

FISCAL YEAR ENDED JUNE 30, 2023

Annual Comprehensive Financial Report

ACFR

For Eagle Mountain City, UT



- ▶ Basic Financial Statements
- ▶ Revenues & Expenditures
- ▶ Fund Balances
- ▶ Capital Projects
- ▶ Financial Trends
- ▶ Operating Information

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Photo by Eagle Mountain Employee Todd Black



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

Annual Comprehensive Financial Report
For the year ended June 30, 2023

Prepared by:

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EAGLE MOUNTAIN CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023

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December 28, 2023



Letter of Transmittal

Honorable Mayor, Members of the City Council, and Citizens:

The Annual Comprehensive Financial Report (ACFR) of Eagle Mountain City (the City), for the fiscal year ended June 30, 2023 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, 2023, are fairly presented in conformity with GAAP.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

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

Since the 2000 U.S. Census, Eagle Mountain City has shown steady, and often rapid, growth. In twenty years, the City has grown from 2,157 residents to over 61,000 in 2023 (based on building permits issued). More than 15,781 residential units have been permitted, with an average of 2,094 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 six-member council 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 November 2023 was 2.8%, lower than the national unemployment rate of 3.7%, with Utah County unemployment also remaining very low at 2.6%. During the last half of 2023, Utah's foreclosure rate stood at 1 in every 1,085 households.

During the last half of 2023, the nation's economic conditions changed quite significantly with surging inflation, unprecedented home values, elevated mortgage rates, and more. Growth slowed nationwide, but consistent with Utah's general economic stability and high demand Eagle Mountain still grew by about 3.9% in FY 2023 (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 0.000541. 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 FY2023 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 2023 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 2022. 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 that reads "Paul Jerome". The signature is stylized with a large, sweeping initial "P" and a long horizontal line extending from the end of the name.

Paul Jerome,
City Administrator

A handwritten signature in black ink that reads "KRuesch". The signature is written in a cursive style with a prominent "K" and "R".

Kimberly Ruesch,
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Eagle Mountain City
Utah

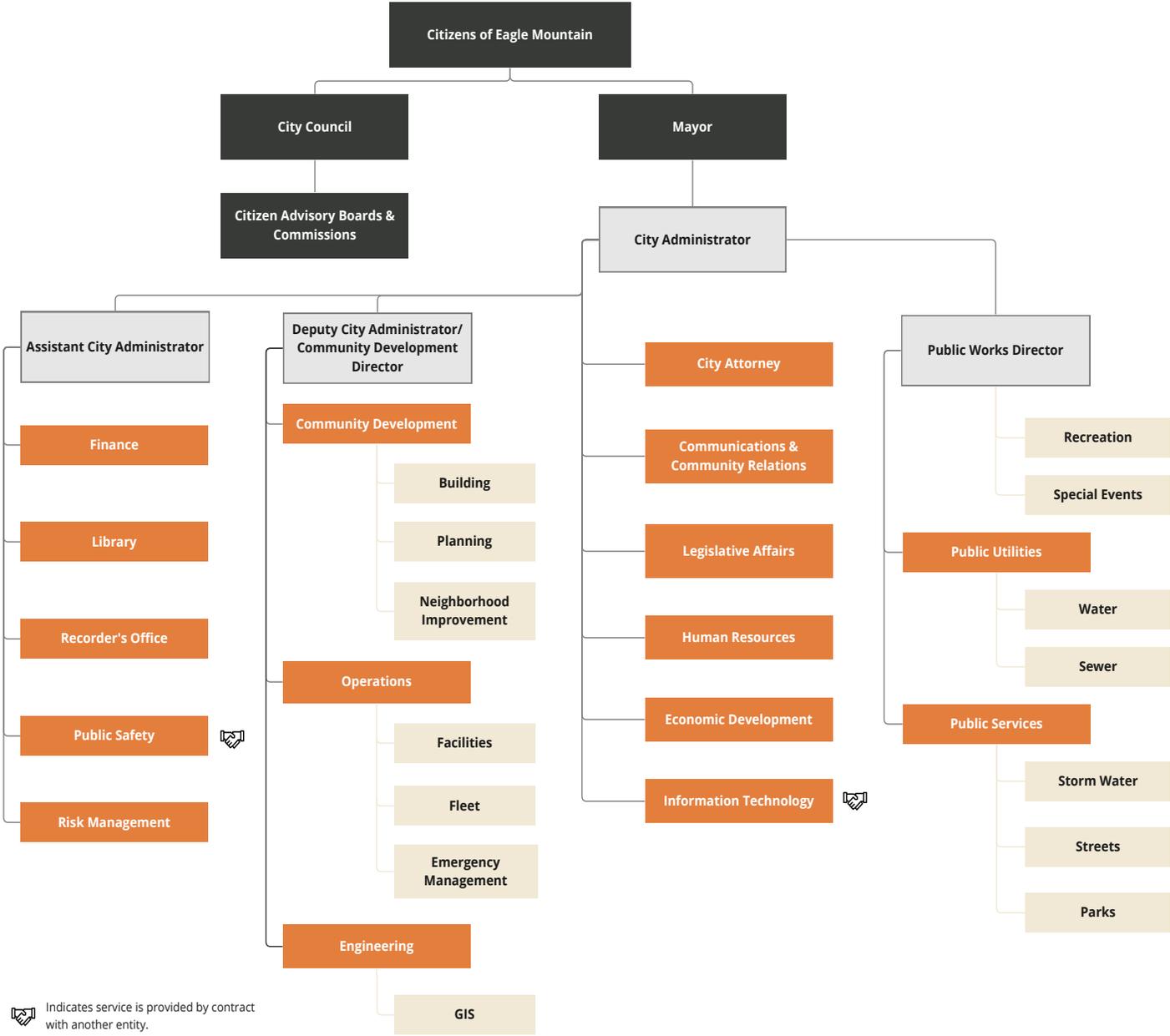
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

CITY ORGANIZATIONAL CHART



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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Eagle Mountain, Utah

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Gilbert & Stewart

GILBERT & STEWART, CPA, PC

Provo, Utah

December 17, 2023

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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, 2023. 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 \$389,601,650 is made up of \$280,179,577 in net investment in capital assets, \$55,248,280 in restricted net position, and \$54,173,793 in unrestricted net position. Total net position increased by \$29,646,904 from the prior year.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$69,133,263. Of this amount, \$27,887,241 must only be spent on projects for which the money is restricted. \$32,690,970 is assigned by the City administration and is divided as follows: \$193,618 for debt service, \$1,200,370 for special revenues and \$31,296,982 for capital projects. The remaining \$8,555,952 is unassigned in the general fund.
- In the enterprise (proprietary) funds, operating revenues increased by \$3,482,428. Corresponding operating expenses increased by \$3,412,417. The increase in operating revenue correlates to user rate increases that were implemented at the end of fiscal year 2022 as well as added users to the system from growth. Operating expense increases reflect the investment in additional personnel required to maintain service levels, inflationary costs of supplies and services, and costs associated with added users to the system from growth.

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 22 and 23 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 24-27 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 – The City reports proprietary fund types as enterprise funds. These 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 18-20 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 \$389,601,650.

