

FISCAL YEAR ENDED JUNE 30, 2021

*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

ACFR

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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PHOTO BY EAGLE MOUNTAIN RESIDENT GARY FEWKES



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

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021

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EAGLE MOUNTAIN CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

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April 25, 2022



Letter of Transmittal

Honorable Mayor and Members of the City Council:

EAGLE MOUNTAIN

The Annual Comprehensive Financial Report (ACFR) of Eagle Mountain City (the City), for the fiscal year ended June 30, 2021 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 ACFR 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 unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2021 , 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 200 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 nearly 50,000 in 2021. More than 12,000 residential units have been built, with an average of 1097 new construction 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.

Annual comprehensive 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 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 has fared better than many other states through economic consequences of the COVID-19 pandemic. Utah's unemployment rate as of September 2021 was 2.4%, lower than the national unemployment rate of 4.8%, with Utah County unemployment also remaining very low. During the last half of 2021, Utah's foreclosure rate stood at 0.013%.

Corresponding with Utah's relative economic stability, Eagle Mountain grew by about 14.2% in FY 2021 (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 0.000724. 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 FY2022 Budget includes the construction of new roads, design and construction of new major parks and park amenities, and the beginning phases of major water and sewer upgrades.

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 2022 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 2021. 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.

The Government Finance Officers Association (GFOA) has also awarded the Certificate of Achievement in Financial Reporting award to the City for more than 10 consecutive fiscal years beginning FY 2010. 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 ACFR 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,

A handwritten signature in black ink, appearing to read "Paul A. Jerome", with a long horizontal stroke extending to the right.

Paul Jerome,
City Administrator

A handwritten signature in black ink, appearing to read "KRuesch", with a stylized, cursive script.

Kimberly Ruesch,
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

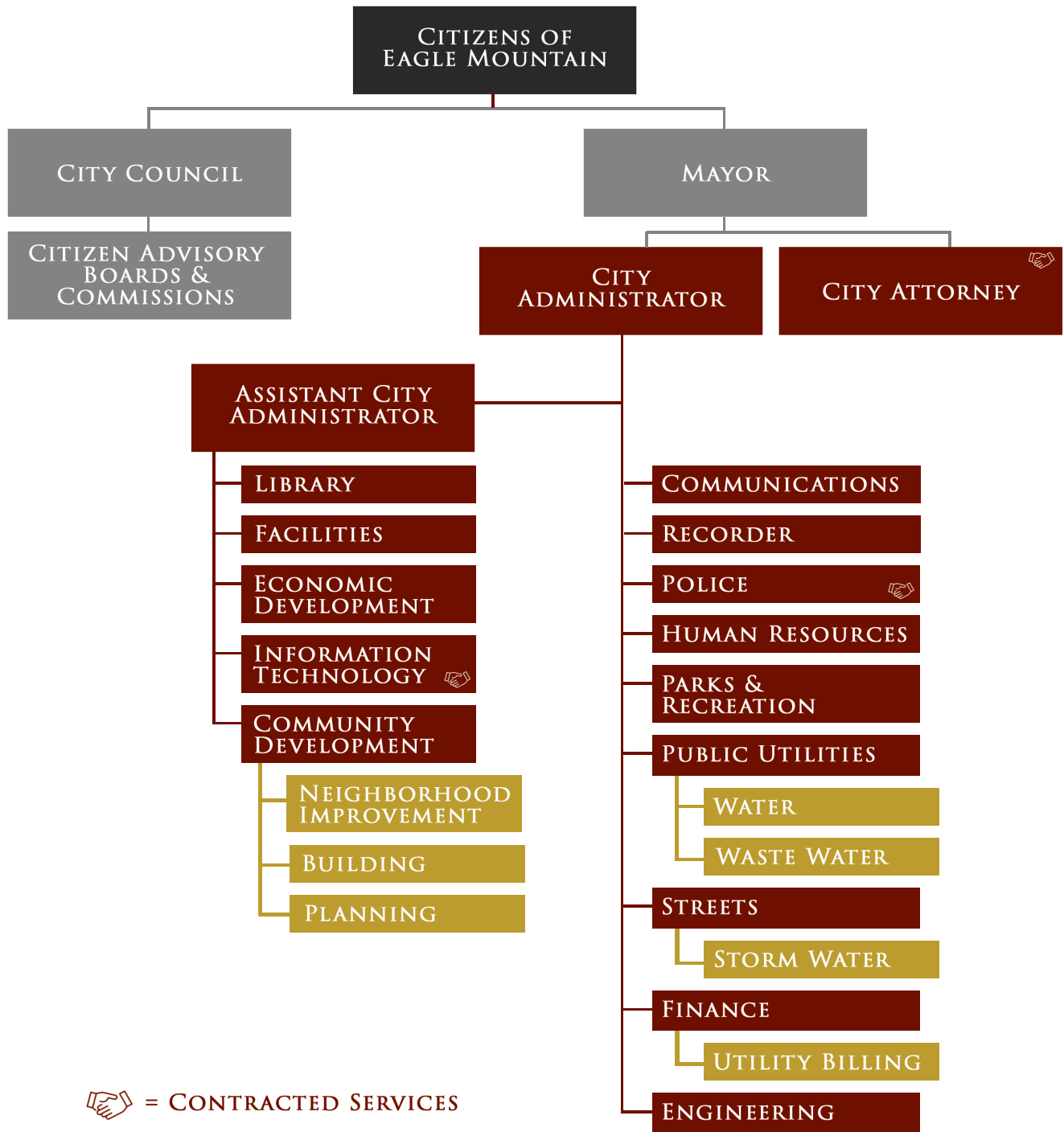
**Eagle Mountain City
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



CITY OFFICERS



Donna Burnham
Council Member



Brett Wright
Council Member



Colby Curtis
Council Member



Carolyn Love
Council Member



Jared Gray
Council Member



Tom Westmoreland
Mayor



Paul Jerome
City Administrator

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INDEPENDENT AUDITOR'S REPORT



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
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, 2021, 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, 2021, 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 30, 2021, 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

March 26, 2022

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, 2021. 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 \$301,420,396 is made up of \$224,482,926 in net investment in capital assets, \$35,695,501 in restricted net position, and \$40,032,404 in unrestricted net position. Total net position increased by \$42,739,483 from the prior year.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$34,611,426. Of this amount, \$13,194,849 must only be spent on projects for which the money is restricted. \$7,461,892 is assigned by the City administration and is divided as follows: \$254,160 for debt service, \$144,986 for special revenues and \$7,062,746 for capital projects. The remaining \$13,954,685 is unassigned in the general fund.
- In the enterprise (proprietary) funds, operating revenues increased by \$2,292,212. Corresponding operating expenses increased by \$22,867,087. This change was due in part to the continued growth within the City. The majority of the increase in expense relates to the water fund. In fiscal year 2022 the City paid \$22.9 million to Central Utah Water Conservancy District in one time development fees to access future water needs of the City..

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, 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 \$301,420,396.

One of the largest portions of Eagle Mountain City's net position (74%) 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 2021 and 2020 are shown below:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	# 2020	2021	2020
Current and other assets	\$ 54,739,265	\$ 43,187,040	\$ 53,890,588	\$ 50,392,567	\$ 108,629,853	\$ 93,579,607
Capital Assets	120,764,687	108,408,054	123,605,813	120,904,812	244,370,500	229,312,866
Total assets	175,503,952	151,595,094	177,496,401	171,297,379	353,000,353	322,892,473
Deferred Outflows of Resources	531,802	491,158	892,400	932,945	1,424,202	1,424,103
Long-term debt outstanding	2,793,571	3,976,381	19,765,657	21,374,807	22,559,228	25,351,188
Other liabilities	16,368,004	16,380,929	11,028,200	11,560,587	27,396,204	27,941,516
Total liabilities	19,161,575	20,357,310	30,793,857	32,935,394	49,955,432	53,292,704
Deferred Inflows of Resources	2,793,571	2,298,597	255,156	118,165	3,048,727	2,416,762
Net position:						
Net investment in capital assets,	119,838,195	105,517,474	104,644,731	101,889,316	224,482,926	207,406,790
Restricted	13,194,849	5,629,857	23,710,217	20,270,583	36,905,066	25,900,440
Unrestricted	21,047,564	18,283,015	18,984,840	17,016,866	40,032,404	35,299,881
Total net assets	\$ 154,080,608	\$ 129,430,346	\$ 147,339,788	\$ 139,176,765	\$ 301,420,396	\$ 268,607,111

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The following table summarizes the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 12,068,623	\$ 7,422,231	\$ 26,739,371	\$ 22,003,328	\$ 38,807,994	\$ 29,425,559
Operating grants & contrib.	3,805,907	1,457,357	-	-	3,805,907	1,457,357
Capital grants & contrib.	17,155,525	24,244,422	28,075,972	27,754,625	45,231,497	51,999,047
General revenues:						
Property taxes	2,210,764	1,873,536	-	-	2,210,764	1,873,536
General sales & use tax	6,914,164	5,333,067	-	-	6,914,164	5,333,067
Franchise tax	2,730,163	1,868,869	-	-	2,730,163	1,868,869
Interest earnings	226,399	503,107	-	-	226,399	503,107
Total revenues	<u>45,111,545</u>	<u>42,702,589</u>	<u>54,815,343</u>	<u>49,757,953</u>	<u>99,926,888</u>	<u>92,460,542</u>
Expenses:						
General government	\$ 4,114,283	\$ 3,501,474	\$ -	\$ -	\$ 4,114,283	\$ 3,501,474
Public safety	3,921,185	3,019,448	-	-	3,921,185	3,019,448
Highways & public works	9,215,444	10,116,835	-	-	9,215,444	10,116,835
Community development	2,592,049	2,143,788	-	-	2,592,049	2,143,788
Planning	439,936	432,853	-	-	439,936	432,853
Interest on long-term debt	178,385	49,203	-	-	178,385	49,203
Water utility	-	-	28,511,496	6,834,214	28,511,496	6,834,214
Sewer utility	-	-	5,487,893	4,785,726	5,487,893	4,785,726
Storm drain	-	-	1,207,876	1,024,911	1,207,876	1,024,911
Non-major business	-	-	1,518,858	1,384,721	1,518,858	1,384,721
Total expenses	<u>20,461,282</u>	<u>19,263,601</u>	<u>36,726,123</u>	<u>14,029,572</u>	<u>57,187,405</u>	<u>33,293,173</u>
Increase (decrease) in net assets before transfers	24,650,263	23,438,988	18,089,220	35,728,381	42,739,483	59,167,369
Transfers	<u>-</u>	<u>6,392,896</u>	<u>-</u>	<u>(6,392,896)</u>	<u>-</u>	<u>-</u>
Increase (decr.) in net assets	24,650,263	29,831,884	18,089,220	29,335,485	42,739,483	59,167,369
Net position - beginning	129,430,345	99,598,462	139,176,765	109,841,280	268,607,110	209,439,742
Restatement of net position	-	-	(9,926,197)	-	(9,926,197)	-
Net position - ending	<u>\$ 154,080,608</u>	<u>\$ 129,430,346</u>	<u>\$ 147,339,788</u>	<u>\$ 139,176,765</u>	<u>\$ 301,420,396</u>	<u>\$ 268,607,111</u>

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Governmental activities

Governmental activities increased the City's net position by \$24,650,263. 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. Growth related revenue is used to fund capital infrastructure needs brought on by growth and is what makes it possible for the City to fund capital projects such as new roads and parks..

Business-type activities

Business-type activities increased the City's net position by \$18,089,220. 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 \$34,611,426. Of this total amount, 62% constitutes assigned and unassigned fund balances. \$13,194,849 is assigned by the administration of the City and will be used for the following: \$254,160 for debt service, \$7,602,746 for capital projects, and \$144,986 for special revenues. \$13,954,685 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 \$13,954,685, an increase of \$10,305,593 from fiscal year 2020. The total balance is \$3,649,092, an increase of \$159,644 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 84% of total general fund expenditures, while total fund balance represents 92% of that same amount.

The City has one major Governmental Fund

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 2021 the fund balance is \$5,202,944 which is a decrease of \$7,084,864. This decrease is due to Park and Transportation project expenses. \$5,392,428 is eligible for reimbursement from impact fee funds. The appropriate transfers have taken place in FY 2022 to replenish the General Capital Projects fund.

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 \$17,215,702. The net investment in capital assets in these same funds is \$104,644,731.

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As mentioned in the financial highlights, operational revenues and expenditures in the enterprise funds increased by \$2,292,212 and \$22,867,087, respectively. The reasons for these changes are the increased growth within the City. The majority of the increase in expense relates to the water fund. In fiscal year 2022 the City paid \$22.9 million to Central Utah Water Conservancy District in one time development fees to access resources for future water needs of the City.

The water and sewer funds showed a net operating profit, after non-operating revenues/expenses, contributions, and transfers are considered. The sewer, and storm drain fund net position increased by \$6,546,659, and \$2,092,331, respectively. The major reasons for the increase in net position is the impact fees collected of \$ 8,972,579 and the contributed capital from developers in the water, sewer, and storm drain funds in the amount of \$4,672,049. The Water fund balance decreased by \$1,284,282. The current year operations netted an increase of \$8,642,015 while a prior period adjustment reduced the fund balance by \$9,926,197. See note 11 for further information.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget was amended from an original budget revenue total of \$14,911,167 to a final revenue budget of \$15,210,266. The increase reflects increased revenue from other governments.

The budget for expenditures was amended as well from an original budget of \$14,911,167 to a final budget of \$15,888,692, an increase of \$977,525. This increase primarily accounts for added costs related to COVID19 for public safety needs covered by CARES Act funding as well as added investment in road surface treatments .

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, 2021, amounts to \$244,370,500 (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	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,682,458	\$ 6,682,458	\$ 3,690,765	\$ 3,690,765	\$ 10,373,223	\$ 10,373,223
Water Shares	-	-	1,498,676 *	12,867,193	1,498,676	12,867,193
Buildings	3,228,542	3,333,037	1,646,965	1,750,925	4,875,507	5,083,962
Improvements	4,844,589	5,047,835	-	-	4,844,589	5,047,835
Equipment	3,000,701	2,378,703	91,458,355	88,271,769	94,459,056	90,650,472
Infrastructure	86,718,199	81,260,865	-	-	86,718,199	81,260,865
Construction in progress	16,290,198	9,705,156	25,311,052	14,324,160	41,601,250	24,029,316
Total net assets	<u>\$ 120,764,687</u>	<u>\$ 108,408,054</u>	<u>\$ 123,605,813</u>	<u>\$ 120,904,812</u>	<u>\$ 244,370,500</u>	<u>\$ 229,312,866</u>

* As restated see note 16 of the financial statements

Additional information on the City's capital assets can be found in Note 8 on pages 50 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 \$19,436,000. Of this amount, \$715,000 is from special assessment bonds. The remaining \$18,841,000 is secured solely by specific revenue sources (i.e., revenue bonds and sales tax revenue bonds).

