

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, 2022

Prepared By:
Kristen Colson, Finance Director



Principal Officials

**For the Fiscal Year
July 1, 2021 - June 30, 2022**

Carolyn Lundberg
Mayor

Randi Powell
Councilperson

Van Broderick
Councilperson

Jake Hoyt
Councilperson

Daril Magleby
Councilperson

Mike Vanchiere
Councilperson

Adam Cowie
City Administrator

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
GFOA Certificate of Achievement	8
Organization Chart	9
FINANCIAL SECTION	
Independent Auditor's Report	12
Management's Discussion and Analysis	15
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	26
Statement of Activities	29
Fund Financial Statements	
Balance Sheet - Governmental Funds	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	34
Statement of Net Position - Proprietary Funds	35
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	37
Statement of Cash Flows - Proprietary Funds	39
Notes to the Financial Statements	41
Required Supplementary Information	
Schedule of Proportionate Share of the Net Pension Liability	78
Schedule of Contributions	79
Notes to the Required Supplementary Information	80

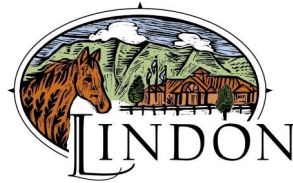
TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
FINANCIAL SECTION (Continued)	
Supplemental Information	
Combining Balance Sheet - Non-major Governmental Funds	82
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	83
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Major Governmental Fund –Road Capital Projects Fund	84
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – Redevelopment Agency Special Revenue Fund	85
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – P.A.R.C. Tax Special Revenue Fund	86
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – Care Act Special Revenue Fund	87
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – Debt Service Fund	88
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Non-major Governmental Fund – General Capital Projects Fund	89
Combining Statement of Net Position - Non-major Proprietary Funds	90
Combining Statement of Revenues, Expenses and Changes in Fund Balances - Non-major Proprietary Funds	91
Combining Statement of Cash Flows – Non-major Proprietary Funds	92
STATISTICAL SECTION	
Financial Trends Information	
Net Position by Component	96
Changes in Net Position	97
Fund Balances of Governmental Funds	98
Changes in Fund Balances of Governmental Funds	99

TABLE OF CONTENTS (Continued)

	<u>PAGE</u>
STATISTICAL SECTION (Continued)	
Revenue Capacity Information	
Tax Revenue by Source	101
Direct and Overlapping Sales Tax Rates	102
Direct Taxable Sales by Category	103
Principal Sales Tax Payers	104
Direct and Overlapping Property Tax Rates	105
Assessed Value and Estimated Actual Value of Taxable Property	106
Property Tax Levies and Collections	107
Principal Property Tax Payers	108
Debt Capacity Information	
Legal Debt Margin Information	109
Ratio of Outstanding Debt by Type	110
Direct and Overlapping Governmental Activities Debt	111
Pledged-Revenue Coverage	112
Demographic and Economic Information	
Demographic and Economic Statistics	116
Principal Employers	117
Operating Information	
Full-time Equivalent City Government Employees by Function/Program	118
Operating Indicators by Function/Program	119
Capital Asset Statistics by Function/Program	120

INTRODUCTORY SECTION



December 27, 2022

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, 2022.

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, 2022 (or 2022FY) 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 2022FY, 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

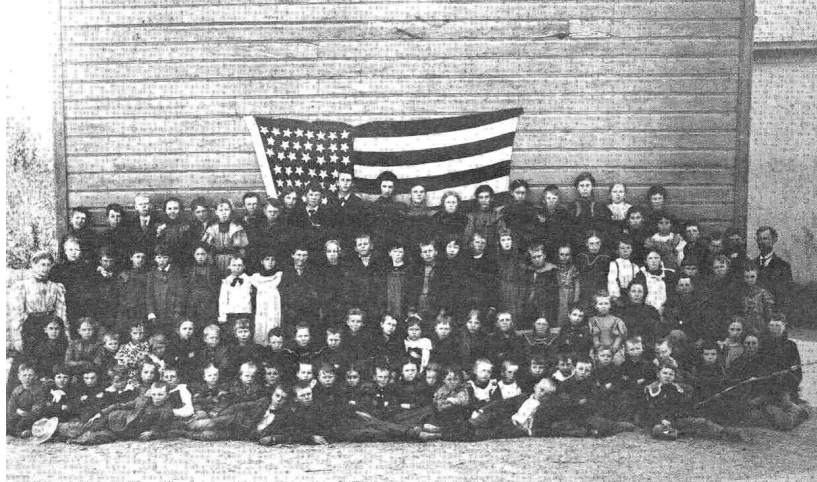
Profile of the Government

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.”

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

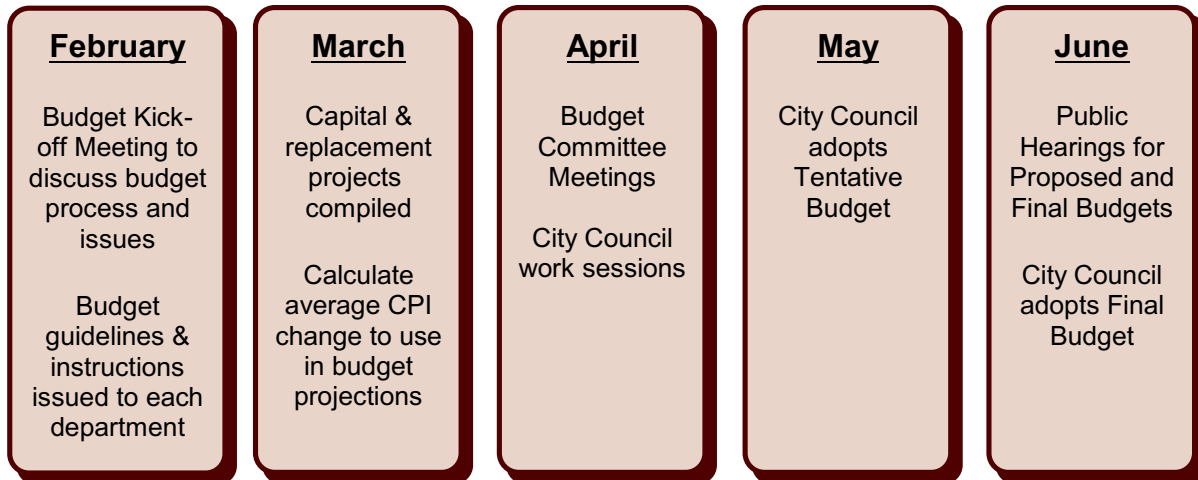
Lindon City is a beautiful place to live. Lindon shares a boundary with Orem City and Vineyard City on the south and Pleasant Grove City and American Fork City on the north. To the west is Utah Lake with the Lindon Marina, which is used for boating and fishing. The City extends east to the Wasatch Mountains 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 26.1% from the 2020FY to the 2021FY. The sales tax revenue continues to increase with a 17.6% increase from the 2021FY to the 2022FY.

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. Consumer confidence is continuing to improve and sales tax revenue is

continuing to increase. The commercial development already present in the City adds to both the sales and property tax base of the community. Major retailers in Lindon include Murdock Hyundai, Sunpro, Wal-Mart Supercenter, Home Depot, Burton Lumber, DoTerra, Wheeler Machinery, LHM Lexus of Lindon, Probuild, and Low Book Sales.

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 2022, Utah County had an unemployment rate of 1.8%, which is lower than the State of Utah's rate of 2.0%. These both compare favorably to the national unemployment rate of 3.6%. This is showing improvement after the peak unemployment during the pandemic shutdown in April of 7.9% for the county, 10.4% for the state, and 14.7% for the nation. (*Utah Dept of Workforce Services*).

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, 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 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 will begin being purchased and installed in the Fall of 2022.

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.

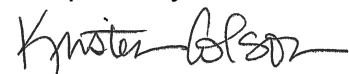
Awards and Acknowledgements

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, 2020. This was the twelfth 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 both the 2021FY and 2022FY annual comprehensive financial reports continue to meet the Certificate of Achievement Program's requirements. We are waiting to receive the results for the submission of the 2021 FY report and we are submitting the 2022FY 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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

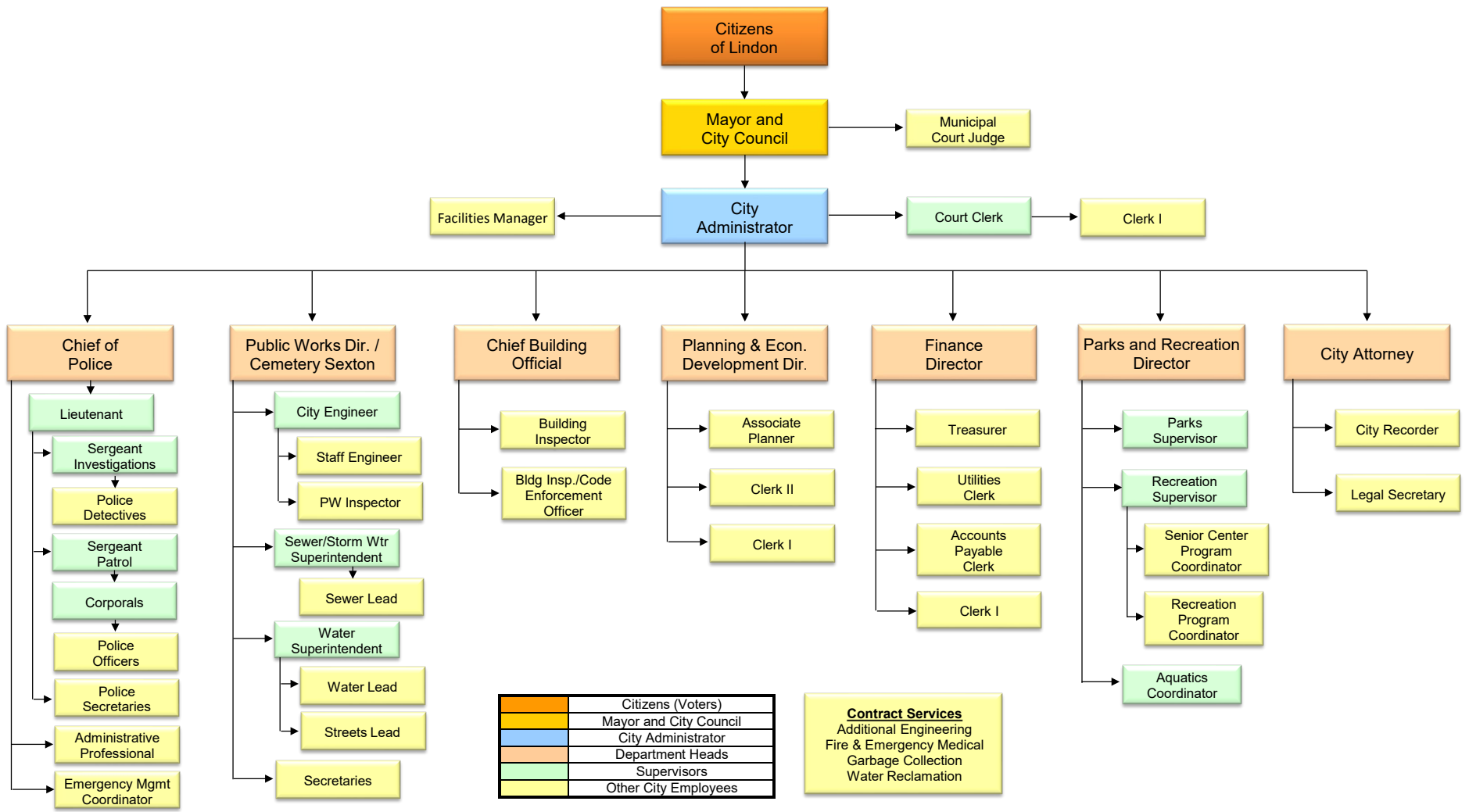
June 30, 2020

Christopher P. Morill

Executive Director/CEO

LINDON CITY ORGANIZATIONAL CHART

Fiscal Year 2021-2022



FINANCIAL SECTION

(This page is intentionally left blank.)



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

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, 2022, 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, 2022, 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 28, 2022 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 28, 2022

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022

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, 2022. 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 \$110,177,498 (net position). Of this amount, \$17,908,657 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased \$8,599,080. Net position of our business-type activities increased \$3,308,703 and the net position of our governmental activities increased \$5,290,377.

Fund Level

- Lindon City's governmental funds reported combined ending fund balances this year of \$16,628,751, an increase of \$4,053,236. This change was due to increased tax revenues, federal grant revenue, and unspent funds intended for future capital projects.
- The unassigned fund balance for the general fund ended at \$5,747,108, or 58.5% of total general fund expenditures.

Long-term Debt

- Lindon City's long-term liabilities had a net decrease of \$886,458 (6.2%) 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, 2022

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 of the funds of Lindon City can be divided into two categories: governmental funds and proprietary funds.

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

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

Lindon City maintains 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 of 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, 2022

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 78-92 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 96-120 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 \$110,177,498 as of June 30, 2022.

