

FISCAL YEAR ENDED JUNE 30, 2019

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

CAFR

FOR EAGLE MOUNTAIN CITY, UT



EAGLE
M O U N T A I N

- ▶ BASIC FINANCIAL STATEMENTS
- ▶ REVENUES & EXPENDITURES
- ▶ FUND BALANCES
- ▶ CAPITAL PROJECTS
- ▶ FINANCIAL TRENDS
- ▶ OPERATING INFORMATION

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EAGLE
M O U N T A I N

Eagle Mountain City
1650 East Stagecoach Run
Eagle Mountain, Utah 84005

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

Prepared by:

Finance & Executive Departments
Paul Jerome, Asst. City Administrator / Finance Director
Joshua Bairrington / Treasurer
Evan Berrett, Management Analyst

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**EAGLE MOUNTAIN CITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019**

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December 21, 2019



EAGLE MOUNTAIN

Letter of Transmittal

Honorable Mayor and Members of the City Council:

The Comprehensive Annual Financial Report (CAFR) of Eagle Mountain City (the City), for the fiscal year ended June 30, 2019 is submitted herewith. As a third class city, Eagle Mountain is given reasonable exceptions and modifications to accounting, budgetary, and reporting procedures as stated by Utah State law. The law for first, second, and third class cities is to “present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities.” This report, which fulfills the law for higher-class cities, presents a comprehensive financial picture covering all funds and financial transactions for the year.

This CAFR has been prepared by the City’s Finance and Management Departments. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City’s management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the government’s financial activities have been included. Likewise, the “Notes to the Financial Statements” are an integral part of this report and should be read for a more complete understanding of the financial statements and information presented in this report.

Management of the City is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The City’s internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of the control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Report of Independent Certified Public Accountants, as prepared by Gilbert & Stewart, CPA, A Professional Corporation, is included within the Financial Section of this report. 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 statements presentation.

The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City’s financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP.

GAAP 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). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Eagle Mountain City was incorporated in December 1996 and includes over 50 square miles or around 27,000 acres. The City is located approximately 10 miles west of the City of Lehi, Utah, 40 miles Southwest of Salt Lake City, Utah, and 30 miles Northwest of Provo, Utah.

Since the 2000 U.S. Census, Eagle Mountain City has shown steady, and often rapid, growth. In twenty years, the City has grown from 2,157 residents to over 40,000 in 2019. About 10,500 residential units have been built, with an average of 714 permits per year over the past 5 years, making Eagle Mountain one of the fastest growing communities in Utah and the state’s third largest city geographically.

Since the City was established it has operated under the council-mayor form of government. The City Council, comprised of five elected individuals, is the governing authority for the City. The elected Mayor has various administrative and veto powers. One of the Mayor’s administrative powers is the appointment of the City Administrator, Cabinet Officers (Department Heads), and various other positions such as the City Treasurer, the City Recorder, and the City Engineer.

The City Council establishes City policy, approves the budget, and ratifies the appointment of City Officials. The City Council is authorized to issue bonds, incur short-term debt, levy property taxes, and is not dependent on any other unit of local government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general government functions include police protection, park construction and maintenance, street construction and maintenance, public improvements, engineering, building inspection, planning and zoning, administrative services, and park and recreation services. The City also operates water, solid waste, and sewer services as enterprise funds.

Comprehensive annual budgets are an essential element for the City’s financial planning and control. Therefore, budgets are adopted annually (required by Utah state law) by the City Council for all funds except debt service funds (which although budgeted, are used to account for special assessments and expendable trust funds and therefore are subject to compensating controls).

Utah state law also requires: 1) a balanced budget for each individual fund; however, Redevelopment Agencies are allowed to incur debt prior to the triggering of the tax increment revenue thus allowing an unbalanced budget, 2) department expenditures to conform with departmental appropriations, and 3) individual fund appropriations to be overspent only in “emergencies” (natural disasters).

Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget-to-actual comparisons are provided in this report for each individual 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.

Local Economy

Utah's unemployment rate as of November 2019 was 2.4%, lower than the national unemployment rate of 3.5%, with Utah County being tied for second for the lowest unemployment. During the last half of 2019, Utah's foreclosure rate stood at 0.03% which has improved significantly with the end of the recession.

Corresponding with Utah's relative economic stability, Eagle Mountain grew by about 13.7% in 2019 (based on new building permits). As these building permits were largely residential units, Eagle Mountain is and should continue seeing an increase in building since the recession ended.

Despite the small commercial tax base, Eagle Mountain residents enjoy a tax rate that is among the lowest in Utah County. Eagle Mountain's current property tax rate is 0.000825. The City has not gone through the Truth-in-Taxation process (to raise the rate) since FY2005. The City has been able to manage services for this quick-growing community without levying heavy taxes to balance the budget. Additional information about economic factors can be found in the MD&A.

Long-Term Financial Planning

Per State law requirements, the City Council approved a balanced budget for the upcoming fiscal year. For the fifth year in a row, this was a challenging task, as the City's revenue streams continue to recover from the economic downturn. City officials sought to reduce expenditures while minimizing the impact on services to residents.

The FY2020 Budget includes improvements to streetscape landscaping in City Center, design and construction of recreation facilities, new park amenities at various regional parks, and new City digital entrance signs.

Relevant Financial Policies

Eagle Mountain City incorporates a pay-as-you-go strategy on projects that are financially feasible. Currently, the City has no general obligation debt. However, as the City is so young, a pay-as-you-use strategy was implemented in order to set up the infrastructure throughout the City. All of the City-owned utilities were financed through revenue bonds. The City consistently monitors its long-term debt situation, and refunds or repays its bonds where it is financially advantageous to the City.

Major Initiatives

As we prepare for the future, the Mayor is committed to 1) Improvement of Services; 2) Park Improvements; 3) Improved Public Safety; 4) Improved Transportation; and 5) Emphasis on Economic Development. These initiatives are reflected in the fiscal year 2020 Budget.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Distinguished Budget Presentation Award for the City’s annual budget document for fiscal years 2008 through 2018. In order to qualify for the Distinguished Budget Presentation Award, the government’s budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This is the ninth consecutive year that the City has received this esteemed award.

The Government Finance Officers Association (GFOA) has also awarded the Certificate of Achievement in Financial Reporting award to the City for the past nine fiscal years (2010 - 2018). In order to qualify for the Certificate of Achievement in Financial Reporting award, the City’s financial status must meet rigorous standards for transparency and accuracy.

The preparation of the CAFR on a timely basis was made possible by the dedicated service of the entire staff of the Finance and Management Department. Each member of these departments has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the governing body of Eagle Mountain City, preparation of this report would not have been possible.

Respectfully Submitted,



Ifo Pili,
City Administrator



Paul Jerome,
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

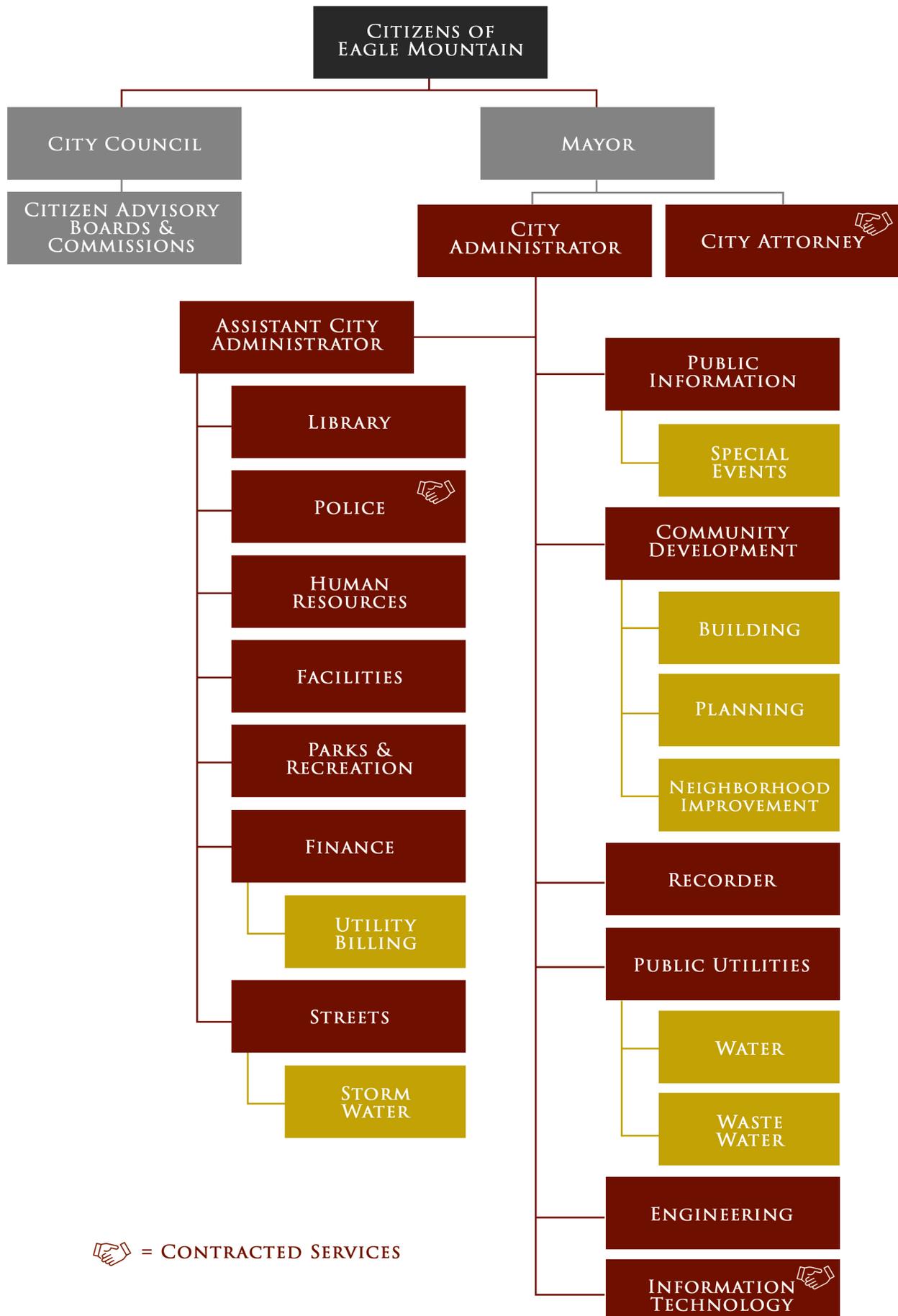
**Eagle Mountain City
Utah**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



CITY OFFICERS



Stephanie Gricius
Council Member



Colby Curtis
Council Member



Ben Reaves
Council Member



Melissa Clark
Council Member



Tom Westmoreland
Mayor



Donna Burnham
Council Member



Ifo Pili
City Administrator

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INDEPENDENT AUDITOR'S REPORT



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Eagle Mountain, Utah

Report on the Basic Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Eagle Mountain City, Utah (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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, 2019, the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters*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 and Other 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 introductory section, supplemental information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, budgetary comparisons, and capital assets, 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 to 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, budgetary comparisons, and capital assets are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied to the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, 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, 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 11, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Eagle Mountain City, we offer the readers of the financial statements this narrative overview and analysis of the financial activities of Eagle Mountain City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- In the Government Wide Statement of Net Position, the total net position of \$209,439,742 is made up of \$167,394,712 in net investment in capital assets, \$15,024,047 in restricted net position, and \$27,020,983 in unrestricted net position. Total net position increased by \$33,425,355 from the prior year.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$8,298,483. Of this amount, \$3,180,962 must only be spent on projects for which the money is restricted. \$1,628,073 is assigned by the City administration and is divided as follows: \$299,925 for debt service, \$64,454 for special revenues and \$1,263,694 for capital projects. The remaining \$3,489,448 is unassigned in the general fund.
- In the enterprise (proprietary) funds, operating revenues increased by \$183,440. Corresponding operating expenses increased by \$1,800,427. This change was due in part to the continued growth within the City and the proprietary funds contributing to the fleet internal service fund for the purchase and maintenance of equipment.

Reporting the City as a Whole

This discussion and analysis is intended to serve as an introduction to Eagle Mountain City's basic financial statements. Eagle Mountain City's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of Eagle Mountain City's finances, in a manner similar to a private-sector business.

- The statement of net position presents information on all of Eagle Mountain City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Eagle Mountain City is improving or deteriorating. However, you will also need to consider other non-financial factors.
- The statement of activities presents information showing how the City's net position changed during the fiscal year reported. 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, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Eagle Mountain 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 government-wide financial statements can be found on pages 21 and 22 of this report.

Reporting the City's Most Significant Funds

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. Eagle Mountain City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

- Governmental funds – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and on the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The governmental fund financial statements can be found on pages 23-26 of this report.

The major governmental funds (as determined by generally accepted accounting principles) are the general fund and certain debt service funds. The balance of the governmental funds are determined to be nonmajor and are included in the combined statements within this report.

- Proprietary funds – Eagle Mountain City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Eagle Mountain City uses enterprise funds to account for its water utility, sewer utility, gas utility, electric utility, golf course, garbage, and storm drain.

The basic proprietary fund financial statements can be found on pages 27-29 of this report.

- Additionally, the City reports the following fund types:

The Internal Service Fund accounts for the fleet management, utility billing, and GIS services provided to other departments of the government on a cost reimbursement basis.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Eagle Mountain City, assets and deferred outflows exceed liabilities and deferred inflows by \$209,439,742.

One of the largest portions of Eagle Mountain City's net position (80%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other

sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's net position. Comparative figures for Fiscal Years 2019 and 2018 are shown below:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 25,717,497	\$ 21,458,415	\$ 43,622,589	\$ 34,725,637	\$ 69,340,086	\$ 56,184,052
Capital Assets	89,908,085	79,061,722	98,488,814	83,916,957	188,396,899	162,978,679
Total assets	<u>115,625,582</u>	<u>100,520,137</u>	<u>142,111,403</u>	<u>118,642,594</u>	<u>257,736,985</u>	<u>219,162,731</u>
Deferred Outflows of Resources	<u>839,867</u>	<u>762,190</u>	<u>1,085,753</u>	<u>1,132,951</u>	<u>1,925,620</u>	<u>1,895,141</u>
Long-term debt outstanding	2,760,901	2,182,946	22,665,130	22,178,382	25,426,031	24,361,328
Other liabilities	12,522,186	9,126,382	10,663,820	9,302,094	23,186,006	18,428,476
Total liabilities	<u>15,283,087</u>	<u>11,309,328</u>	<u>33,328,950</u>	<u>31,480,476</u>	<u>48,612,037</u>	<u>42,789,804</u>
Deferred Inflows of Resources	<u>1,583,900</u>	<u>2,066,277</u>	<u>26,926</u>	<u>187,402</u>	<u>1,610,826</u>	<u>2,253,679</u>
Net position:						
Net investment in capital assets,	88,966,275	77,979,425	78,428,437	62,953,936	167,394,712	140,933,361
Restricted	2,712,487	2,061,683	12,311,560	4,974,285	15,024,047	7,035,968
Unrestricted	7,919,700	7,865,614	19,101,283	20,179,446	27,020,983	28,045,060
Total net assets	<u>\$ 99,598,462</u>	<u>\$ 87,906,722</u>	<u>\$ 109,841,280</u>	<u>\$ 88,107,667</u>	<u>\$ 209,439,743</u>	<u>\$ 176,014,389</u>

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The following table summarizes the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 6,258,526	\$ 5,065,769	\$ 18,006,742	\$ 15,561,474	\$ 24,265,268	\$ 20,627,243
Operating grants & contrib.	32,444	20,065	-	-	32,444	20,065
Capital grants & contrib.	14,042,049	13,747,878	17,257,782	10,420,966	31,299,831	24,168,844
General revenues:						
Property taxes	1,693,461	1,488,313	-	-	1,693,461	1,488,313
General sales & use tax	4,344,548	3,659,450	-	-	4,344,548	3,659,450
Franchise tax	1,224,736	1,196,977	-	-	1,224,736	1,196,977
Interest earnings	858,581	394,194	-	-	858,581	394,194
Total revenues	<u>28,454,345</u>	<u>25,572,646</u>	<u>35,264,524</u>	<u>25,982,440</u>	<u>63,718,869</u>	<u>51,555,086</u>
Expenses:						
General government	\$ 3,544,085	\$ 3,251,578	\$ -	\$ -	\$ 3,544,085	\$ 3,251,578
Public safety	2,682,316	2,550,530	-	-	2,682,316	2,550,530
Highways & public works	9,405,363	7,023,575	-	-	9,405,363	7,023,575
Community development	1,995,945	2,088,942	-	-	1,995,945	2,088,942
Planning	475,935	468,853	-	-	475,935	468,853
Interest on long-term debt	54,342	62,215	-	-	54,342	62,215
Water utility	-	-	4,989,887	4,500,613	4,989,887	4,500,613
Sewer utility	-	-	4,475,542	3,988,418	4,475,542	3,988,418
Storm drain	-	-	952,274	921,619	952,274	921,619
Non-major business	-	-	1,717,825	1,342,353	1,717,825	1,342,353
Total expenses	<u>18,157,986</u>	<u>15,445,693</u>	<u>12,135,528</u>	<u>10,753,003</u>	<u>30,293,514</u>	<u>26,198,696</u>
Increase (decrease) in net assets						
before transfers	10,296,359	10,126,953	23,128,996	15,229,437	33,425,355	25,356,390
Transfers	<u>1,395,382</u>	<u>(7,112,500)</u>	<u>(1,395,382)</u>	<u>7,112,500</u>	<u>-</u>	<u>-</u>
Increase (decr.) in net assets	11,691,741	3,014,453	21,733,614	22,341,937	33,425,355	25,356,390
Net position - beginning	87,906,722	84,892,269	88,107,666	65,765,730	176,014,388	150,657,999
Restatement of net position	-	-	-	-	-	-
Net position - ending	<u>\$ 99,598,463</u>	<u>\$ 87,906,722</u>	<u>\$ 109,841,280</u>	<u>\$ 88,107,667</u>	<u>\$ 209,439,743</u>	<u>\$ 176,014,389</u>

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Governmental activities

Governmental activities increased the City's net position by \$11,691,741. The increase is due mainly to strong residential growth, which helped fuel the increase in revenues related to property taxes, sales taxes, and charges for services and contributions by developers for City infrastructure. Also contributing to the increase in net position is the City's commitment to conservative budgeting in order to keep expenditures as low as possible despite the rapid growth.

Business-type activities

Business-type activities increased the City's net position by \$21,733,614. As of the end of the current fiscal year, all of the City's business-type funds reported positive net position.

Financial Analysis of the Government's Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

At the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$8,298,483. Of this total amount, 62% constitutes assigned and unassigned fund balances. \$1,628,073 is assigned by the administration of the City and will be used for the following: \$299,925 for debt service, \$1,263,694 for capital projects, and \$64,454 for special revenues. \$3,489,448 is unassigned and is available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$3,489,448, an increase of \$627,137 from fiscal year 2018. The total balance is \$3,489,448, an increase of \$627,137 from the prior year. A major reason was an increase in revenues due to the growing number of residents building within the City. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27% of total general fund expenditures, while total fund balance represents 27% of that same amount.

The City has one major Governmental Fund

1. General Capital Projects fund. The fund was created to account for financial resources to be used for the acquisition and construction of major capital facilities within the City. At the end of fiscal year 2019 the fund balance is \$1,263,694 which is a decrease of \$177,263. This decrease is from the construction of several projects throughout the City.

The City maintains enterprise funds to account for the business-type activities of the City. The information is found in the government-wide financial statements, but in more detail.