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Special assessment bonds	\$ 595,000	\$ 715,000	\$ -	\$ -	\$ 595,000	\$ 715,000
Revenue bonds	-	-	18,841,000	20,195,000	18,841,000	20,195,000
Total bonds	\$ 595,000	\$ 715,000	\$ 18,841,000	\$ 20,195,000	\$ 19,436,000	\$ 20,910,000

During fiscal year 2021, the City's total outstanding debt decreased by a net amount of \$1,474,000. State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value of \$2,213,021,035. The current limitations for the City are \$88,520,840, 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 other projects, thus resulting in a debt limit of 8% of total taxable value. Total limitation is \$177,041,680, which 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 1609 new residential building permits in fiscal year 2021. This reflects an increase of 319 building permits over the previous fiscal year. The City anticipates that building permits issued will remain around the same amount in fiscal year 2022 as it was in 2021.
- Eagle Mountain City administration is very conservative in estimating budgeted revenues. In the general fund, budgeted revenues for fiscal year 2022 are 36% lower than the revenues collected for fiscal year 2021. This was largely due to revenue received from the CARES Act, and one-time development fees. It does appear that there will be a decrease in revenues from fiscal year 2021 to 2022, from one time revenue sources, however due to the impact of increased population and ongoing growth in residential housing, the City anticipates increased revenue from sales taxes and building related revenue.
- No rate increases were budgeted for in fiscal year 2021, however, after the completion of a rate study the City approved rate increases for water, sewer, and stormwater services in fiscal year 2022.
- With Eagle Mountain City's high desert location, the city entered into an agreement with the Central Utah Water Conservancy District(CUWCD) to purchase 1800 acre feet of water from fiscal year 2012 through fiscal year 2021. As of fiscal year 2021, the city has purchased all of that original 1800 acre foot contract and was well into the next contract for 11,500 additional acre feet. Due to demand from development, the City was able to purchase access to allocated water two years ahead of the contracted schedule and should be able to continue to do so into the foreseeable future. The contract has been renegotiated several times with CUWCD to purchase additional water when new users come on to the system and have need for this specific water source.

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.

BASIC FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 39,189,155	\$ 22,932,303	\$ 62,121,458
Restricted cash and cash equivalents	5,990,067	27,508,629	33,498,696
Investments	3,305,493	-	3,305,493
Accounts receivable			
Customers (net of allowance)	845,224	1,680,518	2,525,742
Intergovernmental	419,703	-	419,703
Assessments receivable	521,700	-	521,700
Taxes receivable	3,618,435	-	3,618,435
Notes receivable	2,618,626	-	2,618,626
Internal balances	(1,769,138)	1,769,138	-
Note Receivable - net of current portion	-	-	-
Capital assets (net of accumulated depreciation):			
Land	6,682,458	3,690,765	10,373,223
Water Shares	-	1,498,676	1,498,676
Buildings	3,228,542	1,646,965	4,875,507
Improvements	4,844,589	-	4,844,589
Equipment and systems	3,000,701	91,458,355	94,459,056
Infrastructure	86,718,199	-	86,718,199
Construction in progress	16,290,198	25,311,052	41,601,250
Total assets	<u>175,503,952</u>	<u>177,496,401</u>	<u>353,000,353</u>
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	531,802	155,102	686,904
Bond refunding costs	-	737,298	737,298
Total Deferred outflow of resources	<u>531,802</u>	<u>892,400</u>	<u>1,424,202</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,427,836	1,555,011	4,982,847
Deposits	12,756,531	105,000	12,861,531
Bond interest payable	31,099	90,298	121,397
Unearned revenue	-	9,277,891	9,277,891
Long-term liabilities			
Due within one year	334,111	1,188,276	1,522,387
Due in more than one year	2,611,997	18,577,381	21,189,378
Total liabilities	<u>19,161,575</u>	<u>30,793,857</u>	<u>49,955,432</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	874,852	255,156	1,130,008
Deferred property taxes levied for future years	1,918,719	-	1,918,719
Total Deferred inflow of resources	<u>2,793,571</u>	<u>255,156</u>	<u>3,048,727</u>
NET POSITION			
Net investment in capital assets	119,838,195	104,644,731	224,482,926
Restricted			
Special Assessments	1,209,565	-	1,209,565
Impact fees	4,740,613	23,710,217	28,450,830
Unrestricted	28,292,235	18,984,840	47,277,075
Total net position	<u>\$ 154,080,608</u>	<u>\$ 147,339,788</u>	<u>\$ 301,420,396</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Activities
For the Year Ended June 30, 2021

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	\$ 4,114,283	\$ 1,340,753	\$ 2,029,153	\$ -	\$ (744,377)	\$ -	\$ (744,377)
Public safety	3,921,185	16,527	19,916	-	(3,884,742)	-	(3,884,742)
Public works	9,215,444	6,126	1,742,590	17,155,525	9,688,797	-	9,688,797
Community development	2,592,049	295,477	-	-	(2,296,572)	-	(2,296,572)
Planning	439,936	10,409,740	14,248	-	9,984,052	-	9,984,052
Interest on long-term debt	178,385	-	-	-	(178,385)	-	(178,385)
Total governmental activities	<u>20,461,282</u>	<u>12,068,623</u>	<u>3,805,907</u>	<u>17,155,525</u>	<u>12,568,773</u>	<u>-</u>	<u>12,568,773</u>
Business-type activities:							
Water	28,511,496	13,899,854	-	23,403,923	-	8,792,281	8,792,281
Sewer	5,487,893	9,439,316	-	2,756,440	-	6,707,863	6,707,863
Storm Drain	1,207,876	1,439,937	-	1,915,609	-	2,147,670	2,147,670
Non major business-type	1,518,858	1,960,264	-	-	-	441,406	441,406
Total business-type activities	<u>36,726,123</u>	<u>26,739,371</u>	<u>-</u>	<u>28,075,972</u>	<u>-</u>	<u>18,089,220</u>	<u>18,089,220</u>
Total primary government	<u>\$ 57,187,405</u>	<u>\$ 38,807,994</u>	<u>\$ 3,805,907</u>	<u>\$ 45,231,497</u>	<u>12,568,773</u>	<u>18,089,220</u>	<u>30,657,993</u>
General revenues:							
Property taxes					\$ 2,210,764	\$ -	\$ 2,210,764
General sales and use tax					6,914,164	-	6,914,164
Franchise taxes					2,730,163	-	2,730,163
Interest earnings					226,399	-	226,399
Transfers					-	-	-
Total general revenues and transfers					<u>12,081,490</u>	<u>-</u>	<u>12,081,490</u>
Change in net Position					24,650,263	18,089,220	42,739,483
Net position- beginning					129,430,346	139,176,765	268,607,111
Restatement of net position (see note 11)					0	(9,926,197)	(9,926,197)
Net position - ending					<u>\$ 154,080,608</u>	<u>\$ 147,339,788</u>	<u>\$ 301,420,396</u>

EAGLE MOUNTAIN CITY
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	General Capital Projects	Special Revenue Impact Fee Parks	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 26,987,087	\$ 2,748,627	\$ 7,244,671	\$ 765,114	\$ 37,745,499
Restricted cash	-	-		5,990,067	5,990,067
Investments		3,305,493			3,305,493
Receivables (net):					
Accounts	797,022	47,952		-	844,974
Taxes	3,413,078	-		205,357	3,618,435
Intergovernmental	419,703	-		-	419,703
Special assessments	-	75,594		446,106	521,700
Notes receivable	-	2,618,626			2,618,626
Total assets	<u>\$ 31,616,890</u>	<u>\$ 8,796,292</u>	<u>\$ 7,244,671</u>	<u>\$ 7,406,644</u>	<u>\$ 55,064,497</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable & accrued liabilities	\$ 1,304,926	\$ 1,677,630		\$ 405,857	\$ 3,388,413
Deposits	12,756,531	-		-	12,756,531
Unearned revenue	-	-		-	-
Total liabilities	<u>14,061,457</u>	<u>1,677,630</u>	<u>-</u>	<u>405,857</u>	<u>16,144,944</u>
Deferred inflows of Resources:					
Deferred property taxes levied for future years	1,713,362	-		205,357	1,918,719
Deferred property taxes-delinquent	27,584	-		-	27,584
Deferred - receivables		1,915,718			1,915,718
Unavailable special improvement assessments	-	-		446,106	446,106
Total deferred inflows of resources	<u>1,740,946</u>	<u>1,915,718</u>	<u>-</u>	<u>651,463</u>	<u>4,308,127</u>
Fund Balances:					
Fund balances Restricted for:					
Roads	-	-		-	-
Impact fees	-	-	7,244,671	4,740,613	11,985,284
Special assessments	-	-		1,209,565	1,209,565
Assigned, for:					
Special revenues	-	-		144,986	144,986
Debt service	-	-		254,160	254,160
Capital projects	1,859,802	5,202,944		-	7,062,746
Unassigned:	<u>13,954,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,954,685</u>
Total fund balances	<u>15,814,487</u>	<u>5,202,944</u>	<u>7,244,671</u>	<u>6,349,324</u>	<u>34,611,426</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,616,890</u>	<u>\$ 8,796,292</u>	<u>\$ 7,244,671</u>	<u>\$ 7,406,644</u>	<u>\$ 55,064,497</u>

EAGLE MOUNTAIN CITY
Balance Sheet Reconciliation to
Statement of Net Position
June 30, 2021

Total fund balances - governmental fund types:	\$ 34,611,426
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.	120,764,687
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,389,408
Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds.	531,802
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.	(2,977,208)
Deferred inflows of resources related to pensions are not available financial resources and are not reported in the governmental funds.	(874,852)
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.	(364,655)
Net assets of government activities	<u><u>\$ 154,080,608</u></u>

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	General Capital Projects	Special Revenue Impact Fee Parks	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 11,643,141	\$ -		\$ 204,690	\$ 11,847,831
Special assessments	-	-		228,219	228,219
Licenses and permits	10,434,703	-		-	10,434,703
Intergovernmental	3,925,438	18,567		-	3,944,005
Charges for services	1,556,615	-		75,805	1,632,420
Contributions		-			-
Impact fees	-	-	4,554,282	4,453,038	9,007,320
Miscellaneous	199,257	45,725	13,622	9,695	268,299
Total revenues	<u>27,759,154</u>	<u>64,292</u>	<u>4,567,904</u>	<u>4,971,447</u>	<u>37,362,797</u>
EXPENDITURES					
Current:					
General government	4,147,767	-		-	4,147,767
Public safety	3,918,627	-		-	3,918,627
Public works	5,609,831	17,342	143,257	1,245,549	7,015,979
Planning and zoning	517,105	-		-	517,105
Community development	2,265,984	-		236,308	2,502,292
Debt service:					
Principal retirement	77,319	-		474,447	551,766
Interest and fiscal charges	3,681	-		151,447	155,128
Capital outlay	-	7,131,814		-	7,131,814
Total expenditures	<u>16,540,314</u>	<u>7,149,156</u>	<u>143,257</u>	<u>2,107,751</u>	<u>25,940,478</u>
Excess revenues over (under) expenditures	<u>11,218,840</u>	<u>(7,084,864)</u>	<u>4,424,647</u>	<u>2,863,696</u>	<u>11,422,319</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	336,983	-	-	-	336,983
Proceeds from capital lease	257,732	-	-	-	257,732
Transfers in	351,840	-	-	-	351,840
Transfers out	-	-	-	(351,840)	(351,840)
Total other financing sources and uses	<u>946,555</u>	<u>-</u>	<u>-</u>	<u>(351,840)</u>	<u>594,715</u>
Net change in fund balance	<u>12,165,395</u>	<u>(7,084,864)</u>	<u>4,424,647</u>	<u>2,511,856</u>	<u>12,017,034</u>
Fund balances - beginning of year	<u>3,649,092</u>	<u>12,287,808</u>	<u>2,820,024</u>	<u>3,837,468</u>	<u>22,594,392</u>
Fund balances - end of year	<u>\$ 15,814,487</u>	<u>\$ 5,202,944</u>	<u>\$ 7,244,671</u>	<u>\$ 6,349,324</u>	<u>\$ 34,611,426</u>

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, 2021

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

Net changes in fund balances - total governmental funds	\$ 12,017,034
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.	4,731,202
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	7,632,238
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(220,959)
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.	349,079
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.	(122,838)
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	264,507
Change in net assets of governmental activities	<u><u>\$ 24,650,263</u></u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Drain	NonMajor Garbage	Total	
<u>ASSETS</u>						
Current assets:						
Cash and cash equivalents	\$ 14,718,727	\$ 6,726,151	\$ 219,737	1,267,688	\$ 22,932,303	\$ 1,443,656
Accounts receivable - net	835,904	568,704	76,847	199,063	1,680,518	250
Total current assets	15,554,631	7,294,855	296,584	1,466,751	24,612,821	1,443,906
Noncurrent assets:						
Restricted cash and cash equivalents	22,787,148	2,482,621	2,238,860	-	27,508,629	-
Investments	-	-	-	-	-	-
Note receivable (Net of Current Portion)	-	-	-	-	0	-
Land, equipment, buildings and improv.	79,878,713	62,991,428	22,584,133	38,730	165,493,004	4,325,868
Less: Accumulated depreciation	(21,679,571)	(16,028,777)	(4,172,027)	(6,816)	(41,887,191)	(2,358,413)
Total noncurrent assets	80,986,290	49,445,272	20,650,966	31,914	151,114,442	1,967,455
Total assets	96,540,921	56,740,127	20,947,550	1,498,665	175,727,263	3,411,361
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Bond refunding costs - net	317,038	420,260	-	-	737,298	-
Pension related costs	61,821	54,952	38,329	-	155,102	42,931
Total deferred outflow of resources	378,859	475,212	38,329	-	892,400	42,931
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable and accrued liabilities	666,771	720,749	24,465	143,026	1,555,011	39,423
Debt interest payable	29,695	60,603	-	-	90,298	-
Current - compensated absences	2,250	2,768	258	-	5,276	-
Current portion of long-term debt	401,100	781,900	-	-	1,183,000	56,397
Total current liabilities	1,099,816	1,566,020	24,723	143,026	2,833,585	95,820
Noncurrent liabilities:						
Deposits	105,000	-	-	-	105,000	-
Unearned Revenue	9,277,891	-	-	-	9,277,891	-
Compensated absences- (net of current)	20,253	24,915	12,323	-	57,491	12,145
Net pension liability	14,518	12,905	9,001	-	36,424	10,082
Long-term debt (net of current portion)	6,753,700	11,729,766	-	-	18,483,466	58,299
Total noncurrent liabilities	16,171,362	11,767,586	21,324	-	27,960,272	80,526
Total liabilities	17,271,178	13,333,606	46,047	143,026	30,793,857	176,346
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Pension related costs	101,701	90,401	63,054	-	255,156	70,625
Total deferred outflow of resources	101,701	90,401	63,054	-	255,156	70,625
<u>NET POSITION</u>						
Net investment in capital assets	51,361,380	34,871,245	18,412,106	-	104,644,731	1,852,759
Restricted - impact fees	15,838,844	5,646,856	2,224,517	-	23,710,217	-
Unrestricted	12,346,677	3,273,231	240,155	1,355,639	17,215,702	1,354,562
Total net position	\$ 79,546,901	\$ 43,791,332	\$ 20,876,778	1,355,639	\$ 145,570,650	\$ 3,207,321
Adjustment to reflect the consolidation of internal service fund activities to the enterprise funds					1,769,138	
Net position business-type activities					\$ 147,339,788	

