.
 - 28 • Standard Drawing 2b
 - 30 ○ Trail-Type 66’ Street – reduces the pavement width from 44’ to 43’ and decreases the trail width to 9.5’
 - 32 ○ Trail-Tye 50’ street – reduces the pavement width from 28’ to 27’ and increases the sidewalk width to 5’.
 - 34 ○ Eliminates the cross section with a 6’ trail because the city does not use this cross section.
 - 36 • Standard Drawing 3b – updates the sidewalk detail to a 5’ sidewalk.
 - 36 • Standard Drawing 5a - updates the sidewalk detail to a 5’ sidewalk.
 - 38 • Standard Drawing 6a – updates the corner ramp and sidewalk width requirements as well as sidewalk thickness requirements.
 - 40 • Standard Drawing 6b – Eliminates this drawing because it is not used.
 - 40 • Standard Drawing 6c – Updates the curb, gutter and sidewalk and sidewalk thickness.
 - 42 • Adds a clear view diagram drawing.
 - 42 • Updates the trash enclosure diagram.
 - 44 • Updates ADA parking and loading specifications.

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Mayor Lundberg called for any public comments. Hearing none she called for a motion to close the public hearing.

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

Following some general discussion, the council was in agreement to approve Ordinance #2023-24-O approving the updates to the Development Manual Updates as presented by staff.

Mayor Lundberg called for any further discussion or comments from the Council. Hearing none she called for a motion.

COUNCILMEMBER HOYT MOVED TO APPROVE ORDINANCE 2023-24-O AS PRESENTED. COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

- COUNCILMEMBER HOYT AYE
- COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER POWELL AYE
- COUNCILMEMBER VANCHIERE AYE

THE MOTION CARRIED UNANIMOUSLY.

14. Review & Action – 2024 Road Maintenance Bid Award. The City Council will consider awarding the 2024 road maintenance projects to the low bidder, Geneva Rock, in the amount of \$1,307,469.26.

Adam Cowie, City Administrator presented this item stating the City Council will consider awarding the 2024 road maintenance projects to the low bidder, Geneva Rock, in the amount of \$1,307,469.26.

Following some general discussion, the Council was in agreement to award the 2024 road maintenance projects to the low bidder, Geneva Rock, in the amount of \$1,307,469.26.

COUNCILMEMBER VANCHIERE MOVED TO APPROVE THE 2024 ROAD MAINTENANCE BID AWARD AS PRESENTED. COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

- COUNCILMEMBER HOYT AYE
- COUNCILMEMBER BRODERICK AYE
- COUNCILMEMBER POWELL AYE
- COUNCILMEMBER VANCHIERE AYE

THE MOTION CARRIED UNANIMOUSLY.

15. Review & Action — Canvass & Certification of 2023 General Election

2 **Results; Resolution #2023-26-R.** The City Council, acting as the Board of
4 Canvassers, will canvass the results from the November 21, 2023 General
6 Election and then, by motion, officially certify the results of the Canvass.
8 Resolution #2023-26-R.

10 Mr. Cowie stated this item needs to be continued to a special meeting to be held
12 tomorrow due to the fact that the state had just sent the county a lot of cures (ballots) that
14 were not coming to them throughout the process. He noted the county got them today at
16 3:30 pm, so they were unable to process them in-time to release them today. They will
18 process the remaining cures and get the official results and official canvass documents to
20 the cities tomorrow.

22 COUNCILMEMBER BRODERICK MOVED TO CONTINUE THE CANVASS
24 OF THE 2023 GENERAL ELECTION RESULTS TO THE SPECIAL MEETING TO
26 BE HELD ON DECEMBER 5, 2023. COUNCILMEMBER HOYT SECONDED THE
28 MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

- 30 COUNCILMEMBER HOYT AYE
- 32 COUNCILMEMBER BRODERICK AYE
- 34 COUNCILMEMBER POWELL AYE
- 36 COUNCILMEMBER VANCHIERE AYE

38 THE MOTION CARRIED UNANIMOUSLY.

40 Mayor Lundberg called for any further discussion or comments from the Council.
42 Hearing none she called for a motion to adjourn.

Adjourn –

44 COUNCILMEMBER POWELL MOVED TO ADJOURN THE MEETING AT
46 8:55 PM. COUNCILMEMBER BRODERICK SECONDED THE MOTION. ALL
48 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Approved – December 18, 2023

Kathryn A. Moosman, City Recorder

Carolyn Lundberg Mayor

Item 7 – Consent Agenda – Consent agenda may contain items which have been discussed beforehand and/or do not require significant discussion, or are administrative in nature, or do not require public comment. The Council may approve all Consent Agenda items in one motion, or may discuss individual items as needed and act on them separately.

The following consent agenda item was presented for approval.

- a) Planning Commissioner re-appointments: Mike Marchbanks; Rob Kallas

Sample Motion: I move to (*approve, reject*) the consent agenda item (*as presented or amended*).

Lindon City
100 North State Street
Lindon, UT 84042-1808



TEL 801-785-7687
www.lindoncity.org

December 19, 2023

Robert Kallas
300 North Main Street
Lindon, Utah 84042

Dear Mr. Kallas:

On December 18, 2023, the Lindon City Council approved the recommendation of Mayor Lundberg to re-appoint you as a member of the Planning Commission for Lindon City. Our records indicate that this will be your fourth term as a Planning Commissioner. It is anticipated that you will serve a full three-year term which will expire the last day of January 2027 or until your respective successor has been appointed.

We're excited to continue working with you and appreciate your willingness to serve Lindon City. You've been a great voice for our community and please feel free to contact me to discuss any questions you may have about the position.

Sincerely,

Carolyn Lundberg
Mayor

Michael Florence
Community Development Director

Lindon City
100 North State Street
Lindon, UT 84042-1808



TEL 801-785-7687
www.lindoncity.org

December 19, 2023

Mike Marchbanks
140 S. 400 W.
Lindon, Utah 84042

Dear Mr. Marchbanks:

On December 18, 2023, the Lindon City Council approved the recommendation of Mayor Lundberg to re-appoint you as a member of the Planning Commission for Lindon City. Our records indicate that this will be your fourth term as a Planning Commissioner. It is anticipated that you will serve a full three-year term which will expire the last day of January 2027 or until your respective successor has been appointed.

We're excited to continue working with you and appreciate your willingness to serve Lindon City. You've been a great voice for our community and please feel free to contact me to discuss any questions you may have about the position.

Sincerely,

Carolyn Lundberg
Mayor

Michael Florence
Community Development Director

Lindon City
100 North State Street
Lindon, UT 84042-1808



TEL 801-785-7687
www.lindoncity.org

Memorandum

TO: City Council
FROM: Planning Staff
SUBJECT: Planning Commissioner Terms & proposed appointments

DATE: December 8, 2023

Planning Commissioner terms are for three years.

Current Commissioners & Term Expiration Dates:

Steve Johnson	June 2025	Third Term
Sharon Call	June 2026	Sixth Term
Mike Marchbanks	January 2027	Fourth Term
Rob Kallas	January 2027	Fourth Term
Scott Thompson	October 2024	Second Term
Jared Schauers	January 2025	Second Term
Karen Danielson	March 2026	First Term

- 8. Review & Action — Financial Audit Report for Fiscal Year 2023.** Representatives from Gilbert & Stewart, CPA PC, and the Lindon City Finance Department will present the city’s annual financial audit report, included as part of the Comprehensive Annual Financial Report (CAFR) for fiscal year ended June 30, 2023. *(20 minutes)*

Sample Motion: I move to *(approve, reject)* the Financial Audit Report for Fiscal Year 2023 *(as presented or amended)*.

LINDON CITY CORPORATION STATE OF UTAH

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For Fiscal Year Ended June 30, 2023

Prepared By:
Kristen Colson Aaron, Finance Director



Principal Officials

**For the Fiscal Year
July 1, 2022 - June 30, 2023**

Carolyn Lundberg
Mayor

Randi Powell
Councilperson

Van Broderick
Councilperson

Jake Hoyt
Councilperson

Daril Magleby
Councilperson

Mike Vanchiere
Councilperson

Adam Cowie
City Administrator

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INTRODUCTORY SECTION

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Lindon City
100 N State St
Lindon, UT 84057



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

December 11, 2023

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, 2023.

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 Gilbert and Stewart, 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 (FY) ended June 30, 2023 (or 2023FY) 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 that the City's financial statements for the 2023FY, 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 the 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” and is gearing up for centennial celebrations next year.

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 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

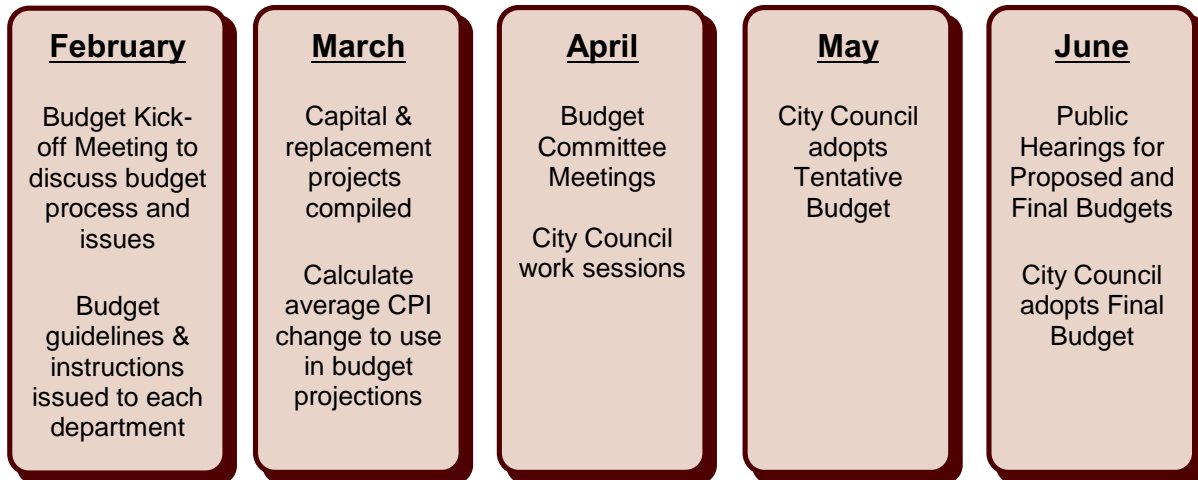
Lindon City is a beautiful place to live. Lindon shares a boundary with Orem City and Vineyard City on the south and Pleasant Grove City and American Fork City on the north. To the west is Utah Lake with the Lindon Marina, which is used for boating and fishing. The City extends east to the Wasatch Mountains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

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 pool activities, 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, fiberoptic lines, a wide variety of recreation programs, cultural events, an Aquatics Center, and a Recreation Center among other things. Some of these services are provided under contract with other entities. 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 before 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.

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.

The local economy was drastically, but only very temporarily, impacted by the worldwide coronavirus pandemic when Governor Herbert initiated shutdowns to protect public health in Spring of 2020. The shutdowns were short-lived and the economy bounced back better than before the pandemic. Lindon's sales tax revenue did not decrease, but had a drastic increase of 25.9% from the 2020FY to the 2021FY. The sales tax revenue continued to increase with a 17.4% increase from the 2021FY to the 2022FY. However, inflation is impacting sales tax revenue as it stifles consumerism. The sales tax revenue decreased 6.4% from the 2022FY to the 2023FY.

Lindon's leaders continue to watch the economy and are prepared to modify the budget throughout the fiscal year. In addition, Lindon City has healthy reserves to fall back on,

if needed. The diverse commercial development already present in the City adds to both the sales and property tax base of the community and provides stability when economic downturns occur. Major retailers in Lindon include Murdock Hyundai, Wal-Mart Supercenter, Home Depot, Sunpro, Burton Lumber, DoTerra, LHM Lexus of Lindon, Wheeler Machinery, Low Book Sales, and Builders FirstSource.

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 10,000 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 2023, Utah County had an unemployment rate of 2.4%, which is the same as the State of Utah's rate of 2.4%. These both compare favorably to the national unemployment rate of 3.6%.

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.

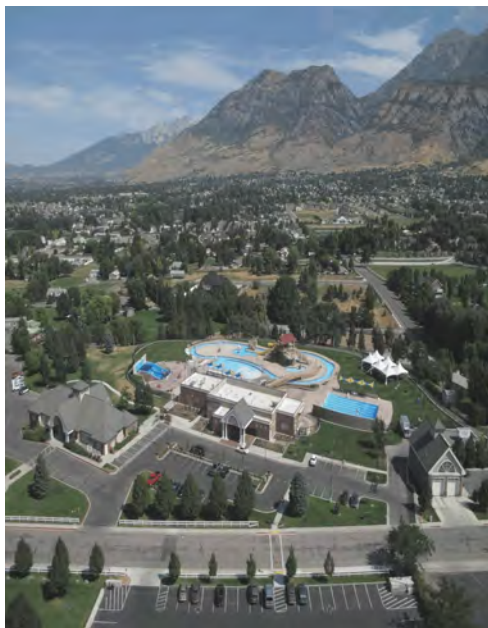
Impact fees also help the City fund the capital improvements that are needed to accommodate new growth. Existing impact fees include public safety; parks, recreation and trails; streets; water; sewer; and storm drainage.

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 fifteen years 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 from the hillside, going under State Street, to 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 boutiques, wedding receptions, social gatherings and meetings. The Aquatics Center provides a variety of amenities and can also be reserved and rented. 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. The City recently expanded the Aquatics Center with a large and fast water slide.

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 upgrading and updating the current system as well as expanding for new growth. 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.



Aerial photo of Lindon City Aquatics Center

When Utah Legislature began discussing the need to meter secondary water as a means to encourage water conservation, Lindon City started proactively researching costs and funding opportunities. As a result, when the State passed legislation in 2022 requiring secondary water meters on all connections in Utah by 2030, Lindon was able to secure multiple grants to fund the project so that Lindon residents would not have to pay for the secondary water meters nor the installation through increased fees or taxes. The secondary water meters began being purchased and installed in the Fall of 2022 with a majority of the meters installed throughout the City by June 30, 2023.

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 is currently updating 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. Lindon City constructed a Public Safety Building to house police, fire and EMS services. This partnership along with the new building has improved response time to accidents and fires, making 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.

Relevant financial policies

Lindon City increases utility rates annually in order to cover increasing operating expenses. These annual increases are done to avoid more drastic and sporadic increases over time. Each year, City Engineers do a rate study to evaluate the utility rates needed to provide the funding necessary for the corresponding operating expenses and upcoming improvement projects.

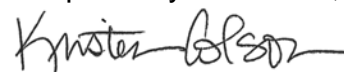
Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lindon City for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the fourteenth year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the 2023FY annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements. We are submitting the 2023FY report to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Kristen Colson
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Lindon City Corporation
Utah

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

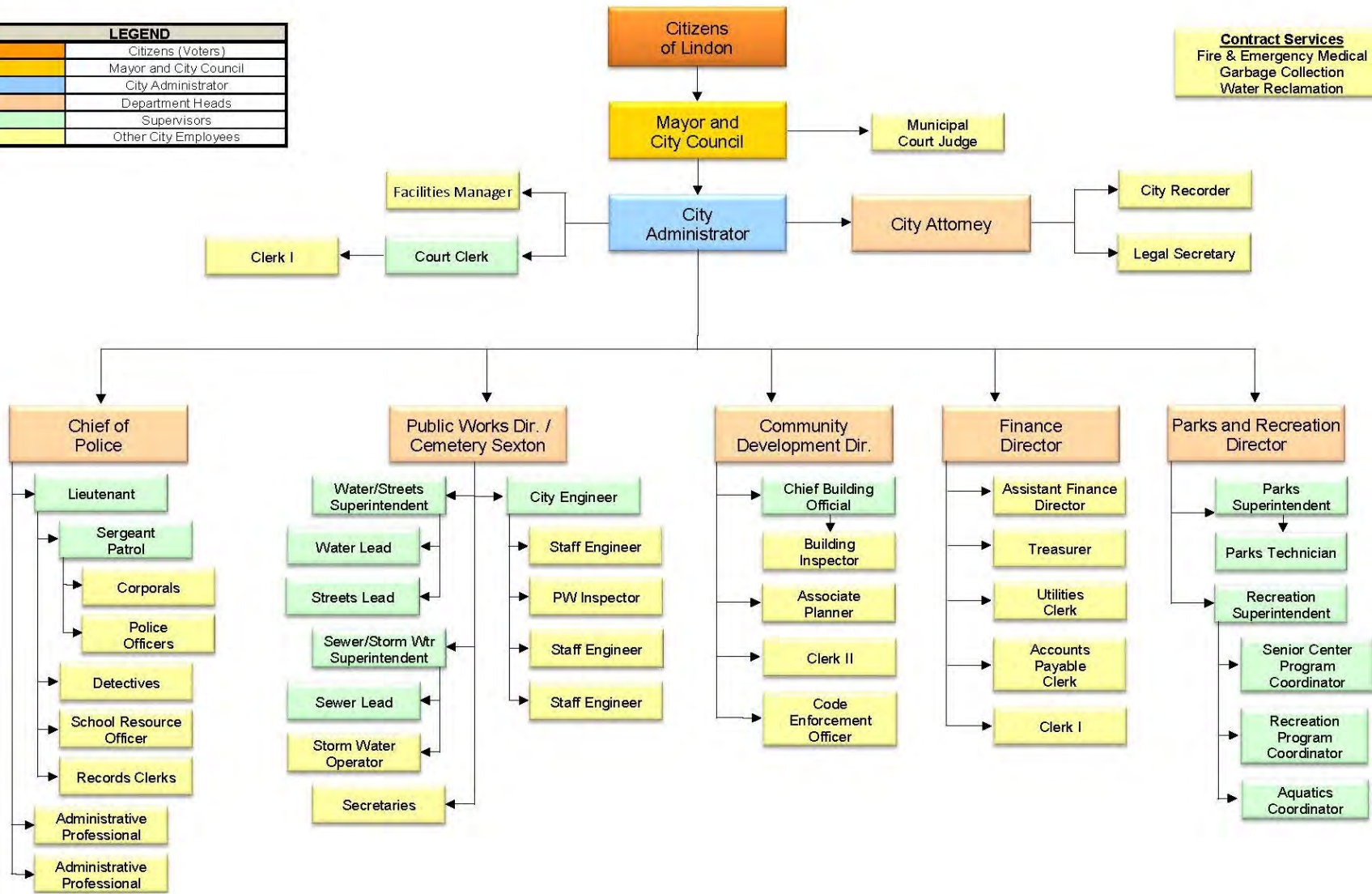
Christopher P. Morill

Executive Director/CEO

LINDON CITY ORGANIZATIONAL CHART Fiscal Year 2022-2023

LEGEND	
	Citizens (Voters)
	Mayor and City Council
	City Administrator
	Department Heads
	Supervisors
	Other City Employees

Contract Services
Fire & Emergency Medical
Garbage Collection
Water Reclamation



FINANCIAL SECTION

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GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

RANDELA HEATON, CPA
LYNN A. GILBERT, CPA
JAMES A. GILBERT, CPA
BEN H PROBST, CPA
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA
JAMES E. STEWART, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Lindon, Utah

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Lindon City, Utah (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, the respective changes in financial position, and, where applicable, cash flows and the respective budgetary comparison of the general and major special revenue funds thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lindon City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lindon City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lindon City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in 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 an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC
Provo, Utah
December 1, 2023

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
 June 30, 2023

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, 2023. 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

- As of the end of the current fiscal year, the assets and deferred outflows of Lindon City exceeded its liabilities and deferred inflows by \$127,431,987 (net position). Of this amount, \$21,837,318 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$17,254,489. Net position of our business-type activities increased \$10,968,142 and the net position of our governmental activities increased \$6,286,347.

Fund Level

- Lindon City's governmental funds reported combined ending fund balances this year of \$16,765,678, an increase of \$136,927. This change was due to the extraordinary increase in interest earnings.
- The unassigned fund balance for the general fund ended at \$5,781,881, or 49.2% of total general fund expenditures.

Long-term Debt

- Lindon City's long-term liabilities had a net decrease of \$1,357,961 (10%) during the current fiscal year. The decrease is due to scheduled payments to pay down debt.

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, deferred outflows, liabilities, and deferred inflows, 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.

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).

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

June 30, 2023

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, parks and recreation. The business-type activities of Lindon City include operating the water, waste water, 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 26-29 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 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 eight 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 the governmental funds combined. The two major funds are the general fund, the road capital projects fund. The six non-major funds account for the redevelopment fund, P.A.R.C tax fund, CARES Act funds, debt service fund, facilities capital projects, and parks capital projects.

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 capital projects fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 30-34 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,

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

June 30, 2023

supervision of the solid waste collection, operation of the aquatics and community centers 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, waste water, storm water drainage and recreation) and combined information for the non-major funds (solid waste collection and telecommunications).

The basic proprietary fund financial statements can be found on pages 35-39 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 41-76 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 77-91 of this report.

Statistical Section

The statistical section offers operational, economic, and historical data that provide a context for assessing Lindon City’s economic condition. That data includes:

- Information on financial trends;
- Information on revenue capacity;
- Information on debt capacity;
- Demographic and economic information; and
- Operating information.

The statistical section can be found on pages 95-119 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 and deferred outflows of Lindon City exceeded its liabilities and deferred inflows by \$127,431,987 as of June 30, 2023.