As indicated in Table A-1, the largest portion of Lindon City's net position (72.6%) 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, 2022

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

	Governmental Activities		Business-Type Activities		Total		% Change
	2021	2022	2021	2022	2021	2022	2021-2022
Current and other assets	\$ 16,389	\$ 19,890	\$ 13,648	\$ 15,333	\$ 30,037	\$ 35,223	17.3%
Capital assets	34,752	36,767	56,556	57,553	91,308	94,320	3.3%
Total Assets	51,141	56,657	70,204	72,886	121,345	129,543	6.8%
Deferred outflows of resources	534	726	618	550	1,152	1,276	10.8%
Long-term debt outstanding	911	900	13,480	12,605	14,391	13,505	-6.2%
Other liabilities	2,168	1,469	793	805	2,961	2,274	-23.2%
Total Liabilities	3,079	2,369	14,273	13,410	17,352	15,779	-9.1%
Deferred inflows of resources	3,328	4,455	238	407	3,567	4,863	36.3%
Net Position							
Net investment in capital assets	34,102	34,585	43,957	45,384	78,059	79,969	2.4%
Restricted	6,413	9,760	2,771	2,540	9,184	12,300	33.9%
Unrestricted	4,754	6,213	9,583	11,695	14,336	17,908	24.9%
Total Net Position	\$ 45,268	\$ 50,558	\$ 56,311	\$ 59,619	\$ 101,579	\$ 110,177	8.5%

An additional portion of Lindon City's net position (11.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$17,908,657 (16.3%) may be used to meet the government's ongoing obligations to citizens and creditors.

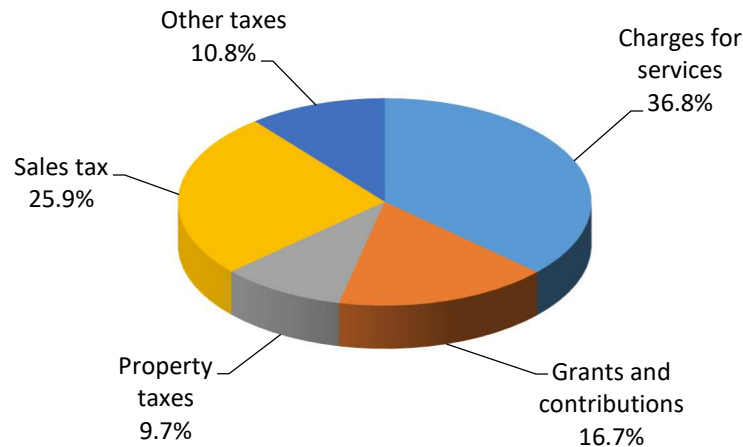
Changes in net position

Lindon City's net position increased 8.5%. 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 35.6% of the City's revenue (see Figure A-1). Grants and contributions amounted to 16.7% of this year's revenue. Another 36.8% comes from fees charged for services, and most of the remaining miscellaneous revenue is made up of impact fees and interest earnings.

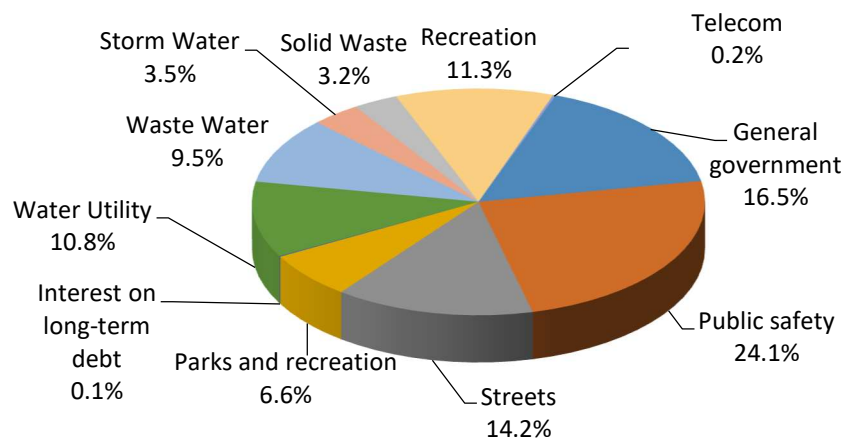
LINDON CITY CORPORATION
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)
June 30, 2022

Figure A-1
Lindon City
Sources of Revenue for Fiscal Year 2022



The City's expenses cover a range of services, with 61.5% from governmental activities and 38.5% from business-type activities. Public safety, a major portion of general government activities, encompassed 24.1% of the City's total expenses. (See Figure A-2.)

Figure A-2
Lindon City
Functional Expenses for Fiscal Year 2022



Governmental Activities

As indicated in Table A-2, the cost of all governmental activities this year was \$11,227,062. Some of the costs were paid by those who directly benefitted from the City's services (\$1,910,452), or other entities and governmental organizations that subsidized certain programs with grants and contributions (\$2,628,893). However, the amount of taxes that were required to subsidize these activities was \$6,687,717, 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, 2022

Property tax revenue increased by 2.1% and sales tax revenue increased by 17.4% compared to the prior year.

Business-type Activities

The cost of all business-type activities this year was \$7,066,685. Net program revenues and expenses plus other revenues totaled \$2,669,566, before transfers.

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

	Governmental Activities		Business-Type Activities		Total		% Change 2021-2022
	2021	2022	2021	2022	2021	2022	
Revenues							
Program revenues							
Charges for services	\$ 2,015	\$ 1,910	\$ 8,071	\$ 7,900	\$ 10,086	\$ 9,810	-2.7%
Grants and contributions	2,591	2,629	3,780	1,830	6,371	4,459	-30.0%
General revenues							
Property taxes	2,528	2,581	-	-	2,528	2,581	2.1%
Sales tax	5,888	6,912	-	-	5,888	6,912	17.4%
Other taxes	2,596	2,877	-	-	2,596	2,877	10.8%
Other revenues	168	247	6	6	174	253	45.4%
Total revenues	15,786	17,156	11,857	9,736	27,643	26,892	-2.7%
Expenses							
General government	2,712	3,012	-	-	2,712	3,012	11.1%
Public safety	4,856	4,401	-	-	4,856	4,401	-9.4%
Streets	90	2,602	-	-	90	2,602	2791.1%
Parks and recreation	926	1,201	-	-	926	1,201	29.7%
Interest on long-term debt	(2)	11	-	-	(2)	11	-650.0%
Water Utility	-	-	1,821	1,967	1,821	1,967	8.0%
Waste Water	-	-	1,675	1,743	1,675	1,743	4.1%
Storm Water	-	-	642	647	642	647	0.8%
Solid Waste	-	-	553	576	553	576	4.2%
Aquatic Center	-	-	1,883	2,084	1,883	2,084	10.7%
Telecommunication	-	-	56	50	56	50	-10.7%
Total expenses	8,582	11,227	6,630	7,067	15,212	18,294	20.3%
Excess (deficiency) before transfers	7,204	5,929	5,227	2,669	12,431	8,598	-30.8%
Transfers	(2,005)	(639)	2,005	639	-	-	n/a
Increase (decrease) in net position	5,199	5,290	7,232	3,308	12,431	8,598	-30.8%
Beginning Net Position	40,069	45,268	49,079	56,311	89,148	101,579	13.9%
Total Net Position	\$ 45,268	\$ 50,558	\$ 56,311	\$ 59,619	\$ 101,579	\$ 110,177	1.4%

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2022

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 \$1,398,468, mainly due to the continued increase in sales tax revenue.
- The Roads Capital Projects Fund's fund balance increased by \$1,287,553, due mostly to transfers in for future project.
- The non-major fund balances increased by \$1,367,215, most of which is due to ARPA grant funds and an increase in impact fee revenue.

Proprietary funds

The changes in major funds were:

- The Water Fund's fund balance increased by \$2,109,309, mostly due net operating income, water shares received and infrastructure improvements contributed by developers.
- The Waste Water's fund balance increased by \$69,827, mostly due to infrastructure improvements and impact fees contributed by developers.
- The Storm Water's fund balance increased by \$453,228, mostly due to net operating income, developer contributions and impact fees contributed by developers.
- The Recreation fund balance increased by \$665,171, due to increased transfers into the fund to subsidize the fund's activities.

General Fund Budgetary Highlights

- The General Fund final amended budgeted revenue was \$1,148,325 more than the original budget. The original budget was conservatively created amidst economic shutdowns due to the COVID-19 pandemic. A few months into the 2022 fiscal year, the economy was bouncing back and sales tax revenue actually exceeded 2021 fiscal year sales tax revenue.
- The General Fund amended budget showed increases in tax revenue \$850,520, licenses and permits \$63,945, intergovernmental \$72,760, miscellaneous \$90,500, charges for services \$96,600, and decreases in fines and forfeitures (\$21,000).
- The General Fund amended budget showed a net increase in transfers out to other funds of \$1,172,891. With the influx of General Fund revenue, the City was able to increase transfers to Road and Capital project funds.
- Additional minor variances between the General Fund's original budget and amended budgets may be seen on page 34.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As indicated in Table A-3, at the end of fiscal year 2022, the City had invested \$92,327,364 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 \$125,171 in the governmental funds and \$481,805 in the business-type funds.
- Road infrastructure was completed in the amount of \$1,366,889.
- Improvements were made to Pheasant Brook Park, Fryer Park, Creekside Park, Panorama Park and Hollow Park, totaling \$286,072 in the 2022 fiscal year.
- A Smart Sprinkler System was installed in various parks with a cost of \$201,992.

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

	Governmental Activities		Business-Type Activities		Total		% Change
	2021	2022	2021	2022	2021	2022	2021-2022
Land	\$ 5,608	\$ 5,586	\$ 1,509	\$ 1,509	\$ 7,117	\$ 7,095	-0.3%
Water Stock	70	70	11,588	12,503	11,658	12,573	7.8%
Buildings	5,096	4,978	8,379	8,561	13,475	13,539	0.5%
Infrastructure	20,052	20,486	136	128	20,188	20,614	2.1%
Water System	-	-	12,987	12,921	12,987	12,921	-0.5%
Sewage System	-	-	10,678	10,351	10,678	10,351	-3.1%
Storm Drain System	-	-	10,277	10,087	10,277	10,087	-1.8%
Net investment in capital assets	2,272	2,631	-	-	2,272	2,631	15.8%
Equipment	283	259	679	1,029	962	1,288	33.9%
Vehicles	861	885	89	60	950	945	-0.5%
Construction in Progress	510	245	233	38	743	283	-61.9%
Total	\$ 34,752	\$ 35,140	\$ 56,555	\$ 57,187	\$ 91,307	\$ 92,327	1.1%

Long-term Debt

As indicated in Table A-4, at the year-end the City had \$13,072,338 in bonds (including unamortized premiums), notes, and capital leases outstanding. Accruals for compensated absences total \$431,866, making total long-term liabilities \$13,504,203. 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.

LINDON CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
June 30, 2022

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

	Governmental Activities		Business-Type Activities		Total		% Change
	2021	2022	2021	2022	2021	2022	2021-2022
Revenue Bonds	\$ -	\$ -	\$ 12,005	\$ 11,289	\$ 12,005	\$ 11,289	-6.0%
		-		-	-	-	n/a
Notes Payable	10	-	1,383	1,229	1,393	1,229	-11.8%
Leases	640	555	-	-	640	555	-13.3%
Compensated absences	261	344	93	87	354	431	21.8%
Total	\$ 911	\$ 899	\$ 13,481	\$ 12,605	\$ 14,392	\$ 13,504	-6.2%

Lindon City's total long-term liabilities had a net decrease of \$886,457 (6.2%) during the current fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- For June 2022, the unemployment rate for Utah County was 2.3%, which is slightly higher than the state average of 2.0%, and significantly lower than the national average of 3.6%.
- A 8.7% average annual increase in the Consumer Price Index from March 2021 to March 2022, provided by the U.S. Bureau of Labor Statistics for the West region, was considered in preparing the 2022-2023 budget.

These indicators were taken into account when adopting the budget for fiscal year 2023. Sales and property tax revenues are still expected to increase due to increasing consumer confidence and new growth that continues to come to Lindon. The increased tax revenues will be used for capital projects.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

(This page is intentionally left blank.)

BASIC FINANCIAL STATEMENTS

LINDON CITY CORPORATION
STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 9,200,097	\$ 11,696,980	\$ 20,897,077
Receivables:			
Accounts, net	-	731,982	731,982
Taxes	2,230,126	-	2,230,126
Intergovernmental	1,254,164	-	1,254,164
Other	314,269	-	314,269
Prepaid assets	83,776	6,560	90,336
Internal balances	(129,581)	129,581	-
Note receivable	-	228,102	228,102
Restricted assets:			
Cash and cash equivalents	6,937,021	2,539,717	9,476,738
Accounts receivable	419,753	-	419,753
Reserve deposit	-	41,029	41,029
Net pension asset	1,207,748	323,978	1,531,726
Capital assets not being depreciated:			
Land and collectibles	5,585,314	1,509,243	7,094,557
Water stock and rights	69,550	12,503,672	12,573,222
Construction in progress	245,122	37,834	282,956
Capital assets, net of accumulated depreciation:			
Buildings	4,977,720	8,561,527	13,539,247
Infrastructure	20,486,649	127,610	20,614,259
Water distribution system	-	12,921,028	12,921,028
Waste water collection system	-	10,351,107	10,351,107
Storm water drainage system	-	10,086,601	10,086,601
Improvements other than buildings	2,631,418	-	2,631,418
Machinery and equipment	259,415	1,028,128	1,287,543
Vehicles	884,653	60,773	945,426
Total Assets	56,657,214	72,885,452	129,542,666
Deferred Outflows of Resources			
Deferred outflows relating to pensions	725,844	64,721	790,565
Deferred charge on bond refunding	-	485,571	485,571
Total Assets and Deferred Outflows of Resources	<u>\$ 57,383,058</u>	<u>\$ 73,435,744</u>	<u>\$ 130,818,802</u>

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

LINDON CITY CORPORATION
STATEMENT OF NET POSITION (Continued)
June 30, 2022

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	\$ 226,890	\$ 497,939	\$ 724,829
Accrued liabilities	203,074	143,688	346,762
Accrued interest payable	4,187	141,913	146,100
Developer and customer deposits	1,035,646	21,600	1,057,246
Noncurrent liabilities			
Due within one year	775,798	724,577	1,500,375
Due in more than one year	123,880	11,879,948	12,003,828
Total Liabilities	<u>2,369,475</u>	<u>13,409,665</u>	<u>15,779,140</u>
Deferred Inflows of Resources:			
Deferred inflows for property taxes	2,215,264	-	2,215,264
Deferred inflows relating to pensions	2,240,050	406,850	2,646,900
Total Deferred Inflows of Resources	<u>4,455,314</u>	<u>406,850</u>	<u>4,862,164</u>
Net Position:			
Net investment in capital assets	34,584,562	45,384,139	79,968,701
Restricted for:			
Impact fees/expansion of systems	5,890,044	1,504,774	7,394,818
P.A.R.C. taxes	1,080,046	-	1,080,046
Debt service	-	1,034,943	1,034,943
Future development	2,790,333	-	2,790,333
Unrestricted	6,213,284	11,695,373	17,908,657
Total Net Position	<u>50,558,269</u>	<u>59,619,229</u>	<u>110,177,498</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 57,383,058</u>	<u>\$ 73,435,744</u>	<u>\$ 130,818,802</u>

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

(This page intentionally left blank.)