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Drain	Nonmajor Garbage	Total	
Operating revenues:						
Charges for services	\$ -	\$ -	\$ 714,009	\$ 1,959,236	\$ 2,673,245	\$ 1,666,770
Charges for services pledged as security on revenue bonds	6,473,104	5,703,139	-	-	12,176,243	-
Other operating income	2,101	-	-	-	2,101	117,764
Total operating revenues	6,475,205	5,703,139	714,009	1,959,236	14,851,589	1,784,534
Operating expenses:						
Salaries and wages	646,194	444,444	323,070	-	1,413,708	321,681
Purchased services	24,803,664	2,768,559	243,867	1,478,669	29,294,759	115,565
Supplies and materials	691,411	380,387	37,305	44,201	1,153,304	365,887
Depreciation and amortization	2,206,587	1,586,941	638,605	6,816	4,438,949	460,773
Miscellaneous	42,551	30,995	3,065	10,757	87,368	3,524
Total operating expenses	28,390,407	5,211,326	1,245,912	1,540,443	36,388,088	1,267,430
Operating income	(21,915,202)	491,813	(531,903)	418,793	(21,536,499)	517,104
Nonoperating revenues (expenses):						
Interest revenue	97,364	45,457	5,357	1,028	149,206	1,240
Assessment reveue	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-
Developer reimbursements	(42,772)	(116,913)	(17,303)	-	(176,988)	-
Bond refunding cost amortization	(28,822)	(38,205)	-	-	(67,027)	-
Bond issuance costs	-	-	-	-	-	-
Other Income	-	-	-	-	-	192,766
Interest expense and fiscal charges	(199,761)	(282,653)	-	-	(482,414)	(5,704)
Total nonoperating revenues (expenses)	(173,991)	(392,314)	(11,946)	1,028	(577,223)	188,302
Net income (loss) before contributions and transfers	(22,089,193)	99,499	(543,849)	419,821	(22,113,722)	705,406
Developer contributions	23,403,923	2,756,440	1,915,609	-	28,075,972	-
Impact fees	7,327,285	3,690,720	720,571	-	11,738,576	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total contributions and transfers	30,731,208	6,447,160	2,636,180	-	39,814,548	-
Change in net position	8,642,015	6,546,659	2,092,331	419,821	17,700,826	705,406
Total net position - beginning	80,831,083	37,244,673	18,784,447	935,818		2,501,915
Restatement of net position (see Note 11)	(9,926,197)	-	-	-		-
Total net position - ending	\$ 79,546,901	\$ 43,791,332	\$ 20,876,778	\$ 1,355,639		\$ 3,207,321
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					388,394	
Change in net position of business-type activities					\$ 18,089,220	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Drain	Nonmajor Garbage	Total BTAs	
Cash Flows From Operating Activities						
Receipts from customers	\$ 7,416,706	\$ 5,680,177	\$ 709,215	\$ 1,947,586	\$ 15,753,684	\$ 1,784,284
Payments to suppliers	(27,613,876)	(2,739,399)	(273,326)	(1,510,044)	(32,136,645)	(329,833)
Payments to employees	(664,500)	(486,062)	(313,611)	-	(1,464,173)	(451,807)
Net cash provided (used) by operating activities	(20,861,670)	2,454,716	122,278	437,542	(17,847,134)	1,002,644
Cash Flows From Noncapital Financing Activities						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities						
Purchases of capital assets	(4,561,471)	(7,056,680)	-	(38,730)	(11,656,881)	(848,371)
Impact fees collected	7,327,285	3,690,720	720,571	-	11,738,576	-
Other Income	-	-	-	-	-	-
Contributions	20,572,603	651,780	-	-	21,224,383	-
Proceeds from sale of assets	-	-	-	-	-	192,766
Payments for developer reimbursements	(42,772)	(116,913)	(17,303)	-	(176,988)	-
Principal paid on capital debt	(360,400)	(993,600)	-	-	(1,354,000)	(54,559)
Interest paid on capital debt	(240,545)	(337,417)	-	-	(577,962)	(5,704)
Net cash provided (used) by capital and related financing activities	22,694,700	(4,162,110)	703,268	(38,730)	19,197,128	(715,868)
Cash Flows From Investing Activities						
Interest and dividends received	97,364	45,457	5,357	1,028	149,206	1,240
Net increase (decrease) in cash and cash equivalents	1,930,394	(1,661,937)	830,903	399,840	1,499,200	288,016
Cash and cash equivalents - beginning	35,575,481	10,870,709	1,627,694	867,848	48,941,732	1,155,640
Cash and cash equivalents (deficit) - ending	\$ 37,505,875	\$ 9,208,772	\$ 2,458,597	\$ 1,267,688	\$ 50,440,932	\$ 1,443,656
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	\$ (21,915,202)	\$ 491,813	\$ (531,903)	\$ 418,793	\$ (21,536,499)	\$ 517,104
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization expense	2,206,587	1,586,941	638,605	6,816	4,438,949	460,773
(Inc.)/decrease in accounts rec.	(128,702)	(22,962)	(4,794)	(11,650)	(168,108)	(250)
(Inc.)/decrease in deferred outflows	(11,840)	6,137	(20,780)	-	(26,483)	(20,717)
Increase/(decr.) in accounts payable	(2,142,250)	440,542	10,911	23,583	(1,667,214)	33,169
Increase/(decr.) in compensated absences	7,110	7,577	3,755	-	18,442	(10,455)
Increase/(decr.) in net pension liability	(69,357)	(89,609)	(20,448)	-	(179,414)	(27,197)
Increase/(decr.) in deferred inflows	55,781	34,277	46,932	-	136,990	50,217
Increase/(decr.) in deferred revenue	1,070,203	-	-	-	1,070,203	-
Increase/(decr.) in deposits	66,000	-	-	-	66,000	-
Total adjustments	1,053,532	1,962,903	654,181	18,749	3,689,365	485,540
Net cash provided (used) by operating activities	\$ (20,861,670)	\$ 2,454,716	\$ 122,278	\$ 437,542	\$ (17,847,134)	\$ 1,002,644
Noncash investing, capital, and financing activities						
Contributions by developers	\$ 2,831,320	\$ 2,104,660	\$ 1,915,609	\$ -	\$ 6,851,589	\$ -
Total noncash investing, capital and financing activities	2,831,320	2,104,660	1,915,609	-	6,851,589	-

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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 position and the statement of changes in net position) 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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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, 2021

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 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, 2021

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 unearned revenue.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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 position. 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 issuance 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, 2021

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, 2020, for the 2021 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, 2021

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.

Below is fund balance detail for each category of fund balance in the governmental funds:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance:				
Restricted:				
Capital improvements	\$ -	\$ -	\$ 11,985,284	\$ 11,985,284
Special assessments	-	-	1,209,565	1,209,565
	<u>-</u>	<u>-</u>	<u>13,194,849</u>	<u>13,194,849</u>
Assigned:				
Capital improvements	1,859,802	5,202,944	-	7,062,746
Roads	-	-	-	-
Debt service	-	-	254,160	254,160
Redevelopment	-	-	130	130
Cemetery	-	-	144,856	144,856
	<u>1,859,802</u>	<u>5,202,944</u>	<u>399,146</u>	<u>7,461,892</u>
Unassigned:	13,954,685	-	-	13,954,685
Total fund balances	<u>\$ 15,814,487</u>	<u>\$ 5,202,944</u>	<u>\$ 13,593,995</u>	<u>\$ 34,611,426</u>

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.

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 position.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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 position – governmental activities as reported in the government-wide statement of net position.

This difference primarily results from the long-term economic focus of the statement of net position 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 position includes those capital assets among the assets of the city as a whole.

Cost of capital assets	\$166,329,604
Accumulated depreciation	<u>(45,564,917)</u>
Net adjustment to increase <i>fund balance</i> <i>total governmental funds</i> to arrive at <i>net-</i> <i>assets - governmental activities</i>)	<u>\$120,764,687</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	\$228,219
Notes receivable	1,598,449
Delinquent property taxes	<u>(7,260)</u>
Net adjustment to increase <i>fund balance</i> – <i>total governmental funds</i> to arrive at <i>net</i> <i>assets - governmental activities</i>	<u>\$1,819,408</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 position.

Bonds payable	(\$ 595,000)
Lease Payable	(295,108)
Note Payable	(1,645,553)
Bond interest payable	(31,099)
Bond premium	(5,839)
Net Pension Liability	(124,891)
Compensated absences	(279,717)

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Net adjustment to reduce <i>fund balance</i> –	
<i>total governmental funds</i> to arrive at	
<i>net position – governmental activities</i>	<u>(\$2,977,208)</u>

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 position 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	\$ 9,392,095
Depreciation expense	<u>(4,660,893)</u>
Net adjustment to increase <i>net changes in fund</i>	
<i>balances – total governmental funds</i> to arrive at	
<i>changes in net position of governmental activities</i>	<u>\$ 4,731,202</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 position. 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:	
Issuance of long-term debt	\$ (257,731)
Amortization of bond premiums	485
Principal paid on bonds and capital lease	<u>606,325</u>
Net adjustment to increase <i>net changes in fund</i>	
<i>balances – total governmental funds</i> to arrive	
<i>at changes in net position of governmental activities</i>	<u>\$ 349,079</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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	\$ (23,257)
Pension related costs	316,353
Compensated absences	<u>(28,589)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 264,507</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, 2021

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, 2021

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, 2021, the City's cash balance consisted of the following:

	Total Cash From All Fund Types
Cash, cash equivalents, and temporary cash investments	\$ 58,182,280
Cash, and cash equivalents - restricted	40,743,367
Total cash and cash equivalents	<u>\$ 98,925,647</u>

While the City's carrying amount of deposits was \$104,315,700, the balance in the City's bank account and cash on hand was \$98,925,646 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, 2021, the City's custodial credit risk, for deposits were as follows:

Depository Account	Custodial Credit Risk	Balance June 30, 2021
Checking and savings	Insured and collateralized	\$ 250,000
Checking and savings	Uninsured and uncollateralized	1,493,923
Investment sweep	Uninsured and uncollateralized	42,651,977
Total deposits		<u>\$ 44,395,900</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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, 2020, 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. There’s no required participation and no minimum balance or minimum/maximum participant withdrawal requirements.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

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, 2021, 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	\$ 56,281,190	\$ -	\$ 56,281,190	\$ -
Morten Asset Management Account	3,305,493	3,305,493		
Total Investments	<u>\$ 59,586,683</u>	<u>\$ 3,305,493</u>	<u>\$ 56,281,190</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, 2021, 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, 2021

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, 2021, the City had the following investments:

Investments	Investment Maturities (in Years)			
	Less Than 1	1-5	6-10	More than 10
Utah Public Treasurer's Investment Fund	\$ 56,281,190	\$ 56,281,190	\$ -	\$ -
Morten Asset Management Account	3,305,493	3,305,493	-	-
Total investments	<u>\$ 59,586,683</u>	<u>\$ 59,586,683</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, 2021

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	\$ 56,281,190	\$ -	\$ -	\$ -	\$ 56,281,190
Morten Asset Management Account	3,305,493	3,305,493	-	-	-
Total investments	<u>\$ 59,586,683</u>	<u>\$ 3,305,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,281,190</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, 2021

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	Capital Projects	Water	Sewer	Storm Drain	Nonmajor Enterprise	Non major Govt'l	Total
Receivables:								
Accounts	\$ 797,022	\$ 47,952	\$ 849,855	\$ 584,310	\$ 76,847	\$ 203,125	\$ -	\$ 2,559,111
Taxes	3,413,078		-	-	-	-	205,357	3,618,435
Special								-
Assessments	-	75,594	-	-	-	-	446,106	521,700
Intergovernmental	419,703		-	-	-	-	-	419,703
Less: allowance for uncollectible accounts	-		(13,952)	(11,606)	-	(4,062)	-	(29,620)
	<u>\$ 4,629,803</u>	<u>\$ 123,546</u>	<u>\$ 835,903</u>	<u>\$ 572,704</u>	<u>\$ 76,847</u>	<u>\$ 199,063</u>	<u>\$ 651,463</u>	<u>\$ 7,089,329</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, 2021, the outstanding note balance was \$702,908. This note is reported in the capital projects fund.

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, 2021, the note receivable balance was \$570,000. This note is reported in the capital projects fund.