As indicated in Table A-1, the largest portion of Lindon City's net position (73.2%) 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, 2023

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

	Governmental Activities		Business-Type Activities		Total		% Change 2023-2022
	2023	2022	2023	2022	2023	2022	
Current and noncurrent assets	\$ 21,522	\$19,890	\$ 19,224	\$ 15,333	\$ 40,746	\$ 35,223	15.7%
Capital assets	40,408	36,767	63,967	57,553	104,375	94,320	10.7%
Total Assets	61,930	56,657	83,191	72,886	145,121	129,543	12.0%
Deferred outflows of resources	940	726	608	550	1,548	1,276	21.3%
Long-term debt outstanding	403	900	11,744	12,605	12,147	13,505	-10.1%
Other liabilities	3,170	1,469	1,463	805	4,633	2,274	103.7%
Total Liabilities	3,573	2,369	13,207	13,410	16,780	15,779	6.3%
Deferred inflows of resources	2,452	4,455	5	407	2,457	4,862	-49.5%
Net Position							n/a
Net investment in capital assets	40,408	34,585	52,925	45,384	93,333	79,969	16.7%
Restricted	9,473	9,760	2,788	2,540	12,261	12,300	-0.3%
Unrestricted	6,964	6,214	14,874	11,695	21,838	17,909	21.9%
Total Net Position	\$ 56,845	\$50,559	\$ 70,587	\$ 59,619	\$ 127,432	\$ 110,178	15.7%

An additional portion of Lindon City's net position (9.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$21,837,318 (17.1%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position

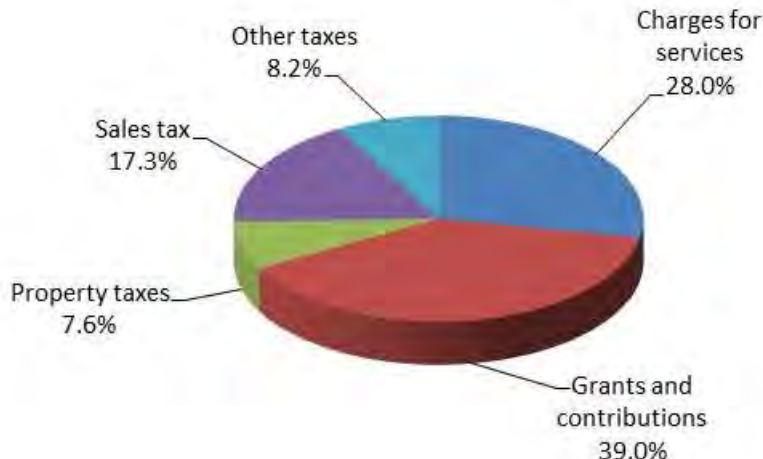
Lindon City's net position increased 15.7%. At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. The same situation is true for the prior fiscal year.

Sales and property taxes account for 24.9% of the City's revenue (see Figure A-1). Grants and contributions amounted to 39.0% of this year's revenue. Another 28.0% 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)**

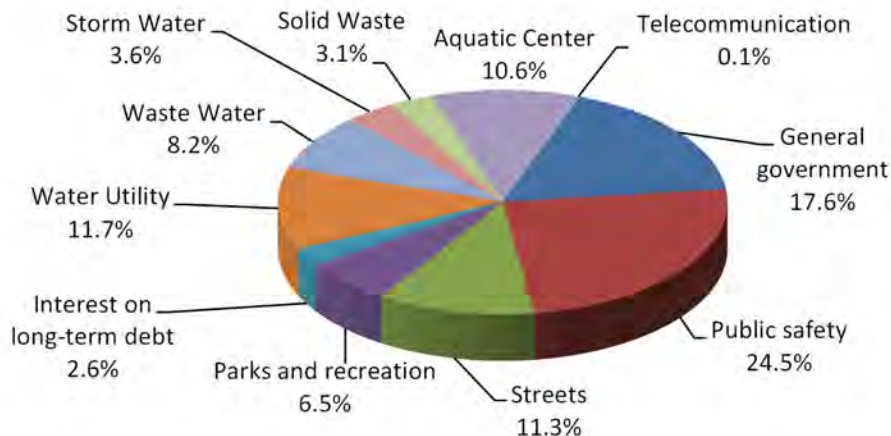
June 30, 2023

Figure A-1
Lindon City
Sources of Revenue for Fiscal Year 2023



The City's expenses cover a range of services, with 62.5.0% from governmental activities and 37.3% from business-type activities. Public safety, a major portion of general government activities, encompassed 24.5% of the City's total expenses. (See Figure A-2.)

Figure A-2
Lindon City
Functional Expenses for Fiscal Year 2023



Governmental Activities

As indicated in Table A-2, the cost of all governmental activities this year was \$13,400,943. Some of the costs were paid by those who directly benefitted from the City's services (\$1,750,485), or other entities and governmental organizations that subsidized certain programs with grants and contributions (\$6,503,951). However, the amount of taxes that were required to subsidize these activities was \$5,146,507, 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, 2023

Property tax revenue increased by 10.5% and sales tax revenue decreased by (6.4%) compared to the prior year.

Business-type Activities

The cost of all business-type activities this year was \$8,020,699. Net program revenues and expenses plus other revenues totaled \$8,860,701, before transfers.

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

	Governmental Activities		Business-Type Activities		Total		% Change 2023-2022
	2023	2022	2023	2022	2023	2022	
Revenues							
Program revenues							
Charges for services	\$ 1,750	\$ 1,910	\$ 8,727	\$ 7,900	\$ 10,477	\$ 9,810	6.8%
Grants and contributions	6,504	2,629	8,089	1,830	14,593	4,459	227.3%
General revenues							
Property taxes	2,852	2,581	-	-	2,852	2,581	10.5%
Sales tax	6,470	6,912	-	-	6,470	6,912	-6.4%
Other taxes	3,067	2,877	-	-	3,067	2,877	6.6%
Other revenues	1,153	247	65	6	1,218	253	381.4%
Total revenues	21,796	17,156	16,881	9,736	38,677	26,892	43.8%
Expenses							
General government	3,770	3,012	-	-	3,770	3,012	25.2%
Public safety	5,244	4,401	-	-	5,244	4,401	19.2%
Streets	2,425	2,602	-	-	2,425	2,602	-6.8%
Parks and recreation	1,401	1,201	-	-	1,401	1,201	16.7%
Interest on long-term debt	561	11	-	-	561	11	5000.0%
Water Utility	-	-	2,512	1,967	2,512	1,967	27.7%
Waste Water	-	-	1,754	1,743	1,754	1,743	0.6%
Storm Water	-	-	779	647	779	647	20.4%
Solid Waste	-	-	640	576	640	576	11.1%
Aquatic Center	-	-	2,291	2,084	2,291	2,084	9.9%
Telecommunication	-	-	45	50	45	50	-10.0%
Total expenses	13,401	11,227	8,021	7,067	21,422	18,294	17.1%
Excess (deficiency) before transfers	8,395	5,929	8,860	2,669	17,255	8,598	100.7%
Transfers	(2,109)	(639)	2,109	639	-	-	n/a
Increase (decrease) in net position	6,286	5,290	10,968	3,308	17,254	8,598	100.7%
Beginning Net Position	50,559	45,268	59,619	56,311	110,178	101,579	8.5%
Total Net Position	\$ 56,845	\$ 50,559	\$ 70,587	\$ 59,619	\$ 127,432	\$ 110,178	15.7%

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
 June 30, 2023

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 funds were:

- The General Fund's fund balance increased by \$177,434, mainly due to the extraordinary increase in interest earnings. Inflation is hurting consumer sales which impacts the City's sales tax revenue, but it is providing higher investment rates of return. Despite the decline in sales tax, other taxes, namely property and franchise taxes, increased to make up for the shortfall in sales tax.
- The Roads Capital Projects Fund's fund balance increased by \$76,214, due mostly to transfers in for future projects.
- The non-major fund balances decreased by (\$116,721), most of which is due to a \$655,846 transfer out of the CARES Act fund, into the Water fund. Other funds show an increase in fund balance due to increased interest revenue and restricted revenue received in the current year that will be expended on capital projects in future years.

Proprietary funds

The changes in major funds were:

- The Water Fund's fund balance increased by \$6,173,062, mostly due to infrastructure improvements contributed by developers and an interfund transfer of ARPA funds. A smaller part of the increase is also due to an increase in utility rates and efforts by the utility billing staff to capture water usage that had been previously unbilled.
- The Waste Water's fund balance increased by \$1,361,768, mostly due to infrastructure improvements contributed by developers. A smaller part of the increase is also due to an increase in utility rates and efforts by the utility billing staff. Sewer usage revenue is usually based on water usage, so as staff has found and replaced old water meters throughout the City, sewer utility revenue has increased along with the water utility revenue
- The Storm Water's fund balance increased by \$2,799,354 mostly due to infrastructure improvements contributed by developers.
- The Recreation fund balance increased by \$610,020, due to increased transfers into the fund to subsidize the fund's activities.

General Fund Budgetary Highlights

- The General Fund final amended budget for total revenues, before transfers, were \$662,146, more than the original budgeted revenue amounts.
- The General Fund amended budget showed a decrease in tax revenue \$(66,264), licenses and permits (\$115,100), while there were budgeted increases for miscellaneous revenue of \$113,615, and interest revenue of \$715,000.

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

June 30, 2023

- The original budget was created with an increase in expenditures from the prior year. The increase in expenditures was mainly due to increases for park and cemetery improvements and an increase in interfund transfers.
- The General fund amended budget showed an increase in expenditures in general government of \$226,210, public safety of \$224,255, highways and public improvements \$127,200, and parks and recreation \$438,290. Budget for debt service decreased by (\$129,390).
- The General Fund amended budget showed an increase in transfers out to other funds of \$1,000,000 and a decrease of transfers in of (\$156,855). Additional transfers were needed to reduce the City's fund balance.
- Additional minor variances between the General Fund's original budget and amended budgets may be seen on page 34.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As indicated in Table A-3, at the end of fiscal year 2023, the City had invested \$104,334,107 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.

This year's major capital asset additions included:

- Subdivision and infrastructure contributions amounted to \$4,164,773 in the governmental funds and \$5,707,743 in the business-type funds.
- Road infrastructure was completed in the amount of \$4,196,071.
- Improvements were made to the Arena, and Cemetery, totaling \$529,686, in the 2023 fiscal year.
- A water system meter upgrade project is in process, totaling \$2,510,276, in the 2023 fiscal year.

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

	Governmental Activities		Business-Type Activities		Total		% Change 2023-2022
	2023	2022	2023	2022	2023	2022	
Land	\$ 5,586	\$ 5,586	\$ 1,509	\$ 1,509	\$ 7,095	\$ 7,095	0.0%
Water Stock	70	70	12,646	12,503	12,716	12,573	1.1%
Buildings	5,159	4,978	8,241	8,561	13,400	13,539	-1.0%
Infrastructure	23,488	20,486	119	128	23,607	20,614	14.5%
Water System	-	-	14,083	12,921	14,083	12,921	9.0%
Sewage System	-	-	11,179	10,351	11,179	10,351	8.0%
Storm Drain System	-	-	12,455	10,087	12,455	10,087	23.5%
Net investment in capital assets	2,393	2,631	-	-	2,393	2,631	-9.0%
Equipment	279	259	882	1,029	1,161	1,288	-9.9%
Vehicles	824	885	37	60	861	945	-8.9%
Construction in Progress	2,609	245	2,775	38	5,384	283	1802%
Total	\$40,408	\$35,140	\$63,926	\$57,187	\$104,334	\$92,327	13.0%

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

June 30, 2023

Long-term Debt

As indicated in Table A-4, at the year-end the City had \$11,650,098 in bonds (including unamortized premiums), notes, and leases outstanding. Accruals for compensated absences total \$496,142, making total long-term liabilities \$12,146,240. 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 is one bond which is paid with sales tax revenue. More information about the bonds and the pledged revenues can be found in Note 8.

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

	Governmental Activities		Business-Type Activities		Total		% Change
	2023	2022	2023	2022	2023	2022	2023-2022
Revenue Bonds	\$ -	\$ -	\$ 10,555	\$ 11,289	\$ 10,555	\$ 11,289	-6.5%
Notes Payable	-	-	1,096	1,229	1,096	1,229	-10.8%
Leases	-	555	-	-	-	555	n/a
Compensated absences	403	344	93	87	496	431	15.1%
Total	\$ 403	\$ 899	\$ 11,744	\$ 12,605	\$ 12,147	\$ 13,504	-10.05%

Lindon City's total long-term liabilities had a net decrease of (\$1,357,961) (10.05%) during the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- For June 2023, the unemployment rate for Utah County was 2.4%, which is the same as the state average of 2.4 %, and lower than the national average of 3.6%.
- A 7.8% average annual increase in the Consumer Price Index from March 2022 to March 2023, provided by the U.S. Bureau of Labor Statistics was considered in preparing the 2023-2024 budget.

These indicators were considered when adopting the budget for fiscal year 2024. Sales tax revenues are expected to plateau due to decreased sales because of consumerism stifled by inflation, offset by a new car dealership scheduled to open during the 2024 fiscal year. Property tax revenue is expected to increase somewhat with new growth in the City. The increased tax revenues will be used to cover increasing operational expenses.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

LINDON CITY CORPORATION
STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 8,636,131	\$ 14,940,363	\$ 23,576,494
Receivables:			
Accounts, net	-	1,275,595	1,275,595
Taxes	2,306,079	-	2,306,079
Intergovernmental	1,102,642	-	1,102,642
Lease	173,788	-	173,788
Other	289,414	-	289,414
Prepaid assets	228,043	1,678	229,721
Internal balances	(12,704)	12,704	-
Note receivable	-	206,102	206,102
Restricted assets:			
Cash and cash equivalents	8,389,691	2,788,025	11,177,716
Accounts receivable	409,285	-	409,285
Reserve deposit	-	41,029	41,029
Capital assets not being depreciated:			
Land and collectibles	5,585,314	1,509,243	7,094,557
Water stock and rights	69,550	12,645,965	12,715,515
Construction in progress	2,608,741	2,774,591	5,383,332
Capital assets, net of accumulated depreciation:			
Buildings	5,159,407	8,241,486	13,400,893
Infrastructure	23,488,651	119,457	23,608,108
Water distribution system	-	14,082,585	14,082,585
Waste water collection system	-	11,178,921	11,178,921
Storm water drainage system	-	12,454,715	12,454,715
Improvements other than buildings	2,392,980	-	2,392,980
Machinery and equipment	279,087	881,813	1,160,900
Vehicles	824,332	37,269	861,601
Total Assets	61,930,431	83,191,541	145,121,972
Deferred Outflows of Resources			
Deferred outflows relating to pensions	940,484	164,611	1,105,095
Deferred charge on bond refunding	-	443,347	443,347
Total Deferred Outflows of Resources	940,484	607,958	1,548,442
Total Assets and Deferred Outflows of Resources	\$ 62,870,915	\$ 83,799,499	\$ 146,670,414

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

LINDON CITY CORPORATION
STATEMENT OF NET POSITION (Continued)

June 30, 2023

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 1,095,494	\$ 1,100,658	\$ 2,196,152
Accrued liabilities	105,567	63,904	169,471
Accrued interest payable	-	135,295	135,295
Retainage payable	9,875	-	9,875
Liabilities payable from restricted assets	118,620	-	118,620
Developer and customer deposits	1,001,460	17,000	1,018,460
Noncurrent liabilities			
Due within one year	311,440	771,567	1,083,007
Due in more than one year	91,261	10,971,972	11,063,233
Net pension liability	840,509	147,112	987,621
Total Liabilities	3,574,226	13,207,508	16,781,734
Deferred Inflows of Resources:			
Deferred inflows for property taxes	2,252,643	-	2,252,643
Deferred inflows relating to pensions	26,398	4,620	31,018
Deferred inflows relating to leases	173,032	-	173,032
Total Deferred Inflows of Resources	2,452,073	4,620	2,456,693
Net Position:			
Net investment in capital assets	40,408,062	52,925,396	93,333,458
Restricted for:			
Impact fees and expansion of systems	2,844,473	1,716,595	4,561,068
P.A.R.C. taxes	1,143,296	-	1,143,296
Road project	4,177,708	-	4,177,708
Debt service	-	1,071,430	1,071,430
Redevelopment tax increment projects	1,307,709	-	1,307,709
Unrestricted	6,963,368	14,873,950	21,837,318
Total Net Position	56,844,616	70,587,371	127,431,987
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 62,870,915	\$ 83,799,499	\$ 146,670,414

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

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LINDON CITY CORPORATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 3,770,483	\$ 1,630,685	\$ -	\$ -	\$ (2,139,798)	\$ -	\$ (2,139,798.00)
Public safety	5,243,598	-	841,614	28,371	(4,373,613)	-	(4,373,613)
Highway and public improvements	2,424,564	-	608,542	4,753,924	2,937,902	-	2,937,902
Parks and recreation	1,401,155	119,800	-	271,500	(1,009,855)	-	(1,009,855)
Interest and issuance costs on long-term debt	561,143	-	-	-	(561,143)	-	(561,143)
Total Governmental Activities	13,400,943	1,750,485	1,450,156	5,053,795	(5,146,507)	-	(5,146,507)
Business-type Activities:							
Water utility	2,511,902	3,642,792	2,089,172	1,907,521	-	5,127,583	5,127,583
Waste water	1,753,983	2,013,195	-	1,386,618	-	1,645,830	1,645,830
Storm water	778,587	1,298,599	-	2,679,926	-	3,199,938	3,199,938
Solid waste	640,236	688,161	-	-	-	47,925	47,925
Recreation	2,290,729	1,045,767	26,203	-	-	(1,218,759)	(1,218,759)
Telecommunications	45,262	38,860	-	-	-	(6,402)	(6,402)
Total Business-type Activities	8,020,699	8,727,374	2,115,375	5,974,065	-	8,796,115	8,796,115
Total Government	\$ 21,421,642	\$ 10,477,859	\$ 3,565,531	\$ 11,027,860	(5,146,507)	8,796,115	3,649,608
			General Revenues:				
			Property taxes	2,851,524	-	2,851,524	
			Sales taxes	6,469,642	-	6,469,642	
			Franchise taxes	2,171,712	-	2,171,712	
			Other taxes	894,812	-	894,812	
			Unrestricted investment earnings	1,128,109	64,586	1,192,695	
			Gain on disposition of capital assets	24,496	-	24,496	
			Transfers	(2,107,441)	2,107,441	-	
			Total General Revenues and Transfers	11,432,854	2,172,027	13,604,881	
			Changes in Net Position	6,286,347	10,968,142	17,254,489	
			Net Position, Beginning	50,558,269	59,619,229	110,177,498	
			Net Position, Ending	\$ 56,844,616	\$ 70,587,371	\$ 127,431,987	

LINDON CITY CORPORATION
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2023

	General	Capital Projects Roads	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,963,472	\$ 431,807	\$ 2,240,852	\$ 8,636,131
Receivables:				
Accounts, net	103,279	-	-	103,279
Property tax	2,306,079	-	-	2,306,079
Sales tax	1,102,642	-	-	1,102,642
Franchise tax	186,135	-	-	186,135
Lease	173,788	-	-	173,788
Prepaid assets	146,161	-	81,882	228,043
Due from other funds	81,882	-	-	81,882
Restricted:				
Cash and cash equivalents	1,491	4,529,646	3,858,554	8,389,691
Intergovernmental and tax receivable	-	248,198	161,087	409,285
Total Assets	\$ 10,064,929	\$ 5,209,651	\$ 6,342,375	\$ 21,616,955
Liabilities				
Cash overdraft				
Accounts payable	\$ 592,819	\$ 483,007	\$ 500	\$ 1,076,326
Accrued liabilities	105,567	-	19,168	124,735
Retainage payable	9,875	-	-	9,875
Liabilities from restricted assets	1,491	117,129	-	118,620
Developer and customer deposits	1,001,460	-	-	1,001,460
Due to other funds	-	-	94,586	94,586
Total Liabilities	1,711,212	600,136	114,254	2,425,602
Deferred Inflows of Resources				
Property Tax	2,252,643	-	-	2,252,643
Leases	173,032	-	-	173,032
Total Deferred Inflows of Resources	2,425,675	-	-	2,425,675
Fund Balances:				
Nonspendable:				
Prepaid items	146,161	-	-	146,161
Restricted for:				
Impact fees/expansion of systems	-	-	2,844,473	2,844,473
P.A.R.C. taxes	-	-	1,143,296	1,143,296
Road project	-	4,177,708	-	4,177,708
Assigned for:				
Redevelopment tax increment projects	-	-	1,307,709	1,307,709
Capital projects	-	431,807	932,643	1,364,450
Unassigned	5,781,881	-	-	5,781,881
Total Fund Balances	5,928,042	4,609,515	6,228,121	16,765,678
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,064,929	\$ 5,209,651	\$ 6,342,375	\$ 21,616,955

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, 2023

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

Total Fund Balance - Governmental Funds	\$	16,765,678
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		40,408,062
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.		73,577
Long-term liabilities, including bonds, 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.		(402,701)
Total Net Position - Governmental Activities	\$	<u>56,844,616</u>