LINDON CITY CORPORATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

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	\$ 3,011,951	\$ 1,793,246	\$ 207,729	\$ -	\$ (1,010,976)	\$ -	\$ (1,010,976.00)
Public safety	4,401,197	-	771,216	51,592	(3,578,389)	-	(3,578,389)
Highway and public improvements	2,602,410	-	645,030	527,326	(1,430,054)	-	(1,430,054)
Parks and recreation	1,200,555	117,206	-	426,000	(657,349)	-	(657,349)
Interest and issuance costs on long-term debt	10,949	-	-	-	(10,949)	-	(10,949)
Total Governmental Activities	11,227,062	1,910,452	1,623,975	1,004,918	(6,687,717)	-	(6,687,717)
Business-type Activities:							
Water utility	1,966,895	3,264,175	-	1,321,464	-	2,618,744	2,618,744
Waste water	1,743,331	1,852,617	-	225,237	-	334,523	334,523
Storm water	646,641	1,219,271	-	241,914	-	814,544	814,544
Solid waste	576,018	609,349	-	-	-	33,331	33,331
Recreation	2,084,218	911,301	41,128	-	-	(1,131,789)	(1,131,789)
Telecommunications	49,582	43,399	-	-	-	(6,183)	(6,183)
Total Business-type Activities	7,066,685	7,900,112	41,128	1,788,615	-	2,663,170	2,663,170
Total Government	\$ 18,293,747	\$ 9,810,564	\$ 1,665,103	\$ 2,793,533	(6,687,717)	2,663,170	(4,024,547)
General Revenues:							
Property taxes					2,581,469	-	2,581,469
Sales taxes					6,912,012	-	6,912,012
Franchise taxes					1,882,852	-	1,882,852
Other taxes					994,379	-	994,379
Unrestricted investment earnings					123,341	6,396	129,737
Gain on disposition of capital assets					84,301	-	84,301
Other revenues					38,877	-	38,877
Transfers					(639,137)	639,137	-
Total General Revenues and Transfers					11,978,094	645,533	12,623,627
Changes in Net Position					5,290,377	3,308,703	8,599,080
Net Position, Beginning					45,267,892	56,310,526	101,578,418
Net Position, Ending					\$ 50,558,269	\$ 59,619,229	\$ 110,177,498

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

LINDON CITY CORPORATION
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2022

	General	Capital Projects Roads	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 5,535,476	\$ 885,701	\$ 2,778,920	\$ 9,200,097
Receivables:				
Accounts, net	129,066	-	-	129,066
Property tax	2,230,126	-	-	2,230,126
Sales tax	1,254,150	-	14	1,254,164
Franchise tax	185,203	-	-	185,203
Prepaid assets	3,500	-	80,276	83,776
Due from other funds	84,230	-	22,500	106,730
Restricted:				
Cash and cash equivalents	1,490	3,415,581	3,519,950	6,937,021
Account receivable	-	237,629	182,124	419,753
Total Assets	<u>\$ 9,423,241</u>	<u>\$ 4,538,911</u>	<u>\$ 6,583,784</u>	<u>\$ 20,545,936</u>
Liabilities				
Cash overdraft				
Accounts payable	\$ 201,149	\$ 5,610	\$ 20,131	\$ 226,890
Accrued liabilities	203,074	-	-	203,074
Developer and customer deposits	1,035,646	-	-	1,035,646
Due to other funds	17,500	-	218,811	236,311
Total Liabilities	<u>1,457,369</u>	<u>5,610</u>	<u>238,942</u>	<u>1,701,921</u>
Deferred Inflows of Resources				
Unavailable revenue - property taxes	2,215,264	-	-	2,215,264
Total Deferred Inflows of Resources	<u>2,215,264</u>	<u>-</u>	<u>-</u>	<u>2,215,264</u>
Fund Balances:				
Nonspendable:				
Prepaid items	3,500	-	-	3,500
Restricted for:				
Impact fees/expansion of systems	-	3,415,581	2,474,463	5,890,044
P.A.R.C. taxes	-	-	1,080,046	1,080,046
Assigned for:				
Redevelopment agency functions	-	-	1,182,481	1,182,481
Capital projects	-	-	1,607,852	1,607,852
Unassigned:				
Capital projects	5,747,108	1,117,720	-	6,864,828
Total Fund Balances	<u>5,750,608</u>	<u>4,533,301</u>	<u>6,344,842</u>	<u>16,628,751</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,423,241</u>	<u>\$ 4,538,911</u>	<u>\$ 6,583,784</u>	<u>\$ 20,545,936</u>

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, 2022

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

Total Fund Balance - Governmental Funds	\$ 16,628,751
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,139,841
Interest expense is not due and payable in the current period and, therefore, is not recorded in the funds.	(4,187)
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.	(306,458)
Long-term liabilities, including bonds, capital leases, notes, termination benefits, workers' compensation, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.	(899,678)
Deferred charges for long term debt are not financial resources and, therefore, are not reported in the funds.	
Total Net Position - Governmental Activities	<u><u>\$ 50,558,269</u></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, 2022

	General	Capital Projects Roads	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 11,303,776	\$ -	\$ 1,069,527	\$ 12,373,303
Licenses and permits	668,197	-	-	668,197
Intergovernmental	114,370	1,172,356	739,404	2,026,130
Charges for services	314,056	-	-	314,056
Fines and forfeitures	478,149	-	-	478,149
Impact fees	51,592	-	426,000	477,592
Interest	86,017	14,878	24,340	125,235
Miscellaneous	445,565	38,877	-	484,442
Total Revenues	13,461,722	1,226,111	2,259,271	16,947,104
Expenditures:				
Current:				
General government	2,676,271	-	496,527	3,172,798
Public safety	4,486,430	-	1,000	4,487,430
Highways and public improvements	1,539,910	83,489	-	1,623,399
Parks and recreation	1,023,167	-	433,801	1,456,968
Debt service:				
Principal	84,669	-	10,000	94,669
Interest	11,588	-	-	11,588
Capital outlay	-	1,355,069	159,572	1,514,641
Total Expenditures	9,822,035	1,438,558	1,100,900	12,361,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,639,687	(212,447)	1,158,371	4,585,611
Other Financing Sources (Uses):				
Sale of capital assets	106,762	-	-	106,762
Transfers in	1,186,056	1,500,000	992,212	3,678,268
Transfers out	(3,534,037)	-	(783,368)	(4,317,405)
Total Other Financing Sources (Uses)	(2,241,219)	1,500,000	208,844	(532,375)
Net Change in Fund Balances	1,398,468	1,287,553	1,367,215	4,053,236
Fund Balances, Beginning	4,352,140	3,245,748	4,977,627	12,575,515
Fund Balances, Ending	\$ 5,750,608	\$ 4,533,301	\$ 6,344,842	\$ 16,628,751

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, 2022

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

Net Change in Fund Balances - Total Governmental Funds	\$ 4,053,236
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.	(2,151,935)
Governmental funds report current capital outlays as expenditures. However, these expenditures are reported as capital assets in the Statement of Net Position.	2,562,587
The Statement of Activities reports the gain or loss on the disposal of capital assets, while the governmental funds report the proceeds from the disposal of capital assets.	(22,461)
In the Statement of Activities, interest is accrued on noncurrent liabilities, whereas in governmental funds, interest expense is reported when due.	639
Repayment of noncurrent liabilities' principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	94,669
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.	753,642
Change in Net Position - Governmental Activities	<u><u>\$ 5,290,377</u></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, 2022

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 9,810,680	\$ 10,661,200	\$ 11,303,776	\$ 642,576
Licenses and permits	571,805	635,750	668,197	32,447
Intergovernmental	45,265	118,025	114,370	(3,655)
Charges for services	204,100	295,700	314,056	18,356
Fines and forfeitures	495,000	474,000	478,149	4,149
Impact fees	53,000	53,000	51,592	(1,408)
Interest	65,000	65,000	86,017	21,017
Miscellaneous	278,250	368,750	445,565	76,815
Total Revenues	11,523,100	12,671,425	13,461,722	790,297
Expenditures:				
Current:				
General government:				
Mayor and council	126,000	127,355	126,219	1,136
Judicial	569,495	573,425	525,439	47,986
Administrative	1,151,140	1,287,260	1,249,023	38,237
Elections	20,000	14,500	14,397	103
Buildings	389,380	346,590	329,264	17,326
Planning and zoning	511,900	478,220	418,518	59,702
Grants and contributions	16,000	16,300	13,411	2,889
Public Safety:				
Law enforcement	2,559,570	2,837,535	2,560,629	276,906
Fire protection	1,572,505	1,572,505	1,572,449	56
Protective inspections	393,250	347,675	332,244	15,431
Animal controls	24,900	21,730	21,108	622
Highways and public improvements				
Streets	627,635	629,080	472,249	156,831
Public works administration	1,039,955	1,166,000	1,067,661	98,339
Parks and recreation				
Parks	942,650	1,107,540	970,979	136,561
Cemetery	61,500	48,300	34,600	13,700
Recreation and culture	15,000	20,000	17,588	2,412
Debt service:				
Principal	84,670	84,670	84,669	1
Total Expenditures	10,117,135	10,690,270	9,822,035	868,235
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,405,965	1,981,155	3,639,687	1,658,532
Other Financing Sources (Uses):				
Transfers in	(1,327,761)	(1,259,808)	1,186,056	2,445,864
Transfers out	(2,293,196)	(3,534,040)	(3,534,037)	3
Sale of capital assets	57,000	77,125	106,762	29,637
Total Other Financing Sources (Uses)	(3,563,957)	(4,716,723)	(2,241,219)	2,475,504
Net Change in Fund Balances	(2,157,992)	(2,735,568)	1,398,468	4,134,036
Fund Balances, Beginning	4,352,140	4,352,140	4,352,140	-
Fund Balances, Ending	\$ 2,194,148	\$ 1,616,572	\$ 5,750,608	\$ 4,134,036

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, 2022

	Business-type Activities - Enterprise Funds					
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	Total
Assets and Deferred Outflows of Resources						
Current Assets:						
Cash and cash equivalents	\$ 5,909,400	\$ 2,096,536	\$ 2,190,807	\$ 1,463,723	\$ 36,514	\$ 11,696,980
Accounts receivable, net	340,327	181,163	115,868	37,979	56,645	731,982
Prepaid assets	-	-	-	6,560	-	6,560
Due from other funds	-	-	-	129,581	-	129,581
Restricted cash and cash equivalents	1,504,774	459,642	-	575,301	-	2,539,717
Total Current Assets	7,754,501	2,737,341	2,306,675	2,213,144	93,159	15,104,820
Noncurrent Assets:						
Notes receivable	-	-	-	-	228,102	228,102
Reserve deposit	-	41,029	-	-	-	41,029
Net pension asset	115,689	56,763	69,744	81,782	-	323,978
Capital assets, net of accumulated depreciation:						
Land	428,610	107,392	823,241	150,000	-	1,509,243
Water stock and rights	12,503,672	-	-	-	-	12,503,672
Construction in Process	3,891	33,943	-	-	-	37,834
Buildings	-	-	-	8,561,527	-	8,561,527
Telecom Infrastructure	-	-	-	-	127,610	127,610
Water distribution system	12,921,028	-	-	-	-	12,921,028
Waste water collection system	-	10,351,107	-	-	-	10,351,107
Storm water drainage system	-	-	10,086,601	-	-	10,086,601
Machinery and equipment	512,706	277,575	-	237,847	-	1,028,128
Vehicles	16,645	10,039	-	34,089	-	60,773
Capital assets, net	26,386,552	10,780,056	10,909,842	8,983,463	127,610	57,187,523
Total Noncurrent Assets	26,502,241	10,877,848	10,979,586	9,065,245	355,712	57,780,632
Deferred Outflows of Resources						
Deferred outflows relating to pensions	24,877	(1,587)	14,646	26,785	-	64,721
Deferred charge on bond refunding	-	-	-	485,571	-	485,571
Total Assets and Deferred Outflows of Resources	\$ 34,281,619	\$ 13,613,602	\$ 13,300,907	\$ 11,790,745	\$ 448,871	\$ 73,435,744