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, 2021, the note balance was \$1,345,718. This note is reported in the capital projects fund.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 7 – INTERFUND RECEIVABLES AND TRANSFERS

Transfers of the City consist of the following:

Transfer In:	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Govrnmtl.</u>	<u>Business Type</u>	<u>Internal Service</u>	<u>Total</u>
General	\$ -	\$ -	\$ 351,840	\$ -	\$ -	\$ 351,840
Nonmajor govtl.	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-
Business type	-	-	-	-	-	-
Total transfer out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,840</u>

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)	\$ 1,918,718	\$ 1,918,719
Property tax delinquent	27,584	
Notes receivable	1,915,718	
Special assessments (special revenue fund)	<u>446,106</u>	
Total	<u>\$4,308,127</u>	<u>\$ 1,918,719</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

Primary Government	Beginning				Ending
Governmental activities:	Balance	Increases	Transfers	Decreases	Balance
Capital assets not being depreciated:					
Land	\$ 6,682,458	\$ -	\$ -	\$ -	\$ 6,682,458
Construction in progress	9,705,156	7,131,814	-	546,772	16,290,198
Total capital assets not being depreciated	16,387,614	7,131,814	-	546,772	22,972,656
Capital assets being depreciated:					
Buildings	4,680,040	21,403	-	-	4,701,443
Improvements	5,730,728	-	-	-	5,730,728
Machinery and equipment	6,121,310	1,258,434	-	278,634	7,101,110
Infrastructure	116,671,020	9,152,647	-	-	125,823,667
Total capital assets being depreciated	133,203,098	10,432,484	-	278,634	143,356,948
Less accumulated depreciation for:					
Buildings	1,347,002	125,899	-	-	1,472,901
Improvements	682,892	203,247	-	-	886,139
Machinery and equipment	3,742,608	636,435	-	278,634	4,100,409
Infrastructure	35,410,156	3,695,312	-	-	39,105,468
Total accumulated depreciation	41,182,658	4,660,893	-	278,634	45,564,917
Total capital assets, being depreciated, net	92,020,440	5,771,591	-	-	97,792,031
Governmental activities capital assets, net	\$ 108,408,054	\$ 12,903,405	\$ -	\$ 546,772	\$ 120,764,687

Business-type activities:	Beginning				Ending
	Balance	Increases	Transfers	Decreases	Balance
Capital assets not being depreciated:					
Construction in progress	\$ 14,324,160	\$ 10,986,892	\$ -	\$ -	\$ 25,311,052
Land	3,690,765	-	-	-	3,690,765
Water shares	1,498,676 **	-	-	-	1,498,676
Total capital assets not being depreciated	19,513,601	10,986,892	-	-	30,500,493
Capital assets being depreciated:					
Buildings	3,715,254	-	-	-	3,715,254
Equipment and systems	123,755,681	7,521,575	-	-	131,277,257
Total capital assets being depreciated	127,470,935	7,521,575	-	-	134,992,511
Less accumulated depreciation for:					
Buildings	1,964,329	103,960	-	-	2,068,289
Equipment and Systems	35,483,913	4,334,989	-	-	39,818,902
Total accumulated depreciation	37,448,242	4,438,949	-	-	41,887,191
Total capital assets, being depreciated, net	90,022,693	3,082,626	-	-	93,105,320
Business-type activities capital assets, net	\$ 109,536,294	\$ 14,069,518	\$ -	\$ -	\$ 123,605,813

** As restated see note 12

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 8 - CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 90,541
Public safety	2,558
Public works	44,667,761
Planning	-
Community development	100,033
Total depreciation expense - governmental activities	<u>\$ 44,860,893</u>

Business-type activities:

Water	\$ 2,206,587
Sewer	1,586,941
Storm Drain	638,605
Garbage	6,816
Total depreciation expense - business-type activities	<u>\$ 4,438,949</u>

Total depreciation expense	<u>\$ 49,299,842</u>
----------------------------	----------------------

The City has various construction projects as of June 30, 2021. The City's commitments with contractors are as follows:

Park projects	\$ 1,100,726
Road projects	1,856,013
Building projects	61,066
Water projects	1,125,883
Sewer projects	745,452
Total	<u>\$ 4,889,140</u>

NOTE 9 - LEASE COMMITMENTS

During 2019 the City entered into a lease agreement to acquire a street sweeper in the amount of \$274,587. The following is a schedule, by year of the future minimum lease payments of all capital leases as well as the present value of the net minimum lease payments as of June 30, 2021:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 9 - LEASE COMMITMENTS (*Continued*)

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2022	\$ 60,262
2023	60,262
Total minimum lease payments	120,524
Less amounts representing interest	(2,828)
Present value of minimum lease payments	<u><u>\$ 117,696</u></u>

Equipment and related accumulated depreciation under capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 274,587
Less: Accumulated amortization	(67,974)
Total	<u><u>\$ 206,613</u></u>

During 2021 the City entered into a lease agreement to acquire a street grader in the amount of \$257,731. The following is a schedule, by year of the future minimum lease payments of all capital leases as well as the present value of the net minimum lease payments as of June 30, 2021:

<u>Fiscal Year</u>	<u>Governmental Activities</u>
2022	\$ 27,000
2023	27,000
2024	27,000
2025	27,000
2026	27,000
2027	27,000
2028	27,000
Total minimum lease payments	189,000
Less amounts representing interest	(8,588)
Present value of minimum lease payments	<u><u>\$ 180,412</u></u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Equipment and related accumulated depreciation under capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and equipment	\$ 257,731
Less: Accumulated amortization	(17,182)
Total	<u>\$ 240,549</u>

NOTE 10 – LONG-TERM DEBT

Bonds and notes payable at June 30, 2020, 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:

Fiscal Year	Principal	Interest	Total
2022	\$ 40,000	\$ 33,176	\$ 73,176
2023	35,000	31,600	66,600
2024	40,000	30,150	70,150
2025	45,000	27,526	72,526
2026	45,000	25,162	70,162
2027-2031	260,000	82,426	342,426
2032-2033	130,000	11,000	141,000
Total	<u>\$ 595,000</u>	<u>\$ 241,040</u>	<u>\$ 836,040</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 – LONG-TERM DEBT (Continued)

2. \$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
2022	\$ 375,000	\$ 44,190	\$ 419,190
2023	410,000	40,440	450,440
2024	430,000	36,340	466,340
2025	460,000	31,100	491,100
2026	495,000	31,100	526,100
2027-2030	1,856,000	79,600	1,935,600
Total	<u>\$ 4,026,000</u>	<u>\$ 262,770</u>	<u>\$ 4,288,770</u>

3. \$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, 2021, \$7,735,000 of the original debt is still outstanding.

4. \$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
2022	\$ 113,000	\$ 28,982	\$ 141,982
2023	114,000	27,038	141,038
2024	131,000	25,076	156,076
2025	133,000	22,824	155,824
2025	136,000	20,536	156,536
2027-2031	714,000	66,856	780,856
2032-2034	344,000	9,958	353,958
Total	<u>\$ 1,685,000</u>	<u>\$ 201,270</u>	<u>\$ 1,886,270</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 – LONG-TERM DEBT (Continued)

5. \$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
2022	\$ 185,000	\$ 373,375	\$ 558,375
2023	225,000	367,225	592,225
2024	235,000	360,325	595,325
2025	255,000	351,700	606,700
2026	285,000	340,900	625,900
2027-2031	6,400,000	1,145,000	7,545,000
2032	1,980,000	39,600	2,019,600
Total	<u>\$ 9,565,000</u>	<u>\$ 2,978,125</u>	<u>\$ 12,543,125</u>

6. \$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
2022	\$ 485,000	\$ 83,500	\$ 568,500
2023	495,000	63,900	558,900
2024	520,000	43,600	563,600
2025	545,000	22,300	567,300
2026	285,000	22,300	307,300
Total	<u>\$ 2,330,000</u>	<u>\$ 235,600</u>	<u>\$ 2,565,600</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 – LONG-TERM DEBT (Continued)

7. \$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
2022	\$ 25,000	\$ 12,350	\$ 37,350
2023	26,000	12,100	38,100
2024	27,000	11,840	38,840
2025	28,000	11,570	39,570
2026	28,000	11,290	39,290
2027-2031	151,000	52,110	203,110
2032-2036	175,000	44,100	219,100
2037-2041	198,000	34,860	232,860
2042-2046	211,000	24,660	235,660
2047-2049	366,000	9,660	375,660
Total	<u>\$ 1,235,000</u>	<u>\$ 224,540</u>	<u>\$ 1,459,540</u>

8. \$2,000,000 Note Payable Utah Department of Transportation

The note was issued to fund road projects within the City. A grant was authorized by the State of Utah to fund the project. The Grant funds will not be available until 2022. The Note was issued to fund the project until the grant funds become available. The note requires annual principal and interest payments beginning December 2019 through December 2028, bearing an interest rate of 2.98%. The Debt Service requirement is as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 185,184	\$ 49,037	\$ 234,221
2023	190,703	43,519	234,222
2024	196,386	37,836	234,222
2025	202,238	31,984	234,222
2026	208,265	25,957	234,222
2027-2030	662,777	39,889	702,666
Total	<u>\$ 1,645,553</u>	<u>\$ 228,222</u>	<u>\$ 1,873,775</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 10 – LONG-TERM DEBT (Continued)

9. Changes in long term liabilities.

Changes in bonds payable, deferred items, capital leases, and compensated absences during the fiscal year June 30, 2021, were as follows:

	July 1 2020	Additions	Reductions	June 30 2021	Due in One Yr
Governmental Activities:					
Bonds Payable					
Special assessment bond 2006 200-1	\$ 715,000	\$ -	\$ 120,000	\$ 595,000	\$ 40,000
Unamortized bond premium	6,325	-	485	5,840	-
Total bonds payable	<u>721,325</u>	<u>-</u>	<u>120,485</u>	<u>600,840</u>	<u>40,000</u>
Leases payable	169,255	257,731	131,878	295,108	82,170
Notes Payable	2,000,000	-	354,447	1,645,553	185,184
Net pension liability	824,218	-	699,327	124,891	-
Compensated absences	261,582	144,913	126,779	279,716	26,757
Gov't activities long-term debt	<u>\$ 3,976,380</u>	<u>\$ 402,644</u>	<u>\$ 1,432,916</u>	<u>\$ 2,946,108</u>	<u>\$ 334,111</u>
Business-Type Activities:					
Bonds payable:					
2008 water and sewer refunding bond					
2009 sewer revenue bond	\$ 4,665,000	\$ -	\$ 639,000	\$ 4,026,000	\$ 375,000
2013 Water quality revenue bond	1,796,000	-	111,000	1,685,000	113,000
2014 Water and sewer refunding bond	9,685,000	-	120,000	9,565,000	185,000
Unamortized bond premium	738,818	-	61,568	677,250	-
2018A water and sewer refunding bond	2,790,000	-	460,000	2,330,000	485,000
Unamortized bond premium	177,859	-	29,643	148,216	-
2018B water and sewer revenue bond	1,259,000	-	24,000	1,235,000	25,000
Total bonds payable	<u>21,111,677</u>	<u>-</u>	<u>1,445,211</u>	<u>19,666,466</u>	<u>1,183,000</u>
Notes Payable	-	-	-	-	-
Net pension liability	215,841	-	179,417	36,424	-
Compensated absences	44,324	32,552	14,109	62,767	-
Business type long-term debt	<u>\$ 21,371,842</u>	<u>\$ 32,552</u>	<u>\$ 1,638,737</u>	<u>\$ 19,765,657</u>	<u>\$ 1,183,000</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 – 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%
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, 2021

NOTE 11 – 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	for Employee	Rates	401(k) Plan
Contributory System				
111 - Local Governmental Division Tier 2	N/A	N/A	15.660%	1.030%
Noncontributory				
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%	N/A
Firefighters Retirement				
32 - Other Division B	N/A	N/A	7.240%	N/A
132 -Tier 2 DB Hybrid Firefighters	N/A	N/A	11.380%	0.007%
Tier 20 DC Only				
211 Local Government	N/A	N/A	6.690%	10.000%
232 - Firefighters	N/A	N/A	0.080%	12.000%

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, 2021, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 368,150	N/A
Tier 2 Public Employee System	326,682	-
Tier 2 DC Only System	26,004	N/A
	<u>\$ 720,836</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. At June 30, 2021 the City reported a net pension asset of \$0 and a net pension liability of \$161,315.

	(Measurement Date): December 31, 2020				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change (Decrease)
Noncontributory System	\$ -	\$ 144,124	0.2809756%	0.2694202%	0.0115554%
Tier 2 Public Employees System	-	17,192	0.1195348%	0.1095960%	0.0099388%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 161,316</u>			

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 – STATE RETIREMENT PLANS (Continued)

Combined Pension assets, liabilities, expense, and deferred outflows of resources and deferred inflows of resources related to pensions -

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2020 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, 2021, the City recognized pension expense of \$334,832. At June 30, 2021 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	\$ 209,179	\$ 7,872
Changes in assumptions	21,746	19,477
Net difference between projected and actual earnings on the pension plan investments	-	1,102,659
Changes in proportion and differences between contributions and proportionate shares of contributions	88,176	-
Contributions subsequent to the measurement date	367,803	-
Total	<u>\$ 686,904</u>	<u>\$ 1,130,008</u>

\$367,803 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, 2020. 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
2021	\$ (206,990)
2022	\$ (87,994)
2023	\$ (373,566)
2024	\$ (177,801)
2025	\$ 5,940
Thereafter	\$ 29,495

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 – STATE RETIREMENT PLANS (Continued)

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

For the year ended June 30, 2021, the City recognized pension expense of \$166,436 for the noncontributory system. At June 30, 2021 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	\$ 193,353	\$ -
Changes in assumptions	-	18,852
Net difference between projected and actual earnings on the pension plan investments	-	1,052,405
Changes in proportion and differences between contributions and proportionate shares of contributions	59,959	-
Contributions subsequent to the measurement date	181,786	-
Total	<u>\$ 435,098</u>	<u>\$ 1,071,257</u>

\$181,786 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, 2020. 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
2021	\$ (198,487)
2022	\$ (8,303)
2023	\$ (361,961)
2024	\$ (174,474)
2025	\$ -
Thereafter	\$ -

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

For the year ended June 30, 2021, the City recognized pension expense of \$168,397 for the Tier 2 public employees system. At June 30, 2021 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, 2021

NOTE 11 – STATE RETIREMENT PLANS *(Continued)*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,826	\$ 7,872
Changes in assumptions	21,746	625
Net difference between projected and actual earnings on the pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate shares of contributions	28,217	-
Contributions subsequent to the measurement date	186,018	-
Total	<u>\$ 251,807</u>	<u>\$ 8,497</u>

\$186,018 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, 2020. 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
2021	\$ (8,502)
2022	\$ (4,971)
2023	\$ (11,595)
2024	\$ (3,327)
2025	\$ 5,940
Thereafter	\$ 29,495

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 – STATE RETIREMENT PLANS *(Continued)*

Actuarial assumptions – The total pension liability in the December 31, 2020, 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, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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, 2021

NOTE 11 – STATE RETIREMENT PLANS (Continued)

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	11.40%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

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 (7.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Proportion Share of			
Noncontributory Systems	\$ 2,498,689	\$ 144,124	\$ (1,818,760)
Tier 2 Public Employees System	289,297	17,192	(190,961)
Total	<u>\$ 2,787,986</u>	<u>\$ 161,316</u>	<u>\$ (2,009,721)</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 11 – 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>2021</u>	<u>2020</u>	<u>2019</u>
401(k) Plan			
Employer Contributions	\$ 131,040	\$ 90,199	\$ 75,847
Employee Contributions	62,453	53,295	38,508
457 Plan			
Employer Contributions	237,828	233,773	189,457
Employee Contributions	175,792	173,596	162,568
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	46,174	32,185	41,554

NOTE 12 - PRIOR PERIOD ADJUSTMENT

In prior years the City has purchased from Central Utah Water Company the right to use water within the City. These transactions were interpreted to be water rights that were owned by the City. During the fiscal year it was determined that the water purchased were only to rights to use the water and the City has no ownership of these rights. The net position of the water fund have been restated in the amount of \$11,368,519 to reflect this change.