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

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	General	Capital Projects Roads	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 11,302,715	\$ -	\$ 1,071,187	\$ 12,373,902
Licenses and permits	460,688	-	-	460,688
Intergovernmental	184,768	1,185,773	656,846	2,027,387
Charges for services	211,489	-	-	211,489
Fines and forfeitures	523,064	-	-	523,064
Impact fees	28,371	11,920	271,500	311,791
Interest	795,020	155,407	191,470	1,141,897
Miscellaneous	555,244	-	-	555,244
Total Revenues	14,061,359	1,353,100	2,191,003	17,605,462
Expenditures:				
Current:				
General government	3,518,722	-	364,764	3,883,486
Public safety	4,485,194	-	-	4,485,194
Highways and public improvements	1,836,117	2,776,886	-	4,613,003
Parks and recreation	1,341,105	-	409,001	1,750,106
Debt service:				
Principal	555,279	-	-	555,279
Interest	10,051	-	-	10,051
Capital outlay	-	-	88,471	88,471
Total Expenditures	11,746,468	2,776,886	862,236	15,385,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,314,891	(1,423,786)	1,328,767	2,219,872
Other Financing Sources (Uses):				
Transfers in	1,253,943	1,500,000	356,071	3,110,014
Transfers out	(3,415,896)	-	(1,801,559)	(5,217,455)
Contributions from other governments	24,496	-	-	24,496
Total Other Financing Sources (Uses)	(2,137,457)	1,500,000	(1,445,488)	(2,082,945)
Net Change in Fund Balances	177,434	76,214	(116,721)	136,927
Fund Balances, Beginning	5,750,608	4,533,301	6,344,842	16,628,751
Fund Balances, Ending	\$ 5,928,042	\$ 4,609,515	\$ 6,228,121	\$ 16,765,678

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, 2023

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

Net Change in Fund Balances - Total Governmental Funds	\$	136,927
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.		(2,369,574)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.		3,473,022
Governmental funds do not record developer contributions of infrastructure.		4,164,773
In the Statement of Activities, interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.		4,187
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		555,279
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.		321,733
Change in Net Position - Governmental Activities	\$	<u>6,286,347</u>

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

LINDON CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 11,006,764	\$ 10,940,500	\$ 11,302,715	\$ 362,215
Licenses and permits	475,750	360,650	460,688	100,038
Intergovernmental	167,700	177,160	184,768	7,608
Charges for services	184,600	195,595	211,489	15,894
Fines and forfeitures	470,000	488,000	523,064	35,064
Impact fees	42,400	18,840	28,371	9,531
Interest	65,000	780,000	795,020	15,020
Miscellaneous	369,250	482,865	555,244	72,379
Total Revenues	12,781,464	13,443,610	14,061,359	617,749
Expenditures:				
Current:				
General government:				
Mayor and council	128,935	133,880	132,116	1,764
Judicial	588,480	606,480	563,305	43,175
Administrative	1,437,980	1,508,380	1,489,295	19,085
Buildings	514,360	570,640	414,915	155,725
Planning and zoning	965,270	988,855	851,695	137,160
Grants and contributions	18,500	71,500	67,396	4,104
Public Safety:				
Law enforcement	3,899,817	4,117,702	2,813,231	1,304,471
Fire protection	1,648,549	1,648,549	1,642,010	6,539
Animal controls	24,900	31,270	29,953	1,317
Highways and public improvements				
Streets	724,090	739,950	620,233	119,717
Public works administration	1,148,620	1,259,960	1,215,884	44,076
Parks and recreation				
Parks	1,321,080	1,756,870	1,284,371	472,499
Cemetery	32,600	32,600	31,232	1,368
Recreation and culture	22,500	25,000	25,502	(502)
Debt service:				
Principal	684,670	555,280	555,279	1
Interest	11,585	11,585	10,051	1,534
Total Expenditures	13,171,936	14,058,501	11,746,468	2,312,033
Excess (Deficiency) of Revenues Over (Under) Expenditures	(390,472)	(614,891)	2,314,891	2,929,782
Other Financing Sources (Uses):				
Proceeds from issuance of debt	803,145	960,000	-	(960,000)
Transfers in	1,541,516	1,297,735	1,253,943	(43,792)
Transfers out	(2,541,485)	(3,541,485)	(3,415,896)	125,589
Sale of capital assets	600,000	580,000	24,496	(555,504)
Total Other Financing Sources (Uses)	403,176	(703,750)	(2,137,457)	(1,433,707)
Net Change in Fund Balances	12,704	(1,318,641)	177,434	1,496,075
Fund Balances, Beginning	5,750,608	5,750,608	5,750,608	-
Fund Balances, Ending	\$ 5,763,312	\$ 4,431,967	\$ 5,928,042	\$ 1,496,075

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

LINDON CITY CORPORATION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2023

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Assets and Deferred Outflows of Resources						
Current Assets:						
Cash and cash equivalents	\$ 7,672,344	\$ 2,457,746	\$ 2,636,085	\$ 2,106,922	\$ 67,266	\$ 14,940,363
Accounts receivable, net	890,504	188,831	119,763	12,421	64,076	1,275,595
Prepaid assets	-	-	-	1,678	-	1,678
Due from other funds	-	-	-	12,704	-	12,704
Restricted cash and cash equivalents	1,716,451	477,289	-	594,285	-	2,788,025
Total Current Assets	10,279,299	3,123,866	2,755,848	2,728,010	131,342	19,018,365
Noncurrent Assets:						
Notes receivable	-	-	-	-	206,102	206,102
Reserve deposit	-	41,029	-	-	-	41,029
Capital assets, net of accumulated depreciation:						
Land	428,610	107,392	823,241	150,000	-	1,509,243
Water stock and rights	12,645,965	-	-	-	-	12,645,965
Construction in Process	2,715,971	43,585	6,027	9,008	-	2,774,591
Buildings	-	-	-	8,241,486	-	8,241,486
Telecom Infrastructure	-	-	-	-	119,457	119,457
Water distribution system	14,082,585	-	-	-	-	14,082,585
Waste water collection system	-	11,178,921	-	-	-	11,178,921
Storm water drainage system	-	-	12,454,715	-	-	12,454,715
Machinery and equipment	456,701	220,123	12,016	192,973	-	881,813
Vehicles	9,602	4,553	-	23,114	-	37,269
Capital assets, net	30,339,434	11,554,574	13,295,999	8,616,581	119,457	63,926,045
Total Noncurrent Assets	30,339,434	11,595,603	13,295,999	8,616,581	325,559	64,173,176
Deferred Outflows of Resources						
Deferred outflows relating to pensions	85,576	24,010	35,822	19,203	-	164,611
Deferred charge on bond refunding	-	-	-	443,347	-	443,347
Total Assets and Deferred Outflows of Resources	\$ 40,704,309	\$ 14,743,479	\$ 16,087,669	\$ 11,807,141	\$ 456,901	\$ 83,799,499

LINDON CITY CORPORATION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2023

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Liabilities and Deferred Inflows of Resources						
Current Liabilities:						
Accounts payable	\$ 526,192	\$ 349,691	\$ 49,035	\$ 119,056	\$ 56,684	\$ 1,100,658
Accrued liabilities	9,227	2,506	3,411	48,760	-	63,904
Accrued interest payable	31,617	1,928	-	101,750	-	135,295
Developer and customer deposits	17,000	-	-	-	-	17,000
Compensated absences	25,265	4,102	38,366	5,222	-	72,955
Current portion of long-term debt	66,523	189,965	-	420,000	22,124	698,612
Total Current Liabilities	675,824	548,192	90,812	694,788	78,808	2,088,424
Noncurrent Liability:						
Compensated absences, net	5,190	447	5,387	9,462	-	20,486
Long-term debt, net of current portion	2,288,560	2,889,745	-	5,589,203	183,978	10,951,486
Net pension liability	76,479	21,458	32,014	17,161	-	147,112
Total Noncurrent Liability	2,370,229	2,911,650	37,401	5,615,826	183,978	11,119,084
Deferred Inflows of Resources:						
Deferred inflows relating to pensions	2,402	674	1,005	539	-	4,620
Total Liabilities and Deferred Inflows of Resources	3,048,455	3,460,516	129,218	6,311,153	262,786	13,212,128
Net Position:						
Net investment in capital assets	27,984,351	8,474,864	13,295,999	3,050,725	119,457	52,925,396
Restricted for:						
Impact fees/expansion of systems	1,716,451	144	-	-	-	1,716,595
Debt service reserves	-	477,145	-	594,285	-	1,071,430
Unrestricted	7,955,052	2,330,810	2,662,452	1,850,978	74,658	14,873,950
Total Net Position	37,655,854	11,282,963	15,958,451	5,495,988	194,115	70,587,371
Total Liabilities and Net Position	\$ 40,704,309	\$ 14,743,479	\$ 16,087,669	\$ 11,807,141	\$ 456,901	\$ 83,799,499

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, 2023

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Operating Revenues:						
Service fees	\$ 3,301,663	\$ 2,007,395	\$ 1,298,599	\$ 1,045,767	\$ 727,021	\$ 8,380,445
Other fees	44,573	4,760	-	-	-	49,333
Miscellaneous	296,556	1,040	-	-	-	297,596
Total Operating Revenues	3,642,792	2,013,195	1,298,599	1,045,767	727,021	8,727,374
Operating Expenses:						
Salaries and wages	300,533	105,678	156,967	771,634	-	1,334,812
Employee benefits	119,396	38,666	67,895	126,303	-	352,260
Materials, supplies and services	1,422,132	882,349	141,862	723,620	677,345	3,847,308
Depreciation	592,749	664,964	411,863	436,426	8,153	2,114,155
Total Operating Expenses	2,434,810	1,691,657	778,587	2,057,983	685,498	7,648,535
Operating Income (Loss)	\$ 1,207,982	\$ 321,538	\$ 520,012	\$ (1,012,216)	\$ 41,523	\$ 1,078,839

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, 2023

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Nonoperating Income (Expense):						
Intergovernmental revenue	\$ 2,089,172	\$ -	\$ -	\$ 26,203	\$ -	\$ 2,115,375
Interest income	34,491	17,642	-	12,453	-	64,586
Interest expense	(77,092)	(62,326)	-	(232,746)	-	(372,164)
Total Nonoperating Income (Expense)	2,046,571	(44,684)	-	(194,090)	-	1,807,797
Income (Loss) Before Transfers and Capital Contributions	3,254,553	276,854	520,012	(1,206,306)	41,523	2,886,636
Capital contributions	1,775,068	1,317,109	2,615,566	-	-	5,707,743
Impact fee contributions	132,453	69,509	64,360	-	-	266,322
Transfers in	1,312,692	-	-	1,816,326	-	3,129,018
Transfers out	(301,704)	(301,704)	(400,584)	-	(17,585)	(1,021,577)
Changes in Net Position	6,173,062	1,361,768	2,799,354	610,020	23,938	10,968,142
Net Position, Beginning	31,482,792	9,921,195	13,159,097	4,885,968	170,177	59,619,229
Net Position, Ending	\$ 37,655,854	\$ 11,282,963	\$ 15,958,451	\$ 5,495,988	\$ 194,115	\$ 70,587,371

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, 2023

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Cash Flows From Operating Activities:						
Receipts from customers and users	\$ 3,092,615	\$ 2,005,527	\$ 1,294,704	\$ 1,071,325	\$ 719,590	\$ 8,183,761
Payments to suppliers	(1,032,109)	(720,685)	(95,999)	(719,661)	(671,253)	(3,239,707)
Payments to employees and related benefits	(424,012)	(146,786)	(228,751)	(961,334)	-	(1,760,883)
Deposits received (refunded)	(4,600)	-	-	-	-	(4,600)
Net cash from operating activities	<u>1,631,894</u>	<u>1,138,056</u>	<u>969,954</u>	<u>(609,670)</u>	<u>48,337</u>	<u>3,178,571</u>
Cash Flows From Capital and Related Financing Activities:						
Purchase of property and equipment	(2,770,563)	(122,373)	(182,454)	(69,544)	-	(3,144,934)
Receipt of impact fees	132,453	69,509	64,360	-	-	266,322
Principal paid on bonds and lease	(64,447)	(341,778)	-	(405,000)	-	(811,225)
Interest paid on bonds and lease	(77,957)	(62,510)	-	(229,825)	-	(370,292)
Net cash from capital and related financing activities	<u>(2,780,514)</u>	<u>(457,152)</u>	<u>(118,094)</u>	<u>(704,369)</u>	<u>-</u>	<u>(4,060,129)</u>
Cash Flows From Non-Capital Financing Activities:						
Cash subsidy from federal grants	2,089,172	-	-	26,203	-	2,115,375
Payments on long-term pension obligation	(11,410)	(17,985)	(5,998)	4,363	-	(31,030)
Payments from (to) other funds on loans	-	-	-	116,877	-	116,877
Payments received on notes from residents	-	-	-	-	22,000	22,000
Principal paid on notes for residential connections	-	-	-	-	(22,000)	(22,000)
Transfers from (to) other funds	1,010,988	(301,704)	(400,584)	1,816,326	(17,585)	2,107,441
Net cash from non-capital financing activities	<u>\$ 3,088,750</u>	<u>\$ (319,689)</u>	<u>\$ (406,582)</u>	<u>\$ 1,963,769</u>	<u>\$ (17,585)</u>	<u>\$ 4,308,663</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, 2023

	Business-type Activities - Enterprise Funds					Total
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	
Cash Flows From Investing Activity:						
Interest on investments	\$ 34,491	\$ 17,642	\$ -	\$ 12,453	\$ -	\$ 64,586
Net cash from investing activity	<u>34,491</u>	<u>17,642</u>	<u>-</u>	<u>12,453</u>	<u>-</u>	<u>64,586</u>
Net Increase (Decrease) In Cash	1,974,621	378,857	445,278	662,183	30,752	3,491,691
Cash and Cash Equivalents At Beginning of Year	<u>7,414,174</u>	<u>2,556,178</u>	<u>2,190,807</u>	<u>2,039,024</u>	<u>36,514</u>	<u>14,236,697</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,388,795</u>	<u>\$ 2,935,035</u>	<u>\$ 2,636,085</u>	<u>\$ 2,701,207</u>	<u>\$ 67,266</u>	<u>\$ 17,728,388</u>
	Business-type Activities - Enterprise Funds					
	Water	Waste Water	Storm Water	Aquatics	Non-major Funds	Total
Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	\$ 1,207,982	\$ 321,538	\$ 520,012	\$ (1,012,216)	\$ 41,523	\$ 1,078,839
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	592,749	664,964	411,863	436,426	8,153	2,114,155
(Increase) Decrease in accounts receivables	(550,177)	(7,668)	(3,895)	25,558	(7,431)	(543,613)
(Increase) Decrease in prepaid assets	-	-	-	4,882	-	4,882
Increase (Decrease) in accounts payable	390,023	161,664	45,863	(923)	6,092	602,719
Increase (Decrease) in payable from restricted	-	-	-	-	-	-
Increase (Decrease) in accrued liabilities	(4,907)	(3,697)	(5,353)	(65,827)	-	(79,784)
Increase (Decrease) in compensated absences	824	1,255	1,464	2,430	-	5,973
Increase (Decrease) in deposits	(4,600)	-	-	-	-	(4,600)
Net cash from operating activities	<u>\$ 1,631,894</u>	<u>\$ 1,138,056</u>	<u>\$ 969,954</u>	<u>\$ (609,670)</u>	<u>\$ 48,337</u>	<u>\$ 3,178,571</u>
Noncash investing, capital, and financing activities:						
Contributions from developers	\$ 1,775,068	\$ 1,317,109	\$ 2,615,566	\$ -	\$ -	\$ 5,707,743

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, 2023.

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 boards or are responsible for appointing the members of the governing boards and provide services almost entirely to Lindon City. As such, they are accounted for as blended component units and 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 nonfiduciary 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 another 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.

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.

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)

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 accounted for in another fund.

The Road Capital Projects Fund accounts for the financial resources to be used for the city's roads.

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 Wastewater 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 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 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.

The CARES Act special revenue fund records the receipts and use of CARES Act and ARPA funds.

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

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 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.

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 are charges to customers. Operating expenses for enterprise 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 consist 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, which approximates fair value.

The City categorizes the fair value measurements of its investments based on the hierarchy established by general accepted accounting principles. The fair value hierarchy, which has three levels, is based on valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs. Fair value measurements of the City's investments in PTIF at June 30, 2023, of \$23,510,374 are based on significant other observable inputs (Level 2 inputs).

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. Prepaids are reported using the consumption method.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 at June 30, 2023 for all funds is approximately \$3,715 and is concentrated in the enterprise funds.

4. Restricted Assets

Cash and investments are often restricted to a particular use due to statutory 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. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

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 acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

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

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 assets 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 assets 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.

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.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 35% 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.

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- 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.

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

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, 2023 were \$1,698,998. Of these, \$1,198,998 were exposed to custodial credit risk because they were uninsured and uncollateralized.

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, 2023 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.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

As of June 30, 2023, 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	\$ 1,698,998	\$ 1,484,796	N/A	N/A
Cash on Hand	3,250	3,250		
Total cash on hand and deposit	<u>\$ 1,702,248</u>	<u>\$ 1,488,046</u>		
Investments (3):				
Utah State Treasurer's Investment Pool	\$ 33,268,664	\$ 33,266,164	N/A	120.30
Total investments	<u>\$ 33,268,664</u>	<u>\$ 33,266,164</u>		
Total cash and cash equivalents	<u>\$ 34,970,912</u>	<u>\$ 34,754,210</u>		

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 \$206,102 at June 30, 2023.

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, 2023, due to and due from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activities		
General Fund	\$ 81,882	\$ -
Non major governmental funds	-	94,586
Business-type Activities		
Recreation	12,704	-
	<u>\$ 94,586</u>	<u>\$ 94,586</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from Other Funds (Continued)

The due to/from other funds are the result of individual funds' cash flow needs. These accounts at the fund financial statement level have been eliminated at the government-wide financial statement level (Statement of Net Position). The above amounts will be repaid by the respective funds.

Transfers Between Funds

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
General Fund	\$ 1,253,943	\$ 3,415,896
Redevelopment Agency	-	23,800
Debt Service	356,071	-
Capital Projects Road	1,500,000	-
Non major governmental funds	-	1,777,759
Business-type Activities		
Water	1,312,692	301,704
Waste Water	-	301,704
Storm Water	-	400,584
Recreation	1,816,326	-
Non major business-type funds	10,000	27,585
	<u>\$ 6,249,032</u>	<u>\$ 6,249,032</u>

The City's interfund transfers for the year ended June 30, 2023, are summarized below:

The General Fund received \$1,253,943 for the following transfers:

- \$23,800 from the Redevelopment Agency for Administrative costs
- \$198,566 from a non-major governmental fund to help fund improvements to the Horse Arena
- \$301,704 from the Water Fund to share Administrative costs in the General Fund
- \$301,704 from the Sewer Fund to share Administrative costs in the General Fund
- \$301,704 from the Storm Water Fund to share Administrative Department costs in the General Fund
- \$98,880 from the Storm Water Fund for Administrative and other costs
- \$27,585 from the non-major business-type funds for Administrative costs

The Debt Service received \$356,071 from the General Fund to meet debt service obligations.

The Capital Projects Road Fund received \$1,500,000 from the General Fund to help fund road improvements.

The Water Fund received \$1,312,692 from a non-major business-type fund to help fund system improvements.

The Recreation fund received \$1,816,326 for the following transfers:

- \$1,549,825 from the General Fund for debt service obligations and to help subsidize the fund
- \$266,501 from the PARC Tax Fund (non-major governmental fund) to help fund improvements and debt service.

The non-major business-type fund received \$10,000 from the General Fund to subsidize the annual citywide cleanup in the Fall.