Unrestricted net position of the combined enterprise funds at the end of the year amounted to \$17,932,146. The net investment in capital assets in these same funds is \$78,428,437.

As mentioned in the financial highlights, operational revenues and expenditures in the enterprise funds increased by \$183,440 and \$1,800,427, respectively.

The water and sewer funds showed a net operating profit, after non-operating revenues/expenses, contributions,

and transfers are considered, the water, sewer, and storm drain fund net position increased by \$13,364,471, \$7,903,833, and \$1,005,527 respectively. The major reasons for the increase in net position is an increase in impact fees collected and an increase in contributed capital from developers in the water, sewer, and storm drain funds.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget was amended from an original budget revenue total of \$11,643,357 to a final revenue budget of \$11,820,257. The increase reflects increased growth in new homes within the City. The budget for expenditures was amended as well from an original budget of \$12,704,466 to a final budget of \$13,089,266, an increase of \$384,800. The increase reflects higher than anticipated expenditures within the general government, community development, and public works departments.

Capital Assets and Debt Administration

Capital Assets. Eagle Mountain City's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$188,396,899 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,469,999	\$ 6,469,999	\$ 3,690,765	\$ 3,690,765	\$ 10,160,764	\$ 10,160,764
Water Shares	-	-	9,264,976	6,403,547	9,264,976	6,403,547
Buildings	3,342,725	3,439,204	1,959,259	1,274,529	5,301,984	4,713,733
Improvements	5,023,606	4,099,336	-	-	5,023,606	4,099,336
Equipment	2,176,204	1,076,901	75,816,030	71,956,658	77,992,234	73,033,559
Infrastructure	66,715,069	63,420,916	-	-	66,715,069	63,420,916
Construction in progress	6,180,482	555,366	7,757,784	591,458	13,938,266	1,146,824
Total net assets	<u>\$ 89,908,085</u>	<u>\$ 79,061,722</u>	<u>\$ 98,488,814</u>	<u>\$ 83,916,957</u>	<u>\$ 188,396,899</u>	<u>\$ 162,978,679</u>

Additional information on the City's capital assets can be found in Note 8 on pages 50-51 in the notes to this financial report.

Long-term debt. At the end of the current year, the City had total bonded debt outstanding of \$22,122,000. Of this amount, \$935,000 is from special assessment bonds. The remaining \$21,187,000 is secured solely by specific revenue sources (i.e., revenue bonds and sales tax revenue bonds).

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Special assessment bonds	\$ 935,000	\$ 1,075,000	\$ -	\$ -	\$ 935,000	\$ 1,075,000
Excise tax bonds	-	-	-	-	-	-
Capital Lease	-	-	-	-	-	-
Revenue bonds	-	-	21,187,000	20,787,000	21,187,000	20,787,000
Total bonds	<u>\$ 935,000</u>	<u>\$ 1,075,000</u>	<u>\$ 21,187,000</u>	<u>\$ 20,787,000</u>	<u>\$ 22,122,000</u>	<u>\$ 21,862,000</u>

During fiscal year 2019, the City's total outstanding debt increased by a net amount of \$260,000. State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitations for the City are \$59,073,329, which is significantly in excess of the City's outstanding general obligation debt. In addition, state statutes allow for an additional 4% to be used for water, sewer, or

again exceeds the outstanding general obligation debt.

Additional information on the City's long-term debt can be found in Note 9 in the Notes to this financial report.

Economic Factors and Next Year's Budgets and Rates

- Eagle Mountain City issued 883 new building permits in fiscal year 2019. This reflects an increase of 54 building permits over the previous fiscal year. The City anticipates that this trend will continue in fiscal year 2020.
- Eagle Mountain City administration is very conservative in estimating budgeted revenues. In the general fund, increases to budgeted revenue year over year are used for one-time project such as preventative road maintenance or service level increases in existing parks. By taking this approach, Eagle Mountain City is prepared for potential market downturns by not increasing fixed costs aggressively.
- No rate increases were budgeted for in fiscal year 2019, however, the city is actively analyzing, both internally and externally through a third-party, revenues from rates and expenditures related to the services provided through those rates to determine future needs. This may entail some changes in fiscal year 2021..
- With Eagle Mountain City's high desert location, the city entered into an agreement with the Central Utah Water Conservancy District to purchase 1,800 acre feet of water from fiscal year 2012 through fiscal year 2021. As of fiscal year 2019, the city has sold 2,671 acre feet of water to users, which means that with the purchase of water in fiscal year 2020, the initial contract has been met.

Request for Information

This financial report is designed to provide a general overview of Eagle Mountain City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Eagle Mountain City, Finance Director, 1650 East Stagecoach Run, Eagle Mountain, UT 84005.

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BASIC FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,510,801	\$ 24,548,385	\$ 34,059,186
Restricted cash and cash equivalents	6,137,793	12,747,848	18,885,641
Investments	-	3,155,951	3,155,951
Accounts receivable			
Customers (net of allowance)	4,614,327	1,298,360	5,912,687
Intergovernmental	300,679	-	300,679
Assessments receivable	793,549	-	793,549
Taxes receivable	2,473,767	-	2,473,767
Notes receivable	3,055,718	-	3,055,718
Internal balances	(1,169,137)	1,169,137	-
Note Receivable - net of current portion	-	702,908	702,908
Capital assets (net of accumulated depreciation):			
Land	6,469,999	3,690,765	10,160,764
Water Shares	-	9,264,976	9,264,976
Buildings	3,342,725	1,959,259	5,301,984
Improvements	5,023,606	-	5,023,606
Equipment and systems	2,176,204	75,816,030	77,992,234
Infrastructure	66,715,069	-	66,715,069
Construction in progress	6,180,482	7,757,784	13,938,266
Total assets	<u>\$ 115,625,582</u>	<u>\$ 142,111,403</u>	<u>\$ 257,736,985</u>
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	\$ 839,867	\$ 214,402	\$ 1,054,269
Bond refunding costs	-	871,351	871,351
Total Deferred outflow of resources	<u>839,867</u>	<u>1,085,753</u>	<u>1,925,620</u>
LIABILITIES			
Accounts payable and accrued liabilities	4,427,062	2,330,469	6,757,531
Deposits	7,371,553	39,000	7,410,553
Bond interest payable	7,877	85,146	93,023
Unearned revenue	715,694	8,209,206	8,924,900
Long-term liabilities			
Due within one year	77,759	903,108	980,866
Due in more than one year	2,683,142	21,762,022	24,445,164
Total liabilities	<u>15,283,087</u>	<u>33,328,950</u>	<u>48,612,037</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	105,478	26,926	132,404
Deferred property taxes levied for future years	1,478,422	-	1,478,422
Total Deferred inflow of resources	<u>1,583,900</u>	<u>26,926</u>	<u>1,610,826</u>
NET POSITION			
Net investment in capital assets	88,966,275	78,428,437	167,394,712
Restricted			
Impact fees	2,712,487	12,311,560	15,024,047
Unrestricted	7,919,700	19,101,283	27,020,983
Total net position	<u>\$ 99,598,462</u>	<u>\$ 109,841,280</u>	<u>\$ 209,439,742</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Activities
For the Year Ended June 30, 2019

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,544,085	\$ 1,170,833	\$ -	\$ -	\$ (2,373,252)	\$ -	\$ (2,373,252)
Public safety	2,682,316	12,160	17,512	-	(2,652,644)	-	(2,652,644)
Public works	9,405,363	165,991	-	14,042,049	4,802,677	-	4,802,677
Community development	1,995,945	184,632	-	-	(1,811,313)	-	(1,811,313)
Planning	475,935	4,724,910	14,932	-	4,263,907	-	4,263,907
Interest on long-term debt	54,343	-	-	-	(54,343)	-	(54,343)
Total governmental activities	<u>18,157,987</u>	<u>6,258,526</u>	<u>32,444</u>	<u>14,042,049</u>	<u>2,175,032</u>	<u>-</u>	<u>2,175,032</u>
Business-type activities:							
Water	4,989,887	8,421,868	-	9,623,324	-	13,055,305	13,055,305
Sewer	4,475,542	6,189,270	-	6,403,598	-	8,117,326	8,117,326
Storm Drain	952,274	890,883	-	1,230,860	-	1,169,469	1,169,469
Non major business-type	1,717,825	2,504,721	-	-	-	786,896	786,896
Total business-type activities	<u>12,135,528</u>	<u>18,006,742</u>	<u>-</u>	<u>17,257,782</u>	<u>-</u>	<u>23,128,996</u>	<u>23,128,996</u>
Total primary government	<u>\$ 30,293,515</u>	<u>\$ 24,265,268</u>	<u>\$ 32,444</u>	<u>\$ 31,299,831</u>	<u>2,175,032</u>	<u>23,128,996</u>	<u>25,304,028</u>
General revenues:							
Property taxes					\$ 1,693,461	\$ -	\$ 1,693,461
General sales and use tax					4,344,548	-	4,344,548
Franchise taxes					1,224,736	-	1,224,736
Interest earnings					858,582	-	858,582
Transfers					1,395,382	(1,395,382)	-
Total general revenues and transfers					<u>9,516,709</u>	<u>(1,395,382)</u>	<u>8,121,327</u>
Change in net Position					11,691,741	21,733,614	33,425,355
Net position- beginning					87,906,722	88,107,666	176,014,388
Net position - ending					<u>\$ 99,598,462</u>	<u>\$ 109,841,280</u>	<u>\$ 209,439,742</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,967,006	\$ -	\$ 229,129	\$ 8,196,135
Restricted cash	-	2,360,816	3,776,977	6,137,793
Receivables (net):				
Accounts	4,614,327	-	-	4,614,327
Taxes	2,473,767	-	-	2,473,767
Intergovernmental	300,679	-	-	300,679
Special assessments	-	-	793,549	793,549
Notes receivable	-	3,055,718	-	3,055,718
Total assets	<u>\$ 15,355,779</u>	<u>\$ 5,416,534</u>	<u>\$ 4,799,655</u>	<u>\$ 25,571,968</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable & accrued liabilities	\$ 2,311,649	\$ 1,097,122	\$ 460,765	\$ 3,869,536
Deposits	7,371,553	-	-	7,371,553
Deferred revenue	715,694	-	-	715,694
Total liabilities	<u>10,398,896</u>	<u>1,097,122</u>	<u>460,765</u>	<u>11,956,783</u>
Deferred inflows of Resources:				
Deferred property taxes levied for future years	1,445,422	-	-	1,445,422
Deferred property taxes-delinquent	22,013	-	-	22,013
Deferred - receivables	-	3,055,718	-	3,055,718
Unavailable special improvement assessments	-	-	793,549	793,549
Total deferred inflows of resources	<u>1,467,435</u>	<u>3,055,718</u>	<u>793,549</u>	<u>5,316,702</u>
Fund Balances:				
Fund balances Restricted for:				
Impact fees	-	-	2,712,487	2,712,487
Special assessments	-	-	468,475	468,475
Assigned, for:				
Special revenues	-	-	64,454	64,454
Debt service	-	-	299,925	299,925
Capital projects	-	1,263,694	-	1,263,694
Unassigned:	3,489,448	-	-	3,489,448
Total fund balances	<u>3,489,448</u>	<u>1,263,694</u>	<u>3,545,341</u>	<u>8,298,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,355,779</u>	<u>\$ 5,416,534</u>	<u>\$ 4,799,655</u>	<u>\$ 25,571,968</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
 Balance Sheet Reconciliation to
 Statement of Net Assets
 June 30, 2019

Total fund balances - governmental fund types:	\$ 8,298,483
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	89,908,085
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	3,838,280
Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds.	839,867
Long-term liabilities, including bonds payable and pension liabilities, are not due and payable in the current period and therefore are not reported in the funds.	(2,768,778)
Deferred inflows of resources related to pensions are not available financial resources and are not reported in the governmental funds.	(105,476)
Internal service funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	(411,999)
Net assets of government activities	\$ 99,598,462

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	General Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 7,161,845	\$ -	\$ 96,992	\$ 7,258,837
Special assessments	-	-	225,728	225,728
Licenses and permits	4,745,362	-	-	4,745,362
Intergovernmental	1,405,771	73,371	-	1,479,142
Charges for services	1,322,633	-	24,540	1,347,173
Impact fees	-	-	3,250,639	3,250,639
Miscellaneous	2,239,240	4,370	60,555	2,304,165
Total revenues	<u>16,874,851</u>	<u>77,741</u>	<u>3,658,454</u>	<u>20,611,046</u>
EXPENDITURES				
Current:				
General government	3,028,123	-	393,493	3,421,616
Public safety	2,688,014	-	-	2,688,014
Public works	4,681,423	-	2,001,809	6,683,232
Planning and zoning	469,353	-	-	469,353
Community development	1,918,069	-	108,267	2,026,336
Debt service:				
Principal retirement	-	-	140,000	140,000
Interest and fiscal charges	-	-	54,588	54,588
Capital outlay	-	8,906,776	-	8,906,776
Total expenditures	<u>12,784,982</u>	<u>8,906,776</u>	<u>2,698,157</u>	<u>24,389,915</u>
Excess revenues over (under) expenditures	<u>4,089,869</u>	<u>(8,829,035)</u>	<u>960,297</u>	<u>(3,778,869)</u>
OTHER FINANCING SOURCES (USES)				
Developer Contributions	-	2,614,261	-	2,614,261
Transfers in	-	6,037,511	12,733	6,050,244
Transfers out	(3,462,732)	-	(1,192,130)	(4,654,862)
Total other financing sources and uses	<u>(3,462,732)</u>	<u>8,651,772</u>	<u>(1,179,397)</u>	<u>4,009,643</u>
Net change in fund balance	627,137	(177,263)	(219,100)	230,774
Fund balances - beginning of year	2,862,311	1,440,957	3,764,441	8,067,709
Fund balances - end of year	<u>\$ 3,489,448</u>	<u>\$ 1,263,694</u>	<u>\$ 3,545,341</u>	<u>\$ 8,298,483</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balance of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2019

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

Net changes in fund balances - total governmental funds	\$ 230,774
Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation in the current period.	6,433,931
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net assets.	
- Current year capital contributions from developers and loss on transfer of assets	4,412,432
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	816,120
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	140,487
Internal service funds are used by management to charge the cost of the fleet management to the individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(345,073)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in as expenditures in the governmental funds	3,070
Change in net assets of governmental activities	\$ 11,691,741