During 2020 the City issued a check at the end of the year. The check was subsequently voided in the current year. This necessitates the restatement of the net position in the water fund in the amount of \$1,442,320.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 13 - 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 effect on the City's financial statements.

NOTE 14 - 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 15 – 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 16 – SUBSEQUENT EVENTS

During 2020 the world economy was significantly impacted by the COVID-19 pandemic. The City received funding from the federal government. However the financial impact to the City is currently unknown.

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 30, 2021, the date the financial statements were available to be issued.

NOTE 17 – REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY

For the year ended June 30, 2020, the following activity occurred in the City's Redevelopment Agency:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

Tax increment collection from other taxing agencies for	
EDA project area	\$185,272
CDA project area	19,418
Tax increment Distributions	
EDA project area	\$176,008
CDA project area	18,447
Amounts expended for Administrative Costs	\$27,128

NOTE 18 - RECLASSIFICATION OF FUNDS

The City has maintained enterprise funds for the Gas, Electric, and Golf Course funds. The assets of those funds have been sold and are no longer operating as enterprise funds. The remaining proceeds from the sales of these funds in the amount of \$6,392,896 were transferred to the general capital projects fund of the City.

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REQUIRED SUPPLEMENTAL INFORMATION

EAGLE MOUNTAIN CITY
Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2021
Last 10 Fiscal Years*

	Fiscal Year	Proportion of the net liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
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%
	2020	0.2694202%	1,015,409	2,003,401	50.68%	93.70%
	2021	0.2809756%	144,124	2,006,669	7.18%	99.20%
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%
	2020	0.1095960%	24,649	1,522,444	1.620%	96.50%
	2021	0.1195348%	17,192	1,911,180	0.900%	98.30%

* 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, 2021
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%
	2020	367,383	367,383	-	1,989,079	18.47%
	2021	368,150	368,150		1,997,741	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%
	2020	279,125	279,125	-	1,782,409	15.66%
	2021	326,682	326,682	-	2,067,607	15.80%
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%
	2020	14,001	14,001	-	142,010	9.86%
	2021	26,004	26,004	-	324,082	8.02%

* 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.

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance Detail
Budget to Actual
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,580,000	\$ 7,580,000	\$ 11,643,141	\$ 4,063,141
Licenses and permits	4,244,700	4,244,700	10,434,703	6,190,003
Intergovernmental	1,325,000	1,624,099	3,925,438	2,301,339
Charges for services	1,527,617	1,527,617	1,556,615	28,998
Miscellaneous	233,850	233,850	199,257	(34,593)
Total revenues	14,911,167	15,210,266	27,759,154	12,548,888
EXPENDITURES				
Current:				
General government:				
Legislative	95,200	95,200	92,292	2,908
Recorders	323,446	323,446	347,772	(24,326)
Attorney	135,000	135,000	173,018	(38,018)
Executive	661,900	661,900	693,656	(31,756)
Finance	441,624	441,624	492,549	(50,925)
Engineering	614,012	803,710	703,550	100,160
Human Resource	250,163	254,371	255,951	(1,580)
Information Technology	434,521	564,521	567,283	(2,762)
Public Information	255,167	346,667	259,608	87,059
Building Maintenance	511,983	511,983	562,088	(50,105)
Total general government	3,723,016	4,138,422	4,147,767	(9,345)
Public safety				
Police	3,508,700	3,802,799	3,918,627	(115,828)
Planning and zoning	638,953	638,953	517,105	121,848
Public works				
Streets and Roads	2,789,440	3,053,440	3,474,655	(421,215)
Parks	1,948,655	1,948,655	2,135,176	(186,521)
Total public works	4,738,095	5,002,095	5,609,831	(607,736)
Community development				
Youth committee	3,725	3,725	3,024	701
Recreation	322,581	322,581	252,897	69,684
Senior council	12,995	12,995	24,299	(11,304)
Special events	304,815	304,815	221,680	83,135
Building	1,093,918	1,097,938	1,229,309	(131,371)
Library	426,327	426,327	424,108	2,219
Economic development	138,042	138,042	110,667	27,375
Total community development	2,302,403	2,306,423	2,265,984	40,439
Debt Service				
Principal retirement	-	-	77,319	(77,319)
Interest	-	-	3,681	(3,681)
Total debt services	-	-	81,000	(81,000)
Total expenditures	14,911,167	15,888,692	16,540,314	(651,622)
Excess (deficit) of revenues over (under) expenditures	-	(678,426)	11,218,840	11,897,266
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	336,983	336,983
Proceeds from capital lease	-	-	257,732	257,732
Transfers in	-	-	351,840	351,840
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	946,555	946,555
Net change in fund balance	-	(678,426)	12,165,395	12,843,821
Fund balances - beginning	3,649,092	3,649,092	3,649,092	-
Fund balances - ending	\$ 3,649,092	\$ 2,970,666	\$ 15,814,487	\$ 12,843,821

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Parks Impact Fee
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 5,000	\$ 11,297	\$ 13,622	\$ 2,325
Impact fees	570,000	570,000	4,554,282	3,984,282
Total revenues	575,000	581,297	4,567,904	3,986,607
EXPENDITURES				
Public works	-	6,500,000	143,257	6,356,743
Total expenditures	-	6,500,000	143,257	6,356,743
Excess (deficit) of revenues over (under) expenditures	575,000	(5,918,703)	4,424,647	10,343,350
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,250,000)	(1,250,000)	-	1,250,000
Total other financing sources	(1,250,000)	(1,250,000)	-	1,250,000
Net change in fund balance	(675,000)	(7,168,703)	4,424,647	11,593,350
Fund balances - beginning	2,820,024	2,820,024	2,820,024	-
Fund balances - ending	\$ 2,145,024	\$ (4,348,679)	\$ 7,244,671	\$ 11,593,350

EAGLE MOUNTAIN CITY
NOTES TO THE REQUIRED SUPPLEMENTARY STATEMENTS
YEAR ENDED JUNE 30, 2021

NOTE 1 – Changes in assumptions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

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, 2021

	Debt Service	Capital Projects			Special Revenue			Total Nonmajor Governmental Funds
	Special Assess. Area -2014	Special Improv. 2000-1	Special Improv. District 98-1	Special Improv. District 98-3	Special Improv. District 97-1	Impact Fee Transportation	Cemetery	RDA
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ 113,956	\$ 505,032	\$ -	\$ -	\$ 145,996	\$ 130
Restricted cash	254,160	17	-	-	995,277	4,740,613	-	-
Receivables (net):								
Special assessments	446,106	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	205,357	-
Intergovernmental	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total assets	<u>\$ 700,266</u>	<u>\$ 17</u>	<u>\$ 113,956</u>	<u>\$ 505,032</u>	<u>\$ 995,277</u>	<u>\$ 4,740,613</u>	<u>\$ 145,996</u>	<u>\$ 205,487</u>
								<u>\$ 7,406,644</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable & accrued liabilities	\$ -	\$ -	\$ -	\$ 135,212	\$ 269,505	\$ -	\$ 1,140	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,212</u>	<u>269,505</u>	<u>-</u>	<u>1,140</u>	<u>-</u>
								<u>\$ 405,857</u>
Deferred inflows of resources:								
Deferred property taxes levied for future years	-	-	-	-	-	-	-	205,357
Deferred for Special Assessments	446,106	-	-	-	-	-	-	-
Total deferred inflows of resources:	<u>446,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,357</u>
								<u>651,463</u>
Fund Balances:								
Fund balances restricted for:								
Impact fees	-	-	-	-	-	4,740,613	-	-
Special Assessments	-	17	113,956	369,820	725,772	-	-	-
Assigned for:								
Debt service fund	254,160	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	144,856	130
Total fund balances	<u>254,160</u>	<u>17</u>	<u>113,956</u>	<u>369,820</u>	<u>725,772</u>	<u>4,740,613</u>	<u>144,856</u>	<u>130</u>
								<u>6,349,324</u>
Total Liabilities, Deferred inflows of resources, and fund balances	<u>\$ 700,266</u>	<u>\$ 17</u>	<u>\$ 113,956</u>	<u>\$ 505,032</u>	<u>\$ 995,277</u>	<u>\$ 4,740,613</u>	<u>\$ 145,996</u>	<u>\$ 205,487</u>
								<u>\$ 7,406,644</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Debt Service		Capital Projects					Total Nonmajor	
	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 Transportation	Cemetery	RDA	Governmental Funds
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,690	\$ 204,690
Special assessments	228,219	-	-	-	-	-	-	-	228,219
Impact fees	-	-	-	580,786	1,150,088	2,722,164	-	-	4,453,038
Charges for services	-	-	-	-	-	-	75,805	-	75,805
Intergovernmental	-	-	-	-	-	-	-	-	-
Miscellaneous	1,219	826	121	250	488	6,791	-	-	9,695
Total revenues	229,438	826	121	581,036	1,150,576	2,728,955	75,805	204,690	4,971,447
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public works	1,930	-	-	306,760	607,128	329,731	-	-	1,245,549
Community Development	-	-	-	-	-	-	14,724	221,584	236,308
Debt service:									
Principal retirement	120,000	-	-	-	-	354,447	-	-	474,447
Interest and fiscal charges	37,450	-	-	-	-	113,997	-	-	151,447
Total expenditures	159,380	0	-	306,760	607,128	798,175	14,724	221,584	2,107,751
Excess revenues over (under)									
expenditures	70,058	826	121	274,276	543,448	1,930,780	61,081	(16,894)	2,863,696
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(351,840)	-	-	-	-	-	-	(351,840)
Total other financing sources and uses	-	(351,840)	-	-	-	-	-	-	(351,840)
Excess revenues and other sources over (under) expend. and other uses	70,058	(351,014)	121	274,276	543,448	1,930,780	61,081	(16,894)	2,511,856
Fund balances - beginning of year	184,102	351,031	113,835	95,544	182,324	2,809,833	83,775	17,024	3,837,468
Fund balances - end of year	\$ 254,160	\$ 17	\$ 113,956	\$ 369,820	\$ 725,772	\$ 4,740,613	\$ 144,856	\$ 130	\$ 6,349,324

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, 2021

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 200,000	\$ 117,993	\$ 228,219	\$ 110,226
Miscellaneous	8,000	5,684	1,219	(4,465)
Total revenues	208,000	123,677	229,438	105,761
EXPENDITURES				
Public works	21,750	22,360	1,930	20,430
Debt service				
Principal	55,000	55,000	120,000	(65,000)
Interest and fees	60,312	49,812	37,450	12,362
Total expenditures	137,062	127,172	159,380	(32,208)
Excess (deficit) of revenues over (under) expenditures	70,938	(3,495)	70,058	73,553
OTHER FINANCING SOURCES (USES)				
Total other financing sources	-	-	-	-
Net change in fund balance	70,938	(3,495)	70,058	73,553
Fund balances - beginning	184,102	184,102	184,102	-
Fund balances - ending	\$ 255,040	\$ 180,607	\$ 254,160	\$ 73,553

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Totals	
REVENUES				
Intergovernmental	\$ 24,050	\$ 24,050	\$ 18,567	\$ (5,483)
Contributions	570,000	570,000	-	(570,000)
Miscellaneous	-	-	45,725	45,725
Total Revenues	<u>594,050</u>	<u>594,050</u>	<u>64,292</u>	<u>(529,758)</u>
EXPENDITURES				
Public Works	-	-	17,342	(17,342)
Capital outlay	7,245,600	11,564,122	7,131,814	4,432,308
Total expenditures	<u>7,245,600</u>	<u>11,564,122</u>	<u>7,149,156</u>	<u>4,414,966</u>
Excess (deficit) of revenues over (under) expenditures	<u>(6,651,550)</u>	<u>(10,970,072)</u>	<u>(7,084,864)</u>	<u>3,885,208</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	-	-	-	-
Transfers in	5,150,000	5,150,000	-	(5,150,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>5,150,000</u>	<u>5,150,000</u>	<u>-</u>	<u>(5,150,000)</u>
Net change in fund balance	(1,501,550)	(5,820,072)	(7,084,864)	(1,264,792)
Fund balances - beginning	12,287,808	12,287,808	12,287,808	-
Fund balances - ending	<u>\$ 10,786,258</u>	<u>\$ 6,467,736</u>	<u>\$ 5,202,944</u>	<u>\$ (1,264,792)</u>

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Totals	
REVENUES				
Miscellaneous	-	-	121	121
Impact fees			\$ -	\$ -
Total revenues	-	-	121	121
EXPENDITURES				
Public works			0	-
Debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficit) of revenues over (under) expenditures	-	-	121	121
OTHER FINANCING SOURCES (USES)				
Net Change in Fund Balance	-	-	121	121
Fund balances - beginning	113,835	113,835	113,835	-
Fund balances - ending	<u>\$ 113,835</u>	<u>\$ 113,835</u>	<u>\$ 113,956</u>	<u>\$ 121</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, 2021

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 250	\$ 250
Impact fees	-	415,259	580,786	165,527
Total revenues	-	415,259	581,036	165,777
EXPENDITURES				
Public works	-	350,000	306,760	43,240
Total expenditures	-	350,000	306,760	43,240
Excess (deficit) of revenues over (under) expenditures	-	65,259	274,276	209,017
OTHER FINANCING SOURCES (USES)				
Operating transfers out		-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	65,259	274,276	209,017
Fund balances - beginning	95,544	95,544	95,544	-
Fund balances - ending	\$ 95,544	\$ 160,803	\$ 369,820	\$ 209,017

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, 2021

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 488	\$ 488
Impact fees	400,000	400,000	1,150,088	750,088
Total revenues	400,000	400,000	1,150,576	750,576
EXPENDITURES				
Public works	250,000	350,000	607,128	(257,128)
Total expenditures	250,000	350,000	607,128	(257,128)
Excess (deficit) of revenues over (under) expenditures	150,000	50,000	543,448	493,448
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	150,000	50,000	543,448	493,448
Fund balances - beginning	182,324	182,324	182,324	-
Fund balances - ending	\$ 332,324	\$ 232,324	\$ 725,772	\$ 493,448