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, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 5,585,314	\$ -	\$ -	\$ 5,585,314
Water stock and rights	69,550	-	-	69,550
Construction in progress	245,121	2,608,742	(245,122)	2,608,741
	<u>5,899,985</u>	<u>2,608,742</u>	<u>(245,122)</u>	<u>8,263,605</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	6,985,646	393,627	-	7,379,273
Infrastructure	44,699,005	4,469,963	-	49,168,968
Improvements other than buildings	6,218,093	66,021	-	6,284,114
Machinery and equipment	1,070,787	136,231	-	1,207,018
Vehicles	1,499,997	208,333	-	1,708,330
	<u>60,473,528</u>	<u>5,274,175</u>	<u>-</u>	<u>65,747,703</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(2,007,926)	(211,940)	-	(2,219,866)
Infrastructure	(24,212,356)	(1,467,961)	-	(25,680,317)
Improvements other than buildings	(3,586,675)	(304,459)	-	(3,891,134)
Machinery and equipment	(811,372)	(116,559)	-	(927,931)
Vehicles	(615,344)	(268,654)	-	(883,998)
	<u>(31,233,673)</u>	<u>(2,369,573)</u>	<u>-</u>	<u>(33,603,246)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net				
	<u>29,239,855</u>	<u>2,904,602</u>	<u>-</u>	<u>32,144,457</u>
Governmental Activities capital assets, net				
	<u>\$ 35,139,840</u>	<u>\$ 5,513,344</u>	<u>\$ (245,122)</u>	<u>\$ 40,408,062</u>

Depreciation expense was charged to functions/programs for the year ended June 30, 2023, is as follows:

Governmental Activities:	
General government	\$ 140,033
Public safety	297,411
Highways and public improvements	1,554,760
Parks and recreation	377,369
	<u>377,369</u>
Total depreciation expense - governmental activities	<u>\$ 2,369,573</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,509,243	\$ -	\$ -	\$ 1,509,243
Water Stock	12,503,672	142,293	-	12,645,965
Construction in progress	37,834	2,774,590	(37,833)	2,774,591
	<u>14,050,749</u>	<u>2,916,883</u>	<u>(37,833)</u>	<u>16,929,799</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	12,253,039	49,116	-	12,302,155
Telecom Infrastructure	170,711	-	-	170,711
Water system	21,487,049	1,685,678	-	23,172,727
Waste water system	17,562,530	1,421,901	-	18,984,431
Storm water system	14,889,184	2,777,166	-	17,666,350
Equipment	1,828,322	39,767	-	1,868,089
Vehicles	273,026	-	-	273,026
	<u>68,463,861</u>	<u>5,973,628</u>	<u>-</u>	<u>74,437,489</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(3,691,512)	(369,157)	-	(4,060,669)
Telecom Infrastructure	(43,101)	(8,153)	-	(51,254)
Water system	(8,566,021)	(524,121)	-	(9,090,142)
Waste water system	(7,211,423)	(594,087)	-	(7,805,510)
Storm water system	(4,802,583)	(409,052)	-	(5,211,635)
Equipment	(800,194)	(186,082)	-	(986,276)
Vehicles	(212,254)	(23,503)	-	(235,757)
	<u>(25,327,088)</u>	<u>(2,114,155)</u>	<u>-</u>	<u>(27,441,243)</u>
Total accumulated depreciation				
	<u>43,136,773</u>	<u>3,859,473</u>	<u>-</u>	<u>46,996,246</u>
Total capital assets being depreciated, net				
Business-type Activities capital assets, net	<u>\$ 57,187,522</u>	<u>\$ 6,776,356</u>	<u>\$ (37,833)</u>	<u>\$ 63,926,045</u>

Depreciation expense was charged to functions/programs for the year ended June 30, 2023, is as follows:

Business-type Activities	
Water	\$ 592,749
Waste water	664,964
Storm water	411,863
Recreation	436,426
Telecommunications	<u>8,153</u>
Total depreciation expense - business-type activities	<u>\$ 2,114,155</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 – DEFERRED INFLOWS OF RESOURCES – PROPERTY TAXES

In conjunction with GASB pronouncement 33, “Accounting and Financial Reporting for Nonexchange Transactions” the City has accrued property tax receivable and a deferred property tax revenue in the General Fund and Redevelopment Agency in the amounts of \$2,252,643 and \$0, respectively.

NOTE 8 – LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the June 30, 2023:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Governmental Activities:					
Notes payable and leases:					
Leases	\$ 555,279	\$ -	\$ (555,279)	\$ -	\$ -
Total notes payable and leases	555,279	-	(555,279)	-	-
Other liabilities:					
Compensated absences	344,399	80,750	(22,448)	402,701	311,440
Total other liabilities	344,399	80,750	(22,448)	402,701	311,440
Total Governmental activities long-term liabilities	899,678	80,750	(577,727)	402,701	311,440
Business-type Activities:					
Bonds payable:					
Revenue bonds:					
Public offering	6,060,000	-	(405,000)	5,655,000	420,000
Plus: unamortized premiums	387,935	-	(33,734)	354,201	-
Direct placement	4,840,530	-	(295,447)	4,545,083	145,523
Total bonds payable	11,288,465	-	(734,181)	10,554,284	565,523
Notes payable:					
Notes payable	1,228,592	-	(132,778)	1,095,814	133,089
Total notes payable	1,228,592	-	(132,778)	1,095,814	133,089
Other liabilities:					
Compensated absences	87,466	5,975	-	93,441	72,955
Total other liabilities	87,466	5,975	-	93,441	72,955
Total Business-type activities long-term liabilities	12,604,523	5,975	(866,959)	11,743,539	771,567
Total long-term Liabilities	<u>\$ 13,504,201</u>	<u>\$ 86,725</u>	<u>\$ (1,444,686)</u>	<u>\$ 12,146,240</u>	<u>\$ 1,083,007</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Long-term debt at June 30, 2023 consists of the following:

GOVERNMENTAL ACTIVITIES

Leases

2021 Police Vehicle Lease was issued for original amount of \$736,200, with lease payments due in annual installments ranging from \$96,252 to \$555,279 including interest at 1.80% beginning January 2021, with the final payment due January 2023. The principal and interest payments are made from the General Fund revenues. The lease was used to finance 15 police vehicles and replaced a prior police vehicle lease for vehicles that were traded in. Final payment paid January 2023.

\$ -

Total Leases - Governmental Activities

\$ -

Compensated absences

The total of accumulated unpaid compensated absences in governmental funds. The majority of compensated absences are paid out of the general fund.

\$ 402,701

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES

Revenue Bonds - Public Offering

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. The city has pledged the sales tax revenue to service this debt. The bond contains a significant default provision wherein if the city does not pay the scheduled principal and interest payments the bond holders may pursue any available remedy to enforce the

	\$ 5,655,000
	\$ 5,655,000
Total Revenue Bonds - Public Offering	\$ 5,655,000

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

BUSINESS-TYPE ACTIVITIES (Continued)

Revenue Bonds - Direct Placement

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.

\$ 2,355,083

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. The city has pledged the net revenues of the waste water system to service this debt. The bond contains a significant default provision wherein if the city does not pay the scheduled principal and interest payments the bond holders may require an interest penalty of 18% and may appoint a trustee bank to act as a receiver.

1,381,000

The Sewer Revenue Bonds Series 2017 consisted of \$1,262,000 with interest at 2.86%. The bonds were issued to finance additions and improvements to the sewer system. Debt service payments are made annually beginning December 2018 with the final payment due December 2032. The city has pledged the net revenues of the waste water system to service this debt. The bond contains a significant default provision wherein if the city does not pay the scheduled principal and interest payments the bond holders may appoint a trustee bank to

809,000

Total Revenue Bonds - Direct Placement

4,545,083

Total Revenue Bonds - Business-type Activities

\$ 10,200,083

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 Waste Water fund and impact fees. The City also pays a debt reserve payment and a repair and replacement reserve payment for the first 10 years.

\$ 889,714

The UIA Notes Payable consists of \$391,550 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. No new notes were added during the year. The last note comes due in July 2039. The amounts payable to UIA are paid by Lindon City residents.

206,100

Total Notes Payable - Business-type Activities

\$ 1,095,814

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

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

Year Ending June 30,	Business-type Activities	
	Revenue Bonds - Public Offering	
	Principal	Interest
2024	\$ 420,000	\$ 215,700
2025	435,000	200,700
2026	455,000	182,900
2027	470,000	164,400
2028	485,000	145,300
2029-2033	2,765,000	410,500
2034	625,000	12,500
	<u>5,655,000</u>	<u>\$ 1,332,000</u>
Plus: unamortized premium	<u>354,201</u>	
Total revenues bonds	<u>\$ 6,009,201</u>	

Year Ending June 30,	Business-type Activities	
	Revenue Bonds - Direct Placement	
	Principal	Interest
2024	\$ 145,523	\$ 142,709
2025	307,667	132,543
2026	316,879	122,063
2027	325,163	113,298
2028	333,520	101,333
2029-2033	1,531,706	377,474
2034-2038	487,134	224,886
2039-2043	570,834	155,663
2044-2047	526,657	59,536
	<u>4,545,083</u>	<u>\$ 1,429,505</u>
Plus: unamortized premium	<u>-</u>	
Total revenues bonds	<u>\$ 4,545,083</u>	

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Year Ending June 30,	Business-type Activities	
	Notes Payable	
	Principal	Interest
2024	\$ 133,089	\$ 16,186
2025	132,677	14,348
2026	132,636	12,679
2027	132,198	11,017
2028	132,993	9,322
2029	134,364	7,531
2029-2033	432,221	21,440
	<u>\$ 1,095,814</u>	<u>\$ 84,992</u>

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, 2023:

	Sales Taxes	Water Revenues	Sewer Revenues
Principal	\$ 5,655,000	\$ 2,355,083	\$ 2,190,000
Interest	1,332,000	1,062,755	280,317
Total future revenues pledged over the life of the debts	\$ 6,987,000	\$ 3,417,838	\$ 2,470,317
Revenues for the year ended June 30, 2023	\$ 6,469,642	\$ 3,642,792	\$ 2,013,195
Principal	405,000	64,447	231,000
Interest	228,075	77,957	62,614
Payments on debt from pledged revenues for the year ended June 30, 2023	\$ 633,075	\$ 142,404	\$ 293,614
Percent of current year revenues to total pledged revenues	93%	107%	81%

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

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:

Defined Benefit Plans

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (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 Utah State Retirement 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.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Summary of Benefits by System

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

Retirement benefits are as follows:

Summary of Benefits by System

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service required and/or age eligible for benefit</u>	<u>Benefit percent per year of service</u>	<u>COLA**</u>
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% or 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 to June 30, 2020 2.0% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

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

Contribution Rate Summary

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 Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023, are as follows:

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Utah Retirement Systems	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
111 - Local Governmental Division Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	17.97%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	2.59	25.83%	N/A
Noncontributory			
43 - Other Division A with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.19%	10.00%
222 - Public Safety	N/A	11.83%	14.00%

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

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

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

	<u>Employer</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>
Noncontributory System	\$ 359,597	N/A
Public Safety System	237,169	-
Tier 2 Public Employees System	160,528	-
Tier 2 Public Safety and Firefighter	80,246	8,046
Tier 2 DC Public Employees	3,008	-
Total Contributions	<u>\$ 840,548</u>	<u>\$ 8,046</u>

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

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

At June 30, 2023 we reported a net pension liability of \$987,621 and a net pension asset of 0.

	<u>(Measurement Date): December 31, 2022</u>				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2020</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ -	\$ 366,393	0.2139210%	0.2054137%	0.0085073%
Public Safety System	-	565,650	0.4374458%	0.4098531%	0.0275927%
Tier 2 Public Employees System	-	47,013	0.0431750%	0.0393784%	0.0037966%
Tier 2 Public Safety and Firefighter	<u>-</u>	<u>8,565</u>	0.1026644%	0.1142467%	-0.0115823%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 987,621</u>			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, we recognized pension expense of \$429,694.

At June 30, 2023 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	\$ 146,790	\$ 4,705
Changes in assumptions	95,898	2,441
Net difference between projected and actual earnings on pension plan investments	400,625	-
Changes in proportion and differences between contributions and proportionate share of contributions	39,883	23,873
Contributions subsequent to the measurement date	<u>421,899</u>	<u>-</u>
Total	<u>\$ 1,105,095</u>	<u>\$ 31,019</u>

\$421,899 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, 2022.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2023	\$ (141,739)
2024	(1,601)
2025	163,501
2026	607,764
2027	4,592
Thereafter	19,662

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

For the year ended June 30, 2023, we recognized pension expense of \$182,006.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

<u></u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 124,275	\$ -
Changes in assumptions	60,047	1,463
Net difference between projected and actual earnings on pension plan investments	241,676	-
Changes in proportion and differences between contributions and proportionate share of contributions	10,509	-
Contributions subsequent to the measurement date	180,714	-
Total	<u>\$ 617,221</u>	<u>\$ 1,463</u>

\$180,714 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, 2022.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2023	\$ (46,779)
2024	13,609
2025	97,072
2026	371,142
2027	-
Thereafter	-

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

For the year ended June 30, 2023, we recognized pension expense of \$120,421.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

<u></u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,504	\$ -
Changes in assumptions	15,171	-
Net difference between projected and actual earnings on pension plan investments	131,109	-
Changes in proportion and differences between contributions and proportionate share of contributions	17,893	19,195
Contributions subsequent to the measurement date	120,065	-
Total	<u>\$ 286,742</u>	<u>\$ 19,195</u>

\$120,065 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, 2022.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2023	\$ (98,430)
2024	(22,602)
2025	54,655
2026	213,859
2027	-
Thereafter	-

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

For the year ended June 30, 2023, we recognized pension expense of \$90,237.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

<u></u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 15,879	\$ 1,865
Changes in assumptions	15,263	120
Net difference between projected and actual earnings on pension plan investments	18,954	-
Changes in proportion and differences between contributions and proportionate share of contributions	9,698	1,994
Contributions subsequent to the measurement date	<u>82,504</u>	<u>-</u>
Total	<u>\$ 142,298</u>	<u>\$ 3,979</u>

\$82,504 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, 2022.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2023	\$ 2,806
2024	5,793
2025	9,140
2026	17,230
2027	4,206
Thereafter	16,638

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

For the year ended June 30, 2023, we recognized pension expense of \$37,030.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

<u></u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,132	\$ 2,840
Changes in assumptions	5,417	858
Net difference between projected and actual earnings on pension plan investments	8,886	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,783	2,683
Contributions subsequent to the measurement date	<u>38,616</u>	<u>-</u>
Total	<u>\$ 58,834</u>	<u>\$ 6,381</u>

\$38,616 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, 2022.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (inflows) of Resources</u>
2023	\$ 663
2024	1,598
2025	2,633
2026	5,532
2027	385
Thereafter	3,023

Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based on gender, occupation and age, as appropriate, with projected improvements using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Arithmetic Basis</u>	<u>Long-Term expected portfolio real rate of return</u>
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
		Inflation	2.50%
		Expected arithmetic nominal return	7.67%

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

Discount Rate

The discount rate used to measure the total pension liability was 6.85 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. The discount rate does not use the Municipal Bond Index Rate.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 – PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

<u>System</u>	<u>1% Decrease (5.85%)</u>	<u>Discount Rate (6.85%)</u>	<u>1% Increase (7.85%)</u>
Noncontributory System	\$ 2,309,131	\$ 366,393	\$ (1,256,867)
Public Safety System	1,821,679	565,650	(455,798)
Tier 2 Public Employees System	205,421	47,013	(75,020)
Tier 2 Public Safety and Firefighter	68,558	8,565	(39,116)
<u>Total</u>	<u>\$ 4,404,789</u>	<u>\$ 987,621</u>	<u>\$ (1,826,801)</u>

Pension plan fiduciary net position: Detailed information about the pension plans fiduciary net position is available in the separately issued URS financial report.

Defined Contributions Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457 (b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Lindon City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- * 401(k) Plan
- * 457 (b) Plan
- * Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

<u>System</u>	<u>Year Ended June 30,</u>	<u>Employee paid Contributions</u>	<u>Employer paid Contributions</u>
Defined Contribution System:			
401(k) Plan	2023	\$ 106,090	\$ 114,141
	2022	66,764	101,212
	2021	81,207	90,759
457 Plan	2023	6,166	-
	2022	6,493	-
	2021	30,635	-
Roth IRA Plan	2023	17,673	N/A
	2022	11,792	N/A
	2021	17,876	N/A

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 – REDEVELOPMENT AGENCY

For the year ended June 30, 2023, the following activity occurred in the Lindon City Redevelopment Agency:

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

700 N CDA	\$ 176,375
	\$ 176,375
	\$ 176,375

Amounts expended for:

Site improvements and preparation costs	\$ 66,021
Administrative costs	8,693
Tax increment paid to other entities	-
Transfers out for capital improvements	23,800
	\$ 98,514
	\$ 98,514

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

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 – 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 3.09% with a yearly liability limit set at a maximum of \$491,290 for the coming year ending June 30, 2024. Any bonds or debt issued or incurred by UTOPIA will not constitute debt of the City.

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, 2023 totaled \$356,071. The aggregate amount of pledges paid to UTOPIA totals \$5,232,111 as of June 30, 2023. This amount 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 UIA agreement for OpEx has a clause that allows City Council's to vote on whether to pay the OpEx shortfall. Lindon City Council approved some payment requests, but not all. In recent years, UIA has reimbursed Lindon City for the shortfall payments. Lindon City doesn't anticipate having to pay in the future because the City Council can vote not to pay. UIA's annual audited financial statements are available either from UIA or the Utah State Auditor.

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 – 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 by Utah Local Government Trust for liability and property.

Real property is either self-insured or insured through commercial policies. 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.

NOTE 13 – SUBSEQUENT EVENT

On December 13, 2023, the City's Redevelopment Agency issued Series 2023, Tax Increment and Sales Tax Revenue Bonds, in the amount of \$3,579,000.00. The proceeds of the bonds will be used for the purchase of property in the 700 North CDA area.

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement date of December 31, 2022

June 30, 2023

Last 10 Fiscal Years *

	Year Ended December 31,	Noncontributory Retirement System	Public Safety System	Tier 2 Public Employees Retirement	Tier 2 Public Safety and Firefighters Retirement
Proportion of the net pension liability (asset)	2014	0.1806246%	0.5264068%	0.0280976%	0.0000000%
	2015	0.1868318%	0.5285686%	0.0286081%	0.0000000%
	2016	0.1863255%	0.5484060%	0.0227181%	0.0000000%
	2017	0.1976314%	0.5828402%	0.0229866%	0.0000000%
	2018	0.2039654%	0.6029487%	0.0255285%	0.0145344%
	2019	0.1976188%	0.4978509%	0.0407308%	0.0958160%
	2020	0.2036039%	0.4878757%	0.0393039%	0.1077048%
	2021	0.2054137%	0.4098531%	0.0393784%	0.1142467%
	2022	0.2139210%	0.4374458%	0.4317500%	0.1026644%
Proportionate share of the net pension liability (asset)	2014	\$ 784,315	\$ 662,000	\$ (851)	\$ -
	2015	\$ 1,057,185	\$ 946,799	\$ (62)	\$ -
	2016	\$ 1,196,438	\$ 1,112,867	\$ 2,534	\$ -
	2017	\$ 865,882	\$ 914,277	\$ 2,027	\$ -
	2018	\$ 1,501,945	\$ 1,551,137	\$ 10,933	\$ 364
	2019	\$ 744,799	\$ 799,358	\$ 9,161	\$ 9,013
	2020	\$ 104,437	\$ 405,055	\$ 5,653	\$ 9,661
	2021	\$ (1,176,426)	\$ (332,859)	\$ (16,666)	\$ (5,774)
	2022	\$ 366,393	\$ 565,650	\$ 47,013	\$ 8,565
Covered payroll	2014	\$ 1,539,768	\$ 947,778	\$ 138,033	\$ -
	2015	\$ 1,598,054	\$ 969,178	\$ 184,788	\$ -
	2016	\$ 1,655,471	\$ 1,023,039	\$ 186,305	\$ -
	2017	\$ 1,764,344	\$ 1,001,735	\$ 225,153	\$ -
	2018	\$ 1,856,084	\$ 1,008,184	\$ 297,658	\$ 19,026
	2019	\$ 1,761,590	\$ 816,527	\$ 565,874	\$ 157,861
	2020	\$ 1,840,519	\$ 780,032	\$ 628,427	\$ 214,614
	2021	\$ 1,874,020	\$ 718,606	\$ 731,015	\$ 273,208
	2022	\$ 2,027,806	\$ 828,313	\$ 941,785	\$ 315,879
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2014	50.90%	69.80%	-0.60%	0.00%
	2015	66.15%	97.69%	-0.03%	0.00%
	2016	72.27%	108.78%	1.36%	0.00%
	2017	49.08%	91.27%	0.90%	0.00%
	2018	80.92%	153.85%	3.67%	1.91%
	2019	42.28%	97.90%	1.62%	5.71%
	2020	5.67%	51.93%	0.90%	4.50%
	2021	-62.78%	-46.32%	-2.28%	-2.11%
	2022	18.07%	68.29%	4.99%	2.71%
Plan fiduciary net position as a percentage percentage of its covered payroll	2014	90.2%	90.5%	103.5%	0
	2015	87.8%	87.1%	100.2%	0
	2016	87.3%	86.5%	95.1%	0
	2017	91.9%	90.2%	97.4%	0
	2018	87.0%	84.7%	90.8%	95.6%
	2019	93.7%	90.9%	96.5%	89.6%
	2020	99.2%	95.5%	98.3%	93.1%
	2021	108.7%	104.2%	103.8%	102.8%
	2022	97.5%	93.6%	92.3%	96.4%

* 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 schedule will need to be built prospectively.