One of the largest portions of Eagle Mountain City's net position (72%) 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 2022 and 2021 are shown below:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 108,710,018	\$ 108,906,416	\$ 84,763,320	\$ 74,577,636	\$ 193,473,338	\$ 183,484,052
Capital Assets	154,494,404	139,368,610	150,579,517	141,134,253	305,073,921	280,502,863
Total assets	<u>263,204,422</u>	<u>248,275,026</u>	<u>235,342,837</u>	<u>215,711,889</u>	<u>498,547,259</u>	<u>463,986,915</u>
Deferred Outflows of Resources	1,104,216	732,901	884,334	861,820	1,988,550	1,594,721
Long-term debt outstanding	27,033,678	27,626,159	16,631,558	18,206,961	43,665,236	45,833,120
Other liabilities	26,743,717	24,949,596	27,501,554	21,109,021	54,245,271	46,058,617
Total liabilities	<u>53,777,395</u>	<u>52,575,755</u>	<u>44,133,112</u>	<u>39,315,982</u>	<u>97,910,507</u>	<u>91,891,737</u>
Deferred Inflows of Resources	13,020,623	13,329,462	3,030	505,690	13,023,653	13,835,152
Net position:						
Net investment in capital assets,	145,394,692	137,057,292	134,784,885	123,643,242	280,179,577	260,700,534
Restricted	26,860,274	34,272,798	28,388,006	29,398,301	55,248,280	63,671,099
Unrestricted	25,255,655	11,872,620	28,918,138	23,710,494	54,173,793	35,583,114
Total net assets	<u>\$ 197,510,622</u>	<u>\$ 183,202,710</u>	<u>\$ 192,091,029</u>	<u>\$ 176,752,037</u>	<u>\$ 389,601,651</u>	<u>\$ 359,954,747</u>

The following table summarizes the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 5,368,857	\$ 8,449,940	\$ 26,930,003	\$ 28,266,925	\$ 32,298,860	\$ 36,716,865
Operating grants & contrib.	2,400,624	2,115,144	-	-	2,400,624	2,115,144
Capital grants & contrib.	14,223,013	30,651,138	8,893,198	13,806,665	23,116,211	44,457,803
General revenues:						
Property taxes	10,264,161	5,470,054	-	-	10,264,161	5,470,054
General sales & use tax	10,088,821	8,653,171	-	-	10,088,821	8,653,171
Franchise tax	4,634,584	3,410,186	-	-	4,634,584	3,410,186
Interest earnings	2,682,242	(181,963)	-	-	2,682,242	(181,963)
Total revenues	<u>49,662,302</u>	<u>58,567,670</u>	<u>35,823,201</u>	<u>42,073,590</u>	<u>85,485,503</u>	<u>100,641,260</u>
Expenses:						
General government	\$ 6,843,799	\$ 4,210,857	\$ -	\$ -	\$ 6,843,799	\$ 4,210,857
Public safety	5,482,032	4,693,496	-	-	5,482,032	4,693,496
Highways & public works	9,905,619	8,840,825	-	-	9,905,619	8,840,825
Community development	11,619,237	6,481,068	-	-	11,619,237	6,481,068
Planning	885,935	426,098	-	-	885,935	426,098
Interest on long-term debt	617,768	249,625	-	-	617,768	249,625
Water utility	-	-	9,535,804	7,923,646	9,535,804	7,923,646
Sewer utility	-	-	7,238,947	6,044,020	7,238,947	6,044,020
Storm drain	-	-	1,470,574	1,326,680	1,470,574	1,326,680
Non-major business	-	-	2,238,884	1,910,594	2,238,884	1,910,594
Total expenses	<u>35,354,390</u>	<u>24,901,969</u>	<u>20,484,209</u>	<u>17,204,940</u>	<u>55,838,599</u>	<u>42,106,909</u>
Increase (decrease) in net assets						
before transfers	14,307,912	33,665,701	15,338,992	24,868,650	29,646,904	58,534,351
Transfers	-	(4,543,599)	-	4,543,599	-	-
Increase (decr.) in net assets	14,307,912	29,122,102	15,338,992	29,412,249	29,646,904	58,534,351
Net position - beginning	183,202,710	154,080,608	176,752,037	147,339,788	359,954,747	301,420,396
Net position - ending	<u>\$ 197,510,622</u>	<u>\$ 183,202,710</u>	<u>\$ 192,091,029</u>	<u>\$ 176,752,037</u>	<u>\$ 389,601,651</u>	<u>\$ 359,954,747</u>

Governmental activities

Governmental activities increased the City's net position by \$14,307,912. The majority of the change relates to infrastructure contributions from development.

Business-type activities

Business-type activities increased the City's net position by \$15,338,992. 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 \$69,133,263. Of this total amount, 60% constitutes assigned and unassigned fund balances. \$32,690,970 is assigned by the administration of the City and will be used for the following: \$193,618 for debt service, \$31,296,982 for capital projects, and \$1,200,370 for special revenues. \$8,555,052 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, the unassigned fund balance of the general fund was \$8,555,052, a decrease of \$2,887,070 from fiscal year 2022. The total fund balance was \$13,407,790, a decrease of \$1,316,171 from the prior year. The decrease in fund balance was a result of transfers to the capital project fund for future investment in infrastructure. 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 36% of total general fund expenditures, while total fund balance represents 56% of that same amount.

The City has two major Governmental Funds:

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 2023 the fund balance is \$44,715,729 which is an increase of \$3,365,091. This increase is due to a transfer from the General Fund toward the investment of future infrastructure.

Redevelopment Agency Fund. The Redevelopment Agency (RDA) of Eagle Mountain City was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. At the end of fiscal year 2023 the fund balance is \$960,454 which is an increase of \$657,040.

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 \$26,664,106. The net investment in capital assets in these same funds is \$134,784,885.

- As mentioned in the financial highlights, operational revenues and expenditures in the enterprise funds increased by \$3,482,428 and increased by \$3,412,417, respectively. The increase is a result of growth and user rate changes that were implemented at the end of FY 2022. All enterprise funds showed an increase in operating revenue during the year.

The water and sewer funds showed a positive change in net position of \$12,372,201, after non-operating revenues/expenses, contributions, and transfers are considered. The storm drain and garbage fund net position increased by \$2,524,889, and \$222,045, respectively. The major reasons for the increase in net position is the impact fees collected of \$4,224,254 and the contributed capital from developers in the water, sewer, and storm drain funds in the amount of \$8,893,198.

General Fund Budgetary Highlights

During the fiscal year, the general fund’s original budget was amended from an original budget of \$29,380,967 to a final budget of \$28,504,301. The decrease reflects a reduction in the anticipated transfer of funds for investment in capital projects.

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, 2023, amounts to \$280,932,863 (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	
	2023	2022	2023	2022	2023	2022
Land	\$ 6,682,458	\$ 6,682,458	\$ 9,065,416	\$ 8,842,178	\$ 15,747,874	\$ 15,524,636
Water Shares	-	-	1,498,676	1,498,676	1,498,676	1,498,676
Buildings	3,396,963	3,366,128	1,439,044	1,543,005	4,836,007	4,909,133
Improvements	10,072,808	10,470,355	-	-	10,072,808	10,470,355
Equipment	3,029,918	2,992,081	131,694,087	127,617,579	134,724,005	130,609,660
Infrastructure	129,327,747	108,094,644	-	-	129,327,747	108,094,644
Right to use assets	376,331	-	126,304	141,019	502,635	141,019
Construction in progress	2,038,179	8,192,944	6,755,990	1,491,796	8,794,169	9,684,740
Total net assets	<u>\$ 154,924,404</u>	<u>\$ 139,798,610</u>	<u>\$ 150,579,517</u>	<u>\$ 141,134,253</u>	<u>\$ 305,503,921</u>	<u>\$ 280,932,863</u>

Additional information on the City’s capital assets can be found in Note 8 on pages 41-42 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 \$37,800,000. Of this amount, \$285,000 is from special assessment bonds. \$37,515,000 of bonded debt is secured solely by specific revenue sources (i.e., revenue bonds and sales tax revenue bonds). The remainder of the City’s long-term obligations is comprised of notes and leases payable.

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	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Special assessment bonds	\$ 285,000	\$ 415,000	\$ -	\$ -	\$ 285,000	\$ 415,000
Sales tax revenue bonds	21,885,000	22,915,000	-	-	21,885,000	22,915,000
Revenue bonds	-	-	15,630,000	17,264,000	15,630,000	17,264,000
Notes payable	1,220,849	1,450,369			1,220,849	1,450,369
Leases payable	501,266	212,938	124,834	138,859	626,100	351,797
Total bonds	<u>\$ 23,892,115</u>	<u>\$ 24,993,307</u>	<u>\$ 15,754,834</u>	<u>\$ 17,402,859</u>	<u>\$ 39,646,949</u>	<u>\$ 42,396,166</u>

During fiscal year 2023, the City’s total outstanding bond, notes and lease debt decreased by a net amount of 2,749,217.