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Transportation Impact Fee
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 6,791	\$ 1,791
Impact fees	900,500	1,368,944	2,722,164	1,353,220
Total revenues	905,500	1,373,944	2,728,955	1,355,011
EXPENDITURES				
Public works	530,000	530,000	329,731	200,269
Debt service:				
Principal retirement	-	354,447	354,447	-
Interest and fiscal charges	-	113,997	113,997	-
Total expenditures	530,000	998,444	798,175	200,269
Excess (deficit) of revenues over (under) expenditures	375,500	375,500	1,930,780	1,555,280
OTHER FINANCING SOURCES (USES)				
Operating transfers in		-	-	-
Operating transfers out	(3,750,000)	(3,750,000)	-	3,750,000
Total other financing sources	(3,750,000)	(3,750,000)	-	3,750,000
Net change in fund balance	(3,374,500)	(3,374,500)	1,930,780	5,305,280
Fund balances - beginning	2,809,833	2,809,833	2,809,833	-
Fund balances - ending	\$ (564,667)	\$ (564,667)	\$ 4,740,613	\$ 5,305,280

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Cemetery Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Totals	
REVENUES				
Charges for Services	\$ 40,500	\$ 40,500	\$ 75,805	\$ 35,305
Intergovernmental	-	-	-	-
Total revenues	40,500	40,500	75,805	35,305
EXPENDITURES				
Community Development	40,500	40,500	14,724	25,776
Total expenditures	40,500	40,500	14,724	25,776
Excess (deficit) of revenues over (under) expenditures	-	-	61,081	61,081
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	-	-	61,081	61,081
Fund balances - beginning	83,775	83,775	83,775	-
Fund balances - ending	\$ 83,775	\$ 83,775	\$ 144,856	\$ 61,081

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Redevelopment Agency
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Totals	
REVENUES				
Taxes	\$ 5,924,956	\$ 5,924,956	\$ 204,690	\$ (5,720,266)
Total revenues	<u>5,924,956</u>	<u>5,924,956</u>	<u>204,690</u>	<u>(5,720,266)</u>
EXPENDITURES				
Community Development	<u>5,924,956</u>	<u>5,924,956</u>	<u>221,584</u>	<u>5,703,372</u>
Total expenditures	<u>5,924,956</u>	<u>5,924,956</u>	<u>221,584</u>	<u>5,703,372</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(16,894)</u>	<u>(16,894)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In		-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	(16,894)	(16,894)
Fund balances - beginning	<u>17,024</u>	<u>17,024</u>	<u>17,024</u>	<u>-</u>
Fund balances - ending	<u>\$ 17,024</u>	<u>\$ 17,024</u>	<u>\$ 130</u>	<u>\$ (16,894)</u>

EAGLE MOUNTAIN CITY
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	<u>Fleet</u>	<u>Utility Billing</u>	<u>GIS Services</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 1,181,065	176,528	\$ 86,063	\$ 1,443,656
Accounts receivable - net	-	250	-	250
Total current assets	<u>1,181,065</u>	<u>176,778</u>	<u>86,063</u>	<u>1,443,906</u>
Noncurrent assets:				
Land, equipment, buildings and improvements	4,277,290	13,996	34,582	4,325,868
Less: Accumulated depreciation	<u>(2,309,835)</u>	<u>(13,996)</u>	<u>(34,582)</u>	<u>(2,358,413)</u>
Total noncurrent assets	<u>1,967,455</u>	<u>-</u>	<u>-</u>	<u>1,967,455</u>
Total assets	<u>3,148,520</u>	<u>176,778</u>	<u>86,063</u>	<u>3,411,361</u>
<u>DEFERRED OUT FLOW OF RESOURCES</u>				
Pension related costs	<u>8,586</u>	<u>20,607</u>	<u>13,738</u>	<u>42,931</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	31,393	4,359	3,671	39,423
Current portion of long-term debt	<u>56,397</u>	<u>-</u>	<u>-</u>	<u>56,397</u>
Total current liabilities	<u>87,790</u>	<u>4,359</u>	<u>3,671</u>	<u>95,820</u>
Noncurrent liabilities:				
Compensated absences	7,817	3,519	809	12,145
Net pension liability	2,016	4,840	3,226	10,082
Lease payable - net of current portion	<u>58,299</u>	<u>-</u>	<u>-</u>	<u>58,299</u>
Total noncurrent liabilities	<u>68,132</u>	<u>8,359</u>	<u>4,035</u>	<u>80,526</u>
Total liabilities	<u>155,922</u>	<u>12,718</u>	<u>7,706</u>	<u>176,346</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related costs	<u>14,125</u>	<u>33,900</u>	<u>22,600</u>	<u>70,625</u>
Net Position:				
Net investment in capital assets	1,852,759	-	-	1,852,759
Unrestricted	<u>1,134,300</u>	<u>150,767</u>	<u>69,495</u>	<u>1,354,562</u>
Total net Position	<u>\$ 2,987,059</u>	<u>\$ 150,767</u>	<u>\$ 69,495</u>	<u>\$ 3,207,321</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2021

	Fleet	Utility Billing	GIS Services	Total
Operating revenues:				
Charges for services	\$ 1,247,100	\$ 289,470	\$ 130,200	\$ 1,666,770
Other operating revenue	117,764	-	-	117,764
Total operating revenues	1,364,864	289,470	130,200	1,784,534
Operating expenses:				
Salaries and wages	73,852	167,653	80,176	321,681
Purchased services	16,702	62,211	36,652	115,565
Materials and supplies	365,887	-	-	365,887
Depreciation and amortization	460,773	-	-	460,773
Miscellaneous	-	3,524	-	3,524
Total operating expenses	917,214	233,388	116,828	1,267,430
Operating income	447,650	56,082	13,372	517,104
Nonoperating revenues (expenses):				
Interest revenue	1,240	-	-	1,240
Gain (Loss) on sale of assets	192,766	-	-	192,766
Interest expense	(5,704)	-	-	(5,704)
Total nonoperating revenues (expenses)	188,302	-	-	188,302
Net income (loss) before contributions and transfers	635,952	56,082	13,372	705,406
Contributions and transfers				
Total contributions and transfers	-	-	-	-
Change in net Position	635,952	56,082	13,372	705,406
Total net position - beginning	2,351,107	94,685	56,123	2,501,915
Total net position - ending	\$ 2,987,059	\$ 150,767	\$ 69,495	\$ 3,207,321

EAGLE MOUNTAIN CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Fleet	Utility Billing	GIS Services	Total
Cash Flows From Operating Activities				
Receipts from customers	\$ 1,364,864	\$ 289,220	\$ 130,200	\$ 1,784,284
Payments to employees	(77,079)	(164,754)	(88,000)	(329,833)
Payments to suppliers	(354,354)	(63,329)	(34,124)	(451,807)
Net cash provided (used) by operating activities	933,431	61,137	8,076	1,002,644
Cash Flows From Noncapital Financing Activities				
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash Flows From Capital and Related Financing Activities				
Proceeds from the sale of assets	192,766	-	-	192,766
Acquisition of capital assets	(848,371)	-	-	(848,371)
Principal paid on outstanding debt	(54,559)	-	-	(54,559)
Interest paid on outstanding debt	(5,704)	-	-	(5,704)
Net cash provided (used) by capital and related financing activities	(715,868)	-	-	(715,868)
Cash Flows From Investing Activities				
Interest and dividends received	1,240	-	-	1,240
Net cash provided (used) by investing and related financing activities	1,240	-	-	1,240
Net increase (decrease) in cash and cash equivalents	218,803	61,137	8,076	288,016
Cash and cash equivalents - beginning	962,262	115,391	77,987	1,155,640
Cash and cash equivalents (deficit) - end	\$ 1,181,065	\$ 176,528	\$ 86,063	\$ 1,443,656
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 447,650	\$ 56,082	\$ 13,372	\$ 517,104
Adjustments to reconcile operating income to net cash provided (used) by				
Depreciation expense	460,773	-	-	460,773
(Increase)/decrease in accounts receivable	-	(250)	-	(250)
(Increase)/decrease in deferred outflows	(8,586)	(9,500)	(2,631)	(20,717)
Increase/(decrease) in accounts payable	28,235	2,406	2,528	33,169
Increase/(decrease) in net pension liability	2,016	(13,800)	(15,413)	(27,197)
Increase/(decrease) in deferred inflows	14,125	23,696	12,396	50,217
Increase/(decrease) in compensated absences	(10,782)	2,503	(2,176)	(10,455)
Total adjustments	485,781	5,055	(5,296)	485,540
Net cash provided (used) by operating activities	\$ 933,431	\$ 61,137	\$ 8,076	\$ 1,002,644

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STATISTICAL SECTION

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

	Fiscal Year									
	<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>2020</u>	<u>2021</u>
Governmental activities										
Invested in capital assets*	\$ 49,118,537	\$ 47,599,396	\$ 47,939,072	\$ 59,048,455	\$ 66,092,722	\$ 76,834,279	\$ 77,979,425	\$ 88,966,275	\$ 105,517,474	\$ 119,838,195
Restricted	542,636	510,486	668,962	1,081,833	1,642,085	1,107,530	2,061,683	2,712,487	5,629,857	5,950,178
Unrestricted	7,743,147	7,213,734	9,891,812	6,694,321	5,176,939	6,950,460	7,865,614	7,919,700	18,283,015	28,292,235
Total governmental activities	<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>	<u>129,430,346</u>	<u>154,080,608</u>
Business-type activities										
Invested in capital assets*	31,476,911	30,175,509	32,487,480	32,767,922	38,007,144	43,226,694	62,953,936	78,428,437	101,889,316	104,644,731
Restricted	2,074,128	2,326,787	2,712,824	1,239,952	2,992,801	4,132,156	4,974,285	12,311,560	20,270,583	23,710,217
Unrestricted	12,984,090	12,116,297	13,123,112	19,392,299	17,900,677	18,406,880	20,179,446	19,101,283	17,016,866	18,984,840
Total business-type activities net position	<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>	<u>139,176,765</u>	<u>147,339,788</u>
Primary government										
Invested in capital assets*	80,595,448	77,774,905	80,426,552	91,816,377	104,099,866	120,060,973	140,933,361	167,394,712	207,406,790	224,482,926
Restricted	2,616,764	2,837,273	3,381,786	2,321,785	4,634,886	5,239,686	7,035,968	15,024,047	25,900,440	29,660,395
Unrestricted	20,728,237	19,330,031	23,014,924	26,086,621	23,077,616	25,357,340	28,045,061	27,020,983	35,299,881	47,277,075
Total primary government net position	<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>	<u>\$ 268,607,111</u>	<u>\$ 301,420,396</u>

Source: Eagle Mountain City

*Net of Related Debt

FINANCIAL TRENDS

Pages 90-95 of the Statistical Section of this report show financial trends in the City over the last ten years, both for governmental activities as well as business-type activities (proprietary or enterprise funds)

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

	Fiscal Year									
	<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>2020</u>	<u>2021</u>
Expenses										
Government activities:										
General government	\$ 3,153,351	\$ 3,121,417	\$ 2,731,266	\$ 2,555,214	\$ 3,257,256	\$ 3,075,688	\$ 3,251,578	\$ 3,544,085	\$ 3,501,474	\$ 4,114,283
Public safety	3,293,066	3,581,943	2,083,205	2,352,818	2,286,418	2,332,378	2,550,530	2,682,316	3,019,448	3,921,185
Highways & public works	3,213,528	3,973,735	4,516,101	6,730,966	6,496,475	7,506,410	7,023,575	9,405,363	10,116,835	9,215,444
Community development	1,018,550	1,280,805	1,036,699	876,459	1,174,443	1,281,716	2,088,942	1,995,945	2,143,788	2,592,049
Planning	427,747	357,287	327,311	395,512	380,673	508,154	468,853	475,935	432,853	439,936
Interest on long-term debt	476,291	308,993	243,250	160,767	166,707	68,597	62,215	54,343	49,203	178,385
Total governmental activities expense	11,582,533	12,624,180	10,937,832	13,071,736	13,761,972	14,772,943	15,445,693	18,157,987	19,263,602	20,461,282
Business-type activities										
Water utility	2,770,503	2,692,125	3,017,295	3,589,243	4,077,461	4,217,435	4,500,613	4,989,887	6,834,214	28,511,496
Sewer utility	2,957,091	3,014,536	2,899,340	3,510,591	3,923,954	4,004,069	3,988,418	4,475,542	4,785,726	5,487,893
Electric utility	8,608,622	9,819,481	10,135,436	9,834,298	95,183	61,235	-	-	-	-
Gas utility	3,789,711	3,494,341	4,102,155	3,452,371	79,069	61,731	-	-	-	-
Golf Course	-	-	-	-	-	-	-	-	-	-
Storm Drain	-	-	-	-	-	-	921,619	952,274	1,024,911	1,207,876
Non Major Business	1,202,245	3,047,851	1,061,465	1,031,895	1,148,040	1,310,495	1,342,353	1,717,825	1,384,721	1,518,858
Total business-type activities expense	19,328,172	22,068,334	21,215,691	21,418,398	9,323,707	9,654,965	10,753,003	12,135,528	14,029,572	36,726,123
Total primary government expenses	30,910,705	34,692,514	32,153,523	34,490,134	23,085,679	24,427,908	26,198,696	30,293,515	33,293,174	57,187,405
Program Revenues										
Governmental activities										
Charges for services:	4,167,532	4,685,581	3,485,946	3,574,307	4,569,333	4,898,084	5,065,769	6,258,526	7,422,231	12,068,623
Operating grants and contributions	198,014	138,386	29,359	14,442	52,235	24,429	20,065	32,444	1,457,357	3,805,907
Capital grants and contributions	4,365,668	1,742,092	6,473,181	10,865,051	10,001,603	13,384,998	13,747,878	14,042,049	24,244,422	17,155,525
Total governmental activities programs revenues	8,731,214	6,566,059	9,988,486	14,453,800	14,623,171	18,307,511	18,833,712	20,333,019	33,124,010	33,030,055
Business-type activities:										
Charges for services:	19,213,210	20,737,488	24,004,272	20,171,460	11,472,554	13,254,589	15,561,474	18,006,742	22,003,328	26,739,371
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,381,304	231,593	948,298	4,418,845	3,431,786	6,250,205	10,420,966	17,257,782	27,754,625	28,075,972
Total business-type activities program revenues	20,594,514	20,969,081	24,952,570	24,590,305	14,904,340	19,504,794	25,982,440	35,264,524	49,757,953	54,815,343
Total primary governmental program revenues	29,325,728	27,535,140	34,941,056	39,044,105	29,527,511	37,812,305	44,816,152	55,597,543	82,881,963	87,845,398