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities - Enterprise				Total	Governmental
	Water	Sewer	Storm Drain	NonMajor Enterprise Funds		Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 17,348,278	\$ 4,192,496	\$ 63,583	2,944,028	\$ 24,548,385	\$ 1,314,666
Accounts receivable - net	431,425	486,883	64,519	315,533	1,298,360	-
Total current assets	<u>17,779,703</u>	<u>4,679,379</u>	<u>128,102</u>	<u>3,259,561</u>	<u>25,846,745</u>	<u>1,314,666</u>
Noncurrent assets:						
Restricted cash and cash equivalents	7,890,368	3,801,096	1,056,384	-	12,747,848	-
Investments	-	-	-	3,155,951	3,155,951	-
Note receivable (Net of Current Portion)	-	-	-	702,908	702,908	-
Land, equipment, buildings and improv.	69,760,354	46,633,758	15,678,597	-	132,072,709	3,225,433
Less: Accumulated depreciation	(17,509,141)	(12,976,838)	(3,097,916)	-	(33,583,895)	(1,784,175)
Total noncurrent assets	<u>60,141,581</u>	<u>37,458,016</u>	<u>13,637,065</u>	<u>3,858,859</u>	<u>115,095,521</u>	<u>1,441,258</u>
Total assets	<u>77,921,284</u>	<u>42,137,395</u>	<u>13,765,167</u>	<u>7,118,420</u>	<u>140,942,266</u>	<u>2,755,924</u>
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding costs - net	374,681	496,670	-	-	871,351	-
Pension related costs	98,331	77,955	38,116	-	214,402	30,411
Total deferred outflow of resources	<u>473,012</u>	<u>574,625</u>	<u>38,116</u>	<u>-</u>	<u>1,085,753</u>	<u>30,411</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	1,941,692	256,531	9,963	122,282	2,330,468	557,526
Debt interest payable	32,456	52,690	-	-	85,146	-
Current - compensated absences	3,241	1,267	600	-	5,108	-
Current portion of long-term debt	304,650	593,350	-	-	898,000	-
Total current liabilities	<u>2,282,039</u>	<u>903,838</u>	<u>10,563</u>	<u>122,282</u>	<u>3,318,722</u>	<u>557,526</u>
Noncurrent liabilities:						
Deposits	39,000	-	-	-	39,000	-
Unearned Revenue	8,209,206	-	-	-	8,209,206	-
Compensated absences- (net of current)	32,618	24,422	7,323	-	64,363	21,573
Net pension liability	183,805	145,718	71,248	-	400,771	56,847
Long-term debt (net of current portion)	7,593,642	13,703,246	-	-	21,296,888	-
Total noncurrent liabilities	<u>16,058,271</u>	<u>13,873,386</u>	<u>78,571</u>	<u>-</u>	<u>30,010,228</u>	<u>78,420</u>
Total liabilities	<u>18,340,310</u>	<u>14,777,224</u>	<u>89,134</u>	<u>122,282</u>	<u>33,328,950</u>	<u>635,946</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related costs	12,349	9,790	4,787	-	26,926	3,819
Total deferred outflow of resources	<u>12,349</u>	<u>9,790</u>	<u>4,787</u>	<u>-</u>	<u>26,926</u>	<u>3,819</u>
NET POSITION						
Net investment in capital assets	44,727,602	21,120,154	12,580,681	-	78,428,437	1,441,258
Restricted - impact fees	7,505,803	3,755,662	1,050,095	-	12,311,560	-
Unrestricted	7,808,232	3,049,190	78,586	6,996,138	17,932,146	705,312
Total net position	<u>\$ 60,041,637</u>	<u>\$ 27,925,006</u>	<u>\$ 13,709,362</u>	<u>6,996,138</u>	<u>\$ 108,672,143</u>	<u>\$ 2,146,570</u>
Adjustment to reflect the consolidation of internal service fund activities to the enterprise funds					1,169,137	
Net position business-type activities					<u>\$ 109,841,280</u>	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Drain	Nonmajor Enterprise Funds	Total	
Operating revenues:						
Charges for services	\$ -	\$ -	\$ 582,848	\$ 1,546,513	\$ 2,129,361	\$ 1,912,888
Charges for services pledged as security on revenue bonds	4,541,799	4,602,236	-	-	9,144,035	-
Other operating income	4,138	2,476	923	-	7,537	-
Total operating revenues	<u>4,545,937</u>	<u>4,604,712</u>	<u>583,771</u>	<u>1,546,513</u>	<u>11,280,933</u>	<u>1,912,888</u>
Operating expenses:						
Salaries and wages	534,572	410,837	333,421	186	1,279,016	297,350
Purchased services	1,858,510	2,129,335	255,426	1,356,193	5,599,464	98,851
Supplies and materials	577,144	143,260	37,967	44,388	802,759	168,848
Depreciation and amortization	1,830,601	1,392,587	391,820	-	3,615,008	284,621
Miscellaneous	80,179	115,687	7,491	339,532	542,889	9,210
Total operating expenses	<u>4,881,006</u>	<u>4,191,706</u>	<u>1,026,125</u>	<u>1,740,299</u>	<u>11,839,136</u>	<u>858,880</u>
Operating income	<u>(335,069)</u>	<u>413,006</u>	<u>(442,354)</u>	<u>(193,786)</u>	<u>(558,203)</u>	<u>1,054,008</u>
Nonoperating revenues (expenses):						
Interest revenue	110,304	100,145	22,015	114,036	346,500	-
Assessment revenue	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-
Developer reimbursements	(284,050)	(61,218)	(15,091)	-	(360,359)	-
Bond refunding cost amortization	(28,822)	(38,205)	-	-	(67,027)	-
Bond issuance costs	-	(47,133)	-	-	(47,133)	-
Other Income	832,622	11,550	-	-	844,172	39,654
Interest expense and fiscal charges	(219,465)	(302,323)	-	-	(521,788)	-
Total nonoperating revenues (expenses)	<u>410,589</u>	<u>(337,184)</u>	<u>6,924</u>	<u>114,036</u>	<u>194,365</u>	<u>39,654</u>
Net income (loss) before contributions and transfers	<u>75,520</u>	<u>75,822</u>	<u>(435,430)</u>	<u>(79,750)</u>	<u>(363,838)</u>	<u>1,093,662</u>
Developer contributions	9,623,324	6,403,598	1,230,860	-	17,257,782	-
Impact fees	3,765,627	1,484,413	285,097	-	5,535,137	-
Transfers in	-	-	-	-	-	-
Transfers out	(100,000)	(60,000)	(75,000)	(1,160,380)	(1,395,380)	-
Total contributions and transfers	<u>13,288,951</u>	<u>7,828,011</u>	<u>1,440,957</u>	<u>(1,160,380)</u>	<u>21,397,539</u>	<u>-</u>
Change in net position	<u>13,364,471</u>	<u>7,903,833</u>	<u>1,005,527</u>	<u>(1,240,130)</u>	<u>21,033,701</u>	<u>1,093,662</u>
Total net position - beginning	46,677,166	20,021,173	12,703,835	8,236,268		1,052,908
Total net position - ending	<u>\$ 60,041,637</u>	<u>\$ 27,925,006</u>	<u>\$ 13,709,362</u>	<u>\$ 6,996,138</u>		<u>\$ 2,146,570</u>
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					699,913	
Change in net position of business-type activities					<u>\$ 21,733,614</u>	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Storm Drain	Nonmajor Enterprise Funds	Total BTAs	Internal Service Fund
Cash Flows From Operating Activities						
Receipts from customers	\$ 4,905,034	\$ 4,646,915	\$ 579,388	\$ 1,751,954	\$ 11,883,291	\$ 1,912,888
Payments to suppliers	(944,363)	(2,817,934)	(315,194)	(1,561,782)	(5,639,273)	(283,157)
Payments to employees	(533,616)	(399,786)	(332,464)	(186)	(1,266,052)	263,170
Net cash provided (used) by operating activities	<u>3,427,055</u>	<u>1,429,195</u>	<u>(68,270)</u>	<u>189,986</u>	<u>4,977,966</u>	<u>1,892,901</u>
Cash Flows From Noncapital Financing Activities						
Transfers in	-	-	-	-	-	-
Transfers out	(100,000)	(60,000)	(75,000)	(1,160,380)	(1,395,380)	-
Net cash provided (used) by noncapital financing activities	<u>(100,000)</u>	<u>(60,000)</u>	<u>(75,000)</u>	<u>(1,160,380)</u>	<u>(1,395,380)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities						
Purchases of capital assets	(8,229,978)	(4,820,479)	(33,495)	-	(13,083,952)	(1,022,673)
Impact fees collected	3,765,627	1,484,413	285,097	-	5,535,137	-
Proceeds from bond issuance	-	1,283,000	-	-	1,283,000	-
Bond issuance costs	-	(47,133)	-	-	(47,133)	-
Other Income	832,622	11,550	-	-	844,172	-
Contributions	7,855,932	4,298,938	-	-	12,154,870	-
Proceeds from sale of assets	-	-	-	-	-	39,654
Payments for developer reimbursements	(284,050)	(61,218)	(15,091)	-	(360,359)	-
Principal paid on capital debt	(313,650)	(584,650)	-	-	(898,300)	-
Interest paid on capital debt	(259,862)	(348,498)	-	-	(608,360)	-
Net cash provided (used) by capital and related financing activities	<u>3,366,641</u>	<u>1,215,923</u>	<u>236,511</u>	<u>-</u>	<u>4,819,075</u>	<u>(983,019)</u>
Cash Flows From Investing Activities						
Interest and dividends received	110,304	100,145	22,015	114,036	346,500	-
Net increase (decrease) in cash and cash equivalents	6,804,000	2,685,263	115,256	(856,358)	8,748,161	909,882
Cash and cash equivalents - beginning	18,434,646	5,308,329	1,004,711	6,956,337	31,704,023	404,784
Cash and cash equivalents (deficit) - ending	<u>\$ 25,238,646</u>	<u>\$ 7,993,592</u>	<u>\$ 1,119,967</u>	<u>\$ 6,099,979</u>	<u>\$ 40,452,184</u>	<u>\$ 1,314,666</u>
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	\$ (335,069)	\$ 413,006	\$ (442,354)	\$ (193,786)	\$ (558,203)	\$ 1,054,008
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization expense	1,830,601	1,392,587	391,820	-	3,615,008	284,621
(Inc.)/decrease in accounts rec.	151,451	42,203	(4,383)	361,851	551,122	-
(Inc.)/decrease in deferred outflows	(9,095)	(7,201)	(3,525)	-	(19,821)	(2,811)
Increase/(decr.) in accounts payable	1,570,270	(429,652)	(14,310)	21,921	1,148,229	540,079
Increase/(decr.) in compensated absences	3,452	13,020	1,924	-	18,396	14,963
Increase/(decr.) in net pension liability	80,198	63,580	31,087	-	174,865	24,804
Increase/(decr.) in deferred inflows	(73,599)	(58,348)	(28,529)	-	(160,476)	(22,763)
Increase/(decr.) in deferred revenue	207,646	-	-	-	207,646	-
Increase/(decr.) in deposits	1,200	-	-	-	1,200	-
Total adjustments	<u>3,762,124</u>	<u>1,016,189</u>	<u>374,084</u>	<u>383,772</u>	<u>5,536,169</u>	<u>838,893</u>
Net cash provided (used) by operating activities	<u>\$ 3,427,055</u>	<u>\$ 1,429,195</u>	<u>\$ (68,270)</u>	<u>\$ 189,986</u>	<u>\$ 4,977,966</u>	<u>\$ 1,892,901</u>
Noncash investing, capital, and financing activities						
Contributions by developers	\$ 1,767,392	\$ 2,104,660	\$ 1,230,860	\$ -	\$ 5,102,912	\$ -
Total noncash investing, capital and financing activities	<u>1,767,392</u>	<u>2,104,660</u>	<u>1,230,860</u>	<u>-</u>	<u>5,102,912</u>	<u>-</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Eagle Mountain (the City) financial statements are prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States of America as applicable to Governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for accounting and financial reporting principles.

A. Reporting Entity

Eagle Mountain City was incorporated December 1996, under laws of the State of Utah. Under the present form of government, administrative and legislative powers are vested in a governing body consisting of the Mayor and a five-member City Council. They are assisted by a City Administrator, who also is the City's budget officer. The treasurer is currently responsible for the financial matters of the City, including money management, accounts payable, financial statements, utility billing, and accounts receivable. The City provides the following services as mandated by law: Public Safety, Highways and Streets, Sanitation, Parks, Water, Public Improvements, Planning and Zoning, and General Administrative Services.

The General Purpose Financial Statements of the City include the financial statements for all activities of the City based upon the criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14. The primary criterion for including a board or agency in this report is financial accountability, which determines whether an entity is a component unit of the financial reporting entity. Blended component units, although legally separate entities, are in substance part of the government's operations, and therefore, data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

- The Redevelopment Agency of Eagle Mountain City is considered a blended component unit and is included in the governmental funds of the City. It was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the Mayor and members of the City Council. Although it is a legally separate entity for the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue fund. Separate financial statements are not issued for the RDA.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that 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 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and 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 and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt. Expenditures related to compensated absences, claims, and judgments are also recorded, but only when payment is due

Property taxes, 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 revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government reports the following **major governmental funds**:

The *general fund* is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund.

The *general capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds.)

The government reports the following **major proprietary funds**:

The *water fund* accounts for the activities of the City's water operations.

The *sewer fund* accounts for the activities of the City's sewer operations.

The *storm drain fund* accounts for the activities of the City's storm drain operations.

Additionally, the government reports the following fund types:

The internal service fund accounts for the fleet management services provided to other departments of the government on a cost reimbursement basis.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The City's temporary cash investments consist of amounts deposited with Utah Public Treasurer's Investment Fund and money market funds. Investments are stated at cost, which approximates fair value.

E. Interfund Transactions

During normal operations, the City has transactions between funds to distribute administrative costs and distribute grant proceeds. These transactions are generally reflected as operating transfers, which are transfers from a fund authorized to receive certain revenues to the fund through which the resources are to be expended. The General Fund billed the respective enterprise funds for administrative costs associated with billing and collection of utility charges. These changes are reflected as revenues and expenses in the respective funds.

F. Restricted Assets

The City maintains cash balances as required by bond covenants. These amounts are reflected in the financial statements as restricted cash. It is the City's policy to use restricted assets first and then unrestricted assets.

G. Capital Assets

Capital assets, which include property, plant, 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 individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	30-50
Improvements other than buildings	20-50
Infrastructure	30-50
Machinery and equipment	5-10
Furniture and fixtures	5-10

H. Compensated Absences

City employees accrue earned vacation, sick leave, long-term sick leave, and comp time throughout the year. They are allowed to carry forward all accrued comp, long term sick leave, and up to 240 hours of vacation time into the next calendar year but are encouraged to take their vacation leave within the calendar year in which it is earned. Upon termination of employment, an employee will be compensated for up to 240 hours of unused person time off leave but will forfeit any accumulated sick leave.

Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

I. Taxes

In Utah, county governments assess, levy, collect, and disburse two principal types of tax: (1) personal property tax, which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1. Taxes are levied on all business personal property on January 1, and real estate and improvement taxes are levied on January 1 and are payable by November 30. The real property taxes, which are due in November, are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by deferred revenue.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City Council is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council must set a tax rate by June 22 each year.

The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

J. Long-Term Obligations

In the government-wide financial statements and in the 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize 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 accrual debt proceeds received, are reported as debt service expenditures. Interest expense is not included in the functions of governmental activities.

K. 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.

L. Deferred Outflows/Inflows of Resources

Beginning with 2013, the City implemented GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. They also establish accounting standards and financial reporting standards that reclassify certain items as deferred outflows of resources or deferred inflows of resources that were previously reported as assets and liabilities and recognizes certain items as outflows of resources or inflows of resources that were previously reported as assets and liabilities.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items, bond refunding costs and pension related costs that are reported on the statement of net position as a deferred outflow.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and pension related costs. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, revenue for future year, is reported in both the statement of net position and the governmental funds balance sheet. These amounts account for property taxes levied on January 1, 2018, for the 2019 fiscal year.

M. Fund Equity

The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports non-spendable balances, then restricted, then committed, and so forth. The City's governmental funds beginning balances have been restated to reflect the below classifications. Fund balance classifications are summarized as follows:

- **Non spendable.** This category 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 balance amounts related to inventories, prepaid expenditures, and endowments are classified as non-spendable.
- **Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either (a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restricted fund balance amounts include the following:

- a) Unspent Impact fees.
- b) Special Assessments.

- **Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of resolution of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City Council has not committed any fund balance amounts.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Assigned.** This category includes Governmental Fund balance amounts that the City intends to be used for a specific purpose but that are neither restricted nor committed. This intent is expressed by formal action of the City's administration comprised of the City administrative council. This category also includes the remaining positive fund balance for other governmental funds. The City has assigned debt service requirement, storm drain charges, and capital projects.
- **Unassigned.** Residual balances in the Governmental Funds are classified as unassigned.

It is the City's policy to use restricted, committed, assigned, and then unassigned fund balance.

N. Use of Estimates

Presenting financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates concerning assets, liabilities, revenues, and expenses. Actual results may vary from these estimates.

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance:				
Restricted:				
Capital improvements	\$ -	\$ -	\$ 2,712,487	\$ 2,712,487
Special assessments	-	-	468,475	468,475
	<u>-</u>	<u>-</u>	<u>3,180,962</u>	<u>3,180,962</u>
Assigned:				
Capital improvements	-	1,263,694	-	1,263,694
Debt service	-	-	299,925	299,925
Redevelopment	-	-	10,596	10,596
Cemetery	-	-	53,858	53,858
	<u>-</u>	<u>1,263,694</u>	<u>364,379</u>	<u>1,628,073</u>
Unassigned:	3,489,448	-	-	3,489,448
Total fund balances	<u>\$ 3,489,448</u>	<u>\$ 1,263,694</u>	<u>\$ 3,545,341</u>	<u>\$ 8,298,483</u>

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets.

This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

1. Capital related items:

When capital assets (property, plant, and equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets is reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the city as a whole.

Cost of capital assets	\$126,977,994
Accumulated depreciation	(37,069,909)
Net adjustment to increase <i>fund balance total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>)	<u>\$89,908,085</u>

2. Long-term assets:

Long-term assets applicable to the City’s governmental activities are not available to pay for expenditures of the current period and are, therefore, deferred in the governmental balance sheet.

Special assessment revenue	\$778,654
Notes receivable	3,055,718
Delinquent property taxes	<u>3,908</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$3,838,280</u>

3. Long-term debt transactions:

Long-term liabilities applicable to the City’s governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the fund statements. All liabilities (both current and long-term) are reported in the statement of net assets.

Bonds payable	(\$935,000)
Bond interest payable	(7,877)
Bond premium	(6,810)
Net Pension Liability	(1,569,930)
Compensated absences	(249,161)
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net postition – governmental activities</i>	<u>(\$2,191,068)</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays 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.”

Capital outlay	\$ 10,210,486
Depreciation expense	<u>(3,776,555)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities</i>	<u>\$ 6,433,931</u>

Another element of that reconciliation states, “The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

Principal payments:	
Amortization of bond premiums	\$ 487
Principal paid on bonds and capital leases	140,000
Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 140,487</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Another element of that reconciliation states that certain expenses reported in the statement of activities do not require the use of current financial resources and are, therefore, not reported as expenditures in the governmental funds.

Accrued bond interest	\$ 245
Pension related costs	21,305
Compensated absences	<u>(18,480)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 3,070</u>

NOTE 3 - BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the State of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles. All funds of the City have legally adopted budgets.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 3 - BUDGETS AND BUDGETARY ACCOUNTING *(Continued)*

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. On or before the first regularly scheduled meeting of the City Council in May, the City Administrator, authorized under state statute to be appointed budget officer, submits a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.
- B. A public hearing is held, at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.
- C. On or before June 22, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1.
- D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The City Administrator, however, acting as budget officer, has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- E. Budget appropriations for any department may be reduced by resolution.
- F. A public hearing, as required in (B) above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.
- G. Encumbrances lapse at year end. Encumbered amounts carry over to the following year and are subject to reappropriation. Therefore, no encumbrances are presented in the financial statements.

During the budget year, the City modified the budget using the above procedures.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2019, the City's cash balance consisted of the following:

	Total Cash From All Fund Types
Cash, cash equivalents, and temporary cash investments	\$ 37,215,137
Cash, and cash equivalents - restricted	18,885,641
Total cash and cash equivalents	\$ 56,100,778

While the City's carrying amount of deposits was \$56,097,837, the balance in the City's bank account and cash on hand was \$56,100,778 with the difference being due to outstanding checks and deposits in transit.

A. Deposits

Deposits – Custodial Credit Risk. Custodial risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City follows the requirements of the Utah Money Management Act in handling its depository and investing transactions. The City considers the actions of the State Money Management Council to be necessary and sufficient for adequate protection of its uninsured bank deposits. City funds are deposited in qualified depositories as defined by the Act. The City does not have a deposit policy for custodial credit risk. As of June 30, 2019, the City's custodial credit risk, for deposits were as follows:

Depository Account	Custodial Credit Risk	Balance June 30, 2019
Checking and savings	Insured and collateralized	\$ 483,376
Checking and savings	Uninsured and uncollateralized	2,380,284
Investment sweep	Uninsured and uncollateralized	13,793,563
Total deposits		\$ 16,657,223

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS *(Continued)*

B. Investments

The Money Management Act defines the types of securities authorized as appropriate investments for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard and Poor’s; bankers’ acceptances; obligations of the U.S. Treasury, including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund. All investments held by the City on June 30, 2019, comply with the provisions of the Act.

The Utah State Treasurer’s Office operates the Public Treasurer’s Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, Utah Code Annotated, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. The PTIF is considered a cash equivalent for the purposes of the financial statements.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses (net of administration fees of the PTIF) are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices
- Level 3: Unobservable inputs

At June 30, 2019, the City had the following recurring fair value measurements.

Investments	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Utah Public Treasurer's Investment Fund	\$ 34,261,526	\$ -	\$ 34,261,526	\$ -
Morten Asset Management Account	3,154,897	3,154,897		
Total Investments	<u>\$ 37,416,423</u>	<u>\$ 3,154,897</u>	<u>\$ 34,261,526</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in level 2 are valued using the following approaches:

- Utah Public Treasurers Investment Fund – Application of the June 30, 2019, fair value factor, as calculated by the Utah State Treasurer, to the City’s ending balances in the fund.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS (Continued)

The City’s investments are managed through participation in the State Public Treasurers’ Investment Fund and through a trust arrangement with a local bank, and a liquid asset management account. As of June 30, 2019, the City had the following investments:

<u>Investments</u>	<u>Investment Maturities (in Years)</u>			
	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Utah Public Treasurer's Investment Fund	\$ 34,261,526	\$ 34,261,526	\$ -	\$ -
Morten Asset Management Account	3,154,897	3,154,897	-	-
Total investments	<u>\$ 37,416,423</u>	<u>\$ 37,416,423</u>	<u>\$ -</u>	<u>\$ -</u>

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 with the Utah Money Management Act, which provides guidance for handling depository and investing transactions in order to minimize interest rate risk.

Investments – Credit Risk. The City follows the requirements of the Utah Money Management Act in handling its depository and investing transactions. The City funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the City to invest in the Utah Public Treasurers Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, restricted mutual funds, and obligations of governmental entities within the State of Utah. The City’s investments are invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the investments. The degree of risk of the investments depends on 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. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The City considers the actions of the Council to be necessary and sufficient for adequate protection of its investments. The City has no investment policy that would further limit its investment choices.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS (Continued)

The PTIF operates and reports to participants on a amortized cost basis. The income gains, and losses (net of administration fees) of the PTIF are allocated based on the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Investments	Fair Value	Quality Ratings			
		AAA	AA	More than A	Unrated
Utah Public Treasurer's Investment Fund	\$28,341,506	\$ -	\$ -	\$ -	\$ 28,341,506
Morten Asset Management Account	3,043,022	3,043,022	-	-	-
Total investments	<u>\$31,384,528</u>	<u>\$ 3,043,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,341,506</u>

Investments Custodial Credit Risk. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment arrangements primarily invest in the Utah Public Treasurers Investment fund and agencies or in instrumentalities of the United States that meet the allowable investments of the Utah Money Management Act. The City does not have an investment policy for custodial credit risk.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 5 - RECEIVABLES

Receivables as of year end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water	Sewer	Storm Drain	Nonmajor Enterprise	Non major Govt'l	Total
Receivables:							
Accounts	\$ 4,614,327	\$ 440,170	\$ 496,819	\$ 65,836	\$ 318,927	\$ -	\$ 5,936,079
Taxes	2,473,767	-	-	-	-	-	2,473,767
Special							
Assessments	-	-	-	-	-	793,549	793,549
Intergovernmental	300,679	-	-	-	-	-	300,679
Less: allowance for uncollectible accounts	-	(8,745)	(9,936)	(1,317)	(3,394)	-	(23,392)
	<u>\$ 7,388,773</u>	<u>\$ 431,425</u>	<u>\$ 486,883</u>	<u>\$ 64,519</u>	<u>\$ 315,533</u>	<u>\$ 793,549</u>	<u>\$ 9,480,682</u>

NOTE 6 – NOTE RECEIVABLE

During fiscal year 2012 the City sold the golf course to an outside party for \$550,000. The purchase was financed with a note receivable to the City of \$550,000. The note has no interest rate. The outside party will pay the City 10% of its net income annually until the debt is repaid. The Note is treated as long term on the financial statements. During fiscal year 2017 the City negotiated with the Golf course to amend the original contract to include unpaid utility fees owed to the City in the amount of \$152,908. As of June 30, 2019, the outstanding note balance was \$702,908.