Additional information on the City’s long-term debt can be found in Note 9 beginning on page 44 of this financial report.

Economic Factors and Next Year’s Budgets and Rates

- Eagle Mountain City issued 573 new residential building permits in fiscal year 2023. This reflects a decrease of 865 new residential building permits over the previous fiscal year. With the continued inflationary pressures and steep increases to interest rates, the City anticipated this decline in permits. The FY 2024 budget is projected to hold at the 2023 level, but permit levels have steadily increased and exceeded projections thus far.
- The fiscal year 2024 budget was adopted in the amount of \$93,379,091, which is a decrease from the 2023 final budget of \$158,657,723. However, a significant portion of capital projects were not completed as of the close of fiscal year 2023 and those funds were rolled forward to FY 2024 in the first amendment increasing the 2024 budget to \$133,928,788.
- In fiscal year 2022, the City Council adopted rate changes that went into effect for water, sewer, and storm water services in May of 2022. The rates adopted include automatic increases annually beginning July 1, 2023, for water of 4%, and sewer of 2.5%. The 2.5% increase on sewer was implemented in July but a larger increase to the water rate was needed in order to meet the demands of the system. In September of 2023, the City Council approved new water rates that modified the calculation of base fees to look at meter size rather than Equivalent Residential Unit to more equitably distribute fixed costs. The consumption rate was also increased by 14% but will not translate to a 14% increase in the monthly bill. With the changes to the base fee and consumption rate, the average residential user will see an increase to their monthly bill of around 5.5%. The City anticipates increasing the water consumption rate by 12% in the fiscal years 2025 and 2026.

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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: Kimberly Ruesch, Administrative Services Director at kruesch@emcity.org or Eagle Mountain City, 1650 East Stagecoach Run, Eagle Mountain, UT 84005.

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BASIC FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents and investments	\$ 65,156,050	\$ 26,283,046	\$ 91,439,096
Restricted cash and cash equivalents	27,015,114	52,865,415	79,880,529
Accounts receivable			
Customers (net of allowance)	10,639,507	2,246,583	12,886,090
Intergovernmental	1,928,672	1,000,000	2,928,672
Interest	134,112	114,244	248,356
Assessments receivable	266,060	-	266,060
Taxes receivable	5,121,477	-	5,121,477
Notes receivable	702,908	-	702,908
Internal balances	(2,254,032)	2,254,032	-
Prepaid expenses	150	-	150
Capital assets (net of accumulated depreciation):			
Land	6,252,458	9,065,416	15,317,874
Water Shares	-	1,498,676	1,498,676
Buildings	3,396,963	1,439,044	4,836,007
Improvements	10,072,808	-	10,072,808
Equipment and systems	3,029,918	131,694,087	134,724,005
Infrastructure	129,327,747	-	129,327,747
Right to use assets	376,331	126,304	502,635
Construction in progress	2,038,179	6,755,990	8,794,169
Total assets	<u>263,204,422</u>	<u>235,342,837</u>	<u>498,547,259</u>
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	1,104,216	281,090	1,385,306
Bond refunding costs	-	603,244	603,244
Total deferred outflow of resources	<u>1,104,216</u>	<u>884,334</u>	<u>1,988,550</u>
LIABILITIES			
Accounts payable and accrued liabilities	11,780,544	1,783,162	13,563,706
Deposits	14,845,133	111,000	14,956,133
Bond interest payable	118,040	77,758	195,798
Unearned revenue	-	25,529,634	25,529,634
Long-term liabilities			
Due within one year	1,328,076	1,558,001	2,886,076
Due in more than one year	25,705,602	15,073,557	40,779,159
Total liabilities	<u>53,777,395</u>	<u>44,133,112</u>	<u>97,910,506</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	11,902	3,030	14,932
Deferred property taxes levied for future years	13,008,721	-	13,008,721
Total deferred inflow of resources	<u>13,020,623</u>	<u>3,030</u>	<u>13,023,653</u>
NET POSITION			
Net investment in capital assets	145,394,692	134,784,885	280,179,577
Restricted			
Impact fees	9,702,701	27,543,200	37,245,901
Capttal projects	17,157,573	-	17,157,573
Debt service	-	844,806	844,806
Unrestricted	25,255,655	28,918,138	54,173,793
Total net position	<u>\$ 197,510,621</u>	<u>\$ 192,091,029</u>	<u>\$ 389,601,650</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Activities
For the Year Ended June 30, 2023

Function/Programs	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 6,843,799	\$ 1,944,338	\$ -	\$ -	\$ (4,899,461)	\$ -	\$ (4,899,461)
Public safety	5,482,032	24,756	31,538	-	(5,425,738)	-	(5,425,738)
Public works	9,905,619	-	2,362,847	14,223,013	6,680,241	-	6,680,241
Community development	11,619,237	399,217	-	-	(11,220,020)	-	(11,220,020)
Planning	885,935	3,000,546	6,239	-	2,120,850	-	2,120,850
Interest on long-term debt	617,768	-	-	-	(617,768)	-	(617,768)
Total governmental activities	<u>35,354,390</u>	<u>5,368,857</u>	<u>2,400,624</u>	<u>14,223,013</u>	<u>(13,361,896)</u>	<u>-</u>	<u>(13,361,896)</u>
Business-type activities:							
Water	9,535,804	12,878,387	-	3,742,261	-	7,084,844	7,084,844
Sewer	7,238,947	9,693,481	-	3,011,995	-	5,466,529	5,466,529
Storm Drain	1,470,574	1,887,397	-	2,138,942	-	2,555,765	2,555,765
Non major business-type	2,238,884	2,470,738	-	-	-	231,854	231,854
Total business-type activities	<u>20,484,209</u>	<u>26,930,003</u>	<u>-</u>	<u>8,893,198</u>	<u>-</u>	<u>15,338,992</u>	<u>15,338,992</u>
Total primary government	<u>\$ 55,838,599</u>	<u>\$ 32,298,860</u>	<u>\$ 2,400,624</u>	<u>\$23,116,211</u>	<u>(13,361,896)</u>	<u>15,338,992</u>	<u>1,977,096</u>
General revenues:							
Property taxes					\$ 10,264,161	\$ -	\$ 10,264,161
General sales and use tax					10,088,821	-	10,088,821
Franchise taxes					4,634,584	-	4,634,584
Interest earnings					2,682,242	-	2,682,242
Transfers					-	-	-
Total general revenues and transfers					<u>27,669,808</u>	<u>-</u>	<u>27,669,808</u>
Change in net Position					14,307,912	15,338,992	29,646,904
Net position- beginning					183,202,710	176,752,037	359,954,747
Net position - ending					<u>\$ 197,510,621</u>	<u>\$ 192,091,029</u>	<u>\$ 389,601,650</u>

EAGLE MOUNTAIN CITY
Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Special Revenue Redevelopment Agency	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash, cash equivalents, and investments	\$ 28,784,321	\$ 7,821,761	\$ 26,297,554	\$ 285,160	\$ 63,188,796
Restricted cash	86,945		17,157,573	9,770,596	27,015,114
Receivables (net):					
Accounts	71,224	10,562,763	-	-	10,633,987
Taxes	5,121,477	-	-	-	5,121,477
Intergovernmental	582,954	-	1,345,718	-	1,928,672
Interest	114,244	-	19,868	-	134,112
Special assessments	-	-	30,521	235,539	266,060
Notes receivable	-	-	702,908	-	702,908
Prepays	150	-	-	-	150
Total assets	<u>\$ 34,761,315</u>	<u>\$ 18,384,524</u>	<u>\$ 45,554,142</u>	<u>\$ 10,291,295</u>	<u>\$ 108,991,276</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable & accrued liabilities	\$ 4,024,901	\$ 6,861,307	\$ 838,413	\$ 6,466	\$ 11,731,087
Deposits	14,845,133		-	-	14,845,133
Total liabilities	<u>18,870,034</u>	<u>6,861,307</u>	<u>838,413</u>	<u>6,466</u>	<u>26,576,220</u>
Deferred inflows of resources:					
Deferred property taxes levied for future years	2,445,958	10,562,763	-	-	13,008,721
Deferred property taxes-delinquent	37,533	-	-	-	37,533
Unavailable special improvement assessments	-	-	-	235,539	235,539
Total deferred inflows of resources	<u>2,483,491</u>	<u>10,562,763</u>	<u>-</u>	<u>235,539</u>	<u>13,281,793</u>
Fund Balances:					
Fund balances restricted for:					
Impact fees	86,945	-	-	9,615,756	9,702,701
Capital projects		-	17,157,573	-	17,157,573
Government fees	1,026,967	-	-	-	1,026,967
Assigned, for:					
Special revenues	-	960,454	-	239,916	1,200,370
Debt service	-	-	-	193,618	193,618
Capital projects	3,738,826	-	27,558,156	-	31,296,982
Unassigned:	8,555,052	-	-	-	8,555,052
Total fund balances	<u>13,407,790</u>	<u>960,454</u>	<u>44,715,729</u>	<u>10,049,290</u>	<u>69,133,263</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,761,315</u>	<u>\$ 18,384,524</u>	<u>\$ 45,554,142</u>	<u>\$ 10,291,295</u>	<u>\$ 108,991,276</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Balance Sheet Reconciliation to
Statement of Net Position
June 30, 2023