Source: Eagle Mountain City

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

	Fiscal Year									
	<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>2020</u>	<u>2021</u>
Net (Expense)/Revenue										
Governmental activities	\$ (2,851,319)	\$ (6,058,121)	\$ (949,346)	\$ 1,382,064	\$ 861,199	\$ 3,534,568	\$ 3,388,019	\$ 2,175,032	\$ 13,860,408	\$ 12,568,773
Business-type activities	1,266,342	(1,099,253)	3,736,879	3,171,907	5,580,633	9,849,829	15,229,437	23,128,996	35,728,381	18,089,220
Total Primary government net expense	(1,584,977)	(7,157,374)	2,787,533	4,553,971	6,441,832	13,384,397	18,617,456	25,304,028	49,588,789	30,657,993
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	1,194,590	1,378,945	1,124,767	1,089,674	1,202,258	1,377,090	1,488,313	1,693,461	1,873,536	2,210,764
General sales & use tax	1,918,612	2,053,493	2,246,317	2,478,132	2,751,058	3,139,809	3,659,450	4,344,548	5,333,067	6,914,164
Franchise tax	840,600	869,847	697,421	870,287	1,110,170	1,224,569	1,196,977	1,224,736	1,868,869	2,730,163
Other	-	-	-	-	-	-	-	-	-	-
Interest earnings	38,722	26,550	25,015	43,559	82,267	204,058	394,194	858,582	503,107	226,399
Contribution of assets from Utility Funds	-	-	-	3,852,118	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	(297,188)	-	-	-	-	-	-
Transfers	-	-	32,056	195,519	80,184	2,684,721	(7,112,500)	1,395,382	6,392,896	-
Total Governmental activities	3,992,524	4,328,835	4,125,576	8,232,101	5,225,937	8,630,247	(373,566)	9,516,709	15,971,475	12,081,490
Other Business-type activities:										
Gain (loss) on disposition of capital assets	428,227	-	-	6,234,012	-	-	-	-	-	-
Contribution of assets from Utility Funds	-	-	-	(3,852,118)	-	-	-	-	-	-
Transfers	-	-	(32,056)	(195,519)	(80,184)	(2,684,721)	7,112,500	(1,395,382)	(6,392,896)	-
Total Other Business-type activities	428,227	-	(32,056)	2,186,375	(80,184)	(2,684,721)	7,112,500	(1,395,382)	(6,392,896)	-
Change in Net Position										
Governmental activities	1,141,205	(1,729,286)	3,176,230	9,614,165	6,087,136	12,164,815	3,014,453	11,691,741	29,831,883	24,650,263
Business-type activities	1,694,569	(1,099,253)	3,704,823	5,358,282	5,500,449	7,165,108	22,341,937	21,733,614	29,335,485	18,089,220
Total primary government	\$ 2,835,774	\$ (2,828,539)	\$ 6,881,053	\$ 14,972,447	\$ 11,587,585	\$ 19,329,923	\$ 25,356,390	\$ 33,425,355	\$ 59,167,368	\$ 42,739,483

Source: Eagle Mountain City

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ 322,006	\$ 20,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned										1,859,802
Unassigned	1,078,312	1,870,514	2,602,459	2,162,826	3,070,888	2,959,323	2,862,311	3,489,448	3,649,092	13,954,685
Total general fund	<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>	<u>\$ 3,649,092</u>	<u>\$ 15,814,487</u>
All Other Governmental Funds										
Restricted	\$ 2,277,180	\$ 2,041,588	\$ 1,688,626	\$ 1,934,908	\$ 2,350,766	\$ 2,463,417	\$ 3,433,976	\$ 3,180,962	\$ 6,372,591	\$ 13,194,849
Assigned	498,146	861,413	2,073,633	965,104	428,063	2,303,926	1,771,422	1,628,073	12,572,709	5,602,090
Unassigned reported in										
Special Revenue Funds										
Capital Projects Funds										
Nonmajor										
Total all other governmental funds	<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>	<u>\$ 18,945,300</u>	<u>\$ 18,796,939</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 3,983,273	\$ 4,260,060	\$ 4,128,574	\$ 4,438,660	\$ 5,060,489	\$ 5,734,815	\$ 6,344,105	\$ 7,258,837	\$ 9,073,784	\$ 11,847,831
Licenses, fees, and permits	705,536	1,124,774	1,552,860	1,662,088	2,214,940	2,895,474	3,454,239	4,745,362	5,939,075	10,434,703
Intergovernmental	1,148,673	1,047,984	778,765	821,777	948,648	1,336,283	1,520,620	1,479,142	2,217,260	3,944,005
Charges for services	3,361,767	3,428,521	1,882,121	1,855,281	2,039,483	1,686,659	1,304,991	1,347,173	1,476,898	1,632,420
Special assessments	650,680	398,497	867,149	422,258	1,922,459	307,641	258,551	225,728	170,868	228,219
Contributions	-	-	-	-	-	-	-	-	1,316,880	-
Impact fees	434,374	877,598	1,495,226	1,523,058	2,024,613	3,308,604	3,402,318	3,250,639	5,356,167	9,007,320
Miscellaneous	138,951	158,836	120,980	313,700	767,731	666,876	1,310,833	2,304,165	1,496,089	268,299
Total Revenues	10,423,254	11,296,270	10,825,675	11,036,822	14,978,363	15,936,352	17,595,657	20,611,046	27,047,021	37,362,797
Expenditures										
Current:										
General Government	3,001,105	3,109,776	2,703,466	2,617,687	3,222,850	3,027,034	3,294,126	3,421,616	3,455,632	4,147,767
Community Development	1,037,651	1,266,531	1,027,595	1,106,656	1,245,069	1,217,788	2,122,126	2,026,336	2,199,085	2,502,292
Public Works	1,249,543	1,863,423	3,412,266	3,136,684	2,880,937	4,799,868	5,087,135	6,683,232	6,732,075	7,015,979
Public Safety	3,246,420	2,806,751	2,065,929	2,367,014	2,286,418	2,332,378	2,550,530	2,688,014	3,024,814	3,918,627
Planning and Zoning	432,894	348,991	317,400	386,939	415,180	487,486	492,349	469,353	447,889	517,105
Finance & Admin. Services										
Tax Increment Distributions										
Debt service										
Principal Retirement	1,092,000	854,000	3,651,000	940,000	1,817,000	180,000	155,000	140,000	220,000	551,766
Bond Issuance Costs			123,286	-	-	-				
Interest and Fiscal Charges	416,682	313,772	226,440	277,744	180,379	70,618	64,152	54,588	49,238	155,128
Capital Outlay	476,999	144,662	375,859	1,664,752	2,223,822	4,444,671	6,597,297	8,906,776	5,015,276	7,131,814
Total expenditures	10,953,294	10,707,906	13,903,241	12,497,476	14,271,655	16,559,843	20,362,715	24,389,915	21,144,009	25,940,478
Excess of revenues over (under) expenditure	(530,040)	588,364	(3,077,566)	(1,460,654)	706,708	(623,491)	(2,767,058)	11,422,319	11,422,319	11,422,319

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									
	<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>2020</u>	<u>2021</u>
Other Financing Sources (Uses)										
Issuance of long term debt										
Proceeds from Issuance of Long-Term Debt									\$ 2,000,000	\$ 257,732
Proceeds from Asset Disposals				\$ 497,516						336,983
Loss on Grant Noncompliance				(412,000)						
Debt Proceeds			\$ 4,616,245							
Contributions		\$ 30,000						\$ 2,614,261		
Transfer in	\$ 400,426	608,584	660,676	2,154,692	\$ 1,802,835	\$ 6,527,733	\$ 6,091,881	6,050,244	12,578,357	351,840
Transfers out	(400,426)	(608,584)	(628,620)	(2,081,434)	(1,722,651)	(3,843,012)	(2,983,780)	(4,654,862)	(6,185,461)	(351,840)
Total other financing sources (uses)	0	30,000	4,648,301	158,774	80,184	2,684,721	3,108,101	4,009,643	8,392,896	594,715
Net change in fund balances	\$ (530,040)	\$ 618,364	\$ 1,570,735	\$ (1,301,880)	\$ 786,892	\$ 2,061,230	\$ 9,011,113	\$ 15,431,962	\$ 19,815,215	\$ 12,017,034
Debt service as a percentage of noncapital expenditures	14.40%	11.06%	28.66%	11.24%	16.58%	2.18%	1.18%	1.37%	1.72%	4.27%

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
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
2020	1,600,758,645	70,638,537	4,960,000	1,062,090	184,344,330	82,271,632	272,638,052	1,944,035,234	0.0825%	3,253,185,989
2021	1,896,995,585	183,165,790	4,900,900	1,334,904	261,125,730	98,000,509	365,362,043	2,445,523,418	0.0769%	3,994,685,633

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'

REVENUE CAPACITY
Pages 96-103 of the Statistical Section of this report show the revenue capacity for the City from taxes and fees.
Also shown are taxable values for property within the City.

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

City Direct Rates			Overlapping Rates						Total Tax Rate
Fiscal Year	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	
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
2020	0.825	0.825	0.672	0.400	6.699	1.745	0.009	0.158	10.508
2021	0.769	0.769	1.041	0.400	6.800	1.715	0.012	0.149	10.886

Source: State of Utah Certified Tax Rates

EAGLE MOUNTAIN CITY

Principal Property Tax Payers

Fiscal Years 2012 and 2021

TAXPAYER	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
STADION	\$ 55,745,087	1	2.85%			
TYSON FRESH MEATS	46,178,604	2	2.36%			
PACIFICORP	32,043,325	3	1.64%			
BUILDING CONSTRUCTION PARTNERS	29,150,365	4	1.49%			
AMH DEVELOPMENT	22,483,835	5	1.15%			
DIRECT COMMUNICATIONS	21,629,213	6	1.11%			
IVORY HOMES	20,012,465	7	1.02%			
QUESTAR GAS	19,010,175	8	0.97%			
PONY EXPRESS LAND DEVELOPMENT	18,610,200	9	0.95%			
EDGE HOMES UTAH	18,503,485	10	0.95%			
	<u>\$ 283,366,754</u>					
KERN RIVER GAS TRANS CO				\$ 15,505,380	1	2.48%
DIRECT COMMUNICATIONS				11,773,138	2	1.88%
PACIFICORP				3,367,990	3	0.54%
VESTIN MORTGAGE INC				1,678,400	4	0.27%
STAR WEST EAGLE MTN. PROPRTY				1,443,000	5	0.23%
WAGSTAFF INVESTMENTS LLC				1,388,900	6	0.22%
IRIE INVESTMENTS LLC				1,354,700	7	0.22%
MEADOWS RANCH HOLDINGS LLC				1,246,400	8	0.20%
MAVERIK INC				1,100,700	9	0.18%
MARSH WOODRUFF LC				1,075,000	10	0.17%
				<u>\$ 39,933,608</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
2012	1,082,688	990,018	91.4%	92,671	1,082,688	100.00%
2013	1,102,986	1,027,078	93.1%	75,472	1,102,550	99.96%
2014	972,744	910,201	93.6%	62,236	972,437	99.97%
2015	987,417	931,878	94.4%	55,225	987,103	99.97%
2016	1,074,593	1,014,350	94.4%	59,909	1,074,259	99.97%
2017	1,191,899	1,136,921	95.4%	53,544	1,190,465	99.88%
2018	1,298,033	1,243,503	95.8%	51,184	1,294,687	99.74%
2019	1,445,423	1,382,506	95.6%	58,400	1,440,906	99.69%
2020	1,605,635	1,524,338	94.9%	68,539	1,592,877	99.21%
2021	1,884,241	1,762,534	93.5%	103,399	1,865,933	99.03%

Source: Utah County Treasurer

EAGLE MOUNTAIN CITY

Taxable Sales by Category

Last Ten Fiscal Years

	Fiscal Year									
	<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>2020</u>	<u>2021</u>
Retail/Grocery	\$ 67,338	\$ 82,984	\$ 127,141	\$ 222,813	\$ 298,627	\$ 339,642	\$ 459,179	\$ 805,850	\$ 915,568	\$ 1,491,103
Utility/Communication	182,864	195,865	201,344	223,063	224,107	234,343	251,546	249,275	301,374	350,002
Auto dealers & supplies	9,006	11,539	13,639	15,401	15,978	18,382	33,117	19,056	19,834	90,864
Eating & drinking establishments	12,503	11,119	9,687	10,251	24,765	32,893	41,225	43,161	69,321	73,994
Home furnishings and appliances	975	1,774	2,827	2,326	5,719	2,735	2,864	8,973	25,734	57,553
Medical	2,265	2,698	2,300	3,872	3,815	6,680	7,954	10,006	13,643	13,933
Service stations	39,338	43,905	47,175	45,297	53,990	68,693	82,865	102,120	120,252	133,273
All other outlets	15,415	16,041	36,561	39,795	58,993	143,245	267,400	360,314	968,480	1,593,605
Utah State Tax- Motor Vehicle	46,642	50,422	54,359	60,151	67,971	85,646	98,436	116,599	119,611	214,420
Totals	<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>	<u>\$ 2,553,818</u>	<u>\$ 4,018,746</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
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%	0.80%	4.85%
2020	1.00%	0.25%	0.80%	4.85%
2021	1.00%	0.25%	0.80%	4.85%

Source: Utah State Tax Commission

EAGLE MOUNTAIN CITY
Sales Tax Revenue Payers by Industry
Fiscal Years 2012 and 2021

	Fiscal Year 2012*				Fiscal Year 2021			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	606	55.24%	\$ 67,338	17.9%	1297	20.8%	\$ 1,491,103	37.1%
Utility/Communication	86	7.84%	182,864	48.6%	59	0.9%	350,002	8.7%
Auto Dealers & Supplies	34	3.10%	9,006	2.4%	125	2.0%	90,864	2.3%
Eating/Drinking Establishments	15	1.37%	12,503	3.3%	18	0.3%	73,994	1.8%
Home Furnishings & Appliances	25	2.28%	975	0.3%	73	1.2%	57,553	1.4%
Medical	26	2.37%	2,265	0.6%	18	0.3%	13,933	0.3%
Service Stations	2	0.18%	39,338	10.5%	11	0.2%	133,273	3.3%
All Other Outlets	302	27.53%	15,415	4.1%	4635	74.3%	1,593,605	39.7%
Utah State Tax- Motor Vehicle	1	0.09%	46,642	12.4%	1	0.0%	214,420	5.3%
Total			\$ 376,346	100.0%	6237	100.0%	\$ 4,018,746	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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Water Sales	\$ 2,439,024	\$ 2,633,580	\$ 2,811,503	\$ 3,062,503	\$ 3,222,097	\$ 3,802,599	\$ 4,167,224	\$ 4,541,799	\$ 5,206,858	\$ 6,473,104
Secondary Water	-	-								
Other	-	-	159,107	15,973	470,701	1,512	1,361	4,138	5,330	2,101
Totals	<u>\$ 2,439,024</u>	<u>\$ 2,633,580</u>	<u>\$ 2,970,610</u>	<u>\$ 3,078,476</u>	<u>\$ 3,692,798</u>	<u>\$ 3,804,111</u>	<u>\$ 4,168,585</u>	<u>\$ 4,545,937</u>	<u>\$ 5,212,188</u>	<u>\$ 6,475,205</u>