During fiscal year 2018 the City entered into an agreement with Ivory homes and State of Utah, School and Institutional Trust Lands, in which Ivory homes will contribute \$1,710,000 to the City for construction of a park within the City. \$570,000 will be paid each year from 2020 through 2022. As of June 30, 2019, the note receivable balance was \$1,710,000.

During fiscal year 2019 the City entered into an agreement with Mountain Land Association of Governments, in which they agreed to reimburse the City for construction cost of new roads within the City. The construction project is complete, and the City has requested reimbursement. The note will be paid when the Association receives funding in the 2022 funding cycle. As of June 30, 2019, the note balance was \$1,345,718.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 7 – INTERFUND RECEIVABLES AND TRANSFERS

The operating transfers of the City consist of the following:

Transfer In:	General	Capital Projects	Nonmajor Govrmtl.	Business Type	Internal Service	Total
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor govtl.	12,733	-	-	-	-	12,733
Capital projects	3,450,000	-	1,192,130	1,395,380	-	6,037,510
Internal Service	-	-	-	-	-	-
Business type	-	-	-	-	-	-
Total transfer out	\$ 3,462,733	\$ -	\$ 1,192,130	\$ 1,395,380	\$ -	\$ 6,050,243

The City transferred monies to support capital project payments in the capital projects fund. The City also transferred monies to support operations in the economic development fund.

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (general fund)	\$ 1,445,422	\$ 1,445,422
Property tax delinquent	22,013	
Notes receivable	3,055,718	
Special assessments (special revenue fund)	<u>793,549</u>	
Total	<u>\$5,316,702</u>	<u>\$ 1,445,422</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019, was as follows:

Primary Government	Beginning				Ending
Governmental activities:	Balance	Increases	Transfers	Decreases	Balance
Capital assets not being depreciated:					
Land	\$ 6,469,999	\$ -	\$ -	\$ -	\$ 6,469,999
Construction in progress	555,366	5,625,116	-	-	6,180,482
Total capital assets not being depreciated	<u>7,025,365</u>	<u>5,625,116</u>	<u>-</u>	<u>-</u>	<u>12,650,481</u>
Capital assets being depreciated:					
Buildings	4,539,732	26,436	-	-	4,566,168
Improvements	4,425,564	1,084,299	-	-	5,509,863
Machinery and equipment	3,886,831	1,542,731	-	59,711	5,369,851
Infrastructure	92,537,295	6,344,336	-	-	98,881,631
Total capital assets being depreciated	<u>105,389,422</u>	<u>8,997,802</u>	<u>-</u>	<u>59,711</u>	<u>114,327,513</u>
Less accumulated depreciation for:					
Buildings	1,100,528	122,915	-	-	1,223,443
Improvements	326,228	160,029	-	-	486,257
Machinery and equipment	2,809,930	443,428	-	59,711	3,193,647
Infrastructure	29,116,379	3,050,183	-	-	32,166,562
Total accumulated depreciation	<u>33,353,065</u>	<u>3,776,555</u>	<u>-</u>	<u>59,711</u>	<u>37,069,909</u>
Total capital assets, being depreciated, net	<u>72,036,357</u>	<u>5,221,247</u>	<u>-</u>	<u>-</u>	<u>77,257,604</u>
Governmental activities capital assets, net	<u>\$ 79,061,722</u>	<u>\$ 10,846,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,908,085</u>
Business-type activities:	Beginning				Ending
	Balance	Increases	Transfers	Decreases	Balance
Capital assets not being depreciated:					
Construction in progress	\$ 591,456	\$ 7,757,786	\$ -	\$ 591,458	\$ 7,757,784
Land	3,690,765	-	-	-	3,690,765
Water shares	6,403,547	2,861,429	-	-	9,264,976
Total capital assets not being depreciated	<u>10,685,768</u>	<u>10,619,215</u>	<u>-</u>	<u>591,458</u>	<u>20,713,525</u>
Capital assets being depreciated:					
Buildings	2,824,595	890,659	-	-	3,715,254
Equipment and systems	100,375,480	7,268,449	-	-	107,643,930
Total capital assets being depreciated	<u>103,200,075</u>	<u>8,159,108</u>	<u>-</u>	<u>-</u>	<u>111,359,184</u>
Less accumulated depreciation for:					
Buildings	1,550,065	205,930	-	-	1,755,995
Equipment and Systems	28,418,822	3,409,078	-	-	31,827,900
Total accumulated depreciation	<u>29,968,887</u>	<u>3,615,008</u>	<u>-</u>	<u>-</u>	<u>33,583,895</u>
Total capital assets, being depreciated, net	<u>73,231,188</u>	<u>4,544,100</u>	<u>-</u>	<u>-</u>	<u>77,775,289</u>
Business-type activities capital assets, net	<u>\$ 83,916,956</u>	<u>\$ 15,163,315</u>	<u>\$ -</u>	<u>\$ 591,458</u>	<u>\$ 98,488,814</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 8 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 97,183
Public safety	300
Public works	3,591,935
Planning	-
Community development	87,137
Total depreciation expense - governmental activities	<u>\$ 3,776,555</u>

Business-type activities:

Water	\$ 1,830,601
Sewer	1,392,587
Storm Drain	391,820
Total depreciation expense - business-type activities	<u>\$ 3,615,008</u>

Total depreciation expense	<u>\$ 7,391,563</u>
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The City has various construction projects as of June 30, 2019. The City's commitments with contractors are as follows:

Park projects	\$ 792,023
Road projects	5,919,522
Building projects	12,821
Water projects	5,152,557
Sewer projects	4,342,046
Total	<u>\$ 16,218,969</u>

NOTE 9 – LONG-TERM DEBT

Bonds and notes payable at June 30, 2019, are comprised of the following:

1. \$2,400,000 Eagle Mountain City Special Assessment Bond 2014 (SAA-2014)

This bond requires semiannual payments of interest and annual payments of principal due November 1, 2014 through May 1, 2033, bearing a variable interest rate ranging from 2-5%. The debt service requirements to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 55,000	\$ 48,312	\$ 103,312
2021	60,000	46,662	106,662
2022	55,000	44,712	99,712
2023	60,000	42,788	102,788
2024	60,000	40,612	100,612
2025-2029	365,000	47,500	412,500
2030-2033	280,000	70,000	350,000
Total	<u>\$ 935,000</u>	<u>\$ 340,586</u>	<u>\$ 1,275,586</u>

2. \$16,500,000 Eagle Mountain Water and Sewer Refunding Bonds Series 2007

This bond was used to refund the original Water and Sewer Bond. This bond requires annual installments of principal and interest due beginning November 2008 through November 2026, bearing an interest ranging from 4.00% to 5.00%. During 2015, the bond was partially defeased through an advanced refunding; \$9,705,000 of the principal was defeased, and the remaining \$4,855,000 will require annual installments of principal and interest due beginning November 2015 through November 2026. During fiscal year 2018 the remaining principal was retired with a current refunding bond issue.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 – LONG-TERM DEBT (Continued)

3. \$6,665,000 Eagle Mountain City Sewer Water Quality Board Bond Series 2008.

This bond was issued for the construction of a waste water treatment plant expansion. This bond requires annual payments of interest and principal beginning December 2009 through December 2028, bearing an interest rate of 1%. The bond is a reimbursement bond. The total amount of the bond is \$6,665,000. The debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 310,000	\$ 50,690	\$ 360,690
2021	340,000	47,590	387,590
2022	375,000	44,190	419,190
2023	410,000	40,440	450,440
2024	430,000	36,340	466,340
2025-2029	2,645,000	110,720	2,755,720
2030-2031	559,000	5,590	564,590
Total	<u>\$ 5,069,000</u>	<u>\$ 335,560</u>	<u>\$ 5,404,560</u>

4. \$11,085,000 Eagle Mountain City Gas & Electric Revenue Bond Series 2012.

This bond was issued for the construction of a utilities building and redundancy lines within the City. During 2015 the bond was defeased through an advanced refunding. The City used a portion of the proceeds from the sale of the Utility System to advance refund \$9,195,000 of outstanding 2012 series Gas and Electric revenue-bonds. As of June 30, 2019, \$7,735,000 of the original debt is still outstanding.

5. \$2,536,000 Eagle Mountain City Water Quality Revenue Bond Series 2013

This bond was issued for water system improvements within the City. The bond requires annual principal beginning May 2015, and interest payments beginning May 2014 through May 2034, bearing an interest rate of 1.72%. The debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2020	109,000	32,766	141,766
2021	111,000	30,892	141,892
2022	113,000	28,982	141,982
2023	114,000	27,038	141,038
2024	131,000	25,076	156,076
2025-2029	690,000	90,798	780,798
2030-2034	637,000	29,376	666,376
Total	<u>\$ 1,905,000</u>	<u>\$ 264,928</u>	<u>\$ 2,169,928</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 9 – LONG-TERM DEBT (Continued)

6. \$4,560,000 Note Payable Water Well.

The note was issued with a settlement of a lawsuit regarding the purchase of a well within the City. The note carries no interest rate. The note requires annual principal payments with a set amortization for 2014 and 2015. The note will then be repaid with impact fees as they are collected by the City. During fiscal year 2019 the note was completely paid.

7. \$9,685,000 2014 Water and Sewer Refunding Bond.

This bond was used to refund a portion of the original Water and Sewer Bonds. This bond requires annual installments of principal beginning November 2021, and interest due beginning November 2015 through November 2031, bearing interest of 4.00%. The debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ -	\$ 379,150	\$ 379,150
2021	120,000	377,650	497,650
2022	185,000	373,375	558,375
2023	225,000	367,225	592,225
2024	235,000	360,325	595,325
2025-2029	3,350,000	1,651,125	5,001,125
2030-2032	5,570,000	344,000	5,914,000
Total	\$ 9,685,000	\$ 3,852,850	\$ 13,537,850

8. \$3,690,000 2018A Water and Sewer Refunding Bond

This bond was used to refund the remaining portion of the original 2007 Water and Sewer Bonds. The refunding created future debt savings of \$357,879 and an economic gain of \$306,842.90. This bond requires annual installments of principal beginning November 2018, and interest due beginning May 2018 through May 2026, bearing interest ranging from 4.75-5.00%. The debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 455,000	\$ 113,826	\$ 568,826
2021	460,000	100,100	560,100
2022	485,000	83,500	568,500
2023	495,000	63,900	558,900
2024	520,000	43,600	563,600
2025-2028	830,000	28,000	858,000
Total	\$ 3,245,000	\$ 432,926	\$ 3,677,926

NOTE 9 – LONG-TERM DEBT (Continued)

9. \$1,283,000 Series 2018B Water and Sewer Refunding Bond

The Bond was issued to fund various projects in the sewer fund. This bond requires annual principal and semiannual interest payments beginning December 2018 through December 2048, bearing an interest rate of 1%. The debt service requirement to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 24,000	\$ 12,830	\$ 36,830
2021	24,000	12,590	36,590
2022	25,000	12,350	37,350
2023	26,000	12,100	38,100
2024	27,000	11,840	38,840
2025-2029	144,000	55,020	199,020
2030-2034	165,000	47,450	212,450
2035-2039	190,000	38,700	228,700
2040-2044	206,000	28,830	234,830
2045-2048	452,000	18,270	470,270
Total	<u>\$ 1,283,000</u>	<u>\$ 249,980</u>	<u>\$ 1,532,980</u>

10. Changes in long term liabilities.

Changes in bonds payable, deferred items, capital leases, and compensated absences during the fiscal year June 30, 2019, were as follows:

	July 1 2018	Additions	Reductions	June 30 2019	Due in One Yr
Governmental Activities:					
Bonds Payable					
Special assessment bond 2006 200-1	\$ 1,075,000	\$ -	\$ 140,000	\$ 935,000	\$ 55,000
Unamortized bond premium	7,297	-	487	6,810	-
Total bonds payable	<u>1,082,297</u>	<u>-</u>	<u>140,487</u>	<u>941,810</u>	<u>55,000</u>
Net pension liability	884,932	684,998	-	1,569,930	-
Compensated absences	215,717	281,660	248,216	249,161	22,759
Gov't activities long-term debt	<u>\$ 2,182,946</u>	<u>\$ 966,658</u>	<u>\$ 388,703</u>	<u>\$ 2,760,901</u>	<u>\$ 77,759</u>
Business-Type Activities:					
Bonds payable:					
2009 sewer revenue bond	\$ 5,400,000	\$ -	\$ 331,000	\$ 5,069,000	\$ 310,000
2013 Water quality revenue bond	2,012,000	-	107,000	1,905,000	109,000
2014 Water and sewer refunding bond	9,685,000	-	-	9,685,000	-
Unamortized bond premium	861,954	-	61,568	800,386	-
2018A water and sewer refunding bond	3,690,000	-	445,000	3,245,000	455,000
Unamortized bond premium	237,146	-	29,644	207,502	-
2018B water and sewer revenue bond	-	1,283,000	-	1,283,000	24,000
Total bonds payable	<u>21,886,100</u>	<u>1,283,000</u>	<u>974,212</u>	<u>22,194,888</u>	<u>898,000</u>
Notes Payable	15,300	-	15,300	-	-
Net pension liability	225,906	174,865	-	400,771	-
Compensated absences	51,075	84,854	66,458	69,471	5,108
Business type long-term debt	<u>\$ 22,178,381</u>	<u>\$ 1,542,719</u>	<u>\$ 1,055,970</u>	<u>\$ 22,665,130</u>	<u>\$ 903,108</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Description of plans – Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System), which is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees contributory Retirement System (Tier 2 Public Employees System), which 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 System (URS) is established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS's defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report which can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org

Benefits Provided – URS Provides retirement, disability, and death benefits. Retirement benefits are as follows:

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%
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year to to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

**with actuarial reductions*

***All post-retirement cost of living adjustments are non-compounding and are based on the original benefit except 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.*

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Contributions – As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salary and wages, as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
111 - Local Governmental Division Tier 2	N/A	N/A	15.540%	1.150%
Noncontributory				
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%	N/A
Tier 20 DC Only				
211 Local Government	N/A	N/A	6.690%	10.000%

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

For the fiscal year ended June 30, 2019, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 371,693	N/A
Tier 2 Public Employee System	197,644	-
Tier 2 DC Only System	16,523	N/A
	<u>\$ 585,860</u>	<u>\$ -</u>

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

Combined Pension assets, liabilities, expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At June 30, 2019 the City reported a net pension asset of \$0 and a net pension liability of \$1,970,703.

	(Measurement Date): December 31, 2018				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2017	Change (Decrease)
Noncontributory System	\$ -	\$ 1,928,544	0.2681898%	0.2514663%	0.0104316%
Tier 2 Public Employees System	-	42,159	0.1037190%	0.1030719%	0.0046333%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 1,970,703</u>			

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

The net pension asset and liability were measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2018 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 System during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2019, the City recognized pension expense of \$558,940. At June 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,100	\$ 44,682
Changes in assumptions	268,917	757
Net difference between projected and actual earnings on the pension plan investments	415,037	-
Changes in proportion and differences between contributions and proportionate shares of contributions	44,963	86,965
Contributions subsequent to the measurement date	300,252	-
Total	\$ 1,054,269	\$ 132,404

\$300,252 reported as deferred outflows of resources related to pensions resulting from contributions made prior to the fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2019	\$ 231,070
2020	\$ 121,152
2021	\$ 63,531
2022	\$ 196,843
2023	\$ 1,248
Thereafter	\$ 7,770

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Noncontributory system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2019, the City recognized pension expense of \$449,989 for the noncontributory system. At June 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to noncontributory pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 24,804	\$ 35,969
Changes in assumptions	258,350	-
Net difference between projected and actual earnings on the pension plan investments	401,308	-
Changes in proportion and differences between contributions and proportionate shares of contributions	32,347	86,965
Contributions subsequent to the measurement date	186,913	-
Total	\$ 903,722	\$ 122,934

\$186,913 reported as deferred outflows of resources related to pensions resulting from contributions made prior to the fiscal year end, but subsequent to the measurement date of December 31, 2018. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2019	\$ 226,310
2020	\$ 117,688
2021	\$ 59,737
2022	\$ 190,140
2023	\$ -
Thereafter	\$ -

Tier 2 public employees system pension expense, and deferred outflows and inflows of resources

For the year ended June 30, 2019, the City recognized pension expense of \$108,951 for the Tier 2 public employees system. At June 30, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to Tier 2 public employees pension plans from the following sources

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 296	\$ 8,713
Changes in assumptions	10,567	757
Net difference between projected and actual earnings on the pension plan investments	13,729	-
Changes in proportion and differences between contributions and proportionate shares of contributions	12,616	-
Contributions subsequent to the measurement date	113,340	-
Total	\$ 150,548	\$ 9,470

\$113,340 reported as deferred outflows of resources related to pensions resulting from contributions made prior to the fiscal year end, but subsequent to the measurement date of December 31, 2018. 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</u> <u>December 31,</u>	<u>Deferred Outflows</u> <u>(Inflows) of Resources</u>
2019	\$ 4,760
2020	\$ 3,464
2021	\$ 3,795
2022	\$ 6,703
2023	\$ 1,248
Thereafter	\$ 7,770

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Actuarial assumptions – The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25-9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expenses, including inflation

Mortality rates were developed from actual experience and mortality tables are based on gender, occupation and age as appropriate, with future adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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. 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:

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

	Expected Return Arithmetic Basis			
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return	
Equity securities	40%	6.15%	2.46%	
Debt securities	20%	40.00%	0.08%	
Real assets	15%	5.75%	0.86%	
Private equity	9%	9.95%	0.89%	
Absolute return	16%	2.85%	0.46%	
Cash and cash equivalents	0%	0.00%	0.00%	
Totals	100%		4.75%	
	Inflation		2.60%	
	Expected arithmetic nominal return		7.25%	

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense.

Discount rate – The discount rate used to measure the total pension liability was 6.95%. 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 remained unchanged from the prior year.

Sensitivity of the City’s proportionate share of the net pension asset and liability to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (8.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Proportion Share of			
Noncontributory Systems	\$ 3,952,474	\$ 1,928,544	\$ 243,145
Tier 2 Public Employees System	168,898	42,159	(55,651)
Total	\$ 4,121,372	\$ 1,970,703	\$ 187,494

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Pension plan fiduciary net position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued URS financial report.