LINDON CITY CORPORATION
SCHEDULE OF CONTRIBUTIONS
June 30, 2023
Last 10 Fiscal Years *

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2014	\$ 263,744	\$ 263,744	\$ -	\$ 1,531,094	17.23%
	2015	289,568	289,568	-	1,569,067	18.45%
	2016	301,261	301,261	-	1,631,346	18.47%
	2017	312,054	312,054	-	1,689,520	18.47%
	2018	338,551	338,551	-	1,858,157	18.22%
	2019	328,390	328,390	-	1,799,011	18.25%
	2020	319,187	319,187	-	1,767,890	18.05%
	2021	341,398	341,398	-	1,878,673	18.17%
	2022	351,053	351,053	-	1,945,947	18.04%
	2023	359,597	359,597	-	2,049,282	17.55%
Public Safety System	2014	\$ 243,575	\$ 243,575	\$ -	\$ 919,147	26.50%
	2015	271,983	271,983	-	966,099	28.15%
	2016	271,935	271,935	-	974,419	27.91%
	2017	298,555	298,555	-	1,034,039	28.87%
	2018	323,266	323,266	-	1,017,388	31.77%
	2019	290,093	290,093	-	952,187	30.47%
	2020	249,965	249,965	-	778,497	32.11%
	2021	218,740	218,740	-	734,138	29.80%
	2022	216,855	216,855	-	778,341	27.86%
	2023	237,169	237,169	-	846,540	28.02%
Tier 2 Public Employees System*	2014	\$ 12,233	\$ 12,233	\$ -	\$ 87,438	13.99%
	2015	26,830	26,830	-	179,586	14.94%
	2016	25,121	25,121	-	168,485	14.91%
	2017	32,573	32,573	-	218,462	14.91%
	2018	37,108	37,108	-	245,265	15.13%
	2019	65,227	65,227	-	419,735	15.54%
	2020	96,663	96,663	-	617,823	15.65%
	2021	105,951	105,951	-	667,927	15.86%
	2022	132,698	132,698	-	825,750	16.07%
	2023	160,528	160,528	-	1,002,674	16.01%
Tier 2 Public Safety and Firefighter System*	2017	\$ -	\$ -	\$ -	\$ -	-%
	2018	-	-	-	-	-%
	2019	17,217	17,217	-	74,567	23.09%
	2020	48,104	48,107	-	207,585	23.17%
	2021	61,132	61,132	-	237,968	25.69%
	2022	77,109	77,109	-	300,262	25.68%
	2023	80,246	80,246	-	310,962	2.71%
Tier 2 DC Public Employees System*	2021	\$ -	\$ -	\$ -	\$ -	-%
	2022	-	-	-	-	-%
	2023	3,008	3,008	-	48,857	6.19%

* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The schedule will need to be built prospectively. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

** Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

LINDON CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2023

Changes in Assumptions

No changes were made to actuarial assumption from the prior year's valuation.

SUPPLEMENTAL INFORMATION

LINDON CITY CORPORATION
**COMBINING BALANCE SHEET – NON-MAJOR
 GOVERNMENTAL FUNDS**
 June 30, 2023

	Special Revenue Funds			Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Redevelopment Agency	P.A.R.C. Tax	CARES Act	Debt Service	General Capital Projects	
ASSETS						
Cash and cash equivalents	\$ 1,308,209	\$ -	\$ -	\$ -	\$ 932,643	\$ 2,240,852
Prepays	-	-	-	81,882	-	81,882
Restricted cash and cash equivalents						
Cash and cash equivalents	-	1,014,081	-	-	2,844,473	3,858,554
Intergovernmental and tax receivable	-	161,087	-	-	-	161,087
Total Assets	\$ 1,308,209	\$ 1,175,168	\$ -	\$ 81,882	\$ 3,777,116	\$ 6,342,375
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 500
Liabilities from restricted assets	-	19,168	-	-	-	19,168
Due to other funds	-	12,704	-	81,882	-	94,586
Total Liabilities	500	31,872	-	81,882	-	114,254
Fund Balances:						
Impact fees and future development	-	-	-	-	2,844,473	2,844,473
P.A.R.C. taxes	-	1,143,296	-	-	-	1,143,296
Assigned, reported in:						
Redevelopment agency functions	1,307,709	-	-	-	-	1,307,709
Capital projects	-	-	-	-	932,643	932,643
Total Fund Balances	1,307,709	1,143,296	-	-	3,777,116	6,228,121
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,308,209	\$ 1,175,168	\$ -	\$ 81,882	\$ 3,777,116	\$ 6,342,375

LINDON CITY CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

	<u>Special Revenue Funds</u>			<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
	<u>Redevelopment</u>				<u>General</u>	<u>Nonmajor</u>
	<u>Agency</u>	<u>P.A.R.C. Tax</u>	<u>CARES Act</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Funds</u>
Revenues:						
Taxes	\$ 176,375	\$ -	\$ -	\$ -	\$ -	\$ 176,375
Intergovernmental	-	-	656,846	-	-	656,846
Impact fees	-	-	-	-	271,500	271,500
P.A.R.C. Tax	-	894,812	-	-	-	894,812
Interest	47,367	42,506	-	-	101,597	191,470
Total Revenues	<u>223,742</u>	<u>937,318</u>	<u>656,846</u>	<u>-</u>	<u>373,097</u>	<u>2,191,003</u>
Expenditures:						
Current:						
General government	8,693	-	-	356,071	-	364,764
Parks and recreation	-	409,001	-	-	-	409,001
Capital outlay	66,021	-	-	-	22,450	88,471
Total Expenditures	<u>74,714</u>	<u>409,001</u>	<u>-</u>	<u>356,071</u>	<u>22,450</u>	<u>862,236</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>149,028</u>	<u>528,317</u>	<u>656,846</u>	<u>(356,071)</u>	<u>350,647</u>	<u>1,328,767</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	356,071	-	356,071
Transfers out	(23,800)	(465,067)	(1,312,692)	-	-	(1,801,559)
Total Other Financing Sources (Uses)	<u>(23,800)</u>	<u>(465,067)</u>	<u>(1,312,692)</u>	<u>356,071</u>	<u>-</u>	<u>(1,445,488)</u>
Net Change in Fund Balances	125,228	63,250	(655,846)	-	350,647	(116,721)
Fund Balances, Beginning	<u>1,182,481</u>	<u>1,080,046</u>	<u>655,846</u>	<u>-</u>	<u>3,426,469</u>	<u>6,344,842</u>
Fund Balances, Ending	<u>\$ 1,307,709</u>	<u>\$ 1,143,296</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,777,116</u>	<u>\$ 6,228,121</u>

LINDON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – MAJOR
GOVERNMENTAL FUND – ROAD CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,105,000	\$ 1,165,000	\$ 1,185,773	\$ 20,773
Impact fees	6,000	6,000	11,920	5,920
Interest	8,000	150,000	155,407	5,407
Total Revenues	1,119,000	1,321,000	1,353,100	32,100
Expenditures:				
Current:				
Highways and public improvements	1,711,000	2,816,225	2,776,886	39,339
Total Expenditures	1,711,000	2,816,225	2,776,886	39,339
Excess (Deficiency) of Revenues Over (Under) Expenditures	(592,000)	(1,495,225)	(1,423,786)	71,439
Other Financing Sources (Uses):				
Transfers in	1,000,000	1,500,000	1,500,000	-
Total Other Financing Sources (Uses)	1,000,000	1,500,000	1,500,000	-
Net Change in Fund Balances	408,000	4,775	76,214	71,439
Fund Balances, Beginning	4,533,301	4,533,301	4,533,301	-
Fund Balances, Ending	\$ 4,941,301	\$ 4,538,076	\$ 4,609,515	\$ 71,439

LINDON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – NON-MAJOR
GOVERNMENTAL FUND – REDEVELOPMENT AGENCY
SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 170,000	\$ 176,375	\$ 176,375	\$ -
Interest	6,300	46,500	47,367	867
Total Revenues	<u>176,300</u>	<u>222,875</u>	<u>223,742</u>	<u>867</u>
Expenditures:				
Materials, supplies and services	13,500	14,300	8,693	5,607
Capital outlay	60,000	66,025	66,021	4
Total Expenditures	<u>73,500</u>	<u>80,325</u>	<u>74,714</u>	<u>5,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>102,800</u>	<u>142,550</u>	<u>149,028</u>	<u>6,478</u>
Other Financing Sources (Uses):				
Transfers out	(23,800)	(23,800)	(23,800)	-
Total Other Financing Sources (Uses)	<u>(23,800)</u>	<u>(23,800)</u>	<u>(23,800)</u>	<u>-</u>
Net Change in Fund Balances	79,000	118,750	125,228	6,478
Fund Balances, Beginning	<u>1,182,481</u>	<u>1,182,481</u>	<u>1,182,481</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,261,481</u>	<u>\$ 1,301,231</u>	<u>\$ 1,307,709</u>	<u>\$ 6,478</u>

LINDON CITY CORPORATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – NON-MAJOR
GOVERNMENTAL FUND – P.A.R.C. TAX
SPECIAL REVENUE FUND

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
P.A.R.C. Tax	\$ 945,000	\$ 945,000	\$ 894,812	\$ (50,188)
Interest	4,500	42,000	42,506	506
Total Revenues	949,500	987,000	937,318	(49,682)
Expenditures:				
Parks and recreation	561,240	759,650	409,001	350,649
Total Expenditures	561,240	759,650	409,001	350,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	388,260	227,350	528,317	300,967
Other Financing Sources (Uses):				
Transfers out	(522,500)	(602,500)	(465,067)	(137,433)
Total Other Financing Sources (Uses)	(522,500)	(602,500)	(465,067)	(137,433)
Net Change in Fund Balances	(134,240)	(375,150)	63,250	438,400
Fund Balances, Beginning	1,080,046	1,080,046	1,080,046	-
Fund Balances, Ending	\$ 945,806	\$ 704,896	\$ 1,143,296	\$ 438,400

LINDON CITY CORPORATION
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL – NON-MAJOR
 GOVERNMENTAL FUND – CARES ACT FUND
 SPECIAL REVENUE FUND**

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 656,846	\$ 656,846	\$ 656,846	\$ -
Total Revenues	<u>656,846</u>	<u>656,846</u>	<u>656,846</u>	<u>-</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>656,846</u>	<u>656,846</u>	<u>656,846</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers out	<u>(1,312,692)</u>	<u>(1,312,692)</u>	<u>(1,312,692)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,312,692)</u>	<u>(1,312,692)</u>	<u>(1,312,692)</u>	<u>-</u>
Net Change in Fund Balances	<u>(655,846)</u>	<u>(655,846)</u>	<u>(655,846)</u>	<u>-</u>
Fund Balances, Beginning	<u>655,846</u>	<u>655,846</u>	<u>655,846</u>	<u>-</u>
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Expenditures:				
General government	\$ 481,660	\$ 481,660	\$ 356,071	\$ 125,589
Total Expenditures	<u>481,660</u>	<u>481,660</u>	<u>356,071</u>	<u>125,589</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(481,660)</u>	<u>(481,660)</u>	<u>(356,071)</u>	<u>125,589</u>
Other Financing Sources (Uses):				
Transfers in	481,660	481,660	356,071	(125,589)
Total Other Financing Sources (Uses)	<u>481,660</u>	<u>481,660</u>	<u>356,071</u>	<u>(125,589)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LINDON CITY CORPORATION
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE – BUDGET AND ACTUAL – NON-MAJOR
 GOVERNMENTAL FUND – GENERAL CAPITAL PROJECTS FUND**
 For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Impact Fees	\$ 200,000	\$ 267,000	\$ 271,500	\$ 4,500
Interest	10,250	100,000	101,597	1,597
Total Revenues	210,250	367,000	373,097	6,097
Expenditures:				
Capital outlay	285,500	2,090,500	22,450	2,068,050
Total Expenditures	285,500	2,090,500	22,450	2,068,050
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,250)	(1,723,500)	350,647	2,074,147
Other Financing Sources (Uses):				
Transfers in	10,000	10,000	-	10,000
Total Other Financing Sources (Uses)	10,000	10,000	-	10,000
Net Change in Fund Balances	(65,250)	(1,713,500)	350,647	2,084,147
Fund Balances, Beginning	3,426,469	3,426,469	3,426,469	-
Fund Balances, Ending	\$ 3,361,219	\$ 1,712,969	\$ 3,777,116	\$ 2,084,147

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

June 30, 2023

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 64,488	\$ 2,778	\$ 67,266
Accounts receivable, net	60,821	3,255	64,076
Total Current Assets	125,309	6,033	131,342
Noncurrent Assets:			
Notes receivable	-	206,102	206,102
Capital assets, net of accumulated depreciation:			
Telecom Infrastructure	-	119,457	119,457
Total Noncurrent Assets	-	325,559	325,559
Total Assets	\$ 125,309	\$ 331,592	\$ 456,901
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 56,684	\$ -	\$ 56,684
Current portion of long-term debt	-	22,124	22,124
Total Current Liabilities	56,684	22,124	78,808
Noncurrent Liability			
Long-term debt, net of current portion	-	183,978	183,978
Total Noncurrent Liability	-	183,978	183,978
Total Liabilities	56,684	206,102	262,786
Net Position:			
Net investment in capital assets	-	119,457	119,457
Unrestricted	68,625	6,033	74,658
Total Net Position	68,625	125,490	194,115
Total Liabilities and Net Position	\$ 125,309	\$ 331,592	\$ 456,901

LINDON CITY CORPORATION
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION – NON-MAJOR PROPRIETARY FUNDS**
 For the Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Operating Revenues:			
Service fees	\$ 688,161	\$ 38,860	\$ 727,021
Total Operating Revenues	<u>688,161</u>	<u>38,860</u>	<u>727,021</u>
Operating Expenses:			
Materials, supplies, and services	640,236	37,109	677,345
Depreciation expense	<u>-</u>	<u>8,153</u>	<u>8,153</u>
Total Operating Expenses	<u>640,236</u>	<u>45,262</u>	<u>685,498</u>
Operating Income (loss)	<u>47,925</u>	<u>(6,402)</u>	<u>41,523</u>
Income (Loss) Before Transfers	<u>47,925</u>	<u>(6,402)</u>	<u>41,523</u>
Transfers in (out)			
Transfers in (out)	<u>(15,585)</u>	<u>(2,000)</u>	<u>(17,585)</u>
Changes in Net Position	32,340	(8,402)	23,938
Net Position, Beginning	<u>36,285</u>	<u>133,892</u>	<u>170,177</u>
Net Position, Ending	<u>\$ 68,625</u>	<u>\$ 125,490</u>	<u>\$ 194,115</u>

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

For the Fiscal Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	<u>Waste Collection Fund</u>	<u>Telecommunications Fund</u>	
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 680,962	\$ 38,628	\$ 719,590
Payments to suppliers	(634,144)	(37,109)	(671,253)
Net cash from operating activities	<u>46,818</u>	<u>1,519</u>	<u>48,337</u>
Cash Flows From Non-Capital Financing Activities:			
Payments received on note from residents	-	22,000	22,000
Principal paid on note for residential connections	-	(22,000)	(22,000)
Transfers to other funds	(15,585)	(2,000)	(17,585)
Net cash from non-capital financing activities	<u>(15,585)</u>	<u>(2,000)</u>	<u>(17,585)</u>
Net Increase (Decrease) In Cash	31,233	(481)	30,752
Cash and Cash Equivalents At Beginning of Year	<u>33,255</u>	<u>3,259</u>	<u>36,514</u>
Cash and Cash Equivalents At End of Year	<u>\$ 64,488</u>	<u>\$ 2,778</u>	<u>\$ 67,266</u>
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ 47,925	\$ (6,402)	\$ 41,523
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	-	8,153	8,153
(Increase) Decrease in accounts receivables	(7,199)	(232)	(7,431)
Increase (Decrease) in accounts payable	6,092	-	6,092
Net cash from operating activities	<u>\$ 46,818</u>	<u>\$ 1,519</u>	<u>\$ 48,337</u>

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STATISTICAL SECTION

STATISTICAL SECTION

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

Contents	Schedules
<p>Financial Trends These schedules contain trend information to help the reader understand how Lindon City's financial performance and well-being have changed over time.</p>	1-4
<p>Revenue Capacity These schedules contain information to help the reader assess Lindon City's most significant local revenue sources, sales and property taxes.</p>	5-12
<p>Debt Capacity These schedules present information to help the reader assess the affordability of Lindon City's current level of outstanding debt and the ability to issue additional debt in the future.</p>	13-19
<p>Demographic and Economic Information These schedules present information to help the reader understand the environment within which Lindon City's financial activities take place.</p>	20-21
<p>Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in Lindon City's financial report relates to the services it provides and the activities it performs.</p>	22-24

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 26,013,206	\$ 24,567,459	\$ 25,248,679	\$ 28,030,072	\$ 28,301,517	\$ 29,478,068	\$ 32,470,637	\$ 34,101,698	\$ 34,584,562	\$ 40,408,062
Restricted	1,242,928	1,155,176	2,707,164	1,376,659	1,845,772	2,507,631	4,080,572	6,412,599	9,760,423	10,157,631
Unrestricted	2,415,698	2,266,253	2,645,842	2,804,238	4,296,523	6,388,160	6,651,379	4,753,595	6,213,284	6,278,923
Total governmental activities net assets	29,671,832	27,988,888	30,601,685	32,210,969	34,443,812	38,373,859	43,202,588	45,267,892	50,558,269	56,844,616
Business-type activities										
Net investment in capital assets	32,039,492	31,811,173	32,657,968	35,132,617	39,912,738	40,744,306	41,407,929	43,957,015	45,384,139	52,925,396
Restricted	1,188,889	823,261	1,142,178	1,245,734	1,947,002	2,277,156	2,365,413	2,770,911	2,539,717	2,788,025
Unrestricted	1,173,286	2,739,612	2,913,077	2,921,651	2,084,223	2,729,142	5,312,556	9,582,600	11,695,373	14,873,950
Total business-type activities net assets	34,401,667	35,374,046	36,713,223	39,300,002	43,943,963	45,750,604	49,085,898	56,310,526	59,619,229	70,587,371
Primary government										
Net investment in capital assets	58,052,698	56,378,632	57,906,647	63,162,689	68,214,255	70,222,374	73,878,566	78,058,713	79,968,701	93,333,458
Restricted	2,431,817	1,978,437	3,849,342	2,622,393	3,792,774	4,784,787	6,445,985	9,183,510	12,300,140	12,945,656
Unrestricted	3,588,984	5,005,865	5,558,919	5,725,889	6,380,746	9,117,302	11,963,935	14,336,195	17,908,657	21,152,873
Total primary government net assets	\$ 64,073,499	\$ 63,362,934	\$ 67,314,908	\$ 71,510,971	\$ 78,387,775	\$ 84,124,463	\$ 92,288,486	\$ 101,578,418	\$ 110,177,498	\$ 127,431,987

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 3,158,062	\$ 2,725,191	\$ 2,218,700	\$ 2,488,369	\$ 2,219,582	\$ 2,397,398	\$ 2,034,591	\$ 2,711,657	\$ 3,011,951	\$ 3,770,483
Public Safety	3,685,970	3,861,734	3,979,670	4,231,015	4,326,768	4,638,847	4,433,634	4,855,638	4,401,197	5,243,598
Streets and Highways	2,209,585	2,054,293	1,603,555	2,205,908	1,773,931	2,144,371	2,238,275	90,410	2,602,410	2,424,564
Parks and recreation	735,528	857,127	871,990	275,909	1,038,256	1,017,411	1,382,447	926,304	1,200,555	1,401,155
Interest on long-term debt	118,558	95,433	148,817	104,902	107,489	106,752	30,125	(2,036)	10,949	561,143
Total governmental activities expenses	<u>9,907,703</u>	<u>9,593,778</u>	<u>8,822,732</u>	<u>9,306,103</u>	<u>9,466,026</u>	<u>10,304,779</u>	<u>10,119,072</u>	<u>8,581,973</u>	<u>11,227,062</u>	<u>13,400,943</u>
Business-type activities:										
Water Utility	1,174,078	1,291,078	1,644,391	1,849,385	1,823,380	1,881,873	1,962,937	1,821,464	1,966,895	2,511,902
Waste Water	1,028,189	1,307,048	1,654,403	1,878,391	1,923,435	1,703,775	1,716,128	1,674,674	1,743,331	1,753,983
Storm Water	568,308	640,826	782,488	823,354	932,635	993,967	863,741	642,199	646,641	778,587
Solid Waste	385,960	388,263	406,167	430,985	451,649	488,955	529,007	553,033	576,018	640,236
Recreation	1,519,649	1,556,772	1,479,852	1,499,587	1,548,176	1,615,806	1,372,381	1,882,766	2,084,218	2,290,729
Telecommunications	43,905	43,066	55,452	56,730	51,877	59,683	59,124	56,241	49,582	45,262
Total business-type activities expenses	<u>4,720,089</u>	<u>5,227,053</u>	<u>6,022,753</u>	<u>6,538,432</u>	<u>6,731,152</u>	<u>6,744,059</u>	<u>6,503,318</u>	<u>6,630,377</u>	<u>7,066,685</u>	<u>8,020,699</u>
Total primary government expenses	<u>\$ 14,627,792</u>	<u>\$ 14,820,831</u>	<u>\$ 14,845,485</u>	<u>\$ 15,844,535</u>	<u>\$ 16,197,178</u>	<u>\$ 17,048,838</u>	<u>\$ 16,622,390</u>	<u>\$ 15,212,350</u>	<u>\$ 18,293,747</u>	<u>\$ 21,421,642</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,069,810	\$ 1,528,161	\$ 1,401,679	\$ 1,231,826	\$ 1,536,810	\$ 2,380,878	\$ 1,533,520	\$ 1,868,892	\$ 1,793,246	\$ 1,630,685
Parks and recreation	103,378	60,005	82,515	53,860	50,429	75,390	103,505	146,400	117,206	119,800
Operating grants and contributions	95,864	1,911,409	893,566	191,151	257,748	430,964	1,806,081	1,435,664	1,623,975	1,450,156
Capital grants and contributions	343,943	362,702	1,895,402	2,475,644	2,476,537	1,424,309	1,582,189	1,155,208	1,004,918	5,053,795
Total governmental activities revenues	<u>1,612,995</u>	<u>3,862,277</u>	<u>4,273,162</u>	<u>3,952,481</u>	<u>4,321,524</u>	<u>4,311,541</u>	<u>5,025,295</u>	<u>4,606,164</u>	<u>4,539,345</u>	<u>8,254,436</u>
Business-type activities:										
Charges for services:										
Water Utility	1,664,217	1,727,987	1,942,822	2,054,893	2,595,887	2,875,886	3,276,904	3,625,830	3,264,175	3,642,792
Waste Water	1,264,370	1,399,884	1,461,593	1,725,118	1,898,866	1,584,197	1,661,693	1,845,515	1,852,617	2,013,195
Storm Water	424,247	489,124	582,808	686,357	799,344	922,593	1,068,280	1,129,587	1,219,271	1,298,599
Solid Waste	415,724	420,807	431,193	404,744	415,471	479,759	515,994	561,949	609,349	688,161
Recreation	454,749	504,725	536,940	673,586	735,474	692,580	591,459	857,176	911,301	1,045,767
Telecommunications	46,043	49,051	53,818	52,614	45,055	57,067	50,071	51,116	43,399	38,860
Operating grants and contributions	63,401	5,835	24,357	5,450	5,000	5,000	263,912	5,621	41,128	2,115,375
Capital grants and contributions	543,489	1,492,425	1,469,940	1,927,297	3,880,730	914,243	942,191	3,774,351	1,788,615	5,974,065
Total business-type activities revenues	<u>4,876,240</u>	<u>6,089,838</u>	<u>6,503,471</u>	<u>7,530,059</u>	<u>10,375,827</u>	<u>7,531,325</u>	<u>8,370,504</u>	<u>11,851,145</u>	<u>9,729,855</u>	<u>16,816,814</u>
Total primary government program revenues	<u>\$ 6,489,235</u>	<u>\$ 9,952,115</u>	<u>\$ 10,776,633</u>	<u>\$ 11,482,540</u>	<u>\$ 14,697,351</u>	<u>\$ 11,842,866</u>	<u>\$ 13,395,799</u>	<u>\$ 16,457,309</u>	<u>\$ 14,269,200</u>	<u>\$ 25,071,250</u>
Net (Expense)/Revenue										
Governmental activities	\$ (8,294,708)	\$ (5,731,501)	\$ (4,549,570)	\$ (5,353,622)	\$ (5,144,502)	\$ (5,993,238)	\$ (5,093,777)	\$ (3,975,809)	\$ (6,687,717)	\$ (5,146,507)
Business-type activities	156,151	862,785	480,718	991,627	3,644,675	787,266	1,867,186	5,220,768	2,663,170	8,796,115
Total primary govt net (expense)/revenue	<u>\$ (8,138,557)</u>	<u>\$ (4,868,716)</u>	<u>\$ (4,068,852)</u>	<u>\$ (4,361,995)</u>	<u>\$ (1,499,827)</u>	<u>\$ (5,205,972)</u>	<u>\$ (3,226,591)</u>	<u>\$ 1,244,959</u>	<u>\$ (4,024,547)</u>	<u>\$ 3,649,608</u>