Total fund balances - governmental fund types:	\$ 69,133,263
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.	154,494,404
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	273,072
Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds.	1,104,216
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.	(27,151,718)
Deferred inflows of resources related to pensions are not available financial resources and are not reported in the governmental funds.	(11,902)
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.	(330,715)
Net assets of government activities	<u><u>\$ 197,510,621</u></u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Special Revenue Redevelopment Agency	General Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 17,327,881	\$ 7,645,775	\$ -	\$ -	\$ 24,973,656
Special assessments	-	-	-	73,832	73,832
Licenses and permits	3,039,285	-	-	-	3,039,285
Intergovernmental	2,424,600	-	5,684,120	-	8,108,720
Charges for services	2,755,628	-	-	52,130	2,807,758
Contributions	1,646,802	-	642,857	-	2,289,659
Impact fees	39,262	-	-	2,846,212	2,885,474
Interest	925,229	587	1,466,177	290,249	2,682,242
Miscellaneous	8,885	-	-	-	8,885
Total revenues	<u>28,167,572</u>	<u>7,646,362</u>	<u>7,793,154</u>	<u>3,262,423</u>	<u>46,869,511</u>
EXPENDITURES					
Current:					
General government	7,086,339	-	-	-	7,086,339
Public safety	5,475,190	-	-	-	5,475,190
Public works	6,669,450	-	61,206	9,624	6,740,280
Planning and zoning	1,281,849	-	-	-	1,281,849
Community development	4,523,540	6,989,322	-	12,228	11,525,090
Debt service:					
Principal retirement	116,433	-	-	1,399,520	1,515,953
Interest and fiscal charges	15,867	-	-	797,048	812,915
Bond issuance costs	-	-	-	-	-
Capital outlay	-	-	9,778,766	-	9,778,766
Total expenditures	<u>25,168,668</u>	<u>6,989,322</u>	<u>9,839,972</u>	<u>2,218,420</u>	<u>44,216,382</u>
Excess revenues over (under) expenditures	<u>2,998,904</u>	<u>657,040</u>	<u>(2,046,818)</u>	<u>1,044,003</u>	<u>2,653,129</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Lease proceeds	463,060	-	-	-	463,060
Transfers in	-	-	5,411,909	2,043,968	7,455,877
Transfers out	(4,778,135)	-	-	(2,677,742)	(7,455,877)
Total other financing sources and uses	<u>(4,315,075)</u>	<u>-</u>	<u>5,411,909</u>	<u>(633,774)</u>	<u>463,060</u>
Net change in fund balance	(1,316,171)	657,040	3,365,091	410,229	3,116,189
Fund balances - beginning of year	14,723,961	303,414	41,350,638	9,639,061	66,017,074
Fund balances - end of year	<u>\$ 13,407,790</u>	<u>\$ 960,454</u>	<u>\$ 44,715,729</u>	<u>\$ 10,049,290</u>	<u>\$ 69,133,263</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balance of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2023

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

Net changes in fund balances - total governmental funds	\$ 3,116,189
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	6,922,168
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	8,203,626
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(5,410,835)
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.	1,226,976
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.	(68,919)
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	318,708
Change in net assets of governmental activities	\$ 14,307,912