Defined Contribution 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 they may also be used as a primary retirement plan. These plans are voluntary tax advantaged retirement savings programs authorized under sections 401(k) and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Eagle Mountain City participates in the following Defined Contribution Savings plans with the 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 the fiscal year ended June 30, were as follows:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
401(k) Plan			
Employer Contributions	\$ 75,847	\$ 62,936	\$ 53,059
Employee Contributions	38,508	29,764	23,876
457 Plan			
Employer Contributions	189,457	168,485	159,569
Employee Contributions	162,568	158,762	146,485
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	41,554	28,097	21,395

NOTE 11 - LITIGATION

The City is a defendant in certain legal actions and pending actions or is in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. City management is of the opinion that the final outcome of the cases will not have an adverse material affect on the City’s financial statements.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Utah Local Governments Trust (a public entity risk pool). All claims are submitted to the Utah Local Governments Trust, which acts as a commercial insurer. The Association is obligated to pay all claims covered by its plan. All claims are subject to a \$5,000 deductible. The deductible is accrued as a current liability when the claim is incurred. The Utah Local Governments Trust covers claims up to \$10,000,000. The City has not incurred a claim in excess of its coverage for any of the past three fiscal years.

NOTE 13 – CONTINGENT LIABILITIES

The City has entered into agreements with various developers to donate infrastructure that will benefit future development within the city. These developers will be repaid with the impact fees collected from those future developments. Because of the fluctuations in the building market within the City and due to the uncertainty of new developments actually being built, the amounts are not reflected as liabilities on the financial statements. They will be recorded as expenses as the future impact fees are received. The amount of outstanding impact fee reimbursement agreements as of the balance sheet date is \$2,414,322.

NOTE 14 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 11, 2019, the date the financial statements were available to be issued.

NOTE 15 – REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY

For the year ended June 30, 2019, the following activity occurred in the City’s Redevelopment Agency:

Tax increment collection from other taxing agencies for	
Various project areas	\$96,992
Tax increment Distributions	\$91,142
Outstanding Loans to finance RDA projects	\$0

REQUIRED SUPPLEMENTAL INFORMATION

EAGLE MOUNTAIN CITY
 Required Supplementary Information
 Schedule of the Proportionate Share of the Net Pension Liability
 June 30, 2019
 Last 10 Fiscal Years*

<u>Fiscal Year</u>	<u>Proportion of the net liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Porportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
Noncontributory System					
2015	0.3418200%	\$ 1,484,263	\$ 2,830,676	52.4%	90.2%
2016	0.2882055%	1,630,807	2,337,197	69.78%	87.80%
2017	0.2514720%	1,606,251	1,989,663	80.73%	87.30%
2018	0.0251466%	1,101,749	1,913,175	57.59%	91.90%
2019	0.2619790%	1,928,544	1,990,978	96.86%	87.00%
Tier 2 Public Employees Retirement System					
2015	0.0903999%	(2,740)	444,513	-0.6%	103.50%
2016	0.0953808%	(208)	616,135	-0.030%	100.20%
2017	0.9893570%	11,036	811,348	1.360%	95.10%
2018	0.1030719%	9,088	1,008,808	0.900%	97.40%
2019	0.0984386%	42,159	1,149,735	3.670%	90.80%

* The amounts presented for each fiscal year were determined as of December 31. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EAGLE MOUNTAIN CITY
 Required Supplementary Information
 Schedule of Contributions
 June 30, 2019
 Last 10 Fiscal Years*

	Fiscal year ended June 30,	Actuarial Determined Contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contribution as a percentage of covered employee payroll
Noncontributory System	2014	\$ 495,209	\$ 495,209	\$ -	\$ 2,864,137	19.98%
	2015	481,847	481,847	-	2,608,808	22.03%
	2016	394,681	394,681	-	2,136,875	22.19%
	2017	355,432	355,432	-	1,924,378	18.47%
	2018	360,046	360,046	-	1,949,357	18.48%
	2019	371,693	371,693	-	2,012,414	18.47%
Tier 2 Public Employees Systems	2014	38,159	38,159	-	272,757	16.64%
	2015	89,317	89,317	-	597,837	13.85%
	2016	98,396	98,396	-	659,935	12.13%
	2017	138,865	138,865	-	931,353	14.91%
	2018	164,524	164,524	-	1,088,839	15.11%
	2019	197,644	197,644	-	1,271,838	15.54%
Tier 2 Public Employees DC Only System	2014	4,971	4,971	-	89,085	0.00%
	2015	979	979	-	14,572	0.00%
	2016	4,526	4,526	-	67,651	10.02%
	2017	9,203	9,203	-	137,568	6.69%
	2018	11,797	11,797	-	152,142	7.75%
	2019	16,523	16,523	-	184,079	8.98%

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

** The amounts presented were determined for the Calendar year January 1-December 31. In accordance with GASB 68, until a full 10-year trend is compiled, information is presented for those years for which information is available.

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance Detail
Budget to Actual
General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 6,570,000	\$ 6,570,000	\$ 7,161,845	\$ 591,845
Licenses and permits	3,075,550	3,245,550	4,745,362	1,499,812
Intergovernmental	1,314,932	1,321,832	1,405,771	83,939
Charges for services	242,100	242,100	1,322,633	1,080,533
Miscellaneous	440,775	440,775	2,239,240	1,798,465
Total revenues	11,643,357	11,820,257	16,874,851	5,054,594
EXPENDITURES				
Current:				
General government:				
Legislative	38,295	38,295	37,706	589
Recorders	330,749	330,749	300,236	30,513
Attorney	110,000	110,000	141,223	(31,223)
Executive	609,531	609,531	624,822	(15,291)
Finance	423,924	423,924	407,713	16,211
Engineering	621,594	626,594	465,174	161,420
Information Technology	362,300	437,300	315,955	121,345
Public Information	176,086	176,086	160,752	15,334
Building Maintenance	581,659	581,659	574,542	7,117
Total general government	3,254,138	3,334,138	3,028,123	306,015
Public safety				
Police	2,808,000	2,832,000	2,688,014	143,986
Planning and zoning				
	417,989	482,989	469,353	13,636
Public works				
Streets and Roads	2,834,103	2,871,103	3,248,170	(377,067)
Parks	1,390,390	1,390,390	1,433,253	(42,863)
Total public works	4,224,493	4,261,493	4,681,423	(419,930)
Community development				
Youth committee	1,400	1,400	625	775
Recreation	311,495	311,495	278,896	32,599
Senior council	12,055	13,955	11,557	2,398
Special events	385,218	385,218	357,763	27,455
Building	788,305	958,305	850,710	107,595
Library	358,488	365,388	308,846	56,542
Economic development	142,885	142,885	109,672	33,213
Total community development	1,999,846	2,178,646	1,918,069	260,577
Total expenditures				
	12,704,466	13,089,266	12,784,982	304,284
Excess (deficit) of revenues over (under) expenditures				
	(1,061,109)	(1,269,009)	4,089,869	5,358,878
OTHER FINANCING SOURCES (USES)				
Transfers in	1,061,109	1,061,109	-	(1,061,109)
Transfers out	-	-	(3,462,732)	(3,462,732)
Total other financing sources (uses)	1,061,109	1,061,109	(3,462,732)	(4,523,841)
Net change in fund balance	-	(207,900)	627,137	835,037
Fund balances - beginning	2,862,311	2,862,311	2,862,311	-
Fund balances - ending	\$ 2,862,311	\$ 2,654,411	\$ 3,489,448	\$ 835,037

EAGLE MOUNTAIN CITY
NOTES TO THE REQUIRED SUPPLEMENTARY STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 – Changes in assumptions

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

NOTE 2 – Budgetary Information

Budgets for the general fund are adopted and presented on a basis consistent with generally accepted accounting principles.

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COMBINING AND INDIVIDUAL FUND STATEMENTS
GOVERNMENTAL FUNDS, PROPRIETARY, AND
INTERNAL SERVICE FUNDS

EAGLE MOUNTAIN CITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Debt Service		Capital Projects			Special Revenue				Total Nonmajor Governmental Funds
	Special Assess. Area -2014	Debt Service 2000-1	Special Improv. District 98-1	Special Improv. District 98-3	Special Improv. District 97-1	Impact Fee Parks	Impact Fee Transportation	Cemetery	RDA	
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ 113,835	\$ 50,792	\$ -	\$ -	\$ -	\$ 53,906	\$ 10,596	\$ 229,129
Restricted cash	299,925	342,998	-	14,083	122,351	1,522,313	1,475,307	-	-	3,776,977
Receivables (net):										
Special assessments	789,344	4,205	-	-	-	-	-	-	-	793,549
Total assets	<u>\$ 1,089,269</u>	<u>\$ 347,203</u>	<u>\$ 113,835</u>	<u>\$ 64,875</u>	<u>\$ 122,351</u>	<u>\$ 1,522,313</u>	<u>\$ 1,475,307</u>	<u>\$ 53,906</u>	<u>\$ 10,596</u>	<u>\$ 4,799,655</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
Liabilities:										
Accounts payable & accrued liabilities	\$ -	\$ -	\$ -	\$ 59,095	\$ 116,489	\$ 9,709	\$ 275,424	\$ 48	\$ -	\$ 460,765
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,095</u>	<u>116,489</u>	<u>9,709</u>	<u>275,424</u>	<u>48</u>	<u>-</u>	<u>460,765</u>
Deferred inflows of resources:										
Unavailable Special Improvement Assessments	789,344	4,205	-	-	-	-	-	-	-	793,549
Fund Balances:										
Fund balances restricted for:										
Impact fees	-	-	-	-	-	1,512,604	1,199,883	-	-	2,712,487
Special Assessments	-	342,998	113,835	5,780	5,862	-	-	-	-	468,475
Assigned for:										
Debt service fund	299,925	-	-	-	-	-	-	-	-	299,925
Special revenue funds	-	-	-	-	-	-	-	53,858	10,596	64,454
Total fund balances	<u>299,925</u>	<u>342,998</u>	<u>113,835</u>	<u>5,780</u>	<u>5,862</u>	<u>1,512,604</u>	<u>1,199,883</u>	<u>53,858</u>	<u>10,596</u>	<u>3,545,341</u>
Total Liabilities, Deferred inflows of resources, and fund balances	<u>\$ 1,089,269</u>	<u>\$ 347,203</u>	<u>\$ 113,835</u>	<u>\$ 64,875</u>	<u>\$ 122,351</u>	<u>\$ 1,522,313</u>	<u>\$ 1,475,307</u>	<u>\$ 53,906</u>	<u>\$ 10,596</u>	<u>\$ 4,799,655</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Debt Service		Capital Projects			Special Revenue				Total Nonmajor Governmental Funds
	Special Assess. Area -2014	Debt Service 2000-1	Special Improv. Dist. 98-1	Special Improv. Dist. 98-3	Special Improv. Revenue 97-1	Impact Fee Parks	Impact Fee Transportation	Cemetery	RDA	
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,992	\$ 96,992
Special assessments	215,647	10,081	-	-	-	-	-	-	-	225,728
Impact fees	-	331	4,210	196,254	382,540	1,041,141	1,626,163	-	-	3,250,639
Charges for services	-	-	-	-	-	-	-	24,540	-	24,540
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Miscellaneous	8,607	13,945	-	37	11	17,111	20,844	-	-	60,555
Total revenues	<u>224,254</u>	<u>24,357</u>	<u>4,210</u>	<u>196,291</u>	<u>382,551</u>	<u>1,058,252</u>	<u>1,647,007</u>	<u>24,540</u>	<u>96,992</u>	<u>3,658,454</u>
EXPENDITURES										
Current:										
General government	-	3,639	389,854	-	-	-	-	-	-	393,493
Public works	21,750	277,569	-	157,003	306,032	110,799	1,128,656	-	-	2,001,809
Community Development	-	-	-	-	-	-	-	4,392	103,875	108,267
Debt service:										
Principal retirement	140,000	-	-	-	-	-	-	-	-	140,000
Interest and fiscal charges	54,588	-	-	-	-	-	-	-	-	54,588
Total expenditures	<u>216,338</u>	<u>281,208</u>	<u>389,854</u>	<u>157,003</u>	<u>306,032</u>	<u>110,799</u>	<u>1,128,656</u>	<u>4,392</u>	<u>103,875</u>	<u>2,698,157</u>
Excess revenues over (under) expenditures	<u>7,916</u>	<u>(256,851)</u>	<u>(385,644)</u>	<u>39,288</u>	<u>76,519</u>	<u>947,453</u>	<u>518,351</u>	<u>20,148</u>	<u>(6,883)</u>	<u>960,297</u>
Other financing sources (uses)										
Transfers in	-	-	-	-	-	-	-	-	12,733	12,733
Transfers out	-	-	-	(129,750)	(247,380)	-	(815,000)	-	-	(1,192,130)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(129,750)</u>	<u>(247,380)</u>	<u>-</u>	<u>(815,000)</u>	<u>-</u>	<u>12,733</u>	<u>(1,179,397)</u>
Excess revenues and other sources over (under) expend. and other uses	<u>7,916</u>	<u>(256,851)</u>	<u>(385,644)</u>	<u>(90,462)</u>	<u>(170,861)</u>	<u>947,453</u>	<u>(296,649)</u>	<u>20,148</u>	<u>5,850</u>	<u>(219,100)</u>
Fund balances - beginning of year	292,009	599,849	499,479	96,242	176,723	565,151	1,496,532	33,710	4,746	3,764,441
Fund balances - end of year	<u>\$ 299,925</u>	<u>\$ 342,998</u>	<u>\$ 113,835</u>	<u>\$ 5,780</u>	<u>\$ 5,862</u>	<u>\$ 1,512,604</u>	<u>\$ 1,199,883</u>	<u>\$ 53,858</u>	<u>\$ 10,596</u>	<u>\$ 3,545,341</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Improvement District 2000-1
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ -	\$ 200,000	\$ 10,081	\$ (189,919)
Miscellaneous	-	-	13,945	13,945
Impact fees	-	-	331	331
Total revenues	-	200,000	24,357	(175,643)
EXPENDITURES				
Debt service				
Principal	-	-	-	-
Interest and fees	-	-	-	-
General government	-	3,639	3,639	-
Public works	150,000	346,361	277,569	68,792
Total expenditures	150,000	350,000	281,208	68,792
Excess (deficit) of revenues over (under) expenditures	(150,000)	(150,000)	(256,851)	(106,851)
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balance	(150,000)	(150,000)	(256,851)	(106,851)
Fund balances - beginning	599,849	599,849	599,849	-
Fund balances - ending	\$ 449,849	\$ 449,849	\$ 342,998	\$ (106,851)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Assessment Area - 2014
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 200,000	\$ 200,000	\$ 215,647	\$ 15,647
Miscellaneous	3,500	3,500	8,607	5,107
Total revenues	203,500	203,500	224,254	20,754
EXPENDITURES				
Public works	1,600	1,600	21,750	(20,150)
Debt service				
Principal	55,000	55,000	140,000	(85,000)
Interest and fees	66,468	66,468	54,588	11,880
Total expenditures	123,068	123,068	216,338	(93,270)
Excess (deficit) of revenues over (under) expenditures	80,432	80,432	7,916	(72,516)
OTHER FINANCING SOURCES (USES)				
Total other financing sources	-	-	-	-
Net change in fund balance	80,432	80,432	7,916	(72,516)
Fund balances - beginning	292,009	292,009	292,009	-
Fund balances - ending	\$ 372,441	\$ 372,441	\$ 299,925	\$ (72,516)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,801,230	\$ 1,801,230	\$ 73,371	\$ (1,727,859)
Miscellaneous	-	-	4,370	4,370
Total Revenues	1,801,230	1,801,230	77,741	(1,723,489)
EXPENDITURES				
Debt service				
Capital outlay	5,031,230	29,832,230	8,906,776	20,925,454
Total expenditures	5,031,230	29,832,230	8,906,776	20,925,454
Excess (deficit) of revenues over (under) expenditures	(3,230,000)	(28,031,000)	(8,829,035)	19,201,965
OTHER FINANCING SOURCES (USES)				
Developer Contribution	-	23,200,000	2,614,261	(20,585,739)
Transfers in	3,230,000	3,781,000	6,037,511	2,256,511
Transfers out	-	-	-	-
Total other financing sources (uses)	3,230,000	26,981,000	8,651,772	(18,329,228)
Net change in fund balance	-	(1,050,000)	(177,263)	872,737
Fund balances - beginning	1,440,957	1,440,957	1,440,957	-
Fund balances - ending	\$ 1,440,957	\$ 390,957	\$ 1,263,694	\$ 872,737

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Improvement District 98-1
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Totals</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Impact fees	\$ 288,000	\$ 438,000	\$ 4,210	\$ (433,790)
Total revenues	<u>288,000</u>	<u>438,000</u>	<u>4,210</u>	<u>(433,790)</u>
EXPENDITURES				
Public works	288,000	450,000	389,854	60,146
Debt service	-	-	-	-
Total expenditures	<u>288,000</u>	<u>450,000</u>	<u>389,854</u>	<u>60,146</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>(12,000)</u>	<u>(385,644)</u>	<u>(373,644)</u>
OTHER FINANCING SOURCES (USES)				
Net Change in Fund Balance	-	(12,000)	(385,644)	(373,644)
Fund balances - beginning	499,479	499,479	499,479	-
Fund balances - ending	<u>\$ 499,479</u>	<u>\$ 487,479</u>	<u>\$ 113,835</u>	<u>\$ (373,644)</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Improvement District 98-3
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 37	\$ 37
Impact fees	105,000	160,000	196,254	36,254
Total revenues	<u>105,000</u>	<u>160,000</u>	<u>196,291</u>	<u>36,291</u>
EXPENDITURES				
Public works	95,020	150,020	157,003	(6,983)
Total expenditures	<u>95,020</u>	<u>150,020</u>	<u>157,003</u>	<u>(6,983)</u>
Excess (deficit) of revenues over (under) expenditures	<u>9,980</u>	<u>9,980</u>	<u>39,288</u>	<u>29,308</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out		-	(129,750)	(129,750)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(129,750)</u>	<u>(129,750)</u>
Net change in fund balance	9,980	9,980	(90,462)	(100,442)
Fund balances - beginning	96,242	96,242	96,242	-
Fund balances - ending	<u>\$ 106,222</u>	<u>\$ 106,222</u>	<u>\$ 5,780</u>	<u>\$ (100,442)</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Improvement District 97-1
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 5	\$ 5	\$ 11	\$ 6
Impact fees	215,000	285,000	382,540	97,540
Total revenues	215,005	285,005	382,551	97,546
EXPENDITURES				
Public works	180,020	250,020	306,032	(56,012)
Total expenditures	180,020	250,020	306,032	(56,012)
Excess (deficit) of revenues over (under) expenditures	34,985	34,985	76,519	41,534
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	(247,380)	(247,380)
Total other financing sources	-	-	(247,380)	(247,380)
Net change in fund balance	34,985	34,985	(170,861)	(205,846)
Fund balances - beginning	176,723	176,723	176,723	-
Fund balances - ending	\$ 211,708	\$ 211,708	\$ 5,862	\$ (205,846)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Parks Impact Fee
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		Actual Totals	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Miscellaneous	\$ 9,180	\$ -	\$ 17,111	\$ 17,111
Impact fees	925,000	955,000	1,041,141	86,141
Total revenues	<u>934,180</u>	<u>955,000</u>	<u>1,058,252</u>	<u>103,252</u>
EXPENDITURES				
Public works	120,000	150,000	110,799	39,201
Total expenditures	<u>120,000</u>	<u>150,000</u>	<u>110,799</u>	<u>39,201</u>
Excess (deficit) of revenues over (under) expenditures	<u>814,180</u>	<u>805,000</u>	<u>947,453</u>	<u>142,453</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	814,180	805,000	947,453	142,453
Fund balances - beginning	<u>565,151</u>	<u>565,151</u>	<u>565,151</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,379,331</u>	<u>\$ 1,370,151</u>	<u>\$ 1,512,604</u>	<u>\$ 142,453</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Transportation Impact Fee
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 10,500	\$ 10,500	\$ 20,844	\$ 10,344
Impact fees	1,143,000	1,868,000	1,626,163	(241,837)
Total revenues	1,153,500	1,878,500	1,647,007	(231,493)
EXPENDITURES				
Public works	655,000	1,750,000	1,128,656	621,344
Total expenditures	655,000	1,750,000	1,128,656	621,344
Excess (deficit) of revenues over (under) expenditures	498,500	128,500	518,351	389,851
OTHER FINANCING SOURCES (USES)				
Operating transfers in		-	-	-
Operating transfers out	(460,000)	(815,000)	(815,000)	-
Total other financing sources	(460,000)	(815,000)	(815,000)	-
Net change in fund balance	38,500	(686,500)	(296,649)	389,851
Fund balances - beginning	1,496,532	1,496,532	1,496,532	-
Fund balances - ending	\$ 1,535,032	\$ 810,032	\$ 1,199,883	\$ 389,851