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

<i>(Continued)</i>	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 3,164,300	\$ 2,252,637	\$ 2,165,857	\$ 2,234,295	\$ 2,352,961	\$ 2,337,411	\$ 2,359,619	\$ 2,528,233	\$ 2,581,469	\$ 2,851,524
Sales taxes	3,193,638	3,467,260	3,611,839	3,904,527	4,242,568	4,358,567	4,677,632	5,887,791	6,912,012	6,469,642
Franchise taxes	1,587,931	1,582,506	1,625,755	1,638,562	1,606,531	1,556,705	1,622,204	1,758,247	1,882,852	2,171,712
Other taxes	117,404	475,198	497,163	545,149	595,280	610,362	654,493	837,613	994,379	894,812
Earnings on investments	18,320	16,548	61,268	103,850	155,500	348,714	329,157	95,233	123,341	1,128,109
Miscellaneous	4,828	-	-	3,451	244,736	134,813	86,854	-	38,877	-
Gain (loss) on disposal of capital assets	6,448	(2,063,907)	56,495	123,575	(3,013)	1,562,225	1,635,522	72,921	84,301	24,496
Transfers In (Out)	(683,448)	(346,722)	(856,010)	(1,590,503)	(976,300)	(985,512)	(1,442,926)	(2,004,969)	(639,137)	(2,107,441)
Total governmental activities	<u>7,409,421</u>	<u>5,383,520</u>	<u>7,162,367</u>	<u>6,962,906</u>	<u>8,218,263</u>	<u>9,923,285</u>	<u>9,922,555</u>	<u>9,175,069</u>	<u>11,978,094</u>	<u>11,432,854</u>
Business-type activities										
Earnings on investments	1,427	959	2,449	4,649	22,986	33,863	25,182	5,672	6,396	64,586
Gain (loss) on disposal of capital assets	45,000	-	-	-	-	-	-	-	-	-
Transfers In (Out)	683,448	346,722	856,010	1,590,503	976,300	985,512	1,442,926	2,004,969	639,137	2,107,441
Total business-type activities	<u>729,875</u>	<u>347,681</u>	<u>858,459</u>	<u>1,595,152</u>	<u>999,286</u>	<u>1,019,375</u>	<u>1,468,108</u>	<u>2,010,641</u>	<u>645,533</u>	<u>2,172,027</u>
Total primary government	<u>\$ 8,139,296</u>	<u>\$ 5,731,201</u>	<u>\$ 8,020,826</u>	<u>\$ 8,558,058</u>	<u>\$ 9,217,549</u>	<u>\$ 10,942,660</u>	<u>\$ 11,390,663</u>	<u>\$ 11,185,710</u>	<u>\$ 12,623,627</u>	<u>\$ 13,604,881</u>
Change in Net Position										
Governmental activities	\$ (885,287)	\$ (347,981)	\$ 2,612,797	\$ 1,609,284	\$ 3,073,761	\$ 3,930,047	\$ 4,828,778	\$ 5,199,260	\$ 5,290,377	\$ 6,286,347
Business-type activities	886,026	1,210,466	1,339,177	2,586,779	4,643,961	1,806,641	3,335,294	7,231,409	3,308,703	10,968,142
Total primary government	<u>\$ 739</u>	<u>\$ 862,485</u>	<u>\$ 3,951,974</u>	<u>\$ 4,196,063</u>	<u>\$ 7,717,722</u>	<u>\$ 5,736,688</u>	<u>\$ 8,164,072</u>	<u>\$ 12,430,669</u>	<u>\$ 8,599,080</u>	<u>\$ 17,254,489</u>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 2,897	\$ 35,053	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 5,851	\$ 3,500	\$ 146,161
Restricted	522,458	388,727	330,843	422,839	67,240	69,274	78,161	-	-	-
Assigned	-	-	490,959	-	-	-	-	-	-	-
Unassigned	1,049,337	1,733,178	2,404,141	2,093,489	2,503,966	3,241,088	3,369,336	4,346,289	5,747,108	5,781,881
Total general fund	<u>1,574,692</u>	<u>2,156,958</u>	<u>3,229,443</u>	<u>2,519,828</u>	<u>2,574,706</u>	<u>3,313,862</u>	<u>3,450,997</u>	<u>4,352,140</u>	<u>5,750,608</u>	<u>5,928,042</u>
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	953	-	-	-
Restricted	720,470	766,449	2,376,321	953,820	1,778,532	2,438,357	4,002,411	6,412,599	6,970,090	7,917,279
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,542,736	1,829,089	2,681,822	2,128,590	3,305,191	4,949,514	5,174,035	1,810,776	2,790,333	2,240,352
Unassigned	(15,952)	-	-	-	-	-	-	-	1,117,720	680,005
Total all other governmental funds	<u>2,247,254</u>	<u>2,595,538</u>	<u>5,058,143</u>	<u>3,082,410</u>	<u>5,083,723</u>	<u>7,387,871</u>	<u>9,177,399</u>	<u>8,223,375</u>	<u>10,878,143</u>	<u>10,837,636</u>
Total governmental funds	<u>\$ 3,821,946</u>	<u>\$ 4,752,496</u>	<u>\$ 8,287,586</u>	<u>\$ 5,602,238</u>	<u>\$ 7,658,429</u>	<u>\$ 10,701,733</u>	<u>\$ 12,628,396</u>	<u>\$ 12,575,515</u>	<u>\$ 16,628,751</u>	<u>\$ 16,765,678</u>

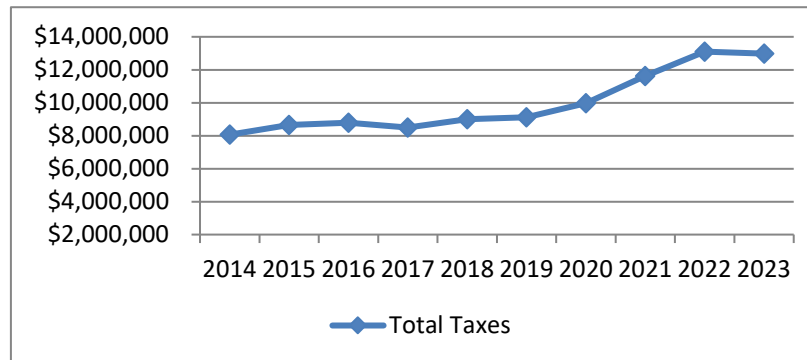
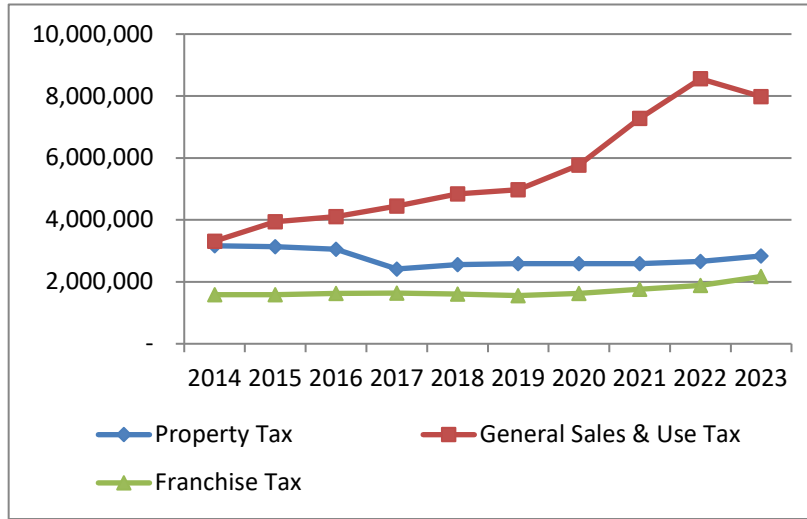
Schedule 4
Lindon City Corporation
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 8,076,758	\$ 7,777,601	\$ 7,900,725	\$ 8,322,906	\$ 8,791,191	\$ 8,853,053	\$ 9,308,397	\$ 11,014,579	\$ 12,373,303	\$ 12,373,902
Licenses, fees and permits	278,381	494,080	638,662	465,618	531,077	1,054,688	579,272	802,899	668,197	460,688
Intergovernmental	354,048	1,261,905	1,279,570	633,199	702,213	905,413	2,153,827	1,942,382	2,026,130	2,027,387
Charges for services	154,908	217,809	343,158	215,113	260,027	463,294	242,643	336,365	314,056	211,489
Fines and forfeitures	355,214	346,747	360,413	477,913	523,011	607,173	513,613	512,683	478,149	523,064
Impact fees	233,066	390,718	345,051	267,168	520,697	781,551	550,409	648,490	477,592	311,791
Miscellaneous revenue	174,755	155,360	203,118	235,290	679,509	824,632	723,060	455,883	609,677	1,697,141
Total revenues	<u>9,627,130</u>	<u>10,644,220</u>	<u>11,070,697</u>	<u>10,617,207</u>	<u>12,007,725</u>	<u>13,489,804</u>	<u>14,071,221</u>	<u>15,713,281</u>	<u>16,947,104</u>	<u>17,605,462</u>
Expenditures										
General government	3,049,019	2,677,529	2,171,958	2,086,646	2,274,048	2,659,875	2,335,371	2,860,710	3,172,798	3,883,486
Public Safety	3,638,227	4,312,240	3,908,473	4,516,973	4,171,033	4,759,370	4,201,121	4,694,334	4,487,430	4,485,194
Streets and public works	1,375,298	1,150,542	610,688	1,182,290	1,245,027	927,031	1,985,324	3,829,500	1,623,399	4,613,003
Parks and recreation	539,480	670,526	669,161	780,411	822,287	852,248	1,426,395	960,824	1,456,968	1,750,106
Capital outlay	339,106	119,007	1,728,490	3,236,657	1,785	60,045	43,167	914,801	1,514,641	88,471
Debt Service										
Principal retirement	559,268	1,111,604	316,303	733,098	480,337	2,797,873	821,146	1,093,489	94,669	555,279
Interest and fiscal charges	121,646	97,820	74,967	105,354	107,959	104,435	39,811	7,186	11,588	10,051
Cost of issuance	-	-	62,200	-	-	-	-	-	-	-
Total expenditures	<u>9,622,044</u>	<u>10,139,268</u>	<u>9,542,240</u>	<u>12,641,429</u>	<u>9,102,476</u>	<u>12,160,877</u>	<u>10,852,335</u>	<u>14,360,844</u>	<u>12,361,493</u>	<u>15,385,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,086</u>	<u>504,952</u>	<u>1,528,457</u>	<u>(2,024,222)</u>	<u>2,905,249</u>	<u>1,328,927</u>	<u>3,218,886</u>	<u>1,352,437</u>	<u>4,585,611</u>	<u>2,219,872</u>
Other Financing Sources (Uses)										
Issuance of new debt	73,436	480,520	2,679,894	521,780	81,344	546,982	85,300	736,200	-	-
Sale of capital assets	47,000	291,800	182,749	407,597	45,898	2,152,907	65,403	572,537	106,762	-
Transfers in	1,844,039	2,158,536	2,280,747	2,569,232	2,558,371	3,957,022	2,229,952	2,494,182	3,678,268	3,110,014
Transfers out	(2,527,487)	(2,505,258)	(3,136,757)	(4,159,735)	(3,534,671)	(4,942,534)	(3,672,878)	(4,499,151)	(4,317,405)	(5,217,455)
Grants and contributions	-	-	-	-	-	-	-	-	-	24,496
Total other financing sources (uses)	<u>(563,012)</u>	<u>425,598</u>	<u>2,006,633</u>	<u>(661,126)</u>	<u>(849,058)</u>	<u>1,714,377</u>	<u>(1,292,223)</u>	<u>(696,232)</u>	<u>(532,375)</u>	<u>(2,082,945)</u>
Net change in fund balances	<u>\$ (557,926)</u>	<u>\$ 930,550</u>	<u>\$ 3,535,090</u>	<u>\$ (2,685,348)</u>	<u>\$ 2,056,191</u>	<u>\$ 3,043,304</u>	<u>\$ 1,926,663</u>	<u>\$ 656,205</u>	<u>\$ 4,053,236</u>	<u>\$ 136,927</u>
Ratio of total debt service to noncapital expenditures	7.3%	14.7%	6.0%	12.8%	8.8%	26.6%	10.2%	13.5%	1.1%	4.7%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>General Sales & Use Tax</u>	<u>Franchise Tax</u>	<u>Total Taxes</u>
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
2016	3,050,812	4,109,422	1,625,446	\$ 8,785,681
2017	2,415,598	4,450,674	1,637,937	\$ 8,504,209
2018	2,558,073	4,839,409	1,605,530	\$ 9,003,012
2019	2,587,929	4,970,220	1,556,259	\$ 9,114,408
2020	2,585,020	5,767,919	1,621,997	\$ 9,974,935
2021	2,586,685	7,275,277	1,758,182	\$ 11,620,143
2022	2,662,134	8,555,905	1,882,852	\$ 13,100,891
2023	2,832,326	7,978,406	2,171,712	\$ 12,982,444

Growth
2014-2023 -10.5% 140.7% 37.1% 61.0%



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

Fiscal Year	Lindon City		Overlapping Rates			Total
	Direct Sales Tax Rate ^{(1) (2)}	PARC Tax Rate ⁽³⁾	State of Utah	Utah County	Mass Transit	
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%
2016	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2017	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2018	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2019	1.0%	0.1%	4.85%	0.25%	1.05%	7.25%
2020	1.0%	0.1%	4.85%	0.25%	1.05%	7.25%
2021	1.0%	0.1%	4.85%	0.25%	1.05%	7.25%
2022	1.0%	0.1%	4.85%	0.25%	1.05%	7.25%
2023	1.0%	0.1%	4.85%	0.25%	1.05%	7.25%

Source: Utah State Tax Commission

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

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

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

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

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

Fiscal Year	Category				Total	City Direct Sales Tax Rate ⁽¹⁾
	Retail	Services	Manufacturing & Construction	Other		
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%
2016	324,193,529	113,830,281	43,740,546	62,012,789	\$ 543,777,145	1%
2017	383,722,565	99,735,831	36,438,104	63,178,993	\$ 583,075,493	1%
2018	423,457,234	88,213,935	44,289,717	89,807,325	\$ 645,768,211	1%
2019	444,224,756	76,370,571	50,595,312	87,720,386	\$ 658,911,025	1%
2020	413,409,888	83,743,335	40,904,986	63,035,376	\$ 601,093,585	1%
2021	632,284,146	133,334,238	57,745,816	91,678,964	\$ 915,043,164	1%
2022	750,516,395	153,032,861	63,542,895	111,260,939	\$ 1,078,353,090	1%
2023	676,825,285	154,278,103	73,517,072	79,221,335	\$ 983,841,795	1%

Source: Utah State Tax Commission

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

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

Taxpayer	2023			2014		
	Sales Tax⁽¹⁾	Rank	% of Total Sales Tax⁽¹⁾	Sales Tax⁽¹⁾	Rank	% of Total Sales Tax⁽¹⁾
Murdock Hyundai	N/A	1	N/A	N/A	2	N/A
Walmart Supercenter	N/A	2	N/A	N/A	1	N/A
Home Depot	N/A	3	N/A	N/A	3	N/A
Sunpro Corp	N/A	4	N/A	-		-
Burton Lumber & Hardware	N/A	5	N/A	N/A	5	N/A
DoTerra	N/A	6	N/A	-		-
Larry H Miller Lexus of Lindon	N/A	7	N/A	N/A	9	N/A
Wheeler Machinery	N/A	8	N/A	-		-
Low Book Sales & Leasing	N/A	9	N/A	N/A	8	N/A
Builders FirstSource	N/A	10	N/A	-		-
Mercedes Benz of Lindon	-		-	N/A	4	N/A
Sunroc Corp	-		-	N/A	6	N/A
Stock Building Supply West	-		-	N/A	7	N/A
Timpanogos Harley Davidson	-		-	N/A	10	N/A
Total	<u>\$3,279,402</u>		<u>50.69%</u>	<u>\$ 1,730,424</u>		<u>54.18%</u>

Source: Utah State Tax Commission

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

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

Calendar Year ⁽¹⁾	Lindon City ⁽²⁾			Alpine School District	Utah County	Central Utah Water Conservancy District	Other	Total for District 80 ⁽³⁾	Northern Utah County Water Conservancy District	Total for District 85 ⁽³⁾
	General Fund	Debt Svc Fund	Total							
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	0.870	0.405	0.000	11.193	0.024	11.217
2016	1.630	-	1.630	7.718	1.038	0.400	0.011	10.797	0.023	10.820
2017	1.451	-	1.451	7.167	0.959	0.400	0.010	9.987	0.021	10.008
2018	1.392	-	1.392	7.033	0.902	0.400	0.009	9.736	0.019	9.755
2019	1.241	-	1.241	6.699	0.830	0.400	0.009	9.179	0.017	9.196
2020	1.174	-	1.174	6.800	1.190	0.400	0.012	9.576	0.016	9.592
2021	1.116	-	1.116	6.904	0.995	0.400	0.012	9.427	0.015	9.442
2022	0.907	-	0.907	5.724	0.772	0.400	0.015	7.818	0.012	7.830

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. Property taxes assessed for calendar year 2022 are collected by Utah County and distributed to Lindon City in the 2022-2023 fiscal year.