LINDON CITY CORPORATION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2022

	Business-type Activities - Enterprise Funds					
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	Total
Liabilities and Deferred Inflows of Resources						
Current Liabilities:						
Accounts payable	\$ 136,169	\$ 188,027	\$ 3,172	\$ 119,979	\$ 50,592	\$ 497,939
Accrued liabilities	14,134	6,203	8,764	114,587	-	143,688
Accrued interest payable	32,482	2,112	-	107,319	-	141,913
Developer and customer deposits	21,600	-	-	-	-	21,600
Compensated absences	13,869	3,294	19,437	8,129	-	44,729
Current portion of long-term debt	62,435	187,778	-	405,000	24,635	679,848
Total Current Liabilities	280,689	387,414	31,373	755,014	75,227	1,529,717
Noncurrent Liability:						
Compensated absences, net	15,762	-	22,852	4,125	-	42,739
Long-term debt, net of current portion	2,357,095	3,233,710	-	6,042,937	203,467	11,837,209
Total Noncurrent Liability	2,372,857	3,233,710	22,852	6,047,062	203,467	11,879,948
Deferred Inflows of Resources:						
Deferred inflows relating to pensions	145,281	71,283	87,585	102,701	-	406,850
Total Liabilities and Deferred Inflows of Resources	2,798,827	3,692,407	141,810	6,904,777	278,694	13,816,515
Net Position:						
Net investment in capital assets	23,967,022	7,358,568	10,909,842	3,021,097	127,610	45,384,139
Restricted for:						
Impact fees/expansion of systems	1,504,774	-	-	-	-	1,504,774
Debt service reserves	-	459,642	-	575,301	-	1,034,943
Unrestricted	6,010,996	2,102,985	2,249,255	1,289,570	42,567	11,695,373
Total Net Position	31,482,792	9,921,195	13,159,097	4,885,968	170,177	59,619,229
Total Liabilities and Net Position	\$ 34,281,619	\$ 13,613,602	\$ 13,300,907	\$ 11,790,745	\$ 448,871	\$ 73,435,744

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, 2022

	Business-type Activities - Enterprise Funds					
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	Total
Operating Revenues:						
Service fees	\$ 2,942,073	\$ 1,836,745	\$ 1,219,271	\$ 911,301	\$ 652,748	\$ 7,562,138
Other fees	42,402	15,872	-	-	-	58,274
Miscellaneous	279,700	-	-	-	-	279,700
Total Operating Revenues	3,264,175	1,852,617	1,219,271	911,301	652,748	7,900,112
Operating Expenses:						
Salaries and wages	249,937	130,848	146,659	700,256	-	1,227,700
Employee benefits	87,485	45,614	34,292	80,144	-	247,535
Materials, supplies and services	1,028,304	868,206	123,128	646,004	617,447	3,283,089
Depreciation	522,045	630,399	342,562	412,930	8,153	1,916,089
Total Operating Expenses	1,887,771	1,675,067	646,641	1,839,334	625,600	6,674,413
Operating Income (Loss)	\$ 1,376,404	\$ 177,550	\$ 572,630	\$ (928,033)	\$ 27,148	\$ 1,225,699

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, 2022

	Business-type Activities - Enterprise Funds					
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	Total
Nonoperating Income (Expense):						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 41,128	\$ -	\$ 41,128
Interest income	4,041	2,220	-	135	-	6,396
Interest expense	(79,124)	(68,264)	-	(244,884)	-	(392,272)
Total Nonoperating Income (Expense)	(75,083)	(66,044)	-	(203,621)	-	(344,748)
Income (Loss) Before Transfers and Capital Contributions	1,301,321	111,506	572,630	(1,131,654)	27,148	880,951
Capital contributions	1,145,216	110,120	141,860	-	-	1,397,196
Impact fee contributions	176,248	115,117	100,054	-	-	391,419
Transfers in	-	-	-	1,796,825	-	1,796,825
Transfers out	(513,476)	(266,916)	(361,316)	-	(15,980)	(1,157,688)
Changes in Net Position	2,109,309	69,827	453,228	665,171	11,168	3,308,703
Net Position, Beginning	29,373,483	9,851,368	12,705,869	4,220,797	159,009	56,310,526
Net Position, Ending	\$ 31,482,792	\$ 9,921,195	\$ 13,159,097	\$ 4,885,968	\$ 170,177	\$ 59,619,229

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, 2022

	Business-type Activities - Enterprise Funds					
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	Total
Cash Flows From Operating Activities:						
Receipts from customers and users	\$ 3,354,960	\$ 1,877,261	\$ 1,218,897	\$ 873,656	\$ 652,054	\$ 7,976,828
Payments to suppliers	(1,052,938)	(820,249)	(140,930)	(605,392)	(611,744)	(3,231,253)
Payments to employees and related benefits	(339,641)	(184,433)	(174,080)	(780,167)	-	(1,478,321)
Deposits received (refunded)	2,894	-	-	-	-	2,894
Net cash from operating activities	1,965,275	872,579	903,887	(511,903)	40,310	3,270,148
Cash Flows From Capital and Related Financing Activities:						
Purchase of property and equipment	(654,369)	(153,175)	(9,965)	(332,887)	-	(1,150,396)
Receipt of impact fees	176,248	115,117	100,054	-	-	391,419
Principal paid on bonds and capital lease	(62,435)	(335,778)	-	(395,000)	-	(793,213)
Interest paid on bonds and capital lease	(79,969)	(68,442)	-	(241,825)	-	(390,236)
Payment of debt reserve to other government	-	(10,897)	-	-	-	(10,897)
Payment of R&R reserve to other government	-	(4,103)	-	-	-	(4,103)
Net cash from capital and related financing activities	(620,525)	(457,278)	90,089	(969,712)	-	(1,957,426)
Cash Flows From Non-Capital Financing Activities:						
Cash subsidy from federal grants	-	-	-	41,128	-	41,128
Payments on long-term pension obligation	(58,068)	(28,491)	(35,008)	(41,049)	-	(162,616)
Payments from (to) other funds on loans	3,114	-	-	(129,581)	-	(126,467)
Payments received on notes from residents	-	-	-	-	32,668	32,668
Principal paid on notes for residential connections	-	-	-	-	(32,668)	(32,668)
Transfers from (to) other funds	(513,476)	(266,916)	(361,316)	1,796,825	(15,980)	639,137
Net cash from non-capital financing activities	\$ (568,430)	\$ (295,407)	\$ (396,324)	\$ 1,667,323	\$ (15,980)	\$ 391,182

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, 2022

	Business-type Activities - Enterprise Funds					
	Water	Waste Water	Storm Water	Recreation	Non-major Funds	Total
Cash Flows From Investing Activity:						
Interest on investments	\$ 4,041	\$ 2,220	\$ -	\$ 135	\$ -	\$ 6,396
Net cash from investing activity	<u>4,041</u>	<u>2,220</u>	<u>-</u>	<u>135</u>	<u>-</u>	<u>6,396</u>
Net Increase (Decrease) In Cash	780,361	122,114	597,652	185,843	24,330	1,710,300
Cash and Cash Equivalents At Beginning of Year	<u>6,633,813</u>	<u>2,434,064</u>	<u>1,593,155</u>	<u>1,853,181</u>	<u>12,184</u>	<u>12,526,397</u>
Cash and Cash Equivalents at End 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>
 Reconciliation of operating income (loss) to net cash flows from operating activities:						
Operating income (loss)	\$ 1,376,404	\$ 177,550	\$ 572,630	\$ (928,033)	\$ 27,148	\$ 1,225,699
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation expense	522,045	630,399	342,562	412,930	8,153	1,916,089
(Increase) Decrease in accounts receivables	90,785	24,644	(374)	(36,900)	(694)	77,461
(Increase) Decrease in prepaid assets	-	-	-	4,730	-	4,730
Increase (Decrease) in accounts payable	12,104	47,957	(17,802)	35,882	5,703	83,844
Increase (Decrease) in payable from restricted	(36,738)	-	-	-	-	(36,738)
Increase (Decrease) in accrued liabilities	361	(3,944)	1,516	4,030	-	1,963
Increase (Decrease) in compensated absences	(2,580)	(4,027)	5,355	(3,797)	-	(5,049)
Increase (Decrease) in deferred revenue	-	-	-	(745)	-	(745)
Increase (Decrease) in deposits	2,894	-	-	-	-	2,894
Net cash from operating activities	<u>\$ 1,965,275</u>	<u>\$ 872,579</u>	<u>\$ 903,887</u>	<u>\$ (511,903)</u>	<u>\$ 40,310</u>	<u>\$ 3,270,148</u>
Noncash investing, capital, and financing activities:						

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, 2022.

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

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

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

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

The 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, 2022, 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, 2022 for all funds is approximately \$4,800 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 position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred charges on bond refundings and deferred outflows of resources relating to pensions. In addition, the statement of net position reports a separate section from liabilities for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows of resources relating to pensions and for property taxes received in future periods.

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, 2022 were \$1,432,758. Of these, \$932,758 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, 2022 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, 2022, the City had the following deposits and investments:

	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Rating (1)</u>	<u>Average Years to Maturity (2)</u>
Cash on Deposit	\$ 1,206,850	\$ 1,141,324	N/A	N/A
Cash on Hand	<u>2,750</u>	<u>2,750</u>		
Total cash on hand and deposit	<u>\$ 1,209,600</u>	<u>\$ 1,144,074</u>		
Investments (3):				
Utah State Treasurer's Investment Pool	<u>\$ 29,108,981</u>	<u>\$ 29,229,741</u>	N/A	66.70
Total investments	<u>\$ 29,108,981</u>	<u>\$ 29,229,741</u>		
Total cash and cash equivalents	<u>\$ 30,318,581</u>	<u>\$ 30,373,815</u>		

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

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

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

NOTE 4 – NOTES RECEIVABLE

Notes receivable consist of many individual notes with residents who have financed installation of fiber optic lines to their home from Utah Infrastructure Agency (UIA). Notes between the residents and the City were signed simultaneously with notes between the City and UIA. The notes receivable from the residents and the notes payable to UIA were both \$228,102 at June 30, 2022.

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, 2022, due to and due from other funds were as follows:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activities		
General Fund	\$ 84,230	\$ 17,500
Non major governmental funds	22,500	218,811
Business-type Activities		
Recreation	<u>129,581</u>	<u>-</u>
	<u>\$ 236,311</u>	<u>\$ 236,311</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

The City's interfund transfers for the year ended June 30, 2022, were:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Activities		
General Fund	\$ 1,186,056	\$ 3,534,037
Redevelopment Agency	-	268,368
Capital Projects Road	1,500,000	-
Non major governmental funds	992,212	515,000
Business-type Activities		
Water	-	513,476
Waste Water	-	266,916
Storm Water	-	361,316
Recreation	1,796,825	-
Non major business-type funds	-	15,980
	<u>\$ 5,475,093</u>	<u>\$ 5,475,093</u>

The City's interfund transfers are the result of transfers to the various funds to meet debt service obligations and fund capital acquisitions.

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, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Capital assets, not being depreciated:				
Land and collectibles	\$ 5,607,775	\$ -	\$ (22,461)	\$ 5,585,314
Water stock and rights	69,550	-	-	69,550
Construction in progress	510,363	245,121	(510,362)	245,122
Total capital assets, not being depreciated	6,187,688	245,121	(532,823)	5,899,986
Capital assets, being depreciated:				
Buildings	6,910,756	74,890	-	6,985,646
Infrastructure	42,887,232	1,823,821	(12,048)	44,699,005
Improvements other than buildings	5,598,543	624,830	(5,280)	6,218,093
Machinery and equipment	2,204,170	52,865	(1,186,248)	1,070,787
Vehicles	1,483,899	251,423	(235,325)	1,499,997
Total capital assets, being depreciated	59,084,600	2,827,829	(1,438,901)	60,473,528
Less accumulated depreciation for:				
Buildings	(1,814,831)	(193,095)	-	(2,007,926)
Infrastructure	(22,835,179)	(1,389,225)	12,048	(24,212,356)
Improvements other than buildings	(3,326,573)	(265,382)	5,280	(3,586,675)
Machinery and equipment	(1,920,824)	(76,796)	1,186,248	(811,372)
Vehicles	(623,235)	(227,434)	235,325	(615,344)
Total accumulated depreciation	(30,520,642)	(2,151,932)	1,438,901	(31,233,673)
Total capital assets being depreciated, net	28,563,958	675,897	-	29,239,855
Governmental Activities capital assets, net	\$ 34,751,646	\$ 921,018	\$ (532,823)	\$ 35,139,841

Depreciation expense was charged to functions/programs for the year ended June 30, 2022, is as follows:

Governmental Activities:	
General government	\$ 122,058
Public safety	269,785
Highways and public improvements	1,452,400
Parks and recreation	307,689
Total depreciation expense - governmental activities	\$ 2,151,932

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 – CAPITAL ASSETS (Continued)