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Cemetery Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 30,600	\$ 30,600	\$ 24,540	\$ (6,060)
Intergovernmental	-	-	-	-
Total revenues	30,600	30,600	24,540	(6,060)
EXPENDITURES				
Community Development	16,864	16,864	4,392	12,472
Total expenditures	16,864	16,864	4,392	12,472
Excess (deficit) of revenues over (under) expenditures	13,736	13,736	20,148	6,412
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	13,736	13,736	20,148	6,412
Fund balances - beginning	33,710	33,710	33,710	-
Fund balances - ending	\$ 47,446	\$ 47,446	\$ 53,858	\$ 6,412

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Redevelopment Agency
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 54,376	\$ 105,000	\$ 96,992	\$ (8,008)
Total revenues	<u>54,376</u>	<u>105,000</u>	<u>96,992</u>	<u>(8,008)</u>
EXPENDITURES				
Community Development	54,376	105,000	103,875	1,125
Total expenditures	<u>54,376</u>	<u>105,000</u>	<u>103,875</u>	<u>1,125</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(6,883)</u>	<u>(6,883)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	12,733	12,733
Total other financing sources	<u>-</u>	<u>-</u>	<u>12,733</u>	<u>12,733</u>
Net change in fund balance	-	-	5,850	5,850
Fund balances - beginning	4,746	4,746	4,746	-
Fund balances - ending	<u>\$ 4,746</u>	<u>\$ 4,746</u>	<u>\$ 10,596</u>	<u>\$ 5,850</u>

EAGLE MOUNTAIN CITY
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2019

	<u>Garbage</u>	<u>Electric</u>	<u>Gas</u>	<u>Golf Course</u>	<u>Total</u>
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 558,264	\$ 19,355	\$ 2,363,345	\$ 3,064	\$ 2,944,028
Accounts receivable - net	164,613	38,970	111,950	-	315,533
Total current assets	<u>722,877</u>	<u>58,325</u>	<u>2,475,295</u>	<u>3,064</u>	<u>3,259,561</u>
Noncurrent assets:					
Investments	-	-	3,155,951	-	3,155,951
Note Receivable -(net of current portion)	-	-	-	702,908	702,908
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>3,155,951</u>	<u>702,908</u>	<u>3,858,859</u>
Total assets	<u>722,877</u>	<u>58,325</u>	<u>5,631,246</u>	<u>705,972</u>	<u>7,118,420</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current liabilities:					
Accounts payable and accrued liabilities	119,635	2,534	113	-	122,282
Total current liabilities	<u>119,635</u>	<u>2,534</u>	<u>113</u>	<u>-</u>	<u>122,282</u>
Noncurrent liabilities:					
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>119,635</u>	<u>2,534</u>	<u>113</u>	<u>-</u>	<u>122,282</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Total deferred outflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:					
Unrestricted	603,242	55,791	5,631,133	705,972	6,996,138
Total net Position	<u>\$ 603,242</u>	<u>\$ 55,791</u>	<u>\$ 5,631,133</u>	<u>\$ 705,972</u>	<u>\$ 6,996,138</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Year Ended June 30, 2019

	Garbage	Electric	Gas	Golf Course	Total
Operating revenues:					
Charges for services	\$ 1,542,193	\$ -	\$ 4,320	\$ -	\$ 1,546,513
Other operating revenue	-	-	-	-	-
Total operating revenues	<u>1,542,193</u>	<u>-</u>	<u>4,320</u>	<u>-</u>	<u>1,546,513</u>
Operating expenses:					
Salaries and wages	186	-	-	-	186
Purchased services	1,356,193	-	-	-	1,356,193
Materials and supplies	44,388	-	-	-	44,388
Miscellaneous	29,387	151,154	158,991	-	339,532
Total operating expenses	<u>1,430,154</u>	<u>151,154</u>	<u>158,991</u>	<u>-</u>	<u>1,740,299</u>
Operating income	<u>112,039</u>	<u>(151,154)</u>	<u>(154,671)</u>	<u>-</u>	<u>(193,786)</u>
Nonoperating revenues (expenses):					
Interest revenue	-	-	114,036	-	114,036
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>114,036</u>	<u>-</u>	<u>114,036</u>
Net income (loss) before contributions and transfers	<u>112,039</u>	<u>(151,154)</u>	<u>(40,635)</u>	<u>-</u>	<u>(79,750)</u>
Contributions and transfers					
Operating transfers out	-	-	(1,160,380)	-	(1,160,380)
Total contributions and transfers	<u>-</u>	<u>-</u>	<u>(1,160,380)</u>	<u>-</u>	<u>(1,160,380)</u>
Change in net Position	112,039	(151,154)	(1,201,015)	-	(1,240,130)
Total net position - beginning	<u>491,203</u>	<u>206,945</u>	<u>6,832,148</u>	<u>705,972</u>	<u>8,236,268</u>
Total net position - ending	<u>\$ 603,242</u>	<u>\$ 55,791</u>	<u>\$ 5,631,133</u>	<u>\$ 705,972</u>	<u>\$ 6,996,138</u>

EAGLE MOUNTAIN CITY
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2019

	Garbage	Electric	Gas	Golf Course	Total
Cash Flows From Operating Activities					
Receipts from customers	\$ 1,552,704	\$ -	\$ 199,250	\$ -	\$ 1,751,954
Payments to employees	(186)	-	-	-	(186)
Payments to suppliers	(1,410,448)	7,790	(159,124)	-	(1,561,782)
Net cash provided (used) by operating activities	<u>142,070</u>	<u>7,790</u>	<u>40,126</u>	<u>-</u>	<u>189,986</u>
Cash Flows From Noncapital Financing Activities					
Transfers Out	-	-	(1,160,380)	-	(1,160,380)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>(1,160,380)</u>	<u>-</u>	<u>(1,160,380)</u>
Cash Flows From Capital and Related Financing Activities					
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities					
Interest and dividends received	-	-	114,036	-	114,036
Net cash provided (used) by investing and related financing activities	<u>-</u>	<u>-</u>	<u>114,036</u>	<u>-</u>	<u>114,036</u>
Net increase (decrease) in cash and cash equivalents	142,070	7,790	(1,006,218)	-	(856,358)
Cash and cash equivalents - beginning	416,194	11,565	6,525,514	3,064	6,956,337
Cash and cash equivalents (deficit) - end	<u>\$ 558,264</u>	<u>\$ 19,355</u>	<u>\$ 5,519,296</u>	<u>\$ 3,064</u>	<u>\$ 6,099,979</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 112,039	\$ (151,154)	\$ (154,671)	\$ -	\$ (193,786)
Adjustments to reconcile operating income to net cash provided (used) by (Inc.)/decrease in accounts rec.	10,511	156,410	194,930	-	361,851
(Inc.)/decrease in deferred outflows	-	-	-	-	-
Increase/(decr.) in net pension liability	-	-	-	-	-
Increase/(decr.) in deferred inflows	-	-	-	-	-
Increase/(decr.) in accounts payable	19,520	2,534	(133)	-	21,921
Total adjustments	<u>30,031</u>	<u>158,944</u>	<u>194,797</u>	<u>-</u>	<u>383,772</u>
Net cash provided (used) by operating activities	<u>\$ 142,070</u>	<u>\$ 7,790</u>	<u>\$ 40,126</u>	<u>\$ -</u>	<u>\$ 189,986</u>

EAGLE MOUNTAIN CITY
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	<u>Fleet</u>	<u>Utility Billing</u>	<u>GIS Services</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 1,123,872	123,942	\$ 66,852	\$ 1,314,666
Total current assets	<u>1,123,872</u>	<u>123,942</u>	<u>66,852</u>	<u>1,314,666</u>
Noncurrent assets:				
Land, equipment, buildings and improvements	3,176,855	13,996	34,582	3,225,433
Less: Accumulated depreciation	<u>(1,739,660)</u>	<u>(11,664)</u>	<u>(32,851)</u>	<u>(1,784,175)</u>
Total noncurrent assets	<u>1,437,195</u>	<u>2,332</u>	<u>1,731</u>	<u>1,441,258</u>
Total assets	<u>2,561,067</u>	<u>126,274</u>	<u>68,583</u>	<u>2,755,924</u>
<u>DEFERRED OUT FLOW OF RESOURCES</u>				
Pension related costs	<u>-</u>	<u>20,274</u>	<u>10,137</u>	<u>30,411</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	<u>548,323</u>	<u>7,605</u>	<u>1,598</u>	<u>557,526</u>
Total current liabilities	<u>548,323</u>	<u>7,605</u>	<u>1,598</u>	<u>557,526</u>
Noncurrent liabilities:				
Compensated absences	14,107	5,400	2,066	21,573
Net pension liability	<u>-</u>	<u>37,898</u>	<u>18,949</u>	<u>56,847</u>
Total noncurrent liabilities	<u>14,107</u>	<u>43,298</u>	<u>21,015</u>	<u>78,420</u>
Total liabilities	<u>562,430</u>	<u>50,903</u>	<u>22,613</u>	<u>635,946</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related costs	<u>-</u>	<u>2,546</u>	<u>1,273</u>	<u>3,819</u>
Net Position:				
Net investment in capital assets	1,437,195	2,332	1,731	1,441,258
Unrestricted	<u>561,442</u>	<u>90,767</u>	<u>53,103</u>	<u>705,312</u>
Total net Position	<u>\$ 1,998,637</u>	<u>\$ 93,099</u>	<u>\$ 54,834</u>	<u>\$ 2,146,570</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2019

	Fleet	Utility Billing	GIS Services	Total
Operating revenues:				
Charges for services	\$ 1,588,191	\$ 207,844	\$ 116,853	\$ 1,912,888
Other operating revenue	-	-	-	-
Total operating revenues	<u>1,588,191</u>	<u>207,844</u>	<u>116,853</u>	<u>1,912,888</u>
Operating expenses:				
Salaries and wages	72,294	144,825	80,231	297,350
Purchased services	9,337	63,212	26,302	98,851
Materials and supplies	168,848	-	-	168,848
Depreciation and amortization	274,906	2,799	6,916	284,621
Miscellaneous	-	7,899	1,311	9,210
Total operating expenses	<u>525,385</u>	<u>218,735</u>	<u>114,760</u>	<u>858,880</u>
Operating income	<u>1,062,806</u>	<u>(10,891)</u>	<u>2,093</u>	<u>1,054,008</u>
Nonoperating revenues (expenses):				
Gain (Loss) on sale of assets	39,654	-	-	39,654
Interest expense	-	-	-	-
Total nonoperating revenues (expenses)	<u>39,654</u>	<u>-</u>	<u>-</u>	<u>39,654</u>
Net income (loss) before contributions and transfers	<u>1,102,460</u>	<u>(10,891)</u>	<u>2,093</u>	<u>1,093,662</u>
Contributions and transfers				
Total contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net Position	1,102,460	(10,891)	2,093	1,093,662
Total net position - beginning	896,177	103,990	52,741	1,052,908
Total net position - ending	<u>\$ 1,998,637</u>	<u>\$ 93,099</u>	<u>\$ 54,834</u>	<u>\$ 2,146,570</u>

EAGLE MOUNTAIN CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Fleet	Utility Billing	GIS Services	Total
Cash Flows From Operating Activities				
Receipts from customers	\$ 1,588,191	\$ 207,844	\$ 116,853	\$ 1,912,888
Payments to employees	(58,187)	(145,905)	(79,065)	(283,157)
Payments to suppliers	356,649	(66,324)	(27,155)	263,170
Net cash provided (used) by operating activities	<u>1,886,653</u>	<u>(4,385)</u>	<u>10,633</u>	<u>1,892,901</u>
Cash Flows From Noncapital Financing Activities				
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from the sale of assets	39,654	-	-	39,654
Acquisition of capital assets	(1,022,673)	-	-	(1,022,673)
Principal paid on outstanding debt	-	-	-	-
Interest paid on outstanding debt	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(983,019)</u>	<u>-</u>	<u>-</u>	<u>(983,019)</u>
Cash Flows From Investing Activities				
Net cash provided (used) by investing and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	903,634	(4,385)	10,633	909,882
Cash and cash equivalents - beginning	220,238	128,327	56,219	404,784
Cash and cash equivalents (deficit) - end	<u>\$ 1,123,872</u>	<u>\$ 123,942</u>	<u>\$ 66,852</u>	<u>\$ 1,314,666</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	<u>\$ 1,062,806</u>	<u>\$ (10,891)</u>	<u>\$ 2,093</u>	<u>\$ 1,054,008</u>
Adjustments to reconcile operating income to net cash provided (used) by				
Depreciation expense	274,906	2,799	6,916	284,621
(Increase)/decrease in deferred outflows	-	(1,874)	(937)	(2,811)
Increase/(decrease) in accounts payable	534,834	4,787	458	540,079
Increase/(decrease) in net pension liability	-	16,536	8,268	24,804
Increase/(decrease) in deferred inflows	-	(15,175)	(7,588)	(22,763)
Increase/(decrease) in compensated absences	14,107	(567)	1,423	14,963
Total adjustments	<u>823,847</u>	<u>6,506</u>	<u>8,540</u>	<u>838,893</u>
Net cash provided (used) by operating activities	<u>\$ 1,886,653</u>	<u>\$ (4,385)</u>	<u>\$ 10,633</u>	<u>\$ 1,892,901</u>

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STATISTICAL SECTION

EAGLE MOUNTAIN CITY
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities										
Invested in capital assets*	\$ 44,418,052	\$ 46,497,009	\$ 49,118,537	\$ 47,599,396	\$ 47,939,072	\$ 59,048,455	\$ 66,092,722	\$ 76,834,279	\$ 77,979,425	\$ 88,966,275
Restricted	1,065,240	714,724	542,636	510,486	668,962	1,081,833	1,642,085	1,107,530	2,061,683	2,712,487
Unrestricted	11,520,458	9,051,382	7,743,147	7,213,734	9,891,812	6,694,321	5,176,939	6,950,460	7,865,614	7,919,700
Total governmental activities	<u>57,003,750</u>	<u>56,263,115</u>	<u>57,404,320</u>	<u>55,323,616</u>	<u>58,499,846</u>	<u>66,824,609</u>	<u>72,911,746</u>	<u>84,892,269</u>	<u>87,906,722</u>	<u>99,598,462</u>
Business-type activities										
Invested in capital assets*	31,480,947	29,952,526	31,476,911	30,175,509	32,487,480	32,767,922	38,007,144	43,226,694	62,953,936	78,428,437
Restricted	1,283,953	1,429,319	2,074,128	2,326,787	2,712,824	1,239,952	2,992,801	4,132,156	4,974,285	12,311,560
Unrestricted	11,302,137	13,459,716	12,984,090	12,116,297	13,123,112	19,392,299	17,900,677	18,406,880	20,179,446	19,101,283
Total business-type activities net position	<u>44,067,037</u>	<u>44,841,561</u>	<u>46,535,129</u>	<u>44,618,593</u>	<u>48,323,416</u>	<u>53,400,173</u>	<u>58,900,622</u>	<u>65,765,730</u>	<u>88,107,667</u>	<u>109,841,280</u>
Primary government										
Invested in capital assets*	75,898,999	76,449,535	80,595,448	77,774,905	80,426,552	91,816,377	104,099,866	120,060,973	140,933,361	167,394,712
Restricted	2,349,193	2,144,043	2,616,764	2,837,273	3,381,786	2,321,785	4,634,886	5,239,686	7,035,968	15,024,047
Unrestricted	22,822,595	22,511,098	20,728,237	19,330,031	23,014,924	26,086,621	23,077,616	25,357,340	28,045,061	27,020,983
Total primary government net position	<u>\$ 101,070,787</u>	<u>\$ 101,104,676</u>	<u>\$ 103,940,449</u>	<u>\$ 99,942,209</u>	<u>\$ 106,823,262</u>	<u>\$ 120,224,783</u>	<u>\$ 131,812,368</u>	<u>\$ 150,657,999</u>	<u>\$ 176,014,390</u>	<u>\$ 209,439,742</u>