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

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

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

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

	Taxable Value for Calendar Year ⁽¹⁾										% of T.V.
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Real Property											
Primary residential	374,446,395	413,684,962	470,173,498	511,671,710	565,570,869	613,527,970	679,345,920	748,061,215	827,104,135	1,138,623,290	41.1%
Secondary residential	4,631,800	4,382,400	3,337,600	3,430,100	3,770,800	4,956,400	4,966,200	5,401,800	6,376,100	13,916,600	0.5%
Commercial and industrial	415,871,293	438,947,092	464,981,771	511,085,281	594,263,700	625,269,700	772,464,800	928,233,390	982,292,800	1,188,030,343	42.9%
Farmland Assessment Act (FAA) and agricultural	648,024	937,943	1,156,431	1,195,899	1,266,579	2,525,802	2,514,284	2,816,352	2,733,173	2,573,220	0.1%
Unimproved non FAA	63,479,353	65,645,866	85,376,530	81,478,025	93,747,355	107,745,495	105,936,745	108,723,009	129,269,429	161,116,620	5.8%
Total real property	859,076,865	923,598,263	1,025,025,830	1,108,861,015	1,258,619,303	1,354,025,367	1,565,227,949	1,793,235,766	1,947,775,637	2,504,260,073	90.4%
Personal Property											
Primary mobile homes	156,705	154,176	154,176	154,176	154,176	154,176	178,926	154,397	154,397	526,020	0.0%
Secondary mobile homes	-	-	-	-	-	-	-	-	-	-	0.0%
Other business	114,538,534	107,342,224	122,122,996	125,902,594	126,508,181	130,082,344	142,801,296	168,637,060	191,884,353	228,295,164	8.2%
SCME	-	828	828	-	-	-	-	125,547	93,541	720	0.0%
Total personal property	114,695,239	107,497,228	122,278,000	126,056,770	126,662,357	130,236,520	142,980,222	168,917,004	192,132,291	228,821,904	8.3%
Centrally Assessed	15,116,696	18,539,075	20,776,923	22,849,698	25,240,829	28,145,903	29,034,398	31,321,604	30,486,730	30,062,582	1.1%
Motor Vehicle Value	8,335,007	8,366,295	8,535,556	8,535,344	8,719,194	8,788,171	8,539,323	7,624,149	8,472,877	8,299,713	0.3%
Total Taxable Assessed Value	997,223,807	1,058,000,861	1,176,616,309	1,266,302,827	1,419,241,683	1,521,195,961	1,745,781,892	2,001,098,523	2,178,867,535	2,771,444,272	100.0%
Estimated Actual Value	1,303,717,252	1,396,596,519	1,561,429,860	1,685,069,461	1,882,107,629	2,023,299,535	2,301,756,766	2,613,274,933	2,855,715,425	3,703,475,526	
Assessed Value as a % of Actual Value	76.5%	75.8%	75.4%	75.1%	75.4%	75.2%	75.8%	76.6%	76.3%	74.8%	
Total Direct Tax Rate	0.002043	0.001862	0.001741	0.001630	0.001451	0.001392	0.001241	0.001174	0.001116	0.000907	

Source: Utah State Tax Commission - Property Tax Division

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

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

SCME = Semiconductor Manufacturing Equipment

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

Calendar Year⁽¹⁾	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections⁽²⁾	Total Tax Collections	Percent of Total Taxes Collected
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%
2015	2,048,423	1,868,954	91.24%	141,044	2,009,998	98.12%
2016	2,064,153	1,751,086	84.83%	129,606	1,880,692	91.11%
2017	2,069,341	1,883,128	91.00%	245,455	2,128,583	102.86%
2018	2,112,956	1,982,756	93.84%	173,022	2,155,778	102.03%
2019	2,177,508	2,059,927	94.60%	117,627	2,177,554	100.00%
2020	2,351,656	2,231,124	94.87%	128,991	2,360,115	100.36%
2021	2,433,555	2,246,481	92.31%	115,168	2,361,649	97.05%
2022	2,553,996	2,368,882	92.75%	218,044	2,586,926	101.29%

Source: Utah County Treasurer

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

⁽²⁾ Utah County Treasurer does not specify for which prior year(s) taxes are collected so they are reported in the fiscal year that the delinquent taxes are received.

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

Property Owner	2022 CY			2013 CY		
	Rank	Assessed Valuation	Percent of Total Assessed Valuation	Rank	Assessed Valuation	Percent of Total Assessed Valuation
Thyme Global LLC	1	\$85,844,707	3.14%			
Mecca Holdings LLC	2	\$64,612,700	2.36%	1	\$37,456,200	3.85%
WICP Mt Tech 3 LLC	3	\$34,448,700	1.26%			
MS Business Properties Group 4	4	\$32,379,545	1.18%	5	\$ 9,152,015	0.94%
WICP West Lindon LLC	5	\$30,880,700	1.13%			
WICP Mt Tech 6 LLC	6	\$28,870,800	1.06%			
DB Jazz LLC	7	\$26,358,700	0.96%			
M S Industrial Properties LLC	8	\$23,956,400	0.88%	4	\$14,659,400	1.51%
Vantaggio AF Parkview Towns LLC	9	\$23,843,930	0.87%			
Wilson Tech 5 LLC	10	\$22,836,900	0.84%			
Stag II Lindon LLC				2	\$16,738,100	1.72%
Walmart Stores Inc.				3	\$15,313,600	1.57%
Network (UT) LLC				6	\$ 8,740,600	0.90%
BAT Investments LC				7	\$ 8,442,400	0.87%
Gateway Technology Center LLC				8	\$ 8,332,200	0.86%
HD Development of Maryland Inc.				9	\$ 8,100,000	0.83%
Utah Pacific Investment Company LLC				10	\$ 7,924,278	0.81%
Total		<u>\$ 288,188,375</u>	<u>10.54%</u>		<u>\$ 134,858,793</u>	<u>13.85%</u>

Source: Utah County Clerk/Auditor

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

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

Fiscal Year Ending	Taxable Value⁽¹⁾	Debt Limit (4%)	Total debt applicable to limit⁽²⁾	Legal debt margin	Percentage of Debt to Debt Limit
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%
2016	1,147,303,830	\$ 45,892,153	-	\$ 45,892,153	0.00%
2017	1,234,917,785	\$ 49,396,711	-	\$ 49,396,711	0.00%
2018	1,385,281,660	\$ 55,411,266	-	\$ 55,411,266	0.00%
2019	1,484,261,887	\$ 59,370,475	-	\$ 59,370,475	0.00%
2020	1,708,208,171	\$ 68,328,327	-	\$ 68,328,327	0.00%
2021	1,962,152,770	\$ 78,486,111	-	\$ 78,486,111	0.00%
2022	2,139,907,928	\$ 85,596,317	-	\$ 85,596,317	0.00%
2023	2,733,081,977	\$ 109,323,279	-	\$ 109,323,279	0.00%

Source: Utah State Tax Commission - Property Tax Division

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

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

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

	Fiscal Year Ending June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
General Obligation Debt	-	-	-	-	-	-	-	-	-	-
RDA Revenue Bonds	581,000	-	-	-	-	-	-	-	-	-
Sales Tax Revenue Bonds	1,884,196	1,742,383	4,195,790	3,886,620	3,571,874	1,182,000	496,000	-	-	-
Notes Payable	80,000	70,000	60,000	50,000	40,000	30,000	20,000	10,000	-	-
Leases	326,838	428,568	348,496	456,347	382,101	531,083	491,237	639,948	555,279	-
Total Governmental Activities Debt	2,872,034	2,240,951	4,604,286	4,392,967	3,993,975	1,743,083	1,007,237	649,948	555,279	-
Business-Type Activities										
Water Revenue Bonds	3,087,368	2,998,986	2,907,234	2,811,931	2,746,104	2,601,049	2,542,451	2,481,965	2,419,530	2,355,083
Sewer Revenue Bonds	2,640,000	2,514,000	2,384,000	2,251,000	3,377,000	3,169,000	2,865,000	2,646,000	2,421,000	2,190,000
Storm Water Revenue Bonds	351,439	324,988	297,646	269,263	239,840	-	-	-	-	-
Aquatics Center Bonds ⁽¹⁾	8,689,000	9,280,065	8,838,495	8,467,249	8,081,006	7,687,272	7,278,538	6,876,671	6,447,937	6,009,201
Notes Payable	2,410,832	2,313,835	2,181,512	2,054,900	1,919,829	1,781,944	1,526,363	1,382,917	1,228,592	1,095,814
Leases	359,769	242,674	121,784	82,262	41,677	-	-	-	-	-
Total Business-Type Activities Debt	17,538,408	17,674,548	16,730,671	15,936,606	16,405,456	15,239,265	14,212,352	13,387,553	12,517,059	11,650,098
Total Primary Government	\$ 20,410,441	\$ 19,915,499	\$ 21,334,957	\$ 20,329,573	\$ 20,399,431	\$ 16,982,348	\$ 15,219,589	\$ 14,037,501	\$ 13,072,338	\$ 11,650,098
% of Personal Income⁽²⁾	8.21%	7.71%	7.78%	7.07%	7.36%	5.70%	5.10%	4.71%	4.38%	3.91%
Debt Per Capita⁽²⁾	\$ 1,924	\$ 1,857	\$ 1,974	\$ 1,858	\$ 1,860	\$ 1,548	\$ 1,387	\$ 1,280	\$ 1,192	\$ 1,062

⁽¹⁾ Presented net of unamortized premium.

⁽²⁾ See Schedule 21 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, 2023

<u>Entity⁽¹⁾</u>	<u>2022 Taxable Assessed Property Value</u>	<u>Percentage Applicable to Lindon Citizens⁽²⁾</u>	<u>Entity's Outstanding General Obligation Debt</u>	<u>Amount Applicable to Lindon Citizens</u>
Overlapping Debt:				
CUWCD ⁽³⁾	\$ 283,702,801,346	0.97%	\$ 123,254,854	\$ 1,200,450
Alpine School District	53,577,692,436	5.16%	380,000,000	\$ 19,597,614
Subtotal, Overlapping Debt				<u>\$ 20,798,064</u>
Lindon City Direct Debt	2,763,144,559	100.00%	-	\$ -
Total Direct and Overlapping Debt				<u><u>\$ 20,798,064</u></u>

Sources: Property Tax Division of the Utah State Tax Commission and entities.

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

⁽¹⁾ The State of Utah's general obligation debt is not included in overlapping debt because the State does not currently levy property tax for payment of its general obligation bonds.

⁽²⁾ 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.

⁽³⁾ Central Utah Water Conservance District (CUWCD) encompasses all or a portion of eight counties in Utah.

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

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
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
2016	\$ 3,611,839	\$ 604,000	\$ 298,960	\$ 902,960	4.00
2017	\$ 3,904,527	\$ 683,000	\$ 414,168	\$ 1,097,168	3.56
2018	\$ 4,242,568	\$ 705,000	\$ 393,324	\$ 1,098,324	3.86
2019 ⁽¹⁾	\$ 4,358,567	\$ 3,078,000	\$ 551,629	\$ 3,629,629	1.20
2020 ⁽²⁾	\$ 4,677,632	\$ 1,061,000	\$ 284,326	\$ 1,345,326	3.48
2021 ⁽³⁾	\$ 5,887,791	\$ 881,000	\$ 258,961	\$ 1,139,961	5.16
2022	\$ 6,912,012	\$ 395,000	\$ 240,075	\$ 635,075	10.88
2023	\$ 6,469,642	\$ 405,000	\$ 228,075	\$ 633,075	10.22

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

⁽¹⁾ Extra principal was paid in the amount of \$2,353,000 using one-time funds.

⁽²⁾ Extra principal was paid in the amount of \$525,000 using one-time funds.

⁽³⁾ Extra principal was paid in the amount of \$333,000 using one-time funds.

Schedule 17
Lindon City Corporation
Pledged-Revenue Coverage
Redevelopment Agency Revenue Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues	Operating Expenses⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-

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

⁽¹⁾ Total operating expenses exclusive of depreciation.

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

Fiscal Year	Gross Revenues	Operating Expenses⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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	3.28
2016	1,942,822	\$ 1,178,246	\$ 764,576	\$ 81,688	\$ 93,869	\$ 175,557	4.36
2017	2,054,893	\$ 1,400,022	\$ 654,871	\$ 84,854	\$ 90,703	\$ 175,557	3.73
2018	2,595,887	\$ 1,340,187	\$ 1,255,700	\$ 54,997	\$ 87,407	\$ 142,404	8.82
2019	2,875,886	\$ 1,377,069	\$ 1,498,817	\$ 56,769	\$ 85,635	\$ 142,404	10.53
2020	3,276,904	\$ 1,436,429	\$ 1,840,475	\$ 58,598	\$ 83,806	\$ 142,404	12.92
2021	3,625,830	\$ 1,652,771	\$ 1,973,059	\$ 60,486	\$ 81,918	\$ 142,404	13.86
2022	3,264,175	\$ 1,841,956	\$ 1,422,219	\$ 62,435	\$ 79,969	\$ 142,404	9.99
2023	3,642,792	\$ 4,347,603	\$ (704,811)	\$ 64,447	\$ 77,957	\$ 142,404	(4.95)

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

⁽¹⁾ Total operating expenses exclusive of depreciation.

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

Fiscal Year	Gross Revenues	Operating Expenses⁽¹⁾	Net Revenue Available	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2016	\$ 1,461,593	\$ 1,102,683	\$ 358,910	\$130,000	\$ 62,850	\$ 192,850	1.86
2017	\$ 1,725,118	\$ 1,307,670	\$ 417,448	\$133,000	\$ 59,600	\$ 192,600	2.17
2018	\$ 1,898,866	\$ 1,290,292	\$ 608,574	\$136,000	\$ 56,275	\$ 192,275	3.17
2019	\$ 1,584,197	\$ 1,038,129	\$ 546,068	\$140,000	\$ 52,875	\$ 192,875	2.83
2020	\$ 1,661,693	\$ 1,047,570	\$ 614,123	\$143,000	\$ 49,375	\$ 192,375	3.19
2021	\$ 1,845,515	\$ 1,272,267	\$ 573,248	\$147,000	\$ 45,800	\$ 192,800	2.97
2022	\$ 1,852,617	\$ 1,159,575	\$ 693,042	\$150,000	\$ 42,125	\$ 192,125	3.61
2023	\$ 2,013,195	\$ 1,197,579	\$ 815,616	\$154,000	\$ 38,375	\$ 192,375	4.24

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

⁽¹⁾ Total operating expenses exclusive of depreciation.

Schedule 20
Lindon City Corporation
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income ⁽¹⁾	Per Capita Personal Income	Unemployment Rate ⁽²⁾		
				Utah County	State of Utah	United States
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	\$ 258,445,746	\$ 24,102	3.3%	3.5%	5.3%
2016	10,810	\$ 274,076,740	\$ 25,354	3.4%	4.0%	4.9%
2017	10,939	\$ 287,542,554	\$ 26,286	3.0%	3.4%	4.3%
2018	10,968	\$ 277,347,816	\$ 25,287	2.8%	3.0%	4.0%
2019	10,970	\$ 298,153,630	\$ 27,179	2.6%	2.8%	3.7%
2020	11,100	\$ 316,505,400	\$ 28,514	4.5%	5.3%	11.1%
2021	11,397	\$ 358,310,283	\$ 31,439	2.1%	2.8%	5.9%
2022	11,600	\$ 367,859,200	\$ 31,712	1.8%	2.3%	3.6%
2023	11,709	\$ 392,321,754	\$ 33,506	2.4%	2.4%	3.6%

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

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

Sources:

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

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

Schedule 21
Lindon City Corporation
Principal Employers
Current Year and Nine Years Ago

Employer	2022 CY			2013 CY		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Alpine School Dist	1000 - 1099	1	6.7% - 7.4%	500 - 999	1	5.6% - 11.3%
Bamboo Hr Llc	800 - 899	2	5.4% - 6.0%			
Wal-Mart Associates Inc	400 - 499	3	2.7% - 3.3%	250 - 499	3	2.8% - 5.6%
Awardco, Inc.	300 - 399	4	2.0% - 2.7%			
Gohealth, Llc	300 - 399	5	2.0% - 2.7%			
Global Payments Holding Company Inc	300 - 399	6	2.0% - 2.7%			
Ims Masonry, Inc.	200 - 299	7	1.3% - 2.0%	100 - 249	8	1.1% - 2.8%
Logmein Usa, Inc.	200 - 299	8	1.3% - 2.0%			
Home View Technologies, Inc	200 - 299	9	1.3% - 2.0%			
Elite Manufacturing & Packaging, LI	200 - 299	10	1.3% - 2.0%			
Response Marketing Group, LLC				250 - 499	2	2.8% - 5.6%
Teleperformance Usa				100 - 249	4	1.1% - 2.8%
Universal Industrial Sales, Inc.				100 - 249	5	1.1% - 2.8%
Lindon City				100 - 249	6	1.1% - 2.8%
Home Depot Usa Inc				100 - 249	7	1.1% - 2.8%
Jamberry Nails				100 - 249	9	1.1% - 2.8%
Accessdata Group, Inc.				100 - 249	10	1.1% - 2.8%
Average Employment in Lindon City	<u>14,945</u>			<u>8,874</u>		

Source: Utah Department of Workforce Services

Note: The employment numbers are given for the calendar year which ends within the fiscal year.

Schedule 22
Lindon City Corporation
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	19	20	20	21	23	25	25	25	28	30
Public safety	19	19	19	19	19	20	20	20	20	20
Highways and streets	2	2	2	2	2	2	2	2	2	2
Park, recreation and culture	65	64	74	76	75	73	77	84	87	80
Water	2	3	3	4	4	4	4	4	4	4
Sewer	2	2	2	3	3	3	3	3	3	3
Storm Water Drainage	3	2	2	2	2	2	2	2	2	2
Total	112	112	122	127	128	129	133	140	146	141

Schedule 23
Lindon City Corporation
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Community development										
Residential building permits issued	137	170	221	204	257	240	277	319	321	257
Commercial building permits issued	44	53	70	53	48	66	82	79	94	78
Court										
Traffic and Misdemeanor cases handled	1,677	1,437	1,923	2,423	2,677	3,291	3,149	2,840	2,305	2,640
Police										
Calls for service	8,410	8,685	5,285	10,897	7,818	10,993	9,725	9,831	9,396	8,985
Offenses	2,302	3,914	6,510	1,257	6,757	1,040	1,009	981	809	950
Arrests	605	510	775	764	563	635	585	602	480	541
Traffic Accidents	321	292	371	363	334	352	310	318	337	358
Recreation										
Recreation programs	5	5	6	5	5	5	4	5	5	5
Number of participants	1,298	1,425	1,564	1,698	1,525	1,395	608	1,771	2,125	2,240
Aquatics Center programs ⁽¹⁾	5	8	6	10	6	7	6	6	9	9
Number of program participants	1,463	1,219	1,404	1,372	1,475	1,103	1,230	1,325	1,803	1,407
Number of Aquatics Center admissions	44,583	37,318	39,643	63,949	76,619	65,215	67,179	57,220	78,747	75,549
Community Center programs	12	14	15	31	22	22	34	48	53	50
Number of participants	252	465	487	748	398	372	313	641	598	762
Senior Center programs	23	13	14	17	17	18	16	21	21	20
Number of participants	579	345	110	145	9,114	9,482	13,561	14,771	10,031	8,455
Cemetery										
Burials	26	39	45	36	25	39	46	49	67	57
Culinary Water										
Connections	2,847	2,896	2,923	2,986	3,050	3,187	3,313	3,350	3,476	3,550
Average daily consumption (thousands of gallons)	1,030	1,034	1,004	1,108	1,280	1,208	1,250	1,426	1,174	1,299
Sewer										
Sewer lines miles inspected	1.5	6.0	5.0	5.0	4.0	4.0	9.0	87.2	52.8	5.3

⁽¹⁾ 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, 2022 pool season are reported in the 2023 fiscal year.

Schedule 24
Lindon City Corporation
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Streets and Highways										
Street lights, maintained by City	246	253	258	286	286	337	350	375	484	493
Street miles	55	54	54	54.3	54.4	55.0	55.6	56.2	61	62
Cemetery										
Acres	3	3	3	3	3	3	3	3	3	3
Gravesites	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
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	19,850	19,850	19,850	19,850	19,850	19,850	19,850	19,850	19,850	19,850
Park acreage	58	58	58	58	58	58	58	58	58	67
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer fields	3	5	5	5	5	5	5	5	5	7
Tennis/pickleball courts	0	0	0	0	0	7	7	9	9	13
Culinary water										
Water main line miles	75	77	80	85	86	87	88	89	90	91
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
Secondary water										
Secondary water main line miles	47	49	49	49	49	51	52	52	53	53
Sewer										
Sewer line miles	61	61	71	75	75	79	83	87	88	86

**LINDON CITY CORPORATION
LINDON CITY, UTAH**

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**LINDON CITY CORPORATION
 SUPPLEMENTARY REPORTS
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GILBERT & STEWART
 CERTIFIED PUBLIC ACCOUNTANTS
 A PROFESSIONAL CORPORATION
 ESTABLISHED 1974

RANDEL A HEATON, CPA
 LYNN A. GILBERT, CPA
 JAMES A. GILBERT, CPA
 BEN H PROBST, CPA
 RONALD J. STEWART, CPA

 SIDNEY S. GILBERT, CPA
 JAMES E. STEWART, CPA

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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lindon City (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 1, 2023.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC

Provo, Utah

December 1, 2023



GILBERT & STEWART

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE

Honorable Mayor and
Members of the City Council
Lindon, Utah

Report On Compliance

We have audited Lindon City's ("the City") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Justice Court
Restricted Taxes and Related Revenues
Government Fees
Open and Public Meetings Act

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Compliance

In our opinion, Lindon City complied, in all material respects, with the state compliance requirements identified above for the year ended June 30, 2023.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Audit Guide and which are described in the schedule of findings and recommendations as item 2023-1. Our opinion on compliance was not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the schedule of findings and recommendations as item 2023-1. The City's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Financial Reporting

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

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

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

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

Gilbert & Stewart

GILBERT & STEWART, CPA, PC.

Provo, Utah

December 1, 2023

**LINDON CITY CORPORATION
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Fiscal Year Ended June 30, 2023**

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Current Year

None

Prior Year

None

UTAH STATE COMPLIANCE

Current Year

2023-1 Budgetary Compliance

Finding: Fund balance more than allowed amount by \$860,405.

Recommendation: We recommend that the City bring the unrestricted fund balance below the allowed amount.

City Response: The City will make necessary changes to ensure compliance with fund balance limits.