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,509,243	\$ -	\$ -	\$ 1,509,243
Water Stock	11,588,282	915,390		12,503,672
Construction in progress	233,204	36,733	(232,103)	37,834
	<u>13,330,729</u>	<u>952,123</u>	<u>(232,103)</u>	<u>14,050,749</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	11,717,858	535,181	-	12,253,039
Telecom Infrastructure	170,711	-	-	170,711
Water system	21,135,784	420,865	(69,600)	21,487,049
Waste water system	17,346,509	229,352	(13,331)	17,562,530
Storm water system	14,737,359	151,825	-	14,889,184
Equipment	2,086,155	490,350	(748,183)	1,828,322
Vehicles	465,731	-	(192,707)	273,024
	<u>67,660,107</u>	<u>1,827,573</u>	<u>(1,023,821)</u>	<u>68,463,859</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(3,339,150)	(352,362)	-	(3,691,512)
Telecom Infrastructure	(34,948)	(8,153)		(43,101)
Water system	(8,148,658)	(486,963)	69,600	(8,566,021)
Waste water system	(6,668,999)	(555,755)	13,331	(7,211,423)
Storm water system	(4,460,021)	(342,562)		(4,802,583)
Equipment	(1,406,694)	(141,683)	748,183	(800,194)
Vehicles	(376,347)	(28,611)	192,707	(212,251)
	<u>(24,434,817)</u>	<u>(1,916,089)</u>	<u>1,023,821</u>	<u>(25,327,085)</u>
Total accumulated depreciation				
Total capital assets being depreciated, net	<u>43,225,290</u>	<u>(88,516)</u>	<u>-</u>	<u>43,136,774</u>
Business-type Activities capital assets, net	<u>\$ 56,556,019</u>	<u>\$ 863,607</u>	<u>\$ (232,103)</u>	<u>\$ 57,187,523</u>

Depreciation expense was charged to functions/programs for the year ended June 30, 2022, is as follows:

Business-type Activities	
Water	\$ 522,045
Waste water	630,399
Storm water	342,562
Recreation	412,930
Telecommunications	8,153
	<u>1,916,089</u>
Total depreciation expense - business-type activities	<u>\$ 1,916,089</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 \$2,215,264 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, 2022:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Notes payable and capital leases:					
Notes payable	10,000		(10,000)	-	-
Capital leases	639,948	-	(84,669)	555,279	555,279
Total notes payable and capital leases	649,948	-	(94,669)	555,279	555,279
Other liabilities:					
Compensated absences	260,644	236,485	(152,730)	344,399	220,519
Total other liabilities	260,644	236,485	(152,730)	344,399	220,519
Total Governmental activities long-term liabilities	910,592	236,485	(247,399)	899,678	775,798
Business-type Activities:					
Bonds payable:					
Revenue bonds:					
Public offering	6,455,000	-	(395,000)	6,060,000	405,000
Plus: unamortized premiums	421,671	-	(33,734)	387,937	-
Direct placement	5,127,965	-	(287,435)	4,840,530	139,435
Total bonds payable	12,004,636	-	(716,169)	11,288,467	544,435
Notes payable:					
Notes payable	1,382,917	-	(154,325)	1,228,592	135,413
Total notes payable	1,382,917	-	(154,325)	1,228,592	135,413
Other liabilities:					
Compensated absences	92,516	35,810	(40,859)	87,467	44,728
Total other liabilities	92,516	35,810	(40,859)	87,467	44,728
Total Business-type activities long-term liabilities	13,480,069	35,810	(911,353)	12,604,525	724,577
Total long-term Liabilities	\$ 14,390,661	\$ 272,295	\$ (1,158,752)	\$ 13,504,203	\$ 1,500,375

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Long-term debt at June 30, 2022 consists of the following:

GOVERNMENTAL ACTIVITIES

Revenue Bonds

Notes Payable

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

\$ -

Total Notes Payable - Governmental Activities

\$ -

Capital 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.

\$ 555,279

Total Capital Leases - Governmental Activities

\$ 555,279

Compensated absences

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

\$ 344,399

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

\$ 6,060,000

Total Revenue Bonds - Public Offering

\$ 6,060,000

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.

\$ 2,419,530

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.

1,535,000

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

886,000

Total Revenue Bonds - Direct Placement

4,840,530

Total Revenue Bonds - Business-type Activities

\$ 10,900,530

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.

\$ 1,000,490

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.

228,102

Total Notes Payable - Business-type Activities

\$ 1,228,592

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
2023	\$ 405,000	\$ 228,075
2024	420,000	215,700
2025	435,000	200,700
2026	455,000	182,900
2027	470,000	164,400
2028-2032	2,650,000	518,800
2033-2034	1,225,000	49,500
	6,060,000	\$ 991,775
Plus: unamortized premium	387,937	
Total revenues bonds	\$ 6,447,937	

Year Ending June 30,	Business-type Activities	
	Revenue Bonds - Direct Placement	
	Principal	Interest
2023	\$ 141,447	\$ 110,455
2024	299,523	142,709
2025	307,667	132,543
2026	316,879	122,063
2027	325,163	113,298
2028-2032	1,674,730	423,440
2033-2037	573,928	241,551
2038-2042	553,016	169,688
2043-2047	648,177	84,213
	4,840,530	\$ 1,539,960
Plus: unamortized premium	-	
Total revenues bonds	\$ 4,840,530	

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
2023	\$ 133,361	\$ 17,736
2024	133,089	16,186
2025	132,677	14,348
2026	132,636	12,679
2027	132,198	11,017
2028-2032	571,529	28,550
2033-2037	12,014	2,213
2038	490	85
	<u>\$ 1,247,994</u>	<u>\$ 102,814</u>

Capital lease

During the year the City entered into a capital lease to finance the use of 15 police vehicles. The future lease payments are as follows:

Year Ending June 30,	Governmental Activities Capital Leases
2023	\$ 565,330
Total minimum lease payments	565,330
Less: amount representing interest	<u>(10,051)</u>
Present value of net minimum lease payments	<u>\$ 555,279</u>

Assets acquired by capital lease for the year ended June 30, 2022, are as follows:

<u>Assets</u>	Governmental Activities
Vehicles	\$ 736,200
Less: accumulated depreciation	<u>(214,739)</u>
Total	<u>\$ 521,461</u>

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

Pledges of future revenues

The City has pledged various revenues as part of debts issued by the City. Information concerning the pledge revenues, by type, is shown below for the year ended June 30, 2022:

	Sales Taxes	Water Revenues	Sewer Revenues
Principal	6,060,000	2,419,530	2,421,000
Interest	1,560,075	1,140,712	342,930
Total future revenues pledged over the life of the debts	\$ 7,620,075	\$ 3,560,242	\$ 2,763,930
Revenues for the year ended June 30, 2022	\$ 6,912,012	\$ 3,264,175	\$ 1,852,617
Principal	395,000	62,435	227,000
Interest	240,075	79,969	67,465
Payments on debt from pledged revenues for the year ended June 30, 2021	\$ 635,075	\$ 142,404	\$ 294,465
Percent of current year revenues to total pledged revenues	91%	92%	67%

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

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% 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, 2022, 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	16.07%	0.62%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	2.27	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	6.69%	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.

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 351,053	N/A
Public Safety System	216,855	\$ -
Tier 2 Public Employees System	132,698	-
Tier 2 Public Safety and Firefighter	77,109	-
Total Contributions	<u>\$ 777,715</u>	<u>\$ -</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, 2022 we reported a net pension asset of \$1,531,725 and a net pension liability of 0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	\$ 1,176,426	\$ -	0.2054137%	0.2036039%	0.0018098%
Public Safety System	332,859	-	0.4098531%	0.4878757%	-0.0780226%
Tier 2 Public Employees System	16,666	-	0.0393784%	0.0393039%	0.0000745%
Tier 2 Public Safety and Firefighter	5,774	-	0.1142467%	0.1077048%	0.0065419%
Total Net Pension Asset/Liability	<u>\$ 1,531,725</u>	<u>\$ -</u>			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 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, 2022, we recognized pension expense of \$(220,016).

At June 30, 2022 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	\$ 164,593	\$ 3,096
Changes in assumptions	190,789	12,240
Net difference between projected and actual earnings on pension plan investments	-	2,542,437
Changes in proportion and differences between contributions and proportionate share of contributions	27,414	89,127
Contributions subsequent to the measurement date	407,769	-
Total	<u>\$ 790,565</u>	<u>\$ 2,646,900</u>

\$407,769 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, 2021.

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>
2022	\$ (483,373)
2023	(772,360)
2024	(615,948)
2025	(418,867)
2026	4,069
Thereafter	22,375

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

For the year ended June 30, 2022, we recognized pension expense of (\$173,136).

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 123,218	\$ -
Changes in assumptions	110,412	7,594
Net difference between projected and actual earnings on pension plan investments	-	1,583,900
Changes in proportion and differences between contributions and proportionate share of contributions	14,564	4,170
Contributions subsequent to the measurement date	181,831	-
Total	<u>\$ 430,025</u>	<u>\$ 1,595,664</u>

\$181,831 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, 2021.

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>
2022	\$ (253,815)
2023	(447,324)
2024	(383,161)
2025	(263,170)
2026	-
Thereafter	-

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

For the year ended June 30, 2022, we recognized pension expense of (\$135,288).

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 28,330	\$ -
Changes in assumptions	58,357	3,462
Net difference between projected and actual earnings on pension plan investments	-	899,706
Changes in proportion and differences between contributions and proportionate share of contributions	-	83,296
Contributions subsequent to the measurement date	114,674	-
Total	<u>\$ 201,361</u>	<u>\$ 986,464</u>

\$114,674 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, 2021.

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>
2022	\$ (218,030)
2023	(310,534)
2024	(222,049)
2025	(149,164)
2026	-
Thereafter	-

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

For the year ended June 30, 2022, we recognized pension expense of \$58,031.

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,097	\$ 2,147
Changes in assumptions	15,540	158
Net difference between projected and actual earnings on pension plan investments	-	41,181
Changes in proportion and differences between contributions and proportionate share of contributions	10,941	-
Contributions subsequent to the measurement date	71,460	-
Total	<u>\$ 106,038</u>	<u>\$ 43,486</u>

\$71,460 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, 2021.

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>
2022	\$ (7,579)
2023	(9,761)
2024	(7,037)
2025	(3,984)
2026	3,392
Thereafter	16,061

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

For the year ended June 30, 2022, we recognized pension expense of \$30,377.

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,948	\$ 949
Changes in assumptions	6,480	1,026
Net difference between projected and actual earnings on pension plan investments	-	17,650
Changes in proportion and differences between contributions and proportionate share of contributions	1,910	1,661
Contributions subsequent to the measurement date	39,804	-
Total	<u>\$ 53,142</u>	<u>\$ 21,286</u>

\$39,804 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, 2021.

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>
2022	\$ (3,948)
2023	(4,741)
2024	(3,701)
2025	(2,549)
2026	677
Thereafter	6,314

Actuarial Assumptions

The total pension liability in the December 31, 2021, 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, 2021, valuation were based on the results of an actual experience study for the five year period ending December 31, 2019.

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)

Asset Class	Expected Return Arithmetic Basis		
	Target Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.58%	2.43%
Debt securities	20%	-0.28%	-0.06%
Real Assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	-1.01%	0.00%
Totals	100%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

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. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

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:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 632,600	\$ (1,176,426)	\$ (2,685,706)
Public Safety System	820,940	(332,859)	(1,269,824)
Tier 2 Public Employees System	99,302	(16,666)	(105,706)
Tier 2 Public Safety and Firefighter	46,324	(5,774)	(47,133)
Total	\$ 1,599,166	\$ (1,531,725)	\$ (4,108,369)

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:

System	Year Ended June 30,	Employee paid Contributions	Employer paid Contributions
Defined Contribution System:			
401(k) Plan	2022	\$ 66,764	\$ 101,212
	2021	81,207	90,759
	2020	100,904	90,682
457 Plan	2022	6,493	-
	2021	30,635	-
	2020	31,684	-
Roth IRA Plan	2022	11,792	N/A
	2021	17,876	N/A
	2020	16,116	N/A

LINDON CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 – REDEVELOPMENT AGENCY

For the year ended June 30, 2022, the following activity occurred in the Lindon City Redevelopment Agency:

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

700 N CDA	<u>157,706</u>
Total tax increment collected	<u><u>\$ 157,706</u></u>

Amounts expended for:

Site improvements and preparation costs	\$ -
Administrative costs	24,315
Tax increment paid to other entities	-
Transfers out for capital improvements	<u>268,368</u>
Total amounts expended by RDA	<u><u>\$ 292,683</u></u>

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

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 \$482,459 for the coming year ended June 30, 2023. 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, 2022 totaled 472,999. The aggregate amount of pledges paid to UTOPIA totals \$5,265,819 as of June 30, 2022. This amount (plus accrued interest of \$385,086) has been recorded as a note payable by UTOPIA to the City. The City believes that repayment is unlikely and has expensed the amounts as incurred.

The City is also one of eight founding members of the Utah Infrastructure Agency (UIA), an interlocal cooperative agreement organized in July of 2010 under the laws of the State of Utah. Like UTOPIA, UIA was organized to provide for acquisition, construction, and installation of advanced communication lines, improvements, and facilities. The City has pledged franchise tax revenues to ensure that UIA fulfills its revenue requirement from the bond agreements, which is that UIA must have revenue equal to the operations and maintenances expenses and the capital costs in a fiscal year. In the event that there is an operations expense (OpEx) shortfall, the City has agreed to lend UIA its franchise tax revenues. The percentage of the City's share of the shortfall pledge is 3.35% with a yearly liability limit set at a maximum of \$172,516. The City has agreed by resolution to loan some funding to UIA to cover a portion of their OpEx shortfall. Pledge payments made for the OpEx shortfall during the years ended June 30, 2022 and 2021 totaled \$0 and \$0, respectively. The aggregate amount of OpEx pledges paid to UIA totals \$118,155 as of June 30, 2022. This amount, plus interest accrued of \$12,975, has been paid back to the City. The final payment of \$66,548 was received during the year ended June 30, 2022. 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.