Source: Eagle Mountain City

*Net of Related Debt

EAGLE MOUNTAIN CITY
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Government activities:										
General government	\$ 3,106,320	\$ 2,990,083	\$ 3,153,351	\$ 3,121,417	\$ 2,731,266	\$ 2,555,214	\$ 3,257,256	\$ 3,075,688	\$ 3,251,578	\$ 3,544,085
Public safety	3,178,543	3,365,961	3,293,066	3,581,943	2,083,205	2,352,818	2,286,418	2,332,378	2,550,530	2,682,316
Highways & public works	2,892,028	3,214,925	3,213,528	3,973,735	4,516,101	6,730,966	6,496,475	7,506,410	7,023,575	9,405,363
Community development	1,298,779	1,412,892	1,018,550	1,280,805	1,036,699	876,459	1,174,443	1,281,716	2,088,942	1,995,945
Planning	286,370	272,774	427,747	357,287	327,311	395,512	380,673	508,154	468,853	475,935
Interest on long-term debt	596,349	547,600	476,291	308,993	243,250	160,767	166,707	68,597	62,215	54,343
Total governmental activities expense	<u>11,358,389</u>	<u>11,804,235</u>	<u>11,582,533</u>	<u>12,624,180</u>	<u>10,937,832</u>	<u>13,071,736</u>	<u>13,761,972</u>	<u>14,772,943</u>	<u>15,445,693</u>	<u>18,157,987</u>
Business-type activities										
Water utility	2,736,064	2,662,958	2,770,503	2,692,125	3,017,295	3,589,243	4,077,461	4,217,435	4,500,613	4,989,887
Sewer utility	2,332,494	2,789,203	2,957,091	3,014,536	2,899,340	3,510,591	3,923,954	4,004,069	3,988,418	4,475,542
Electric utility	7,652,208	7,681,522	8,608,622	9,819,481	10,135,436	9,834,298	95,183	61,235	-	-
Gas utility	3,548,988	3,538,421	3,789,711	3,494,341	4,102,155	3,452,371	79,069	61,731	-	-
Golf Course	444,284	287,459	-	-	-	-	-	-	-	-
Storm Drain	-	-	-	-	-	-	-	-	921,619	952,274
Non Major Business	689,636	859,093	1,202,245	3,047,851	1,061,465	1,031,895	1,148,040	1,310,495	1,342,353	1,717,825
Total business-type activities expense	<u>17,403,674</u>	<u>17,818,656</u>	<u>19,328,172</u>	<u>22,068,334</u>	<u>21,215,691</u>	<u>21,418,398</u>	<u>9,323,707</u>	<u>9,654,965</u>	<u>10,753,003</u>	<u>12,135,528</u>
Total primary government expenses	<u>28,762,063</u>	<u>29,622,891</u>	<u>30,910,705</u>	<u>34,692,514</u>	<u>32,153,523</u>	<u>34,490,134</u>	<u>23,085,679</u>	<u>24,427,908</u>	<u>26,198,696</u>	<u>30,293,515</u>
Program Revenues										
Governmental activities										
Charges for services:	3,705,627	3,916,189	4,167,532	4,685,581	3,485,946	3,574,307	4,569,333	4,898,084	5,065,769	6,258,526
Operating grants and contributions	319,680	442,020	198,014	138,386	29,359	14,442	52,235	24,429	20,065	32,444
Capital grants and contributions	6,545,969	3,016,669	4,365,668	1,742,092	6,473,181	10,865,051	10,001,603	13,384,998	13,747,878	14,042,049
Total governmental activities programs revenues	<u>10,571,276</u>	<u>7,374,878</u>	<u>8,731,214</u>	<u>6,566,059</u>	<u>9,988,486</u>	<u>14,453,800</u>	<u>14,623,171</u>	<u>18,307,511</u>	<u>18,833,712</u>	<u>20,333,019</u>
Business-type activities:										
Charges for services:	18,004,454	17,864,153	19,213,210	20,737,488	24,004,272	20,171,460	11,472,554	13,254,589	15,561,474	18,006,742
Operating grants and contributions	650,000	-	-	-	-	-	-	-	-	-
Capital grants and contributions	6,397,229	729,027	1,381,304	231,593	948,298	4,418,845	3,431,786	6,250,205	10,420,966	17,257,782
Total business-type activities program revenues	<u>25,051,683</u>	<u>18,593,180</u>	<u>20,594,514</u>	<u>20,969,081</u>	<u>24,952,570</u>	<u>24,590,305</u>	<u>14,904,340</u>	<u>19,504,794</u>	<u>25,982,440</u>	<u>35,264,524</u>
Total primary governmental program revenues	<u>35,622,959</u>	<u>25,968,058</u>	<u>29,325,728</u>	<u>27,535,140</u>	<u>34,941,056</u>	<u>39,044,105</u>	<u>29,527,511</u>	<u>37,812,305</u>	<u>44,816,152</u>	<u>55,597,543</u>

EAGLE MOUNTAIN CITY
Changes in Net Position (cont.)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Net (Expense)/Revenue										
Governmental activities	\$ (787,113)	\$ (4,429,357)	\$ (2,851,319)	\$ (6,058,121)	\$ (949,346)	\$ 1,382,064	\$ 861,199	\$ 3,534,568	\$ 3,388,019	\$ 2,175,032
Business-type activities	7,648,009	774,524	1,266,342	(1,099,253)	3,736,879	3,171,907	5,580,633	9,849,829	15,229,437	23,128,996
Total Primary government net expense	<u>6,860,896</u>	<u>(3,654,833)</u>	<u>(1,584,977)</u>	<u>(7,157,374)</u>	<u>2,787,533</u>	<u>4,553,971</u>	<u>6,441,832</u>	<u>13,384,397</u>	<u>18,617,456</u>	<u>25,304,028</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	1,044,484	943,293	1,194,590	1,378,945	1,124,767	1,089,674	1,202,258	1,377,090	1,488,313	1,693,461
General sales & use tax	1,768,140	1,809,411	1,918,612	2,053,493	2,246,317	2,478,132	2,751,058	3,139,809	3,659,450	4,344,548
Franchise tax	873,339	870,743	840,600	869,847	697,421	870,287	1,110,170	1,224,569	1,196,977	1,224,736
Other	-	-	-	-	-	-	-	-	-	-
Interest earnings	56,460	62,486	38,722	26,550	25,015	43,559	82,267	204,058	394,194	858,582
Contribution of assets from Utility Funds	-	-	-	-	-	3,852,118	-	-	-	-
Gain (loss) on sale of capital assets	-	2,790	-	-	-	(297,188)	-	-	-	-
Transfers	2,206,726	-	-	-	32,056	195,519	80,184	2,684,721	(7,112,500)	1,395,382
Total Governmental activities	<u>5,949,149</u>	<u>3,688,723</u>	<u>3,992,524</u>	<u>4,328,835</u>	<u>4,125,576</u>	<u>8,232,101</u>	<u>5,225,937</u>	<u>8,630,247</u>	<u>(733,566)</u>	<u>9,516,709</u>
Other Business-type activities:										
Gain (loss) on disposition of capital assets	(44,928)	-	428,227	-	-	6,234,012	-	-	-	-
Contribution of assets from Utility Funds	-	-	-	-	-	(3,852,118)	-	-	-	-
Transfers	(2,206,726)	-	-	-	(32,056)	(195,519)	(80,184)	(2,684,721)	7,112,500	(1,395,382)
Total Other Business-type activities	<u>(2,251,654)</u>	<u>-</u>	<u>428,227</u>	<u>-</u>	<u>(32,056)</u>	<u>2,186,375</u>	<u>(80,184)</u>	<u>(2,684,721)</u>	<u>7,112,500</u>	<u>(1,395,382)</u>
Change in Net Position										
Governmental activities	5,162,036	(740,634)	1,141,205	(1,729,286)	3,176,230	9,614,165	6,087,136	12,164,815	3,014,453	11,691,741
Business-type activities	5,396,355	774,524	1,694,569	(1,099,253)	3,704,823	5,358,282	5,500,449	7,165,108	22,341,937	21,733,614
Total primary government	<u>\$ 10,558,391</u>	<u>\$ 33,890</u>	<u>\$ 2,835,774</u>	<u>\$ (2,828,539)</u>	<u>\$ 6,881,053</u>	<u>\$ 14,972,447</u>	<u>\$ 11,587,585</u>	<u>\$ 19,329,923</u>	<u>\$ 25,356,390</u>	<u>\$ 33,425,355</u>

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Fund										
Restricted	\$ 330,030	\$ 259,994	\$ 322,006	\$ 20,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,030,020	744,883	1,078,312	1,870,514	2,602,459	2,162,826	3,070,888	2,959,323	2,862,311	3,489,448
Total general fund	<u>\$ 1,360,050</u>	<u>\$ 1,004,877</u>	<u>\$ 1,400,318</u>	<u>\$ 1,890,982</u>	<u>\$ 2,602,459</u>	<u>\$ 2,162,826</u>	<u>\$ 3,070,888</u>	<u>\$ 2,959,323</u>	<u>\$ 2,862,311</u>	<u>\$ 3,489,448</u>
All Other Governmental Funds										
Restricted	\$ 735,210	\$ 454,730	\$ 2,277,180	\$ 2,041,588	\$ 1,688,626	\$ 1,934,908	\$ 2,350,766	\$ 2,463,417	\$ 3,433,976	\$ 3,180,962
Assigned			498,146	861,413	2,073,633	965,104	428,063	2,303,926	1,771,422	1,628,073
Unassigned reported in										
Special Revenue Funds	1,679,518	1,291,126								
Capital Projects Funds	1,120,288	583,268								
Nonmajor	1,551,808	1,371,682								
Total all other governmental funds	<u>\$ 5,086,824</u>	<u>\$ 3,700,806</u>	<u>\$ 2,775,326</u>	<u>\$ 2,903,001</u>	<u>\$ 3,762,259</u>	<u>\$ 2,900,012</u>	<u>\$ 2,778,829</u>	<u>\$ 4,767,343</u>	<u>\$ 5,205,398</u>	<u>\$ 4,809,035</u>

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues										
Taxes	\$ 3,625,087	\$ 3,725,354	\$ 3,983,273	\$ 4,260,060	\$4,128,574	\$ 4,438,660	\$ 5,060,489	\$ 5,734,815	\$ 6,344,105	\$ 7,258,837
Licenses, fees, and permits	948,384	582,467	705,536	1,124,774	1,552,860	1,662,088	2,214,940	2,895,474	3,454,239	4,745,362
Intergovernmental	1,025,706	1,470,391	1,148,673	1,047,984	778,765	821,777	948,648	1,336,283	1,520,620	1,479,142
Charges for services	2,533,440	3,221,891	3,361,767	3,428,521	1,882,121	1,855,281	2,039,483	1,686,659	1,304,991	1,347,173
Special assessments	657,738	833,525	650,680	398,497	867,149	422,258	1,922,459	307,641	258,551	225,728
Impact fees	971,829	372,702	434,374	877,598	1,495,226	1,523,058	2,024,613	3,308,604	3,402,318	3,250,639
Miscellaneous	606,367	549,381	138,951	158,836	120,980	313,700	767,731	666,876	1,310,833	2,304,165
Total Revenues	10,368,551	10,755,711	10,423,254	11,296,270	10,825,675	11,036,822	14,978,363	15,936,352	17,595,657	20,611,046
Expenditures										
Current:										
General Government	3,070,761	3,030,497	3,001,105	3,109,776	2,703,466	2,617,687	3,222,850	3,027,034	3,294,126	3,421,616
Community Development	1,538,065	1,423,667	1,037,651	1,266,531	1,027,595	1,106,656	1,245,069	1,217,788	2,122,126	2,026,336
Public Works	1,097,471	1,452,650	1,249,543	1,863,423	3,412,266	3,136,684	2,880,937	4,799,868	5,087,135	6,683,232
Public Safety	3,146,335	3,312,336	3,246,420	2,806,751	2,065,929	2,367,014	2,286,418	2,332,378	2,550,530	2,688,014
Planning and Zoning	273,129	270,376	432,894	348,991	317,400	386,939	415,180	487,486	492,349	469,353
Finance & Admin. Services										
Tax Increment Distributions										
Debt service										
Principal Retirement	342,000	1,133,000	1,092,000	854,000	3,651,000	940,000	1,817,000	180,000	155,000	140,000
Bond Issuance Costs					123,286	-	-	-		
Interest and Fiscal Charges	529,374	511,161	416,682	313,772	226,440	277,744	180,379	70,618	64,152	54,588
Capital Outlay	1,013,590	1,363,216	476,999	144,662	375,859	1,664,752	2,223,822	4,444,671	6,597,297	8,906,776
Total expenditures	11,010,725	12,496,903	10,953,294	10,707,906	13,903,241	12,497,476	14,271,655	16,559,843	20,362,715	24,389,915
Excess of revenues over (under) expenditure	(642,174)	(1,741,192)	(530,040)	588,364	(3,077,566)	(1,460,654)	706,708	(623,491)	(3,778,869)	(3,778,869)

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Changes in Fund Balances, Governmental Funds (cont.)
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Other Financing Sources (Uses)										
Issuance of long term debt										
Interim warrants										
Proceeds from Asset Disposals						\$ 497,516				
Loss on Grant Noncompliance						(412,000)				
Debt Proceeds					\$ 4,616,245					
Contributions				\$ 30,000						\$ 2,614,261
Transfer in	\$ 4,716,936	\$ 478,504	\$ 400,426	608,584	660,676	2,154,692	\$ 1,802,835	\$ 6,527,733	\$ 6,091,881	6,050,244
Transfers out	(2,510,210)	(478,504)	(400,426)	(608,584)	(628,620)	(2,081,434)	(1,722,651)	(3,843,012)	(2,983,780)	(4,654,862)
Total other financing sources (uses)	2,206,726	0	0	30,000	4,648,301	158,774	80,184	2,684,721	3,108,101	4,009,643
Net change in fund balances	\$ 1,564,552	\$ (1,741,192)	\$ (530,040)	\$ 618,364	\$ 1,570,735	\$ (1,301,880)	\$ 786,892	\$ 2,061,230	\$ (670,768)	\$ 230,774
Debt service as a percentage of noncapital expenditures	8.72%	14.77%	14.40%	11.06%	28.66%	11.24%	16.58%	2.18%	1.75%	1.18%

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year	Residential Property (1)	Commercial and Industrial Property (2)	Agricultural Property	FAA	Unimproved Non FAA-Vacant	Centrally Assessed Values	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Market Value
2010	\$ 603,122,184	\$ 32,364,170	\$ 801,342	\$ 741,782	\$ 15,794,967	\$ 31,393,836	\$ 48,731,927	\$ 635,486,354	\$ 0	\$ 1,155,429,735
2011	584,256,640	29,931,499	944,800	1,029,619	14,520,156	32,887,551	49,382,126	614,188,139	0.1510%	1,116,705,707
2012	535,698,926	13,742,397	1,794,000	1,067,528	73,571,670	35,388,207	111,821,405	549,441,323	0.1636%	998,984,224
2013	686,272,348	17,590,268	2,296,320	1,366,436	94,171,737	33,929,671	131,764,164	703,862,616	0.1668%	1,279,750,211
2014	576,027,914	15,222,724	1,744,200	1,080,159	75,696,353	33,929,671	112,450,383	591,250,638	0.1380%	1,075,001,160
2015	694,523,745	19,539,846	3,722,200	1,017,153	74,765,712	33,648,886	113,153,951	714,063,591	0.1192%	1,298,297,438
2016	790,828,684	21,392,771	3,835,800	984,050	104,647,449	39,069,499	148,536,798	812,221,455	0.1118%	1,476,766,282
2017	906,140,094	31,143,681	3,824,900	1,120,838	104,011,021	56,115,663	165,072,422	937,283,775	0.1081%	1,704,152,318
2018	1,067,667,701	39,055,681	3,801,500	1,131,057	102,934,380	68,680,398	176,547,335	1,106,723,382	0.1011%	2,012,224,331
2019	1,297,402,260	35,740,400	4,614,600	1,131,645	137,319,730	75,834,551	218,900,526	1,333,142,660	0.0924%	2,156,381,254

Source: Utah State Tax Commission

*2013 figures are estimates

1) Residential Property has been combined with 'Personal Property-Primary Mobile Homes'

2) Commercial and Industrial Property has been combined with 'Personal Property-Other Property'

EAGLE MOUNTAIN CITY
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates		Overlapping Rates						Total Tax Rate
	Basic Rates	Total Direct Rates	Utah County	Central Utah Water Conservancy District	Alpine School District	Unified Fire Service Area	State Assessing & Collecting	Local Assessing & Collecting	
2010	1.400	1.400	0.878	0.400	7.541		0.142	0.183	10.544
2011	1.510	1.510	1.108	0.421	8.220		0.162	0.024	11.445
2012	1.636	1.636	1.143	0.436	8.812		0.172	0.027	12.226
2013	1.668	1.668	1.127	0.455	8.828		0.168	0.029	12.275
2014	1.380	1.380	1.006	0.446	8.699	2.192	0.158	0.095	13.976
2015	1.192	1.192	0.916	0.422	8.096	2.097	0.013	0.220	12.956
2016	1.118	1.118	0.870	0.405	8.177	1.997	0.012	0.216	12.795
2017	1.081	1.081	0.834	0.400	7.718	1.884	0.011	0.204	12.132
2018	1.011	1.011	0.779	0.400	7.167	1.809	0.010	0.180	11.356
2019	0.924	0.924	0.732	0.400	7.033	1.836	0.009	0.170	11.104

Source: State of Utah Certified Tax Rates

EAGLE MOUNTAIN CITY

Principal Property Tax Payers
Fiscal Years 2010 and 2019

TAXPAYER	2019			2010		
	Taxable Assessed	Rank	Percentage of Total	Taxable	Rank	Percentage of Total
	Value		City Taxable Assessed Value	Assessed Value		City Taxable Assessed Value
PACIFICORP	\$ 29,400,430	1	1.88%			
QUESTAR GAS	17,791,527	2	1.14%			
IVORY HOMES	14,083,590	3	0.90%			
DIRECT COMMUNICATIONS	12,117,043	4	0.78%			
KERN RIVER GAS TRANSMISSION CO	11,042,342	5	0.71%			
PONY EXPRESS LAND DEVELOPMENT INC	9,787,600	6	0.63%			
PORTER RANCH TOWN HOMES LLC	8,575,365	7	0.55%			
SILVER LAKE LAND LLC	7,405,300	8	0.47%			
STADION LLC	7,396,500	9	0.47%			
TM CRUSHING LLC	7,102,364	10	0.45%			
	<u>\$ 124,702,061</u>					
KERN RIVER GAS TRANS				\$ 14,744,214	1	2.16%
DIRECT COMMUNICATIONS CEDAR VALLEY				11,330,296	2	1.66%
MONTE VISTA RANCH LC				4,175,486	3	0.61%
PACIFICORP				3,361,322	4	0.49%
SG VALLEY VIEW LC				2,908,150	5	0.43%
SL6 LLC				2,853,500	6	0.42%
ROCKWELL CHARTER HIGH SCHOOL				1,762,000	7	0.26%
TWA A LLC				1,726,010	8	0.25%
VESTIN MORTGAGE INC.				1,678,400	9	0.25%
WAGSTAFF INVESTMENTS, LLC				1,474,404	10	0.22%
				<u>\$ 46,013,782</u>		

Source: Utah County Assessor

EAGLE MOUNTAIN CITY
Property Tax Levied and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Current Amount Collected	Percentage of Levy	Subsequent Delinquent Amount Collected	Total Collected to Date	Percentage of Levy
2010	\$ 1,022,944	\$ 865,717	84.6%	\$ 157,227	\$ 1,022,944	100.00%
2011	1,033,170	912,961	88.4%	120,209	1,033,170	100.00%
2012	1,082,688	990,018	91.4%	92,235	1,082,253	99.96%
2013	1,102,986	1,027,078	93.1%	75,600	1,102,678	99.97%
2014	972,744	910,201	93.6%	62,230	972,431	99.97%
2015	987,417	931,878	94.4%	55,204	987,082	99.97%
2016	1,074,593	1,014,350	94.4%	58,809	1,073,159	99.87%
2017	1,191,899	1,136,921	95.4%	51,632	1,188,553	99.72%
2018	1,298,033	1,243,503	95.8%	50,013	1,293,516	99.65%
2019	1,445,423	1,382,506	95.6%	47,684	1,430,190	98.95%

Source: Utah County Treasurer

EAGLE MOUNTAIN CITY

Taxable Sales by Category

Last Ten Fiscal Years

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Retail/Grocery	\$ 10,184	\$ 54,104	\$ 67,338	\$ 82,984	\$ 127,141	\$ 222,813	\$ 298,627	\$ 339,642	\$ 459,179	\$ 805,850
Utility/Communication	159,474	172,425	182,864	195,865	201,344	223,063	224,107	234,343	251,546	249,275
Auto dealers & supplies	1,373	6,781	9,006	11,539	13,639	15,401	15,978	18,382	33,117	19,056
Eating & drinking establishments	7,784	7,476	12,503	11,119	9,687	10,251	24,765	32,893	41,225	43,161
Home furnishings and appliances	2,184	1,914	975	1,774	2,827	2,326	5,719	2,735	2,864	8,973
Medical	217	1,483	2,265	2,698	2,300	3,872	3,815	6,680	7,954	10,006
Service stations	33,609	38,238	39,338	43,905	47,175	45,297	53,990	68,693	82,865	102,120
All other outlets	27,393	11,698	15,415	16,041	36,561	39,795	58,993	143,245	267,400	360,314
Utah State Tax- Motor Vehicle	38,309	45,568	46,642	50,422	54,359	60,151	67,971	85,646	98,436	116,599
Totals	<u>\$ 280,527</u>	<u>\$ 339,688</u>	<u>\$ 376,346</u>	<u>\$ 416,347</u>	<u>\$ 495,032</u>	<u>\$ 622,970</u>	<u>\$ 753,965</u>	<u>\$ 932,259</u>	<u>\$ 1,244,586</u>	<u>\$ 1,715,355</u>

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Fiscal Year	Eagle Mountain City Direct Rate	Utah County	Mass Transit, Highway and Airport	State of Utah
2010	1.00%	0.25%	0.55%	4.70%
2011	1.00%	0.25%	0.80%	4.70%
2012	1.00%	0.25%	0.80%	4.70%
2013	1.00%	0.25%	0.80%	4.70%
2014	1.00%	0.25%	0.80%	4.70%
2015	1.00%	0.25%	0.80%	4.70%
2016	1.00%	0.25%	0.80%	4.70%
2017	1.00%	0.25%	0.80%	4.70%
2018	1.00%	0.25%	0.80%	4.70%
2019	1.00%	0.25%	1.05%	4.85%

Source: Utah State Tax Commission

EAGLE MOUNTAIN CITY
Sales Tax Revenue Payers by Industry
Fiscal Years 2010 and 2019

	Fiscal Year 2010*				Fiscal Year 2019			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	108	26.80%	\$ 10,184	3.6%	1746	53.7%	\$ 805,850	47.0%
Utility/Communication	87	21.59%	159,474	56.8%	103	3.2%	249,275	14.5%
Auto Dealers & Supplies	10	2.48%	1,373	0.5%	75	2.3%	19,056	1.1%
Eating/Drinking Establishments	6	1.49%	7,784	2.8%	27	0.8%	43,161	2.5%
Home Furnishings & Appliances	6	1.49%	2,184	0.8%	93	2.9%	8,973	0.5%
Medical	8	1.99%	217	0.1%	64	2.0%	10,006	0.6%
Service Stations	2	0.50%	33,609	12.0%	74	2.3%	102,120	6.0%
All Other Outlets	175	43.42%	27,393	9.8%	1066	32.8%	360,314	21.0%
Utah State Tax- Motor Vehicle	1	0.25%	38,309	13.7%	1	0.0%	116,599	6.8%
Total			\$ 280,527	100.0%	3249	100.0%	\$ 1,715,355	100.0%

Source: Eagle Mountain City

*City has no record of number of filers for FY2009.