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise				Total	Governmental
	Water	Sewer	Storm Drain	NonMajor Garbage		Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 14,640,825	\$ 8,671,807	\$ 1,137,965	1,832,449	\$ 26,283,046	\$ 1,967,254
Accounts receivable - net	1,118,665	765,800	136,758	225,360	2,246,583	5,520
Intergovernmental	-	1,000,000	-	-	1,000,000	-
Interest	114,244	-	-	-	114,244	-
Total current assets	<u>15,873,734</u>	<u>10,437,607</u>	<u>1,274,723</u>	<u>2,057,809</u>	<u>29,643,873</u>	<u>1,972,774</u>
Noncurrent assets:						
Restricted cash and cash equivalents	46,921,338	2,602,791	3,341,286	-	52,865,415	-
Land, equipment, buildings and improv.	94,273,813	80,261,526	28,693,466	38,730	203,267,535	5,711,414
Less: Accumulated depreciation	(26,973,606)	(19,976,554)	(5,715,550)	(22,308)	(52,688,018)	(3,632,719)
Total noncurrent assets	<u>114,221,545</u>	<u>62,887,763</u>	<u>26,319,202</u>	<u>16,422</u>	<u>203,444,932</u>	<u>2,078,695</u>
Total assets	<u>130,095,279</u>	<u>73,325,370</u>	<u>27,593,925</u>	<u>2,074,231</u>	<u>233,088,805</u>	<u>4,051,469</u>
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding costs - net	259,395	343,849	-	-	603,244	-
Pension related costs	133,202	99,111	48,777	-	281,090	60,817
Total deferred outflow of resources	<u>392,597</u>	<u>442,960</u>	<u>48,777</u>	<u>-</u>	<u>884,334</u>	<u>60,817</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	956,250	615,165	16,472	195,275	1,783,162	49,555
Debt interest payable	25,594	52,164	-	-	77,758	-
Compensated absences - current	19,297	31,760	13,751	-	64,808	13,656
Current portion of long-term debt	502,743	990,450	-	-	1,493,193	-
Total current liabilities	<u>1,503,884</u>	<u>1,689,539</u>	<u>30,223</u>	<u>195,275</u>	<u>3,418,922</u>	<u>63,211</u>
Noncurrent liabilities:						
Deposits	111,000	-	-	-	111,000	-
Unearned Revenue	24,529,634	1,000,000	-	-	25,529,634	-
Compensated absences- (net of current)	6,432	10,587	4,584	-	21,603	4,552
Net pension liability	69,788	51,927	25,556	-	147,271	31,865
Long-term debt (net of current portion)	5,873,748	9,030,935	-	-	14,904,683	-
Total noncurrent liabilities	<u>30,590,602</u>	<u>10,093,449</u>	<u>30,140</u>	<u>-</u>	<u>40,714,191</u>	<u>36,417</u>
Total liabilities	<u>32,094,486</u>	<u>11,782,988</u>	<u>60,363</u>	<u>195,275</u>	<u>44,133,112</u>	<u>99,628</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related costs	1,436	1,068	526	-	3,030	656
Total deferred outflow of resources	<u>1,436</u>	<u>1,068</u>	<u>526</u>	<u>-</u>	<u>3,030</u>	<u>656</u>
NET POSITION						
Net investment in capital assets	61,183,111	50,607,436	22,977,916	16,422	134,784,885	2,078,695
Restricted - impact fees	22,272,011	1,929,903	3,341,286	-	27,543,200	-
Restreted debt service	176,816	667,990	-	-	844,806	-
Unrestricted	14,760,016	8,778,945	1,262,611	1,862,534	26,664,106	1,933,307
Total net position	<u>\$ 98,391,954</u>	<u>\$ 61,984,274</u>	<u>\$ 27,581,813</u>	<u>1,878,956</u>	<u>\$ 189,836,997</u>	<u>\$ 4,012,002</u>
Adjustment to reflect the consolidation of internal service fund activities to the enterprise funds					2,254,032	
Net position business-type activities					<u>\$ 192,091,029</u>	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Drain	Nonmajor Garbage	Total	
Operating revenues:						
Charges for services	\$ -	\$ -	\$ 1,445,543	\$ 2,466,355	\$ 3,911,898	\$ 2,064,529
Charges for services pledged as security on revenue bonds	8,059,429	8,001,228	-	-	16,060,657	-
Other operating income	28,280	3,120	-	-	31,400	66,483
Total operating revenues	8,087,709	8,004,348	1,445,543	2,466,355	20,003,955	2,131,012
Operating expenses:						
Salaries and wages	1,019,042	713,362	284,986	12,309	2,029,699	492,878
Purchased services	4,516,689	3,376,445	341,770	2,174,932	10,409,836	200,033
Supplies and materials	770,198	520,160	35,160	45,715	1,371,233	387,965
Depreciation and amortization	2,948,230	2,255,728	818,245	7,746	6,029,949	655,917
Miscellaneous	183,378	29,044	11,274	7,991	231,687	9,254
Total operating expenses	9,437,537	6,894,739	1,491,435	2,248,693	20,072,404	1,746,047
Operating income	(1,349,828)	1,109,609	(45,892)	217,662	(68,449)	384,965
Nonoperating revenues (expenses):						
Interest revenue	2,445,261	170,751	81,399	4,383	2,701,794	3,936
Developer reimbursements	-	(128,684)	(10,015)	-	(138,699)	-
Bond refunding cost amortization	(28,822)	(38,205)	-	-	(67,027)	-
Interest expense and fiscal charges	(174,096)	(251,840)	-	-	(425,936)	(1,758)
Total nonoperating revenues (expenses)	2,242,343	(247,978)	71,384	4,383	2,070,132	2,178
Net income (loss) before contributions and transfers	892,515	861,631	25,492	222,045	2,001,683	387,143
Developer contributions	3,742,261	3,011,995	2,138,942	-	8,893,198	-
Impact fees	2,345,417	1,518,382	360,455	-	4,224,254	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total contributions and transfers	6,087,678	4,530,377	2,499,397	-	13,117,452	-
Change in net position	6,980,193	5,392,008	2,524,889	222,045	15,119,135	387,143
Total net position - beginning	91,411,761	56,592,266	25,056,924	1,656,911		3,624,859
Total net position - ending	\$ 98,391,954	\$ 61,984,274	\$ 27,581,813	\$ 1,878,956		\$ 4,012,002
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					219,858	
Change in net position of business-type activities					\$ 15,338,993	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	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	\$ 13,827,042	\$ 7,998,691	\$ 1,442,762	\$ 2,460,235	\$ 25,728,730	\$ 2,125,967
Payments to suppliers	(5,983,075)	(3,882,816)	(400,145)	(2,191,200)	(12,457,236)	(513,010)
Payments to employees	(1,044,164)	(727,356)	(333,857)	(12,309)	(2,117,686)	(754,863)
Net cash provided (used) by operating activities	<u>6,799,803</u>	<u>3,388,519</u>	<u>708,760</u>	<u>256,726</u>	<u>11,153,808</u>	<u>858,094</u>
Cash Flows From Noncapital Financing Activities						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities						
Purchases of capital assets	(3,914,557)	(3,362,605)	(21,348)	-	(7,298,510)	(808,924)
Impact fees collected	2,345,417	1,518,382	360,455	-	4,224,254	-
Contributions	559,361	157,135	-	-	716,496	-
Payments for developer reimbursements	-	(128,684)	(10,015)	-	(138,699)	-
Principal paid on capital debt	(437,627)	(1,210,400)	-	-	(1,648,027)	(58,298)
Interest paid on capital debt	(214,990)	(310,710)	-	-	(525,700)	(1,758)
Net cash provided (used) by capital and related financing activities	<u>(1,662,396)</u>	<u>(3,336,882)</u>	<u>329,092</u>	<u>-</u>	<u>(4,670,186)</u>	<u>(868,980)</u>
Cash Flows From Investing Activities						
Interest and dividends received	2,445,261	170,751	81,399	4,383	2,701,794	3,936
Net increase (decrease) in cash and cash equivalents	7,582,668	222,388	1,119,251	261,109	9,185,416	(6,950)
Cash and cash equivalents - beginning	53,979,495	11,052,210	3,360,000	1,571,340	69,963,045	1,974,204
Cash and cash equivalents (deficit) - ending	<u>\$ 61,562,163</u>	<u>\$ 11,274,598</u>	<u>\$ 4,479,251</u>	<u>\$ 1,832,449</u>	<u>\$ 79,148,461</u>	<u>\$ 1,967,254</u>
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	\$ (1,349,828)	\$ 1,109,609	\$ (45,892)	\$ 217,662	\$ (68,449)	\$ 384,965
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization expense	2,948,230	2,255,728	818,245	7,746	6,029,949	655,917
(Increase)/decrease in accounts rec.	(106,230)	(1,005,657)	(2,781)	(6,120)	(1,120,788)	(5,045)
(Increase)/decrease in net pension asset	184,157	133,979	22,244	-	340,380	87,768
(Increase)/decrease in deferred outflows	(39,832)	(26,547)	(23,162)	-	(89,541)	(10,062)
Increase/(decrease) in accounts payable	(520,310)	42,833	(11,941)	37,438	(451,980)	(157,611)
Increase/(decrease) in compensated absences	(3,423)	14,594	5,392	-	16,563	4,869
Increase/(decrease) in net pension liability	69,788	51,927	25,556	-	147,271	31,864
Increase/(decrease) in deferred inflows	(235,812)	(187,947)	(78,901)	-	(502,660)	(134,571)
Increase/(decrease) in deferred revenue	5,845,563	1,000,000	-	-	6,845,563	-
Increase/(decrease) in deposits	7,500	-	-	-	7,500	-
Total adjustments	<u>8,149,631</u>	<u>2,278,910</u>	<u>754,652</u>	<u>39,064</u>	<u>11,222,257</u>	<u>473,129</u>
Net cash provided (used) by operating activities	<u>\$ 6,799,803</u>	<u>\$ 3,388,519</u>	<u>\$ 708,760</u>	<u>\$ 256,726</u>	<u>\$ 11,153,808</u>	<u>\$ 858,094</u>
Noncash investing, capital, and financing activities						
Contributions by developers	\$ 3,182,900	\$ 2,854,860	\$ 2,138,942	\$ -	\$ 8,176,702	\$ -
Total noncash investing, capital and financing activities	<u>\$ 3,182,900</u>	<u>\$ 2,854,860</u>	<u>\$ 2,138,942</u>	<u>\$ -</u>	<u>\$ 8,176,702</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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 in December 1996 under the 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 Annual Comprehensive Financial Report includes the financial Statements for all activities of the City based upon the criteria set forth in Governmental Accounting Standards Board (GASB) Statement 14 as amended. 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.

Blended Component Units

- The Redevelopment Agency (RDA) of Eagle Mountain City was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a separate board, who are the City's Mayor and Council. The financial statements of the RDA are included in the accompanying financial statements as a blended component unit.
- The RDA is considered a blended component unit because the governing board is the same governing board of the City. In addition, the primary government has operational responsibility for the RDA. There is also a direct financial benefit/burden relationship between RDA and the primary government. The RDA is presented as a special revenue fund in the financial statements.

B. Government-wide and Fund Financial Statements

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

Property taxes, sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual, and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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 *redevelopment agency fund* accounts for plans to improve, rehabilitate and redevelop blighted areas within the City.

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, 2023

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, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

H. Compensated Absences

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

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

I. Taxes

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023

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, 2022, for the 2023 fiscal year.