REQUIRED SUPPLEMENTARY INFORMATION

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

Measurement date of December 31, 2020

June 30, 2022

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%
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)
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
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee 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%
Plan fiduciary net position as a percentage of its covered-employee 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%

* 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, 2022
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%
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%
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%
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%

* 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, 2022

Changes of Assumptions

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021, actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability of as December 31, 2020, for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020, actuarial valuation and are currently scheduled to be reviewed in the year 2023

SUPPLEMENTAL INFORMATION

LINDON CITY CORPORATION
**COMBINING BALANCE SHEET – NON-MAJOR
GOVERNMENTAL FUNDS**
June 30, 2022

	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	\$ 1,190,431	\$ -	\$ 655,846	\$ -	\$ 932,643	\$ 2,778,920
PARC Tax receivable	-	14	-	-	-	14
Prepays	-	-	-	80,276	-	80,276
Due from other funds	-	-	-	-	22,500	22,500
Restricted cash and cash equivalents						
Cash and cash equivalents	-	1,045,487	-	-	2,474,463	3,519,950
Accounts receivable	-	182,124	-	-	-	182,124
Total Assets	\$ 1,190,431	\$ 1,227,625	\$ 655,846	\$ 80,276	\$ 3,429,606	\$ 6,583,784
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 7,250	\$ 12,881	\$ -	\$ -	\$ -	\$ 20,131
Due to other funds	700	134,698	-	80,276	3,137	218,811
Total Liabilities	7,950	147,579	-	80,276	3,137	238,942
Fund Balances:						
Restricted for:						
Impact fees and future development	-	-	-	-	2,474,463	2,474,463
P.A.R.C. taxes		1,080,046		-	-	1,080,046
Assigned, reported in:						
Redevelopment agency functions	1,182,481	-	-	-	-	1,182,481
Capital projects	-	-	655,846	-	952,006	1,607,852
Total Fund Balances	1,182,481	1,080,046	655,846	-	3,426,469	6,344,842
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,190,431	\$ 1,227,625	\$ 655,846	\$ 80,276	\$ 3,429,606	\$ 6,583,784

LINDON CITY CORPORATION
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS**
For the Fiscal Year Ended June 30, 2022

	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	
Revenues:						
Taxes	\$ 75,148	\$ -	\$ -	\$ -	\$ -	\$ 75,148
Intergovernmental	82,558	-	656,846	-	-	739,404
Impact fees	-	-	-	-	426,000	426,000
P.A.R.C. Tax	-	994,379	-	-	-	994,379
Interest	6,564	5,920	-	-	11,856	24,340
Total Revenues	<u>164,270</u>	<u>1,000,299</u>	<u>656,846</u>	<u>-</u>	<u>437,856</u>	<u>2,259,271</u>
Expenditures:						
Current:						
General government	24,315	-	-	472,212	-	496,527
Public safety	-	-	1,000	-	-	1,000
Parks and recreation	-	433,801	-	-	-	433,801
Debt service:						
Principal	-	-	-	10,000	-	10,000
Capital outlay	-	-	-	-	159,572	159,572
Total Expenditures	<u>24,315</u>	<u>433,801</u>	<u>1,000</u>	<u>482,212</u>	<u>159,572</u>	<u>1,100,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>139,955</u>	<u>566,498</u>	<u>655,846</u>	<u>(482,212)</u>	<u>278,284</u>	<u>1,158,371</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	482,212	510,000	992,212
Transfers out	(268,368)	(505,000)	-	-	(10,000)	(783,368)
Total Other Financing Sources (Uses)	<u>(268,368)</u>	<u>(505,000)</u>	<u>-</u>	<u>482,212</u>	<u>500,000</u>	<u>208,844</u>
Net Change in Fund Balances	<u>(128,413)</u>	<u>61,498</u>	<u>655,846</u>	<u>-</u>	<u>778,284</u>	<u>1,367,215</u>
Fund Balances, Beginning	<u>1,310,894</u>	<u>1,018,548</u>	<u>-</u>	<u>-</u>	<u>2,648,185</u>	<u>4,977,627</u>
Fund Balances, Ending	<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>

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, 2022

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 995,000	\$ 1,075,000	\$ 1,172,356	\$ 97,356
Impact fees	12,000	-	-	-
Interest	8,000	10,000	14,878	4,878
Miscellaneous	-	-	38,877	38,877
Total Revenues	1,015,000	1,085,000	1,226,111	141,111
Expenditures:				
Current:				
Highways and public improvements	1,872,000	1,872,000	1,438,558	433,442
Total Expenditures	1,872,000	1,872,000	1,438,558	433,442
Excess (Deficiency) of Revenues Over (Under) Expenditures	(857,000)	(787,000)	(212,447)	574,553
Other Financing Sources (Uses):				
Transfers in	750,000	1,500,000	1,500,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	750,000	1,500,000	1,500,000	-
Net Change in Fund Balances	(107,000)	713,000	1,287,553	574,553
Fund Balances, Beginning	3,245,748	3,245,748	3,245,748	-
Fund Balances, Ending	\$ 3,138,748	\$ 3,958,748	\$ 4,533,301	\$ 574,553

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, 2022

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Taxes	\$ 131,200	\$ 157,705	\$ 75,148	\$ (82,557)
Interest	6,300	6,300	6,564	264
Total Revenues	<u>137,500</u>	<u>164,005</u>	<u>164,270</u>	<u>265</u>
Expenditures:				
Materials, supplies and services	13,500	25,840	24,315	1,525
Total Expenditures	<u>13,500</u>	<u>25,840</u>	<u>24,315</u>	<u>1,525</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>124,000</u>	<u>138,165</u>	<u>139,955</u>	<u>1,790</u>
Net Change in Fund Balances	(144,368)	(130,203)	(128,413)	1,790
Fund Balances, Beginning	<u>1,310,894</u>	<u>1,310,894</u>	<u>1,310,894</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 1,166,526</u>	<u>\$ 1,180,691</u>	<u>\$ 1,182,481</u>	<u>\$ 1,790</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, 2022

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
P.A.R.C. Tax	\$ 785,000	\$ 900,000	\$ 994,379	\$ 94,379
Interest	3,450	4,500	5,920	1,420
Total Revenues	<u>788,450</u>	<u>904,500</u>	<u>1,000,299</u>	<u>95,799</u>
Expenditures:				
Parks and recreation	472,004	455,804	433,801	22,003
Total Expenditures	<u>472,004</u>	<u>455,804</u>	<u>433,801</u>	<u>22,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>316,446</u>	<u>448,696</u>	<u>566,498</u>	<u>117,802</u>
Other Financing Sources (Uses):				
Transfers out	(555,000)	(600,000)	(505,000)	(95,000)
Total Other Financing Sources (Uses)	<u>(555,000)</u>	<u>(600,000)</u>	<u>(505,000)</u>	<u>(95,000)</u>
Net Change in Fund Balances	<u>(238,554)</u>	<u>(151,304)</u>	<u>61,498</u>	<u>212,802</u>
Fund Balances, Beginning	<u>1,018,548</u>	<u>1,018,548</u>	<u>1,018,548</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 779,994</u>	<u>\$ 867,244</u>	<u>\$ 1,080,046</u>	<u>\$ 212,802</u>

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, 2022

	Budgeted Amounts		Actual	Difference from
	Original	Final	Amounts	Final Budget
Revenues:				
Intergovernmental	\$ 619,000	\$ 656,846	\$ 656,846	\$ -
Interest income	-	-	-	-
Total Revenues	619,000	656,846	656,846	-
Expenditures:				
Current:				
Public safety	-	-	1,000	(1,000)
Capital outlay	-	-	-	-
Total Expenditures	-	-	1,000	(1,000)
Excess (Deficiency) of Revenues Over (Under) Expenditures	619,000	656,846	655,846	(1,000)
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	619,000	656,846	655,846	(1,000)
Fund Balances, Beginning	-	-	-	-
Fund Balances, Ending	\$ 619,000	\$ 656,846	\$ 655,846	\$ (1,000)

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, 2022

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Expenditures:				
General government	481,471	472,215	472,212	3
Debt service:				
Principal	10,000	10,000	10,000	-
Interest	-	-	-	-
Total Expenditures	<u>491,471</u>	<u>482,215</u>	<u>482,212</u>	<u>3</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(491,471)</u>	<u>(482,215)</u>	<u>(482,212)</u>	<u>3</u>
Other Financing Sources (Uses):				
Transfers in	<u>491,471</u>	<u>482,215</u>	<u>482,212</u>	<u>(3)</u>
Total Other Financing Sources (Uses)	<u>491,471</u>	<u>482,215</u>	<u>482,212</u>	<u>(3)</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, 2022

	Budgeted Amounts		Actual Amounts	Difference from Final Budget
	Original	Final		
Revenues:				
Impact Fees	\$ -	\$ 415,000	\$ 426,000	\$ 11,000
Interest	10,250	10,250	11,856	1,606
Total Revenues	<u>10,250</u>	<u>425,250</u>	<u>437,856</u>	<u>12,606</u>
Expenditures:				
Capital outlay	110,000	112,135	159,572	(47,437)
Total Expenditures	<u>110,000</u>	<u>112,135</u>	<u>159,572</u>	<u>(47,437)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(99,750)</u>	<u>313,115</u>	<u>278,284</u>	<u>(34,831)</u>
Other Financing Sources (Uses):				
Transfers in	10,000	510,000	510,000	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net Change in Fund Balances	<u>(99,750)</u>	<u>813,115</u>	<u>778,284</u>	<u>(34,831)</u>
Fund Balances, Beginning	<u>2,648,185</u>	<u>2,648,185</u>	<u>2,648,185</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 2,548,435</u>	<u>\$ 3,461,300</u>	<u>\$ 3,426,469</u>	<u>\$ (34,831)</u>

LINDON CITY CORPORATION
**COMBINING STATEMENT OF NET POSITION – NON-MAJOR
PROPRIETARY FUNDS**
June 30, 2022

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Assets:			
Current Assets:			
Cash and cash equivalents	\$ 33,255	\$ 3,259	\$ 36,514
Accounts receivable, net	53,622	3,023	56,645
Total Current Assets	86,877	6,282	93,159
Noncurrent Assets:			
Notes receivable	-	228,102	228,102
Capital assets, net of accumulated depreciation:			
Telecom Infrastructure	-	127,610	127,610
Total Noncurrent Assets	-	355,712	355,712
Total Assets	\$ 86,877	\$ 361,994	\$ 448,871
Liabilities:			
Current Liabilities:			
Accounts payable	\$ 50,592	\$ -	\$ 50,592
Current portion of long-term debt	-	24,635	24,635
Total Current Liabilities	50,592	24,635	75,227
Noncurrent Liability			
Long-term debt, net of current portion	-	203,467	203,467
Total Noncurrent Liability	-	203,467	203,467
Total Liabilities	50,592	228,102	278,694
Net Position:			
Net investment in capital assets	-	127,610	127,610
Unrestricted	36,285	6,282	42,567
Total Net Position	36,285	133,892	170,177
Total Liabilities and Net Position	\$ 86,877	\$ 361,994	\$ 448,871

LINDON CITY CORPORATION
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – NON-MAJOR PROPRIETARY FUNDS**
For the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds		Total Nonmajor Proprietary Funds
	Waste Collection Fund	Telecommunications Fund	
Operating Revenues:			
Service fees	\$ 609,349	\$ 43,399	\$ 652,748
Total Operating Revenues	609,349	43,399	652,748
Operating Expenses:			
Materials, supplies, and services	576,018	41,429	617,447
Depreciation expense	-	8,153	8,153
Total Operating Expenses	576,018	49,582	625,600
Operating Income (loss)	33,331	(6,183)	27,148
Income (Loss) Before Transfers	33,331	(6,183)	27,148
Transfers in (out)			
Transfers in (out)	(13,480)	(2,500)	(15,980)
Changes in Net Position	19,851	(8,683)	11,168
Net Position, Beginning	16,434	142,575	159,009
Net Position, Ending	\$ 36,285	\$ 133,892	\$ 170,177

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

For the Fiscal Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds		Total Nonmajor
	Waste Collection	Telecommunications	Proprietary
	Fund	Fund	Funds
Cash Flows From Operating Activities:			
Receipts from customers and users	\$ 607,499	\$ 44,555	\$ 652,054
Payments to suppliers	(570,315)	(41,429)	(611,744)
Net cash from operating activities	37,184	3,126	40,310
Cash Flows From Non-Capital Financing Activities:			
Payments received on note from residents	-	32,668	32,668
Principal paid on note for residential connections	-	(32,668)	(32,668)
Transfers to other funds	(13,480)	(2,500)	(15,980)
Net cash from non-capital financing activities	(13,480)	(2,500)	(15,980)
Net Increase (Decrease) In Cash	23,704	626	24,330
Cash and Cash Equivalents At Beginning of Year	9,551	2,633	12,184
Cash and Cash Equivalents At End of Year	\$ 33,255	\$ 3,259	\$ 36,514
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ 33,331	\$ (6,183)	\$ 27,148
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation expense	-	8,153	8,153
(Increase) Decrease in accounts receivable	(1,850)	1,156	(694)
Increase (Decrease) in accounts payable	5,703	-	5,703
Net cash from operating activities	\$ 37,184	\$ 3,126	\$ 40,310

(This page is intentionally left blank.)