Prior Year

2022-1 Budgetary Compliance

Finding: Expenditures in the following funds exceeded the final amended budget by:

Capital Projects Fund	\$47,437
Cares Act Fund	1,000

Recommendation: We recommend the city continue to monitor the large projects to ensure the final adopted budget is adjusted to cover all anticipated costs.

City Response: Finding was resolved in the current year.

9. Public Hearing — Ordinance Amendment (Ordinance #2023-25-O); LCC 3.05 PARC Tax.

Given the approval & passage of the PARC Tax question in the 2023 municipal election, this is a City initiated action to update LCC Chapter 3.05 Parks, Arts, Recreation and Culture Tax, which will enact and levy a renewal of the existing tax to finance cultural and recreational facilities and ongoing operations, and to finance operations of cultural organizations within Lindon City pursuant to U.C.A. § 59-12-1402. *(10 minutes)*

Sample Motion: I move to *(approve, reject)* Ordinance #2023-25-O updating LCC Chapter 3.05 Parks, Arts, Recreation and Culture Tax *(as presented or amended)*.

Lindon City
100 North State Street
Lindon, UT 84042-1808



TEL 801-785-5043
FAX 801-785-4510
www.lindoncity.org

Utah State Tax Commission
Attn: Jim Clayton
210 North 1950 West
Salt Lake City, Utah 84134

December 19, 2023

Re: Notice of enactment of .1% sales and use tax for Lindon City arts & recreation funding.

Mr. Clayton,

I was provided your name as the contact at the Tax Commission for notice of newly enacted municipal taxes. If you're not the correct individual responsible for this matter, please forward to the appropriate party.

On December 18, 2023 the Lindon City Council enacted a renewal of the 0.1% increase to the sales and use tax to fund arts and recreational facilities as statutorily permitted per § 59-12-1402 of the Utah Code Ann. 1953, and as further described in the attached copy of Lindon City Ordinance No. 2023-25-O, which tax in Lindon City is herein referred to as the PARC tax (Parks, Arts, Recreation, and Culture). This tax shall remain in place for a period of 10-years, expiring on March 31, 2034 unless renewed by the Lindon voters and City Council.

Per § 59-12-1401 et seq. of the Utah Code Ann. 1953, notice is hereby given to the Utah State Tax Commission that Lindon City has enacted the renewal of the sales and use tax (PARC tax), which tax shall have an effective date of April 1, 2024 at the rate of 0.1%.

If you need additional information to process this notice and request for the State to implement this tax, or have other questions about this matter, please contact our City Administrator, Adam Cowie, at 801-785-5043 or by email at acowie@lindoncity.org.

Sincerely,

Carolyn O. Lundberg
Mayor

Attachments: Lindon City Ordinance No. 2023-25-O

Cc: Kathy Moosman, City Recorder

ORDINANCE NO. 2023-25-O

AN ORDINANCE OF LINDON CITY, UTAH, ENACTING AND LEVYING A TAX TO FINANCE CULTURAL AND RECREATIONAL FACILITIES AND ONGOING OPERATIONS, AND TO FINANCE ONGOING OPERATIONS OF CULTURAL ORGANIZATIONS WITHIN LINDON CITY PURSUANT TO U. C. A. § 59-12-1402. (KNOWN AS THE PARKS, ARTS, RECREATION, AND CULTURE TAX OR "PARC" TAX)

WHEREAS, the Lindon City voters and City Council voted in favor of enacting the PARC tax in the 2013 General Election, which tax is to remain valid for a ten-year period until March 31, 2024; and

WHEREAS, in 2023 the Lindon City Council adopted a resolution submitting an opinion question to the residents of Lindon City as to whether or not Lindon City should be authorized to renew the existing PARC tax and impose a 0.1% (one tenth of one percent) sales and use tax for the purposed of financing cultural and recreational facilities and ongoing operations, and to finance ongoing operations of cultural organizations within Lindon City, and which tax would remain in place for a period of ten years; and

WHEREAS, § 59-12-1402 of the Utah Code Ann. 1953, authorizes the City to enact the PARC tax once the City Council has determined that a majority of the City's registered voters voting on the imposition of the tax have voted in favor of the imposition of the tax; and

WHEREAS, the City Council has determined that 76.22% of the citizens of Lindon City who voted in the general election held on November 21, 2023 favored enactment of the PARC tax, and

WHEREAS, the votes were canvassed and certified by the Lindon City Board of Canvassers (City Council) on December 5, 2023; and

WHEREAS, § 59-12-1402 requires that this Ordinance enacting the PARC tax be approved by a majority of all of the members of the City Council and having had at least three members of Lindon City's Council vote in the affirmative in adopting this Ordinance.

NOW THEREFORE, BE IT ORDAINED by the Lindon City Council of Lindon City, Utah as follows:

PART I. Chapter 3.05 - Parks, Arts, Recreation and Culture Tax - of the Lindon City Code is hereby amended and adopted and shall read as follows:

**CHAPTER 3.05
PARKS, ARTS, RECREATION AND CULTURE TAX**

3.05.010	Short Title
3.05.020	Statutory Authority
3.05.030	Purpose
3.05.040	Imposition of Tax and Amount
3.05.050	Use of Revenues
3.05.060	Collection and Duration
3.05.070	Distribution of Revenues
3.05.080	Effective Date

- 3.05.010 Short Title.
This Chapter shall be known as the Parks, Arts, Recreation and Culture Tax (PARC Tax) Ordinance.
- 3.05.020 Statutory Authority.
The authority for imposing the PARC tax is derived from Title 59, Chapter 12, Section 1401 et seq., U.C.A.
- 3.05.030 Purpose.
The purpose of this Chapter is to enact and levy a Parks, Arts, Recreation and Culture Tax (known as the PARC Tax) to be used to finance cultural and recreational facilities and associated ongoing operations, and to finance ongoing operations of cultural organizations within Lindon City.
- 3.05.040 Imposition of Tax and Amount.
1. There is levied for collection a local sales and use tax in the amount of one-tenth of one percent (0.1%) on the transactions within Lindon City as described in Subsection 59-12-103(1) of the U.C.A., except such transactions that are exempt from sales and use tax under §59-12-104 of the U.C.A.
 2. Pursuant to U.C.A. §59-12-1402(1)(c) and (e) of the U.C.A., the PARC Tax shall not be imposed on amounts paid for food or food ingredients, unless the food or food ingredients are sold as part of a bundled transaction attributable to food and food ingredients and tangible personal property other than food and food ingredients.
- 3.05.050 Use of Revenues.
Revenues received from local sales and use taxes levied pursuant to this Chapter shall be used solely for the purpose of financing cultural and recreational facilities and associated ongoing operations, and for financing ongoing operations of cultural organizations within Lindon City.
- 3.05.060 Collection and Duration.
Taxes enacted under this Chapter shall be:

1. Collected, and enforced in accordance with the same procedures used to administer, collect, and enforce taxes under U.C.A., Title 59, Part 1(Tax Collection) and Part 2 (Local Sales and Use Tax Act); and
2. Levied for a period of ten years, and may be reauthorized pursuant to the procedures set for in § 59-12-1401 et seq. of the U.C.A.

3.05.070 Distribution of Revenues.

1. The distribution and use of revenues and the determination of eligible operating expenses shall be made by the Lindon City Council. The City Council may adopt supplementary policies and procedures to regulate the distribution of PARC Tax revenues.
2. The determination of uses of revenue and of eligible operating expenses shall be made in accordance with the provision of this Chapter and with the requirements of § 59-12-1401 et seq. of the U.C.A.

3.05.080 Effective Date and Term.

The re-enactment of the PARC Tax Ordinance is ~~December 3, 2013~~ December 18, 2023 and the effective date of the tax is ~~April 1, 2014~~ April 1, 2024. The tax shall take effect pursuant to the requirements and procedures set forth in § 59-12-1402 of the U.C.A. and shall be levied for a period of ten years, ending on March 31, 2034.

PART II. Severability.

Severability is intended throughout and within the provisions of this ordinance. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held to be invalid or unconstitutional by a court of competent jurisdiction, then that decision shall not affect the validity of the remaining portions of this ordinance.

PART III. Effective Date.

This ordinance shall be deemed to be enacted immediately upon its passage and posting as provided by law and shall take effect pursuant to the requirements and procedures set forth in § 59-12-1402 of the U.C.A.

PASSED AND APPROVED by the City Council of Lindon City, Utah, this 18th day of December, 2023.

CAROLYN O. LUNDBERG,
Mayor

ATTEST:

KATHRYN A. MOOSMAN,
City Recorder

10. Public Hearing — (Continued from October 16, 2023) Ordinance #2023-17-O;

Recommendation from the Planning Commission to the Lindon City Council for an amendment to Lindon City Code 17.02, 17.80, and the Standard Land Use Table to define, allow, and adopt regulations for short-term rentals within Lindon City. *(20 minutes)*

Sample Motion: I move to *(approve, reject)* Ordinance #2023-17-O approving an amendment to Lindon City Code 17.02, 17.80, and the Standard Land Use Table to define, allow, and adopt regulations for short-term rentals within Lindon City *(as presented or amended)*.

17.80 – Short-Term Rentals

Date: December 18, 2023
 Applicant: Lindon City
 Presenting Staff: Michael Florence

Type of Decision: Legislative

Council Action Required: Yes. The planning commission unanimously recommended approval

MOTION

I move to (*approve, deny, or continue*) ordinance 2023-17-O (*as presented, or with changes*).

Overview:

- At the October 16, 2023 city council meeting the council asked city staff to review options regarding fire department requirements as well as owner occupied vs. non-owner occupied short-term rental provisions.

Staff Analysis:

Owner vs. Non-Owner-Occupied Unit Regulations

- City staff reviewed several regulations that provided different requirements for owner vs. non-owner-occupied units as listed below. The city did not include any of these proposals in the draft ordinance but these can be discussed and added to the ordinance if desired:
 - Ogden City: non-owner-occupied units can only be located in multi-family zones. Owner-occupied units can go in an R1 zone.
 - Torrey Utah: No limit on the number of owner-occupied units but caps the number of current non-owner-occupied units at the time of adoption of their short-term rental ordinance. Baltimore, MA, Littleton, CO have a very similar ordinance.
 - Some cities limit the number of nights a non-owner-occupied unit may be rented. Ninety days seems to be a common allowance for some larger communities outside of Utah. This would be difficult for the city to manage and would be more of a trust item for the city.
 - Gilpin Colorado, they have a three-tiered system of owner-occupied, county resident, and not county resident. No limit on owner-occupied units. County residents are limited to two non-owner-occupied short-term rentals. Non-county residents are limited to one short-term rental. There is a 5% cap of the housing stock that can be used as short-term rentals for Tier 2 and Tier 3 owners.
 - At a future date the city council could also consider adopting a higher business license fee for non-owner-occupied short-term rentals. The city is in the process of studying its business license fees and those will be presented early next year to the city council.

Fire Department Regulations

- City staff added the following fire regulations/inspections requirements to the draft short-term rental ordinance:
 - Each short-term rental shall have an initial inspection by the fire department prior to approval of a business license and an annual inspection as part of the business license renewal.
 - Each short-term rental shall have a fire extinguisher on each floor. Additional fire extinguishers may be required by the fire department for homes with larger square footage.
 - Other requirements such as fire suppression systems, occupancy restrictions, exit lighting and other fire related code requirements shall be evaluated by the City at the time a business license is submitted with accompanying documents as found in section two.

Other additions to the ordinance:

- Use of an Accessory Dwelling Unit as a Short-Term Rental shall only be allowed when the primary dwelling is owner occupied.
- Enforcement, penalties and appeals shall follow the procedures as found in Title 5 – Business Licensing and Regulations.

Exhibits

1. Draft ordinance

ORDINANCE NO. 2023-17-O

AN ORDINANCE OF THE CITY COUNCIL OF LINDON CITY, UTAH COUNTY, UTAH, AMENDING 17.02 – DEFINITIONS AND ESTABLISHING TITLES 17.80 – SHORT-TERM RENTALS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Lindon City Council is authorized by state law to enact and amend ordinances establishing land use regulations; and

WHEREAS, the proposed amendment is consistent with the goal of the Lindon City General Plan to preserve and protect neighborhoods as diverse and attractive places; and

WHEREAS, the Lindon City Council finds that it is necessary to adopt an ordinance regulating Short-Term Rentals which provides operational standards for Short-Term Rentals that protects the health, safety, welfare and quality of life of residents and visitors of Lindon City; and

WHEREAS, on September 12, 2023, the Planning Commission held a properly noticed public hearing to hear testimony regarding the ordinance amendment; and

WHEREAS, after the public hearing, the Planning Commission further considered the proposed ordinance amendment and recommended that the City Council adopt the attached ordinance; and

WHEREAS, the Council held a public hearing on _____, to consider the recommendation and the Council received and considered all public comments that were made therein.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lindon, Utah County, State of Utah, as follows:

SECTION I: Amend Lindon City Code section as follows:

17.02 – Definitions

"Short-term rental" means a residential unit or any portion of a residential unit that the owner of record or the lessee of the residential unit offers for occupancy for fewer than 30 consecutive days. A short-term rental does not include a bed and breakfast use, bed and breakfast dwelling, bed and breakfast farm retreat dwelling or Bed and Breakfast guest room as defined 17.02 and found in the 17.51 – Commercial Farm zone.

17.80 –Short-Term Rental

17.80.010 – Purpose

- 1. This section is established to provide regulations for Short-Term Rentals (STRs) in residential zones. Regulations and restrictions imposed by this section are in recognition of the premise that a short-term rental provides commercial lodging in residential zones for a transient population. The residential Short-term rental regulations are provided to protect the safety and general welfare of Lindon City residents and preserve the residential character of city neighborhoods.

17.80.020 – Licensing

- 1. Prior to operating as a residential Short-term Rental, each Short-Term Rental shall obtain a business license from Lindon City following Title 5 and pay applicable licensing fee as outlined in the Lindon City Consolidated Fee Schedule.

17.80.030 – General Regulations for Short-term Rentals

1. The residential dwelling shall not be rented to more than one party of guests at any given time, and the property owner shall not divide and rent out portions of the dwelling to multiple parties.
2. A short-term rental application shall contain all the following information:
 - a. Name, address, telephone number and email address of the property owner.
 - b. Responsible party name, address, telephone number and email address who can respond to the property within one (1) hour of a complaint from Lindon City.
 - c. Scaled Floor plan of the home identifying all rooms and sleeping rooms in the dwelling.
 - d. The maximum number of overnight guest occupants.
 - e. Site plan that identifies all designated parking areas.
 - f. Copy of current tax registrations or registration with a short-term rental company to collect accommodation and transient room taxes.
3. Only one Short-Term Rental per cul-de-sac is permitted. For this short-term rental ordinance, the cul-de-sac shall be determined as the bulb area of the dead-end turnaround which begins at the return radius on both sides of the street. Any properties abutting the bulb area of the turnaround shall be counted as part of the cul-de-sac.
4. Off-street parking shall be provided on the same property as the residential dwelling which is licensed as a Short-Term Rental. Parking shall be located on a driveway or designated parking areas and shall be used by overnight guest occupants. The number of vehicles allowed by the occupants of the short-term rental for overnight parking shall be restricted to the number of off-street parking spaces provided by the owner. At a minimum two (2) parking spaces shall be provided for up to six (6) overnight guest occupants. For every overnight guest occupant over six (6) one additional parking space per four (4) overnight guest occupants shall be provided. If a property owner lives on-site and uses an accessory apartment as a Short-term Rental, the parking requirement shall be in addition to the required parking for the single-family dwelling.
5. The property owner shall designate a responsible party with the business license application who is a local individual or property management company within the State of Utah. The responsible party must be available by telephone, or otherwise, twenty-four (24) hours per day and must be available to respond to the property within one (1) hour of receipt of a complaint from Lindon City.
6. Use of an Accessory Dwelling Unit as a Short-Term Rental shall only be allowed when the primary dwelling is owner occupied.
7. When a business license is issued, the City shall mail to each abutting property owner of the short-term rental the name and contact information of the property owner or responsible party of the short-term rental so neighboring property owners can contact the property owner or responsible person in case of emergency or nuisance violations.
8. One nameplate sign that includes the name, address, and the contact information for the responsible party of the short-term rental shall be posted on the exterior side of the main entrance. A Short-Term Rental shall include an informational packet posted in a highly visible place within the Short-Term Rental and shall include, at a minimum, the following:
 - a. Contact information for the responsible party.
 - b. Parking requirements.
 - c. Garbage pickup dates and a written description of where the garbage receptacle must be placed for pick-up if required of the Short-Term renter.
 - d. Non-emergency contact information for the Lindon City Police Department.
9. A Short-term rental shall only be used for lodging accommodations and not rented or leased for events or other similar activities or operations. Recreational Vehicles shall not be brought to or parked on the property which would allow for additional overnight occupants and decrease in available vehicle parking.

10. Short-Term Rentals shall meet building code requirements for egress and installation of and carbon monoxide detectors.
11. No outdoor activities or amplified music are permitted at a short-term rental between the hours of 10:00 p.m. and 7:00 a.m.
12. The Short-Term Rental owner shall be responsible for ensuring that guests or occupants do not create a nuisance as found in Lindon City code 8.20.
13. Each short-term rental shall have an initial inspection by the fire department prior to approval of a business license and an annual inspection as part of the business license renewal.
 - a. Each short-term rental shall have a fire extinguisher on each floor. Additional fire extinguishers may be required by the fire department for homes with larger square footage.
 - b. Other requirements such as fire suppression systems, occupancy restrictions, exit lighting and other fire related code requirements shall be evaluated by the City at the time a business license is submitted with accompanying documents as found in section two.
14. Enforcement, penalties and appeals shall follow the procedures as found in Title 5 – Business Licensing and Regulations.

Appendix A - Standard Land Use Table

Lindon City

STANDARD LAND USE TABLE BY ZONE

Appendix A

Parking Group	Permitted Primary Uses	Residential	Mixed Rec.		Commercial*						Industrial			R&B
		(R1-12, R1-20, R3)	RMU-W	RMU-E	PC-1	PC-2	CG	CG-A	CG-AB	CG-S	MC	HI	LI	LI-W
MISCELLANEOUS														
N/A	Solicitors	See LCC 5.40 - Solicitors Ordinance												
N/A	Itinerant Merchants	N	N	N	See LCC 17.17.140 - Temporary Site Plans									
7100	Fireworks Stands	See 8.28 - Fireworks Ordinance												
7100	Christmas Tree Sales	N	N	N	See LCC 17.17.140 - Temporary Site Plans									
7100	Mechanical Amusement	N	N	N	C	C	C	C	C	C	C	C	C	C
N/A	Individual Containers for Recyclable Materials - commercial storage	N	N	N	N	N	C	C	C	C	C	C	C	C
RESIDENTIAL														
N/A	Single Family	P	N	N	N	N	N	N	N	N	N	N	N	N
1111	Accessory Apartments	See 17.46 R2 Overlay	N	N	N	N	N	N	N	N	N	N	N	N
1111	Condominium		N	N	N	N	N	N	N	N	N	N	N	N
1111	Apartments		N	N	N	N	N	N	N	N	N	N	N	N
1200	Rooming & Boarding Houses	N	N	N	N	N	N	N	N	N	N	N	N	N
1233	Fraternity & Sorority Houses	N	N	N	N	N	N	N	N	N	N	N	N	N
1500	Membership Lodging	N	N	N	N	N	C	C	C	C	N	N	N	N
1233	Student Housing	See 17.46 - R2 Overlay												
1241	Youth Rehabilitation	See 17.70 - Group Homes and 17.72 - Care Facilities Overlay												
1241	Assisted Living Facilities - small	See 17.70 - Group Homes and 17.72 - Care Facilities Overlay												
1241	Assisted Living Facilities - large	See 17.70 - Group Homes and 17.72 - Care Facilities Overlay												
1200	Transitional Treatment Home - sm.	See 17.70 - Group Homes and 17.72 - Care Facilities Overlay												
1200	Transitional Treatment Home - lg.	See 17.70 - Group Homes and 17.72 - Care Facilities Overlay												
1400	Subdivided Manufactured Mobile Homes Parks	N	N	N	N	N	N	N	N	N	N	N	N	N
1300	Hotels, Tourist Courts, Bed & Breakfast and Motels	N	N	N	P	P	P	P	P	P	P	N	N	N
N/A	Short-term Rental	P	N	N	N	N	N	N	N	N	N	N	N	N
N/A	Caretaker Facilities - accessory to main uses only	N	N	N	C	C	C	C	C	C	C	C	C	C

SECTION II: The provisions of this ordinance and the provisions adopted or incorporated by reference are severable. If any provision of this ordinance is found to be invalid, unlawful, or unconstitutional by a court of competent jurisdiction, the balance of the ordinance shall nevertheless be unaffected and continue in full force and effect.

SECTION III: Provisions of other ordinances in conflict with this ordinance and the provisions adopted or incorporated by reference are hereby repealed or amended as provided herein.

SECTION IV: This ordinance shall take effect immediately upon its passage and posting as provided by law.

PASSED and ADOPTED and made EFFECTIVE by the City Council of Lindon City, Utah, this _____ day of _____, 2023.

Carolyn Lundberg, Mayor

ATTEST:

Kathryn A. Moosman,
Lindon City Recorder

SEAL

ADJOURN