M. Leases

During the year ended June 30, 2022, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. The new standard establishes a single model for lease accounting based on the principle that leases are financing of a right-to-use-asset. The statements require a lessee to recognize all lease liability and an intangible right-to-use asset, and a lessor to recognize a lease receivable and a deferred inflow of resources. There was no impact to beginning net position in the government-wide financial statements or beginning fund balances as a result of adopting this standard.

Lessee - The City is a lessee for a noncancelable leases of equipment and building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (a) the discount rate it uses to discount the expected lease payments to present value, (b) lease term, and (c) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City uses its estimated incremental borrowing rate as the discount rate for leases.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

N. 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.
- **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.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	General Fund	Capital Projects Fund	Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance:					
Restricted:					
Capital improvements	\$ -	\$ 17,157,573	\$ -	\$ -	\$ 17,157,573
Impact fees	86,945	-	-	9,615,756	9,702,701
Government fees	1,026,967	-	-	-	1,026,967
	<u>1,113,912</u>	<u>17,157,573</u>	<u>-</u>	<u>9,615,756</u>	<u>27,887,241</u>
Committed:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:					
Capital improvements	3,738,826	27,558,156	-	-	31,296,982
Debt service	-	-	-	193,618	193,618
Redevelopment	-	-	960,454	-	960,454
Cemetery	-	-	-	239,916	239,916
	<u>3,738,826</u>	<u>27,558,156</u>	<u>960,454</u>	<u>433,534</u>	<u>32,690,970</u>
Unassigned	8,555,052	-	-	-	8,555,052
Total fund balances	<u>\$ 13,407,790</u>	<u>\$ 44,715,729</u>	<u>\$ 960,454</u>	<u>\$ 10,049,290</u>	<u>\$ 69,133,263</u>

O. 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.

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.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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

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	\$211,099,176
Accumulated depreciation	<u>(56,604,772)</u>
Net adjustment to increase <i>fund balance total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>)	<u>\$154,494,404</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	\$ 235,539
Delinquent property taxes	<u>37,533</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$273,072</u>

3. Long-term debt transactions:

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

Bonds payable	(\$22,170,000)
Lease Payable	(501,267)
Note Payable	(1,220,849)
Bond interest payable	(118,040)
Bond premium	(2,195,528)
Net Pension Liability	(578,012)
Compensated absences	(367,505)
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>(\$27,151,201)</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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	\$ 12,871,941
Depreciation expense	(5,949,773)
Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 6,922,168</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	\$(463,060)
Amortization of bond premiums	115,784
Principal paid on bonds and leases	<u>1,574,252</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 1,226,976</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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	\$	79,363
Pension related costs		289,983
Compensated absences		<u>(51,097)</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>318,249</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, 2023

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, 2023

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, 2023, the City’s cash balance consisted of the following:

	<u>All Fund Types</u>
Cash, cash equivalents, and temporary cash investments	\$ 91,439,096
Cash, cash equivalents, restricted	79,880,529
Total cash and cash equivalents	\$ 171,319,625

While the City’s carrying amount of deposits was \$133,918,554, the balance in the City’s bank account and cash on hand was \$133,606,304 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, 2022, the City’s custodial credit risk, for deposits were as follows:

Depository Account	Custodial Credit Risk	Balance June 30, 2023
Checking and savings	Insured and collateralized	\$ 250,000
Investment sweep	Uninsured and uncollateralized	3,876,472
Total deposits		\$ 4,126,472

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023, 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, 2023

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, 2023, 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	\$ 122,871,247	\$ -	\$ 122,871,247	\$ -
Certificates of deposit	15,560,735	15,560,735		
US bonds	8,899,961		8,899,961	
US Government, agencies	5,194,844		5,194,844	
Corporate Notes	14,121,999		14,121,999	
Total Investments	<u>\$ 166,648,786</u>	<u>\$ 15,560,735</u>	<u>\$ 151,088,051</u>	<u>\$ -</u>

- Certificates of deposit and money market accounts are valued using quoted market prices (level 1)
- Utah Public Treasurer's Investment Fund – Application of the June 30, 2023, fair value factor, as calculated by the Utah State Treasurer, to the City's ending balances in the fund. (level 2)
- US bonds, Us Government Agencies, and corporate notes are valued using quoted prices for similar securities in active markets. (level 2)

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023, the City had the following investments:

<u>Investments</u>	<u>Investment Maturities (in Years)</u>				<u>Quality Ratings</u>
	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>	
Utah Public Treasurer's Investment Fund	\$ 122,871,247	\$ -	\$ -	\$ -	Unrated
Certificates of deposit	489,170	15,071,565	-	-	Unrated
US Bonds		8,899,961			A1-AAA
US Government or Agencies		5,194,844			A1-AAA
Corporate Bonds		14,121,999			A1-AAA
Total investments	<u>\$ 123,360,417</u>	<u>\$ 43,288,369</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, 2023

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 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, 2023

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	Non major Enterprise	Non major Govt'l	Total
Receivables:								
Accounts	\$ 71,437	\$ -	\$ 1,122,191	\$ 767,525	\$ 136,955	\$ 225,623		\$ 2,323,731
Interest	114,244	\$ 19,868	\$ 114,244					248,356
Taxes	5,121,477		-	-	-	-	-	5,121,477
Special								
Assessments	-	30,521	-	-	-	-	235,539	266,060
Intergovernmental	582,954	1,345,718	-	1,000,000	-	-	-	2,928,672
Less: allowance for uncollectible accounts	(213)		(3,526)	(1,725)	(197)	(263)	-	(5,924)
	<u>\$ 5,889,899</u>	<u>\$ 1,396,107</u>	<u>\$ 1,232,909</u>	<u>\$ 1,765,800</u>	<u>\$ 136,758</u>	<u>\$ 225,360</u>	<u>\$ 235,539</u>	<u>\$ 10,882,372</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, 2023, the outstanding note balance was \$702,908. 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 2023 funding cycle. As of June 30, 2023, 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, 2023

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 Govmmtl.</u>	<u>Business Type</u>	<u>Total</u>
General	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor govtl.	217,169	-	2,321,226	-	2,538,395
Capital projects	4,560,966	-	356,516	-	4,917,482
Internal Service	-	-	-	-	-
Business type	-	-	-	-	-
Total transfer out	<u>\$ 4,778,135</u>	<u>\$ -</u>	<u>\$ 2,677,742</u>	<u>\$ -</u>	<u>\$ 7,455,877</u>

The City transferred monies to support capital project payments in the capital projects fund and to fund debt service in the debt service 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)	\$ 2,445,958	\$ 2,445,958
Property tax delinquent	37,533	
Special assessments (special revenue fund)	<u>235,539</u>	
Total	<u>\$2,507,030</u>	<u>\$ 2,445,958</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