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
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.	1-4
Revenue Capacity These schedules contain information to help the reader assess Lindon City's most significant local revenue sources, sales and property taxes.	5-12
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.	13-19
Demographic and Economic Information These schedules present information to help the reader understand the environment within which Lindon City's financial activities take place.	20-21
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.	22-24

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 26,348,062	\$ 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
Restricted	1,099,461	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
Unrestricted	3,143,717	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
Total governmental activities net assets	30,591,240	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
Business-type activities										
Net investment in capital assets	31,648,427	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
Restricted	1,189,253	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
Unrestricted	893,512	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
Total business-type activities net assets	33,731,192	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
Primary government										
Net investment in capital assets	57,996,489	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
Restricted	2,288,714	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
Unrestricted	4,037,229	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
Total primary government net assets	<u>\$ 64,322,432</u>	<u>\$ 64,073,499</u>	<u>\$ 63,362,934</u>	<u>\$ 67,314,908</u>	<u>\$ 71,510,971</u>	<u>\$ 78,387,775</u>	<u>\$ 84,124,463</u>	<u>\$ 92,288,486</u>	<u>\$ 101,578,418</u>	<u>\$ 110,177,498</u>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 2,903,618	\$ 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
Public Safety	3,718,666	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
Streets and Highways	2,250,021	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
Parks and recreation	490,908	735,528	857,127	871,990	275,909	1,038,256	1,017,411	1,382,447	926,304	1,200,555
Interest on long-term debt	130,456	118,558	95,433	148,817	104,902	107,489	106,752	30,125	(2,036)	10,949
Total governmental activities expenses	<u>9,493,669</u>	<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>
Business-type activities:										
Water Utility	1,175,460	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
Waste Water	959,522	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
Storm Water	775,143	568,308	640,826	782,488	823,354	932,635	993,967	863,741	642,199	646,641
Solid Waste	338,739	385,960	388,263	406,167	430,985	451,649	488,955	529,007	553,033	576,018
Recreation	1,369,782	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
Telecommunications	44,421	43,905	43,066	55,452	56,730	51,877	59,683	59,124	56,241	49,582
Total business-type activities expenses	<u>4,663,067</u>	<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>
Total primary government expenses	<u>\$ 14,156,736</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 956,700	\$ 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
Parks and recreation	60,870	103,378	60,005	82,515	53,860	50,429	75,390	103,505	146,400	117,206
Operating grants and contributions	686,319	95,864	1,911,409	893,566	191,151	257,748	430,964	1,806,081	1,435,664	1,623,975
Capital grants and contributions	360,096	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
Total governmental activities revenues	<u>2,063,985</u>	<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>
Business-type activities:										
Charges for services:										
Water Utility	1,625,822	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
Waste Water	1,211,931	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
Storm Water	415,580	424,247	489,124	582,808	686,357	799,344	922,593	1,068,280	1,129,587	1,219,271
Solid Waste	382,234	415,724	420,807	431,193	404,744	415,471	479,759	515,994	561,949	609,349
Recreation	483,042	454,749	504,725	536,940	673,586	735,474	692,580	591,459	857,176	911,301
Telecommunications	41,869	46,043	49,051	53,818	52,614	45,055	57,067	50,071	51,116	43,399
Operating grants and contributions	-	63,401	5,835	24,357	5,450	5,000	5,000	263,912	5,621	41,128
Capital grants and contributions	1,040,780	543,489	1,492,425	1,469,940	1,927,297	3,880,730	914,243	942,191	3,774,351	1,788,615
Total business-type activities revenues	<u>5,201,258</u>	<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>
Total primary government program revenues	<u>\$ 7,265,243</u>	<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>
Net (Expense)/Revenue										
Governmental activities	\$ (7,429,684)	\$ (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)
Business-type activities	538,191	156,151	862,785	480,718	991,627	3,644,675	787,266	1,867,186	5,220,768	2,663,170
Total primary govt net (expense)/revenue	<u>\$ (6,891,493)</u>	<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>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 3,124,819	\$ 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
Sales taxes	2,989,353	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
Franchise taxes	1,547,616	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
Other taxes	-	117,404	475,198	497,163	545,149	595,280	610,362	654,493	837,613	994,379
Earnings on investments	21,727	18,320	16,548	61,268	103,850	155,500	348,714	329,157	95,233	123,341
Miscellaneous	5,641	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
Transfers In (Out)	(222,780)	(683,448)	(346,722)	(856,010)	(1,590,503)	(976,300)	(985,512)	(1,442,926)	(2,004,969)	(639,137)
Total governmental activities	<u>7,466,376</u>	<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>
Business-type activities										
Earnings on investments	2,223	1,427	959	2,449	4,649	22,986	33,863	25,182	5,672	6,396
Gain (loss) on disposal of capital assets	-	45,000	-	-	-	-	-	-	-	-
Transfers In (Out)	222,780	683,448	346,722	856,010	1,590,503	976,300	985,512	1,442,926	2,004,969	639,137
Total business-type activities	<u>225,003</u>	<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>
Total primary government	<u>\$ 7,691,379</u>	<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>
Change in Net Position										
Governmental activities	\$ 36,692	\$ (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
Business-type activities	763,194	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
Total primary government	<u>\$ 799,886</u>	<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>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 57,285	\$ 2,897	\$ 35,053	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 5,851	\$ 3,500
Restricted	732,703	522,458	388,727	330,843	422,839	67,240	69,274	78,161	-	-
Assigned	-	-	-	490,959	-	-	-	-	-	-
Unassigned	1,322,074	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
Total general fund	2,112,062	1,574,692	2,156,958	3,229,443	2,519,828	2,574,706	3,313,862	3,450,997	4,352,140	5,750,608
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	-	953	-	-
Restricted	382,666	720,470	766,449	2,376,321	953,820	1,778,532	2,438,357	4,002,411	6,412,599	6,970,090
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	1,885,144	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
Unassigned	-	(15,952)	-	-	-	-	-	-	-	1,117,720
Total all other governmental funds	2,267,810	2,247,254	2,595,538	5,058,143	3,082,410	5,083,723	7,387,871	9,177,399	8,223,375	10,878,143
Total governmental funds	<u>\$ 4,379,872</u>	<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>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 7,662,067	\$ 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
Licenses, fees and permits	224,767	278,381	494,080	638,662	465,618	531,077	1,054,688	579,272	802,899	668,197
Intergovernmental	370,826	354,048	1,261,905	1,279,570	633,199	702,213	905,413	2,153,827	1,942,382	2,026,130
Charges for services	105,761	154,908	217,809	343,158	215,113	260,027	463,294	242,643	336,365	314,056
Fines and forfeitures	339,795	355,214	346,747	360,413	477,913	523,011	607,173	513,613	512,683	478,149
Impact fees	143,260	233,066	390,718	345,051	267,168	520,697	781,551	550,409	648,490	477,592
Miscellaneous revenue	231,284	174,755	155,360	203,118	235,290	679,509	824,632	723,060	455,883	609,677
Total revenues	9,077,760	9,627,130	10,644,220	11,070,697	10,617,207	12,007,725	13,489,804	14,071,221	15,713,281	16,947,104
Expenditures										
General government	2,786,458	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
Public Safety	3,999,640	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
Streets and public works	1,324,125	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
Parks and recreation	496,469	539,480	670,526	669,161	780,411	822,287	852,248	1,426,395	960,824	1,456,968
Capital outlay	474,506	339,106	119,007	1,728,490	3,236,657	1,785	60,045	43,167	914,801	1,514,641
Debt Service										
Principal retirement	788,873	559,268	1,111,604	316,303	733,098	480,337	2,797,873	821,146	1,093,489	94,669
Interest and fiscal charges	131,423	121,646	97,820	74,967	105,354	107,959	104,435	39,811	7,186	11,588
Cost of issuance	-	-	-	62,200	-	-	-	-	-	-
Total expenditures	10,001,494	9,622,044	10,139,268	9,542,240	12,641,429	9,102,476	12,160,877	10,852,335	14,360,844	12,361,493
Excess (deficiency) of revenues over (under) expenditures	(923,734)	5,086	504,952	1,528,457	(2,024,222)	2,905,249	1,328,927	3,218,886	1,352,437	4,585,611
Other Financing Sources (Uses)										
Issuance of new debt	528,029	73,436	480,520	2,679,894	521,780	81,344	546,982	85,300	736,200	-
Sale of capital assets	234,763	47,000	291,800	182,749	407,597	45,898	2,152,907	65,403	572,537	106,762
Transfers in	1,835,947	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
Transfers out	(2,058,727)	(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)
Grants and contributions	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	540,012	(563,012)	425,598	2,006,633	(661,126)	(849,058)	1,714,377	(1,292,223)	(696,232)	(532,375)
Net change in fund balances	\$ (383,722)	\$ (557,926)	\$ 930,550	\$ 3,535,090	\$ (2,685,348)	\$ 2,056,191	\$ 3,043,304	\$ 1,926,663	\$ 656,205	\$ 4,053,236
Ratio of total debt service to noncapital expenditures	9.7%	7.3%	14.7%	6.0%	12.8%	8.8%	26.6%	10.2%	13.5%	1.1%

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

Fiscal Year	Property Tax	General Sales & Use Tax	Franchise Tax	Total Taxes
2013	3,124,819	2,989,633	1,547,626	\$ 7,662,078
2014	3,164,300	3,314,644	1,584,339	\$ 8,063,283
2015	3,131,900	3,942,822	1,582,143	\$ 8,656,865
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

Growth

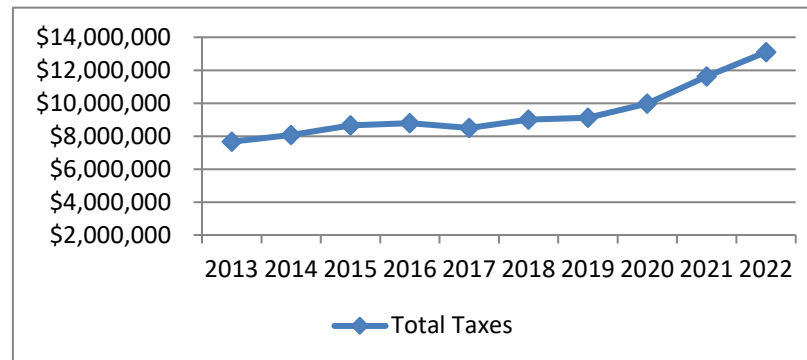
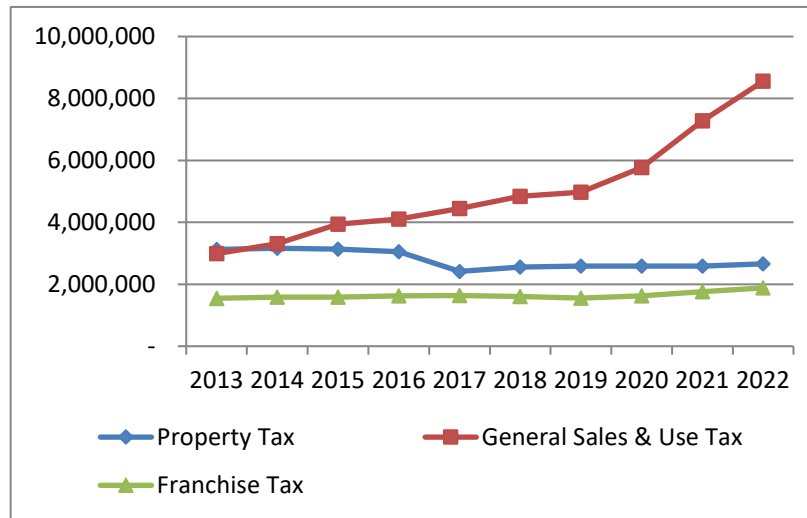
2013-2022

-14.8%

186.2%

21.7%

71.0%



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	
2013	1.0%	0.0%	4.70%	0.25%	0.80%	6.75%
2014	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
2015	1.0%	0.1%	4.70%	0.25%	0.80%	6.85%
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%

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		
2013	285,626,210	78,171,468	40,215,298	37,243,410	\$ 441,256,386	1%
2014	311,749,521	91,164,931	33,762,415	38,560,217	\$ 475,237,084	1%
2015	319,110,005	104,604,811	40,837,189	52,218,615	\$ 516,770,620	1%
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%

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	2022			2013		
	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
Sunpro Corp	N/A	2	N/A	-		-
Walmart Supercenter	N/A	3	N/A	N/A	1	N/A
Home Depot	N/A	4	N/A	N/A	3	N/A
Burton Lumber & Hardware	N/A	5	N/A	N/A	7	N/A
DoTerra	N/A	6	N/A	-		-
Wheeler Machinery	N/A	7	N/A	-		-
Larry H Miller Lexus of Lindon	N/A	8	N/A	N/A	8	N/A
Probuild	N/A	9	N/A	-		-
Low Book Sales & Leasing	N/A	10	N/A	N/A	6	N/A
Sunroc Corp	-		-	N/A	4	N/A
Mercedes Benz of Lindon	-		-	N/A	5	N/A
Timpanogos Harley Davidson	-		-	N/A	9	N/A
Stock Building Supply West	-		-	N/A	10	N/A
Total	<u>\$3,742,792</u>		<u>54.15%</u>	<u>\$ 1,738,560</u>		<u>52.88%</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 Service Fund	Total							
2012	2.107	-	2.107	8.828	1.324	0.455	0.000	12.714	0.029	12.743
2013	2.043	-	2.043	8.699	1.259	0.446	0.000	12.447	0.028	12.475
2014	1.862	-	1.862	8.096	1.149	0.422	0.000	11.529	0.025	11.554
2015	1.741	-	1.741	8.177	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