Source: Eagle Mountain City

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

Governmental Activities							Business-type Activities						
Fiscal Year	Excise tax road bonds	Transportation Loan (UDOT)	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	
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%	2,303	
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%	960	
2017	-	-	-	-	1,238	113	21,741	-	924	24,008	4.27%	878	
2018	-	-	-	-	1,082	-	20,787	-	1,099	22,968	3.63%	713	
2019	-	-	-	-	935	-	21,107	-	245	22,287	3.19%	626	
2020	-	2,000	-	-	715	169	20,195	-	923	24,002	3.18%	625	
2021	-	1,645	-	-	595	295	18,841	-	825	22,201	2.38%	509	

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
Direct and Overlapping Governmental Activities Debt
June 30, 2021

<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	508,880,000	5.0%	25,444,000
Central Utah Water Cons. Dist.	669,231,520	3.3%	22,084,640
Unified Fire Service Area	-	99.5%	-
			<hr/>
Subtotal, overlapping debt			47,528,640
			<hr/>
City direct debt			2,535,661
			<hr/>
Total direct and overlapping debt			<u><u>\$ 50,064,301</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 2021

Assessed value	\$2,455,973,179
Debt limit (12% of the assessed value)	294,716,781
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	294,716,781

Fiscal Year

	<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>2020</u>	<u>2021</u>
Debt limit	\$ 74,895	\$ 79,794	\$ 83,804	\$ 96,938	\$ 109,972	\$ 133,246	\$ 155,074	\$ 188,820	\$ 234,523,291	\$ 294,716,781
Total net debt applicable to limit										
Legal debt margin	74,895	79,794	83,804	96,938	109,972	133,246	155,074	188,820	234,523,291	294,716,781
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)

Water and Sewer Revenue Bonds							Electric and Gas Revenue Bonds						SID 2000-1 (Sales Tax 2013)			
Fiscal Year	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
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	-	-	-	-	-	-	-	-	-	-
2020	10,232	11,087	(855)	992	599	(0.54)	-	-	-	-	-	-	-	-	-	-
2021	12,178	33,602	(21,424)	1,354	578	(11.09)	-	-	-	-	-	-	-	-	-	-

Source: Eagle Mountain City

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

SID 98-1 (2005A)					SAA 2014-1				Excise Tax Road Bond			
Debt Service					Debt Service				Debt Service			
Fiscal Year	Special Assessments	Principal	Interest	Coverage	Special Assessments	Principal	Interest	Coverage	Class B & C Road Funds	Principal	Interest	Coverage
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	-	-	-	-
2020	-	-	-	-	169	220	49	0.63	-	-	-	-
2021	-	-	-	-	446	474	151	0.71	-	-	-	-

DEMOGRAPHICS AND ECONOMICS

Pages 109-110 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*
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
2020	45,744	879,125,926	19,218	1.9
2021	52,469	1,121,944,627	21,383	2.1

Source: Eagle Mountain City, Utah State Tax Commission

EAGLE MOUNTAIN CITY

Principal Employers Fiscal Years 2012 and 2021

2021				2012			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Alpine School District	1018	1	39.43%	Apline School District	284	1	48.38%
Tyson Fresh Meats. Inc	463	2	17.93%	Eagle Mountain City	115	2	19.59%
Eagle Mountain City	165	3	6.39%	Ranches Academy	50	3	8.52%
E2 Optics, LLC	130	4	5.03%	Rockwell High School	35	4	5.96%
Suntec Concrete, Inc	130	4	5.03%	Ranches Golf Course	25	5	4.26%
Ridley's Family Markets	114	6	4.42%	Direct Communications	22	6	3.75%
QuestStar/Dominion Energy	89	7	3.45%	Village Pizza	18	7	3.07%
Job Match LLC	76	8	2.94%	Maverik	15	8	2.56%
Stadion, LLC	66	9	2.56%	TM Crushing LLC	12	9	2.04%
Western Partitions, Inc	65	10	2.52%	Kids Dental Barn	11	10	1.87%
Gotta Dance Performing Arts Stud	38	11	1.47%	N/A	N/A	N/A	N/A
Dairy Queen Chill & Grill DBA F	37	12	1.43%	N/A	N/A	N/A	N/A
TM Crushing, LLC	27	13	1.05%	N/A	N/A	N/A	N/A
R.P.Painting & Decorating, Inc	25	14	0.97%	N/A	N/A	N/A	N/A
Premier Family Medical	25	14	0.97%	N/A	N/A	N/A	N/A
Village Pizza	24	16	0.93%	N/A	N/A	N/A	N/A
Six Sisters Deli & Grille	24	16	0.93%	N/A	N/A	N/A	N/A
Arctic Circle	23	18	0.89%	N/A	N/A	N/A	N/A
Utah Valley Turf Farms L.C.	22	19	0.85%	N/A	N/A	N/A	N/A
Central Utah Clinic dba Revere H	21	20	0.81%	N/A	N/A	N/A	N/A
Total City Employment	2,582		100.00%	Total City Employment	587		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 111-113 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Administration	8	7	5	5.5	4	5.41	5.41	5.41	5.41	5.50
Finance	3	3	4	4	4	3.6	3.6	3.6	3.6	4.0
Planning	3.5	2.83	4	4	4	4	4.5	4.5	5.5	7.0
Building	3.5	3.5	5.5	5.75	5	5.25	6.26	9.02	10.02	10.00
Recorder	3	3	3	3	3	3	3	3.5	3.5	5.5
Facilities	0	0	1	1.5	3	2.1	2.75	4.25	4.75	7.00
Public Information	0	0	1	1.25	2	2.4	2.18	2.18	3.18	2.00
Human Resources	0	0	1	1	1	1	1	1	1	1
Other	3.38	3	1.5	2.15	1.5	7.38	7.78	7.78	7.78	
Police										
Crossing Guards	3.2	3.2	4.75	5.25	5	4.52	4.52	4.52	5.50	6.50
Fire										
Firefighters and officer	17	17	0	0	0	0	0	0	0	0
Parks and recreation	4.5	4.5	7.2	7.2	7.5	9.33	12.66	14.55	15.55	15.50
Library	4.13	4.13	5.15	5.5	6	6.33	6.33	6.50	7.00	7.50
Other public works										
Management	0	0	0	0	0	0	0		0	0
Engineering	2.66	2.66	4.96	5	5	4.33	4.33	5.83	6.83	7.00
Streets	3.5	3.5	4.5	4.5	7.5	6.01	5.91	7.41	8.41	12.00
Water	5.17	5.16	5.3	5.5	7	5.93	7.47	9.09	10.09	10.50
Wastewater	5.17	5.17	5.31	4	4.5	5.3	5.83	5.83	5.83	8.00
Utility Billing	4.75	5	5.5	4	3	3.5	3.5	3.9	3.9	3.5
Other	2	2	2.68	3.38	3	4.63	4.58	5.24	5.24	
Energy	12	11	13	0	0	0	0	0	0	0
Total	88.46	85.65	84.35	72.48	76	84.02	91.61	104.09	113.09	112.5

Source: Eagle Mountain City

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

		<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>2020</u>	<u>2021</u>
<u>Function/Program: General government</u>											
Building											
	Building permits issued	280	458	559	674	1,086	1,437	1,554	1,470	2,038	2,588
	Building inspections conducted	1,850	2,864	4,155	4,958	6,382	8,000	10,813	9,963	12,539	15,378
Police ¹											
	Physical arrest	384	416	353	498	481	492	582	540	336	222
	Warrants served	58	48	39	86	154	86	55	53	24	27
	Traffic violations	2,062	1,399	1,500	1,821	2,148	1,420	1,142	2,212	2,682	2,030
	Officer initiated calls							6,597	6,701	6,651	4,767
	Citizen initiated calls							7,944	8,754	9,936	11,056
Fire ²											
	Emergency responses	694									
	Inspections	155									
Streets											
	Miles plowed - snow removal	5,339	10,574	5,896	1,394	11,522	10,981	3,491	8,763	11,188	5,422
	Crack seal (sq. ft.) ³	1280	480	720	305	147	462,000	16,698,305	232,407	0	0
	Asphalt Repairs (sq. ft.)	10,308	21,768	58,313	88,454	75,782	365,731	284,060	150,819	180,162	9,126
Parks and recreation											
	Youth City sports registrations	2,747	2,704	3,379	3,402	2,448	1,011	1,074	1,250	1,265	1,773
	Total recreational sports (youth/adul	3/1	3/5	4/5	4/5	3/5	1/7	1/7	1/5	1/5	1/5
Water											
	New meters installed	137	228	354	410	446	657	763	830	1,284	1,216
	Water meters replaced	169	239	156	646	436	318	712	135	481	1,564
	Average daily pumped (gallons)	4,272,384	4,142,638	4,285,000	4,036,302	4,820,000	4,903,000	5,824,838	6,136,501	6,102,658	9,266,630
	Avg daily consumption (gallons)	3,732,753	4,332,255	4,076,000	4,030,318	4,366,025	4,858,875	5,122,255	5,409,144	6,630,942	8,355,727

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police ¹											
	Sworn Officers	15	15	15	16	16	16	16	18	19	20
Fire ²											
	Fire Hydrants	918	958	957	998	1,116	1,123	1,284	1,424	1,574	-
	Fire Stations	2									
Other public works											
	Streets (miles)	133	133.5	138.37	143	151.97	154.14	164.34	186.95	199	205
	Gas mains (miles) ³	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	2,400,000
	Sanitary sewers (miles) ⁴	72.2	73	85	89.49	83.95	94.6	95.95	115	120.82	133.71
Parks and recreation											
	Total developed park (acres)	76	79	88	90	100	124	155	160	176	200
	Playgrounds	15	15	15	15	17	23	25	27	43	46
	Baseball/softball diamonds	7	7	7	7	7	7	7	7	7	7
	Soccer/football fields	4	5	5	5	5	5	5	6	6	10
Water											
	Water pipe (miles) ⁴	141	142	151.9	156.65	125.59	136.59	148	170	183.08	196.02
	Total water storage (gallons)	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000	9,000,000	9,000,000	9,700,000	13,200,000	13,350,000

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



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**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 26, 2022.

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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies [21-1].

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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
March 26, 2022

EAGLE MOUNTAIN CITY
SCHEDULE OF SIGNIFICANT DEFICIENCIES
FOR THE YEAR ENDED JUNE 30, 2021

1. Year End Reconciliations

Finding: During our audit testing, we noted that certain reconciliations were not done in a timely manner. We further noted that management had a significant amount of turnover in the accounting department, which led to this deficiency. They have taken steps to rectify the situation.

Recommendation: We recommend that the City follow the implemented controls to ensure account reconciliations are done in a timely manner.

Response: We concur with the auditor's recommendations, there was significant change during the year. Added to that was the challenge of employees being able to be in the office and onsite during the COVID 19 pandemic. We have taken steps to ensure that reconciliations are done timely and accurately.

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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, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Restricted Taxes and Related Revenues
Government Fees
Impact Fees
Cash Management

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, 2021.

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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 30, 2021, as items 2021-1 and 2021-2. 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 items 2021-1 and 2021-2.

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

March 26, 2022

EAGLE MOUNTAIN CITY

**CORRESPONDENCE WITH
THOSE CHARGED
WITH GOVERNANCE**



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JAMES E. STEWART, CPA

March 26, 2022

Honorable Mayor and City Council
Eagle Mountain City
Eagle Mountain City, UT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eagle Mountain City for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 12, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management has the responsibility for selection and use of appropriate accounting policies. The significant accounting policies used by Eagle Mountain City are described in Note 1 to the financial statements. We noted no transactions entered into by Eagle Mountain City during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the capital assets' useful life is based on the historical life of similar assets. We evaluated the key factors and assumptions used to develop the capital assets' useful life in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered In Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 26, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following matters are items noticed during our audit which related to Utah State compliance issues:

Utah State Legal Compliance Findings – Current Year:

21-1 General Compliance - Budgetary Compliance

Finding: Utah State law prohibits the City from incurring expenditures in excess of those budgeted. We noted the City had expenditures in excess of appropriations as follows:

Other Funds (by Fund)

General Fund – General Government	\$ 9,345
General Fund – Public Safety	115,828
General Fund – Planning and Zoning	607,736
General Fund – Debt Service	81,000
Debt service – SAA 2014	32,208
Debt service – SID 1997-1	257,128

Recommendation: We recommend that the City budgets expenditures appropriately.

City's Response: The City will start budgeting expenditures more appropriately.

21-2 General Compliance – Fund Balance

Finding: Utah State law prohibits the City from having an unrestricted general fund balance that exceeds 35% of the current year total revenues of the general fund. We noted that City was over the allowed limit by \$5,890,633.

Recommendation: We recommend that the City take the necessary steps to reduce unrestricted fund balance to be in accordance with Utah State law.

City's Response: The City will take the necessary steps to come into compliance.

Utah State Legal Compliance Findings – Prior Year:

20-1 General Compliance - Budgetary Compliance

Finding: Utah State law prohibits the City from incurring expenditures in excess of those budgeted. We noted the City had expenditures in excess of appropriations as follows:

Other Funds (by Fund)

General Fund – Planning and Zoning	\$ 23,071
Debt service – SAA 2014	163,836
Debt service - SID 1998-3	165,953
Debt service – SID 1997-1	326,764

Recommendation: We recommend that the City budgets expenditures appropriately.

City's Response: See current year finding 21-1.

We wish to express our appreciation to the City personnel for the friendly and enthusiastic help extended to us during the course of our examination.

This information is intended solely for the use of the City Council and management and is not intended to be and should not be used by anyone other than these specified parties. If you have any questions concerning the above items, we will be happy to discuss them with you.

Sincerely,

Gilbert & Stewart

GILBERT & STEWART
Certified Public Accountants

EAGLE MOUNTAIN CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FY ENDED JUNE 30, 2021



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