Primary Government	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 6,252,458	\$ -	\$ -	\$ 6,252,458
Construction in progress	8,192,944	1,030,961	7,185,726	2,038,179
Total capital assets not being depreciated	<u>14,445,402</u>	<u>1,030,961</u>	<u>7,185,726</u>	<u>8,290,637</u>
Capital assets being depreciated:				
Buildings	4,965,773	165,706	-	5,131,479
Improvements	11,559,740	-	-	11,559,740
Machinery and equipment	7,941,213	948,509	-	8,889,722
Infrastructure	151,111,481	25,646,157	-	176,757,638
Right to use	-	469,960	-	469,960
Total capital assets being depreciated	<u>175,578,207</u>	<u>27,230,332</u>	<u>0</u>	<u>202,808,539</u>
Less accumulated depreciation for:				
Buildings	1,599,645	134,871	-	1,734,516
Improvements	1,089,385	397,547	-	1,486,932
Machinery and equipment	4,949,132	910,672	-	5,859,804
Infrastructure	43,016,837	4,413,054	-	47,429,891
Right to use	-	93,629	-	93,629
Total accumulated depreciation	<u>50,654,999</u>	<u>5,949,773</u>	<u>0</u>	<u>56,604,772</u>
Total capital assets, being depreciated, net	<u>124,923,208</u>	<u>21,280,559</u>	<u>-</u>	<u>146,203,767</u>
Governmental activities capital assets, net	<u>\$ 139,368,610</u>	<u>\$ 22,311,520</u>	<u>\$ 7,185,726</u>	<u>\$ 154,494,404</u>
	Beginning			Ending
Business-type activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Construction in progress	\$ 1,491,796	\$ 6,367,182	\$ 1,102,988	\$ 6,755,990
Land	8,842,178	223,238	-	9,065,416
Water shares	1,498,676	-	-	1,498,676
Total capital assets not being depreciated	<u>11,832,650</u>	<u>6,590,420</u>	<u>1,102,988</u>	<u>17,320,082</u>
Capital assets being depreciated:				
Buildings	3,715,254	-	-	3,715,254
Equipment and systems	172,097,268	9,987,780	-	182,085,049
Right to use assets	147,150	-	-	147,150
Total capital assets being depreciated	<u>175,959,672</u>	<u>9,987,780</u>	<u>-</u>	<u>185,947,453</u>
Less accumulated depreciation for:				
Buildings	2,172,249	103,961	-	2,276,210
Equipment and systems	44,479,689	5,911,273	-	50,390,962
Right to use assets	6,131	14,715	-	20,846
Total accumulated depreciation	<u>46,658,069</u>	<u>6,029,949</u>	<u>-</u>	<u>52,688,018</u>
Total capital assets, being depreciated, net	<u>129,301,603</u>	<u>3,957,831</u>	<u>-</u>	<u>133,259,435</u>
Business-type activities capital assets, net	<u>\$ 141,134,253</u>	<u>\$ 10,548,251</u>	<u>\$ 1,102,988</u>	<u>\$ 150,579,517</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 8 - CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 114,748
Public safety	6,842
Public works	5,644,176
Planning	80,927
Community development	103,080
Total depreciation expense - governmental activities	\$ 5,949,773

Business-type activities:

Water	\$ 2,948,230
Sewer	2,255,728
Storm drain	818,245
Garbage	7,746
Total depreciation expense - business-type activities	\$ 6,029,949

Total depreciation expense	\$ 11,979,722
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The City has various construction projects as of June 30, 2023. The City's commitments with contractors are as follows:

Project	Remaining Commitment
Road projects	\$ 1,967,846
Parks & Recreation	6,622,916
Water projects	4,869,946
Sewer projects	125,583
Total	\$ 13,586,291

NOTE 9 – LONG-TERM DEBT

Bonds and notes payable at June 30, 2023, 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:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2024	\$ 20,000	\$ 14,562	\$ 34,562
2025	25,000	13,512	38,512
2026	25,000	12,200	37,200
2027	25,000	10,888	35,888
2028	30,000	9,576	39,576
2029-2033	160,000	24,750	184,750
Total	<u>\$ 285,000</u>	<u>\$ 85,488</u>	<u>\$ 370,488</u>

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
2024	\$ 566,000	\$ 24,830	\$ 590,830
2025	460,000	19,170	479,170
2026	495,000	14,570	509,570
2027	530,000	9,620	539,620
2028	432,000	4,320	436,320
Total	<u>\$ 2,483,000</u>	<u>\$ 72,510</u>	<u>\$ 2,555,510</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, 2023, \$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:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2024	\$ 131,000	\$ 22,824	\$ 153,824
2025	133,000	20,537	153,537
2026	136,000	18,197	154,197
2027	138,000	18,395	156,395
2028	140,000	18,232	158,232
2029-2033	739,000	47,037	786,037
2034	41,000	706	41,706
Total	<u>\$ 1,458,000</u>	<u>\$ 145,928</u>	<u>\$ 1,603,928</u>

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
2024	\$ 235,000	\$ 360,325	\$ 595,325
2025	255,000	351,700	606,700
2026	285,000	340,900	625,900
2027	890,000	317,400	1,207,400
2028	940,000	280,800	1,220,800
2029-2032	6,550,000	586,400	7,136,400
Total	<u>\$ 9,155,000</u>	<u>\$ 2,237,525</u>	<u>\$ 11,392,525</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:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2024	\$ 520,000	\$ 43,600	\$ 563,600
2025	545,000	22,300	567,300
2026	285,000	5,700	290,700
Total	<u>\$ 1,350,000</u>	<u>\$ 71,600</u>	<u>\$ 1,421,600</u>

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
2024	\$ 27,000	\$ 11,840	\$ 38,840
2025	28,000	11,570	39,570
2026	28,000	11,120	39,120
2027	29,000	11,010	40,010
2028	29,000	10,720	39,720
2029-2033	160,000	49,050	209,050
2034-2038	185,000	40,550	225,550
2039-2043	204,000	30,870	234,870
2044-2048	216,000	20,430	236,430
2049	278,000	2,780	280,780
Total	<u>\$ 1,184,000</u>	<u>\$ 199,940</u>	<u>\$ 1,383,940</u>

8. \$22,915,000 2022 Sales Tax Revenue Bonds

The bond was issued to fund road projects within the City. The bond requires annual principal and semi-annual interest payments beginning March 2023 through March 2042, bearing interest ranging from 2.1% to 3.72% the debt service requirements to maturity are as follows:

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2024	\$ 715,000	\$ 1,094,250	\$ 1,809,250
2025	755,000	1,058,500	1,813,500
2026	790,000	1,020,750	1,810,750
2027	830,000	981,250	1,811,250
2028	870,000	939,750	1,809,750
2029-2033	5,055,000	4,000,250	9,055,250
2034-2038	6,445,000	2,604,750	9,049,750
2039-2042	6,425,000	909,000	7,334,000
Total	\$ 21,885,000	\$ 9,094,750	\$ 34,493,500

9. \$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 2023. 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
2024	\$ 197,840	\$ 36,381	\$ 234,221
2025	203,736	30,486	234,222
2026	209,807	24,414	234,221
2027	216,060	18,162	234,222
2028	222,496	11,723	234,219
2029-2030	170,910	5,093	176,003
Total	\$ 1,220,849	\$ 126,259	\$ 1,347,108

10. Leases payable

At the end of the year, the City has entered into 5 lease agreements for machinery, buildings and equipment. The combined leases have a combined present value of \$ 626,099. Due to the implementation of Government Accounting Standards Board (GASB) 87, Leasing Standard, the City has recorded these lease obligations as intangible right-to-use or financed purchases in the governmental and business type activities. The intangible right-to-use lease assets will be amortized over the lease term remaining. These assets are recorded in both the governmental wide and business type activity funds. The financed purchase leases will be depreciated over the useful lives of the assets. There are no residual value guarantees in the lease provisions.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2024	\$ 20,426	\$ 6,574	\$ 27,000
2025	21,399	5,601	27,000
2026	22,417	4,583	27,000
2027	23,484	3,516	27,000
2028	24,602	2,398	27,000
2029	25,774	1,227	27,001
Total	<u>\$ 138,102</u>	<u>\$ 23,899</u>	<u>\$ 162,001</u>

The right to use asset leases future debt service requirements are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 113,373	\$ 7,675	\$ 121,048
2025	115,545	5,508	121,053
2026	95,262	3,292	98,554
2027	96,769	1,786	98,555
2028	14,876	883	15,759
2029-2032	52,169	1,789	53,958
Total	<u>\$ 487,994</u>	<u>\$ 20,933</u>	<u>\$ 508,927</u>

11. Changes in long term liabilities

Changes in bonds payable, deferred items, capital leases, and compensated absences during the fiscal year June 30, 2023, were as follows:

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 9 – LONG-TERM DEBT (Continued)