EAGLE MOUNTAIN CITY
Charges for Water Fees
Last Ten Fiscal Years

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Water Sales	\$ 2,004,797	\$ 2,284,387	\$ 2,439,024	\$ 2,633,580	\$ 2,811,503	\$ 3,062,503	\$ 3,222,097	\$ 3,802,599	\$ 4,167,224	\$ 4,541,799
Secondary Water	-	-	-	-						
Other	172,399	-	-	-	159,107	15,973	470,701	1,512	1,361	4,138
Totals	\$ 2,177,196	\$ 2,284,387	\$ 2,439,024	\$ 2,633,580	\$ 2,970,610	\$ 3,078,476	\$ 3,692,798	\$ 3,804,111	\$ 4,168,585	\$ 4,545,937

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (dollars in thousands except per capita)

Fiscal Year	Governmental Activities						Business-type Activities					
	Excise tax road bonds	Special Assessment bond 98-3	Special Assessment bond 2004A 98-1	Sales Tax Series 2013 (SA bond 2006 2000-1)	Special Assessment bond 2013-1	Capital Leases	Water and Sewer Revenue Bonds	Electric and Gas Revenue Bonds	Unamortized Bond Premium	Total Primary Government	Percentage of Personal Income	Per Capita
2010	\$ 670	-	\$ 1,396	\$ 4,224	-	\$ 153	\$ 15,778	\$ 19,920	\$ 366	\$ 42,507	14.20%	\$ 1,985
2011	547	-	1,081	3,529	-	-	22,160	19,275	342	46,934	15.77%	2,133
2012	419	-	558	3,088	-	-	21,792	18,560	518	44,935	11.37%	1,988
2013	285	-	-	2,926	-	-	21,245	27,530	816	52,802	12.77%	2,275
2014	146	-	-	1,621	2,409	440	23,031	25,338	489	53,465	11.65%	2,076
2015	-	-	-	867	2,369	333	22,754	-	1,047	26,804	5.84%	1,041
2016	-	-	-	-	1,418	224	22,119	-	985	24,738	4.70%	905
2017	-	-	-	-	1,238	113	21,741	-	924	24,008	4.27%	822
2018	-	-	-	-	1,082	-	20,787	-	1,099	22,968	3.63%	713
2019	-	-	-	-	935	-	21,107	-	245	22,287	3.18%	626

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Direct and Overlapping Governmental Activities Debt
 June 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Utah County	\$ -	3.3%	\$ -
Alpine School District	542,300,000	5.0%	27,115,000
Central Utah Water Cons. Dist.	832,436,000	3.3%	27,470,388
Unified Fire Service Area	-	99.5%	-
Subtotal, overlapping debt			<u>54,585,388</u>
City direct debt			<u>1,075,000</u>
Total direct and overlapping debt			<u><u>\$ 55,660,388</u></u>

Source: Eagle Mountain City, Utah County, Alpine School District, CUWCD, UFSA

Please Note: Direct and Overlapping Governmental Activities Debt includes bonds and other debt from entities which appear on Eagle Mountain residents' property tax statements. These debts are not Eagle Mountain City obligations directly but instead are obligations other taxing entities have to which residents of Eagle Mountain are required to pay through property tax assessments to those entities. The overlap percentage is calculated based on population and value assessment statistics gathered by Utah County.

EAGLE MOUNTAIN CITY
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (dollars in thousands)

Legal Debt Margin Calculation for FY 2019

Assessed value	\$1,573,496
Debt limit (12% of the assessed value)	188,820
Debt applicable to limit	-
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	
Total debt applicable to limit	
Legal debt margin	188,820

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 83,359	\$ 75,720	\$ 74,895	\$ 79,794	\$ 83,804	\$ 96,938	\$ 109,972	\$ 133,246	\$ 155,074	\$ 188,820
Total net debt applicable to limit										
Legal debt margin	83,359	75,720	74,895	79,794	83,804	96,938	109,972	133,246	155,074	188,820
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Utah State Tax Commission

Notes: Under state finance law, the city's outstanding general obligation debt should not exceed 12% of total assessed property value. Of this percent, a maximum of 4% may be used for general purpose. The remaining 8% and any unused portion of the 4% available for general purpose up to a maximum of 12% may be used for water, sewer, and electrical projects.

EAGLE MOUNTAIN CITY
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Water and Sewer Revenue Bonds						Electric and Gas Revenue Bonds						SID 2000-1 (Sales Tax 2013)			
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Special Assessment	Debt Service		
				Principal	Interest	Coverage				Principal	Interest	Coverage		Principal	Interest	Coverage
2010	\$ 4,387	\$ 3,692	\$ 695	\$ 340	\$ 789	0.62	\$ 11,292	\$ 9,958	\$ 1,334	\$ 580	929	0.88	\$ 491	\$ 111	\$ 380	1.00
2011	4,696	4,432	264	358	829	0.22	11,551	10,246	1,305	645	918	0.83	651	695	387	0.60
2012	4,901	4,825	76	395	830	0.06	12,089	11,061	1,028	1,435	1,231	0.39	346	441	294	0.47
2013	5,128	4,833	295	442	802	0.24	13,266	12,002	1,264	1,395	1,271	0.47	394	162	257	0.94
2014	5,729	4,932	797	450	788	0.64	14,692	13,321	1,371	1,435	1,227	0.52	656	109	241	1.87
2015	6,101	5,774	327	592	933	0.21	-	-	-	-	-	-	213	754	88	0.25
2016	7,031	6,787	244	530	515	0.23	-	-	-	-	-	-	964	867	62	1.04
2017	7,459	7,087	372	678	688	0.27	-	-	-	-	-	-	57	-	-	-
2018	8,198	7,763	435	725	667	0.31	-	-	-	-	-	-	-	-	-	-
2019	9,151	9,073	78	883	594	0.05	-	-	-	-	-	-	-	-	-	-

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
Pledged-Revenue Coverage (cont.)
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	SID 98-1 (2005A)					SAA 2014-1				Excise Tax Road Bond			
	Special Assessments	Principal	Interest	Coverage		Special Assessments	Principal	Interest	Coverage	Class B & C Road Funds	Principal	Interest	Coverage
2010	\$ 132	\$ 112	\$ 110	0.59		\$ -	\$ -	\$ -	-	\$ 704	\$ 119	\$ 31	4.69
2011	182	315	97	0.44		-	-	-	-	745	123	28	4.93
2012	305	523	66	0.52		-	-	-	-	729	128	21	4.89
2013	5	558	41	0.01		-	-	-	-	772	134	16	5.15
2014	-	-	-	-		211	-	-	-	738	146	10	4.73
2015	-	-	-	-		209	224	-	0.93	-	-	-	-
2016	-	-	-	-		959	950	118	0.90	-	-	-	-
2017	-	-	-	-		251	180	71	1.00	-	-	-	-
2018	-	-	-	-		229	155	64	1.05	-	-	-	-
2019	-	-	-	-		216	140	55	1.11	-	-	-	-

Source: Eagle Mountain City

DEMOGRAPHICS AND ECONOMICS

Pages 110-111 of the Statistical Section of this report show demographic and economic statistics for the City over the last 10 years of the City's history.

EAGLE MOUNTAIN CITY Demographic and Economic Statistics Last Ten Calendar Years

Calendar	Population	Personal Income	Per Capita Personal Income	Unemployment Rate*
2010	21,415	\$ 299,270,206	13,975	7.1
2011	22,008	297,656,898	13,525	7.5
2012	23,531	395,326,200	16,800	6.1
2013	24,097	355,865,378	14,768	4.6
2014	25,760	386,553,677	15,006	3.7
2015	27,027	440,705,329	16,306	3.2
2016	31,165	512,700,028	16,451	2.9
2017	32,980	570,420,663	17,296	2.9
2018	36,288	646,332,366	17,811	2.9
2019	40,537	778,177,973	19,197	2.8

Source: Eagle Mountain City, Utah State Tax Commission

EAGLE MOUNTAIN CITY

Principal Employers Fiscal Years 2010 and 2019

2019				2010			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Alpine School District	839	1	52.90%	Apline School District	313	1	50.40%
Eagle Mountain City	131	2	8.26%	Eagle Mountain City	122	2	19.65%
Job Match LLC	115	3	7.25%	Rockwell High School	45	3	7.25%
Ridley's Family Markets	114	4	7.19%	Ranches Academy	40	4	6.44%
Rockwell High School	50	5	3.15%	Village Pizza	24	5	3.86%
Ranches Academy	48	6	3.03%	Direct Communications	20	6	3.22%
Gotta Dance Performing Arts Stuc	36	7	2.27%	Maverik	18	7	2.90%
TM Crushing, LLC	27	8	1.70%	Great Clips	14	8	2.25%
Direct Communications Cedar	26	9	1.64%	Wasatch Deli	13	9	2.09%
Maverik #380	23	10	1.45%	Holiday Oil	12	10	1.93%
Village Pizza	22	11	1.39%	Morco Grocery Store	N/A	N/A	N/A
Central Utah Clinic dba Revere H	21	12	1.32%	N/A	N/A	N/A	N/A
Dairy Queen Chill & Grill DBA R	20	13	1.26%	N/A	N/A	N/A	N/A
Domino's Pizza -NSFM Pizza	20	13	1.26%	N/A	N/A	N/A	N/A
Six Sisters Deli & Grille	18	14	1.13%	N/A	N/A	N/A	N/A
In Motion Dance Studio	16	15	1.01%	N/A	N/A	N/A	N/A
Disaster Professionals LLC	15	16	0.95%	N/A	N/A	N/A	N/A
Eagle Mountain Subway	15	16	0.95%	N/A	N/A	N/A	N/A
StoneHaven Dental Eagle Mounta	15	16	0.95%	N/A	N/A	N/A	N/A
A to Z Building Blocks 2	15	16	0.95%	N/A	N/A	N/A	N/A
Total City Employment	1,586		100.00%	Total City Employment	621		100.00%

Source: Eagle Mountain City

(1) Includes the top twenty employers according to total number of employees.

N/A = Not Available

OPERATING INFORMATION

Pages 112-114 of the Statistical Section show operating statistics and performance measurement data for the City's overall performance over the last 10 years.

EAGLE MOUNTAIN CITY

Full-time Equivalent City Government Employees by Function/Program Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General government										
Administration	8.6	11	8	7	5	5.5	4	5.41	5.41	5.41
Finance	3	3	3	3	4	4	4	3.6	3.6	3.6
Planning	3.5	2.5	3.5	2.83	4	4	4	4	4.5	4.5
Building	5.5	3.5	3.5	3.5	5.5	5.75	5	5.25	6.26	9.02
Recorder	3	3	3	3	3	3	3	3	3	3.5
Facilities	0	0	0	0	1	1.5	3	2.1	2.75	4.25
Public Information	0	0	0	0	1	1.25	2	2.4	2.18	2.18
Human Resources	0	0	0	0	1	1	1	1	1	1
Other	0	0	3.38	3	1.5	2.15	1.5	7.38	7.78	7.78
Police										
Crossing Guards	3.2	3.2	3.2	3.2	4.75	5.25	5	4.52	4.52	4.52
Fire										
Firefighters and officers	16.59	16.59	17	17	0	0	0	0	0	0
Parks and recreation	1	4.75	4.5	4.5	7.2	7.2	7.5	9.33	12.66	14.55
Library	2.3	2.3	4.13	4.13	5.15	5.5	6	6.33	6.33	6.50
Other public works										
Management	0	0	0	0	0	0	0	0	0	
Engineering	2.3	2.6	2.66	2.66	4.96	5	5	4.33	4.33	5.83
Streets	3.5	3.25	3.5	3.5	4.5	4.5	7.5	6.01	5.91	7.41
Water	6	5.17	5.17	5.16	5.3	5.5	7	5.93	7.47	9.09
Wastewater	5.1	5.17	5.17	5.17	5.31	4	4.5	5.3	5.83	5.83
Utility Billing	4	3.75	4.75	5	5.5	4	3	3.5	3.5	3.9
Other	4	2	2	2	2.68	3.38	3	4.63	4.58	5.24
Energy	13	12	12	11	13	0	0	0	0	0
Total	84.59	83.78	88.46	85.65	84.35	72.48	76	84.02	91.61	104.09

EAGLE MOUNTAIN CITY
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

		<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Function/Program: General government</u>											
Building											
	Building permits issued	323	259	280	458	559	674	1,086	1,437	1,554	1,470
	Building inspections conducted	3,900	1,698	1,850	2,864	4,155	4,958	6,382	8,000	10,813	9,963
Police ¹											
	Physical arrest	424	454	384	416	353	498	481	492	582	540
	Warrants served	53	66	58	48	39	86	154	86	55	53
	Traffic violations	1,730	1,565	2,062	1,399	1,500	1,821	2,148	1,420	1,142	2,212
	Officer initiated calls									6,597	6,701
	Citizen initiated calls									7,944	8,754
Fire ²											
	Emergency responses	676	693	694							
	Inspections	105	110	155							
Streets											
	Miles plowed - snow removal	9,594	12,185	5,339	10,574	5,896	1,394	11,522	10,981	3,491	8,763
	Crack seal (sq. ft.) ³	567	513	1280	480	720	305	147	462,000	16,698,305	232,407
	Asphalt Repairs (sq. ft.)	18,484	130,786	10,308	21,768	58,313	88,454	75,782	365,731	284,060	150,819
Parks and recreation											
	Youth City sports registrations	2,183	2,301	2,747	2,704	3,379	3,402	2,448	1,011	1,074	1,250
	Total recreational sports (youth/adult)	3/0	3/1	3/1	3/5	4/5	4/5	3/5	1/7	1/7	1/5
Water											
	New meters installed	351	147	137	228	354	410	446	657	763	830
	Water meters replaced	169	169	169	239	156	646	436	318	712	135
	Average daily pumped (gallons)	3,262,153	3,785,400	4,272,384	4,142,638	4,285,000	4,036,302	4,820,000	4,903,000	5,824,838	6,136,501
	Avg daily consumption (gallons)	3,305,721	4,013,088	3,732,753	4,332,255	4,076,000	4,030,318	4,366,025	4,858,875	5,122,255	5,409,144

Source: Eagle Mountain City

Notes:

¹ The City contracts with the Utah County Sheriff's Department for police services. City did not report officer or citizen initiated calls prior to 2018.

² Unified Fire Authority acquired the assets and took over operations of the City's Fire Department in January of 2013.

³ Starting in 2017, crack seal repairs are measured in number of square feet of roads repaired. Prior to 2017, crack seal was measured in number of staff hours spent.

EAGLE MOUNTAIN CITY
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Police ¹										
Sworn Officers	15	15	15	15	15	16	16	16	16	18
Fire ²										
Fire Hydrants		918	918	958	957	998	1,116	1,123	1,284	1,424
Fire Stations	2	2	2							
Other public works										
Streets (miles)	136	142	133	133.5	138.37	143	151.97	154.14	164.34	186.95
Gas mains (miles) ³	114	114	116	129	136.5					
Sewer plant capacity (gallons)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Sanitary sewers (miles) ⁴	72.2	72.2	72.2	73	85	89.49	83.95	94.6	95.95	115
Parks and recreation										
Total developed park (acres)	58	66	76	79	88	90	100	124	155	160
Playgrounds	11	12	15	15	15	15	17	23	25	27
Baseball/softball diamonds	3	7	7	7	7	7	7	7	7	7
Soccer/football fields	3	4	4	5	5	5	5	5	5	6
Water										
Water pipe (miles) ⁴	139	139	141	142	151.9	156.65	125.59	136.59	148	170
Total water storage (gallons)	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	9,000,000	9,000,000	9,700,000

Source: Eagle Mountain City

Notes:

¹ The City contracts with the Utah County Sheriff's Department for police services

² Unified Fire Authority acquired the assets and took over operations of the City's Fire Department in January of 2013. Fire hydrants are still owned by the City.

³ Questar Gas acquired the assets and took over operations of the City's natural gas utility in March of 2015

⁴ Sanitary sewer miles and water pipe miles decreased in 2016 due to improvements made in the City's GIS system to make it more accurate.

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GOVERNMENT AUDITING STANDARDS REPORT
UTAH STATE COMPLIANCE REPORT



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

Honorable Mayor and Members of the City Council
Eagle Mountain City
Eagle Mountain, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eagle Mountain City (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 11, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gilbert & Stewart

GILBERT & STEWART, CPA PC
Provo, Utah
December 11, 2019

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

Honorable Mayor and
 Members of the City Council
 Eagle Mountain City, Utah

Report On Compliance

We have audited Eagle Mountain City’s (“the City”) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Restricted Taxes and Related Revenues
- Open and Public Meetings Act
- Treasurer’s Bond
- Impact Fees

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Compliance

In our opinion, Eagle Mountain City, complied, in all material respects, with the state compliance requirements identified above for the year ended June 30, 2019.

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Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Audit Guide and which are described in a separate letter to management dated December 11, 2019, as item 2019-1. Our opinion on compliance was not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in a separate letter to management. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Financial Reporting

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

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

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

We noted matters involving internal control over compliance which we are submitting for your consideration. These matters are described in a separate letter to management as item 2019-1.

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

Gilbert & Stewart

GILBERT & STEWART, CPA, PC.
Provo, Utah
December 11, 2019

EAGLE MOUNTAIN CITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FY ENDED JUNE 30, 2019



1650 STAGECOACH RUN, EAGLE MOUNTAIN, UT 84005
QUESTIONS: DIAL 801-789-6601