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 2021 are collected by Utah County and distributed to Lindon City in the 2021-2022 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.
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Real Property											
Primary residential	349,642,818	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	38.0%
Secondary residential	5,045,997	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	0.3%
Commercial and industrial	408,776,653	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	45.1%
Farmland Assessment Act (FAA) and agricultural	1,146,035	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	0.1%
Unimproved non FAA	61,446,839	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	5.9%
Total real property	<u>826,058,342</u>	<u>859,076,865</u>	<u>923,598,263</u>	<u>1,025,025,830</u>	<u>1,108,861,015</u>	<u>1,258,619,303</u>	<u>1,354,025,367</u>	<u>1,565,227,949</u>	<u>1,793,235,766</u>	<u>1,947,775,637</u>	<u>89.4%</u>
Personal Property											
Primary mobile homes	159,917	156,705	154,176	154,176	154,176	154,176	154,176	178,926	154,397	154,397	0.0%
Secondary mobile homes	-	-	-	-	-	-	-	-	-	-	0.0%
Other business	117,538,872	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	8.8%
SCME	-	-	828	828	-	-	-	-	125,547	93,541	0.0%
Total personal property	<u>117,698,789</u>	<u>114,695,239</u>	<u>107,497,228</u>	<u>122,278,000</u>	<u>126,056,770</u>	<u>126,662,357</u>	<u>130,236,520</u>	<u>142,980,222</u>	<u>168,917,004</u>	<u>192,132,291</u>	<u>8.8%</u>
Centrally Assessed	13,601,195	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	1.4%
Motor Vehicle Value	7,965,637	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	0.4%
Total Taxable Assessed Value	<u>965,323,963</u>	<u>997,223,807</u>	<u>1,058,000,861</u>	<u>1,176,616,309</u>	<u>1,266,302,827</u>	<u>1,419,241,683</u>	<u>1,521,195,961</u>	<u>1,745,781,892</u>	<u>2,001,098,523</u>	<u>2,178,867,535</u>	<u>100.0%</u>
Estimated Actual Value	1,251,526,201	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	
Assessed Value as a % of Actual Value	77.1%	76.5%	75.8%	75.4%	75.1%	75.4%	75.2%	75.8%	76.6%	76.3%	
Total Direct Tax Rate	0.002107	0.002043	0.001862	0.001741	0.001630	0.001451	0.001392	0.001241	0.001174	0.001116	

Source: Utah State Tax Commission - Property Tax Division

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

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

SCME = Semiconductor Manufacturing Equipment

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

Calendar Year⁽¹⁾	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Taxes Collected
2012	1,828,894	1,624,324	88.81%	177,117	1,801,441	98.50%
2013	1,841,495	1,669,184	90.64%	259,754	1,928,938	104.75%
2014	1,973,877	1,836,385	93.03%	114,964	1,951,349	98.86%
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%

Source: Utah County Treasurer

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

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

	2021 CY			2012 CY		
		Assessed	Percent of		Assessed	Percent of
Property Owner	Rank	Valuation	Total Assessed Valuation	Rank	Valuation	Total Assessed Valuation
Valley Properties LLC	1	\$ 83,969,800	3.92%			
Mecca Holdings LLC	2	\$ 53,013,700	2.48%	1	\$ 38,933,500	4.13%
WICP Mt Tech 3 LLC	3	\$ 32,535,500	1.52%			
MS Business Properties Group 4	4	\$ 27,469,800	1.28%			
DB Jazz LLC	5	\$ 23,886,300	1.12%			
WICP West Lindon LLC	6	\$ 23,434,300	1.10%			
M S Industrial Properties LLC	7	\$ 21,206,200	0.99%	4	\$ 12,572,800	1.33%
Walmart Stores Inc.	8	\$ 19,855,600	0.93%	2	\$ 15,313,600	1.62%
Vantaggio AF Parkview Towns LLC	9	\$ 18,236,625	0.85%			
WICP West Orem #2 LLC	10	\$ 16,256,400	0.76%			
Stag II Lindon LLC				3	\$ 15,238,100	1.61%
Network (UT) LLC				5	\$ 9,650,000	1.02%
BAT Investments LC				6	\$ 8,437,900	0.89%
HD Development of Maryland Inc.				7	\$ 8,100,000	0.86%
Gateway Technology Center LLC				8	\$ 7,983,800	0.85%
Utah Pacific Investment Company LLC				9	\$ 7,924,278	0.84%
Miller Family Real Estate LLC				10	\$ 7,370,173	0.78%
Total		<u>\$ 235,894,425</u>	<u>11.02%</u>		<u>131,524,151</u>	<u>13.94%</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
2013	943,757,131	\$ 37,750,285	-	\$ 37,750,285	0.00%
2014	973,772,104	\$ 38,950,884	-	\$ 38,950,884	0.00%
2015	1,031,095,491	\$ 41,243,820	-	\$ 41,243,820	0.00%
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%

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
General Obligation Debt	-	-	-	-	-	-	-	-	-	-
RDA Revenue Bonds	882,000	581,000	-	-	-	-	-	-	-	-
Sales Tax Revenue Bonds	2,020,431	1,884,196	1,742,383	4,195,790	3,886,620	3,571,874	1,182,000	496,000	-	-
Notes Payable	90,000	80,000	70,000	60,000	50,000	40,000	30,000	20,000	10,000	-
Capital Leases	365,434	326,838	428,568	348,496	456,347	382,101	531,083	491,237	639,948	555,279
Total Governmental Activities Debt	3,357,865	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	3,172,442	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
Sewer Revenue Bonds	2,763,000	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
Storm Water Revenue Bonds	376,850	351,439	324,988	297,646	269,263	239,840	-	-	-	-
Aquatics Center Bonds ⁽¹⁾	9,121,000	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
Notes Payable	2,512,526	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
Capital Leases	238,943	359,769	242,674	121,784	82,262	41,677	-	-	-	-
Total Business-Type Activities Debt	18,184,761	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
Total Primary Government	\$ 21,542,626	\$ 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
% of Personal Income⁽²⁾	8.38%	8.21%	7.71%	7.78%	7.07%	7.36%	5.70%	5.10%	4.71%	4.38%
Debt Per Capita⁽²⁾	\$ 2,063	\$ 1,924	\$ 1,857	\$ 1,974	\$ 1,858	\$ 1,860	\$ 1,548	\$ 1,387	\$ 1,280	\$ 1,192

⁽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, 2022

Entity⁽¹⁾	2021 Taxable Assessed Property Value	Percentage Applicable to Lindon Citizens⁽²⁾	Entity's Outstanding General Obligation Debt	Amount Applicable to Lindon Citizens
Overlapping Debt:				
CUWCD ⁽³⁾	\$ 221,430,069,399	0.98%	161,310,372	\$ 1,581,118
Alpine School District	39,673,922,601	5.47%	443,770,000	\$ 24,276,804
Subtotal, Overlapping Debt				\$ 25,857,922
Lindon City Direct Debt	2,170,394,658	100.00%		\$ 555,279
Total Direct and Overlapping Debt				<u>\$ 26,413,201</u>

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

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 ten 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	
2013	\$ 2,989,353	\$ 581,000	\$ 523,558	\$ 1,104,558	2.71
2014	\$ 3,193,638	\$ 603,000	\$ 501,257	\$ 1,104,257	2.89
2015	\$ 3,467,260	\$ 627,000	\$ 478,104	\$ 1,105,104	3.14
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

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 proceeds from the sale of property.

⁽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	
2013	\$ 1,169,443	\$ 527,502	\$ 641,940	\$ 289,000	\$ 45,903	\$ 334,903	1.92
2014	\$ 1,157,638	\$ 836,648	\$ 320,990	\$ 301,000	\$ 34,574	\$ 335,574	0.96
2015	\$ 1,053,102	\$ 448,312	\$ 604,791	\$ 581,000	\$ 22,775	\$ 603,775	1.00
2016	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-

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	
2013	1,625,822	\$ 1,044,656	\$ 581,166	\$ 72,909	\$ 102,648	\$ 175,557	3.31
2014	1,664,217	\$ 1,036,713	\$ 627,504	\$ 75,720	\$ 99,837	\$ 175,557	3.57
2015	1,727,987	\$ 1,152,336	\$ 575,651	\$ 78,645	\$ 96,912	\$ 175,557	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

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	
2013	\$ 1,211,931	\$ 893,941	\$ 317,990	\$120,000	\$ 72,075	\$ 192,075	1.66
2014	\$ 1,264,370	\$ 896,694	\$ 367,676	\$123,000	\$ 69,075	\$ 192,075	1.91
2015	\$ 1,399,884	\$ 1,014,866	\$ 385,018	\$126,000	\$ 66,000	\$ 192,000	2.01
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

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
Limdon City Corporation
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income⁽¹⁾	Per Capita Personal Income	Unemployment Rate⁽²⁾		
				Utah County	State of Utah	United States
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%	2.0%	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

	2021 CY			2012 CY		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Alpine School District	1000 - 1099	1	7.0% - 7.7%	500 - 999	1	6.2% - 12.5%
Bamboo HR	800 - 899	2	5.6% - 6.3%			
Gohealth	800 - 899	3	5.6% - 6.3%			
Walmart	400 - 499	4	2.8% - 3.5%	250 - 499	2	3.1% - 6.2%
Contact Us Teleservices	200 - 299	5	1.4% - 2.1%			
LogMeIn USA	200 - 299	6	1.4% - 2.1%			
Elite Manufacturing & Packaging	200 - 299	7	1.4% - 2.1%			
Alexanders Print Advantage	200 - 299	8	1.4% - 2.1%			
Home Depot	200 - 299	9	1.4% - 2.1%	100 - 249	6	1.2% - 3.1%
IMS Masonry	200 - 299	10	1.4% - 2.1%	100 - 249	8	1.2% - 3.1%
Teleperformance Usa				100 - 249	3	1.2% - 3.1%
Accessdata Group, LLC				100 - 249	4	1.2% - 3.1%
Lindon City				100 - 249	5	1.2% - 3.1%
Ch2M Hill E&C, Inc.				100 - 249	7	1.2% - 3.1%
Symantec Corporation				100 - 249	9	1.2% - 3.1%
Mountain States Steel				100 - 249	10	1.2% - 3.1%
Average Employment in Lindon City	<u>14,353</u>			<u>8,001</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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	19	19	20	20	21	23	25	25	25	30
Public safety	19	19	19	19	19	19	20	20	20	21
Highways and streets	2	2	2	2	2	2	2	2	2	1
Park, recreation and culture	48	48	49	52	52	52	53	53	53	53
Water	2	2	3	3	4	4	4	4	4	4
Sewer	2	2	2	2	3	3	3	3	3	2
Storm Water Drainage	3	3	2	2	2	2	2	2	2	2
Total	95	95	97	100	103	105	109	109	109	113

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Community development										
Residential building permits issued	118	137	170	221	204	257	240	277	319	321
Commercial building permits issued	36	44	53	70	53	48	66	82	79	94
Court										
Traffic and Misdemeanor cases handled	1,524	1,677	1,437	1,923	2,423	2,677	3,291	3,149	2,840	2,305
Police										
Calls for service	8,467	8,410	8,685	5,285	10,897	7,818	10,993	9,725	9,831	9,396
Offenses	2,451	2,302	3,914	6,510	1,257	6,757	1,040	1,009	981	809
Arrests	735	605	510	775	764	563	635	585	602	480
Traffic Accidents	262	321	292	371	363	334	352	310	318	337
Recreation										
Recreation programs	5	5	5	6	5	5	5	4	5	5
Number of participants	1,181	1,298	1,425	1,564	1,698	1,525	1,395	608	1,771	2,125
Aquatics Center programs ⁽¹⁾	6	5	8	6	10	6	7	6	6	9
Number of program participants	1,380	1,463	1,219	1,404	1,372	1,475	1,103	1,230	1,325	1,803
Number of Aquatics Center admissions	43,780	44,583	37,318	39,643	63,949	76,619	65,215	67,179	57,220	78,747
Community Center programs	13	12	14	15	31	22	22	34	48	53
Number of participants	857	252	465	487	748	398	372	313	641	598
Senior Center programs	31	23	13	14	17	17	18	16	21	21
Number of participants	150	579	345	110	145	9,114	9,482	13,561	14,771	8,411
Cemetery										
Burials	32	26	39	45	36	25	39	46	49	67
Culinary Water										
Connections	2,818	2,847	2,896	2,923	2,986	3,050	3,187	3,313	3,350	3,476
Average daily consumption (thousands of gallons)	1,200	1,030	1,034	1,004	1,108	1,280	1,208	1,250	1,426	1,174
Sewer										
Sewer lines miles inspected	3.7	1.5	6.0	5.0	5.0	4.0	4.0	9.0	87.2	52.8

⁽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, 2019 pool season are reported in the 2020 fiscal year.

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Streets and Highways										
Street lights, maintained by City	275	246	253	258	286	286	337	350	375	484
Street miles	55	55	54	54	54.3	54.4	55.0	55.6	56.2	61
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	58
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer fields	2	3	5	5	5	5	5	5	5	5
Tennis/pickleball courts	0	0	0	0	0	0	7	7	9	9
Culinary water										
Water main line miles	71	75	77	80	85	86	87	88	89	90
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	46	47	49	49	49	49	51	52	52	53
Sewer										
Sewer line miles	61	61	61	71	75	75	79	83	87	88