	July 1 2022	Additions	Reductions	June 30 2023	Due in One Yr
Governmental Activities:					
Bonds Payable					
2014 Special assessment bond	\$ 415,000	\$ -	\$ 130,000	\$ 285,000	\$ 20,000
Unamortized bond premium	5,354	-	486	4,868	-
2022 Sales Tax Bond	22,915,000	-	1,030,000	21,885,000	715,000
Unamortized bond premium	2,305,958	-	115,298	2,190,660	-
Total bonds payable	<u>25,641,312</u>	-	<u>1,275,784</u>	<u>24,365,528</u>	<u>735,000</u>
Leases payable	212,938	463,060	174,731	501,267	119,607
Notes payable	1,460,369	-	239,520	1,220,849	197,840
Net pension liability	-	578,529	-	578,529	-
Compensated absences	311,540	443,793	387,828	367,505	275,629
Gov't activities long-term debt	<u>\$ 27,626,159</u>	<u>\$ 1,485,382</u>	<u>\$ 2,077,863</u>	<u>\$ 27,033,678</u>	<u>\$ 1,328,076</u>
Business-Type Activities:					
Bonds payable:					
2009 sewer revenue bond	\$ 3,257,000	\$ -	\$ 774,000	\$ 2,483,000	\$ 566,000
2013 water quality revenue bond	1,572,000	-	114,000	1,458,000	131,000
2014 water and sewer refunding bond	9,380,000	-	225,000	9,155,000	235,000
Unamortized bond premium	615,682	-	61,568	554,114	-
2018A water and sewer refunding bond	1,845,000	-	495,000	1,350,000	520,000
Unamortized bond premium	118,572	-	29,644	88,928	-
2018B water and sewer revenue bond	1,210,000	-	26,000	1,184,000	27,000
Total bonds payable	<u>17,998,254</u>	-	<u>1,725,212</u>	<u>16,273,042</u>	<u>1,479,000</u>
Leases payable	138,859	-	14,025	124,834	14,193
Net pension liability	-	147,271	-	147,271	-
Compensated absences	69,848	119,071	102,508	86,411	64,808
Business type long-term debt	<u>\$ 18,206,961</u>	<u>\$ 266,342</u>	<u>\$ 1,841,745</u>	<u>\$ 16,631,558</u>	<u>\$ 1,558,001</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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

- Public Employees Noncontributory Retirement System (Noncontributory System), which is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees contributory Retirement System (Tier 2 Public Employees System), which is a multiple employer, cost sharing, public employee retirement system.

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

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

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

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year to to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 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, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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

	Employee Paid	Paid by Employer for Employee	Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
111 - Local Governmental Division Tier 2	N/A	N/A	16.01%	0.180%
Noncontributory				
15 - Local Governmental Division Tier 1	N/A	N/A	17.97%	N/A
Firefighters Retirement				
32 - Other Division B	16.71	N/A	6.24%	N/A
132 -Tier 2 DB Hybrid Firefighters	2.59	N/A	14.08%	N/A
Tier 20 DC Only				
211 Local Government	N/A	N/A	6.19%	10.000%
232 - Firefighters	N/A	N/A	0.08%	14.000%

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, 2023, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 462,730	N/A
Tier 2 Public Employee System	499,469	-
Tier 2 DC Only System	40,672	N/A
	<u>\$ 1,002,871</u>	<u>\$ -</u>

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

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

At June 30, 2023 the City reported a net pension asset of \$0 and a net pension liability of \$725,799.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Combined Pension assets, liabilities, expense, and deferred outflows of resources and deferred inflows of resources related to pensions (continued)

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	\$ -	\$ 576,917	0.3368370%	0.2918374%	0.0449996%
Tier 2 Public Employees System	-	148,882	0.1367281%	0.1250546%	0.0116735%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 725,799</u>			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the 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, 2023, the City recognized pension expense of (\$602,822). At June 30, 2023 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	\$ 245,969	\$ 6,819
Changes in assumptions	142,883	11,288
Net difference between projected and actual earnings on the pension plan investments	440,565	2,381,072
Changes in proportion and differences between contributions and proportionate shares of contributions	74,585	-
Contributions subsequent to the measurement date	481,303	-
Total	<u>\$ 1,385,305</u>	<u>\$ 2,399,179</u>

\$481,003 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, 2022. 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
2023	\$ (45,019)
2024	\$ 48,849
2025	\$ 181,575
2026	\$ 638,737
2027	\$ 13,078
Thereafter	\$ 51,849

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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

For the year ended June 30, 2023, the City recognized pension expense of \$320,332 for the noncontributory system. At June 30, 2023 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	\$ 195,682	\$ -
Changes in assumptions	94,549	2,304
Net difference between projected and actual earnings on the pension plan investments	380,540	-
Changes in proportion and differences between contributions and proportionate shares of contributions	45,807	-
Contributions subsequent to the measurement date	222,746	-
Total	\$ 939,324	\$ 2,304

\$222,746 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, 2022. 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
2023	\$ (53,689)
2024	\$ 30,720
2025	\$ 152,848
2026	\$ 584,395
2027	\$ -
Thereafter	\$ -

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

For the year ended June 30, 2023, the City recognized pension expense of \$285,550. At June 30, 2023 the City reported deferred outflows of resources and deferred inflows of resources related pension plans from the following sources:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,287	\$ 5,907
Changes in assumptions	48,334	379
Net difference between projected and actual earnings on the pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate shares of contributions	28,778	6,342
Contributions subsequent to the measurement date	258,558	-
Total	<u>\$ 445,982</u>	<u>\$ 12,628</u>

\$258,558 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, 2022. 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
2023	\$ 8,670
2024	\$ 18,128
2025	\$ 28,727
2026	\$ 54,342
2027	\$ 13,078
Thereafter	\$ 51,849

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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

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

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	22.00%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	44.00%
Cash and cash equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
	Inflation		2.50%
	Expected arithmetic nominal return		7.67%

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

Discount rate – The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date

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 6.85%, 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 (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Proportion Share of			
Noncontributory Systems	\$ 3,635,925	\$ 576,917	\$ (1,979,045)
Tier 2 Public Employees System	650,534	148,882	(237,577)
Total	\$ 4,286,459	\$ 725,799	\$ (2,216,622)

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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>2023</u>	<u>2022</u>	<u>2021</u>
401(k) Plan			
Employer Contributions	\$ 230,038	\$ 174,303	\$ 131,040
Employee Contributions	117,415	78,150	62,453
457 Plan			
Employer Contributions	285,708	246,546	237,828
Employee Contributions	230,029	201,577	175,792
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	52,581	47,051	46,174

NOTE 11 - LITIGATION

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

NOTE 12 - RISK MANAGEMENT

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

NOTE 13 – CONTINGENT LIABILITIES

The City has entered into agreements with various developers to donate infrastructure that will benefit future development within the city. These developers will be repaid with the impact fees collected from those future developments. Because of the fluctuations in the building market within the City and due to the uncertainty of new developments actually being built, the amounts are not reflected as liabilities on the financial statements. They will be recorded as expenses as the future impact fees are received. The amount of outstanding impact fee reimbursement agreements as of the balance sheet date is \$1,351,125.

NOTE 14 – REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY

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

Property Tax Increment Received:	
Project Area 1:	
EDA 2012-1	\$ 53,983
Project Area 2:	
Parkside	17,150
Project Area 3:	
Sweetwater	7,253,420
Project Area 4	
Pole Canyon	321,223
Total Tax increment received by RDA	<u>\$ 7,645,776</u>
 Property Tax Increment Expended:	
Administrative costs	\$ 54,026
Reimbursements to taxing agency	53,983
Site and Improvements	6,881,313
Total tax increment expended by RDA	<u>\$ 6,989,322</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023

There is a financial benefit between the primary government and the component unit. The component unit is blended because the primary government and the component unit's governing body are substantively the same.

NOTE 15 – SUBSEQUENT EVENTS

On Aug. 31, 2022, Eagle Mountain City determined that it was the victim of an organized cybercrime, resulting in the loss of nearly \$1.13 million. This crime was orchestrated through an email impersonation wherein the individual(s) responsible were able to portray themselves as a representative of a vendor working closely with the City on a major infrastructure project. Eagle Mountain City took immediate action, contacting the Federal Bureau of Investigation (FBI), Utah County Sheriff's Office and the vendor within minutes of learning of the incident. The City has filed a claim with their insurance company and received \$250,000 after the balance sheet date.

NOTE 16 – CHANGE IN ACCOUNTING PRINCIPLE

During the year, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No.96, Subscription-Based Information Technology Arrangements (SBITAs). GASB Statement No. 96 enhances the relevance and consistency of information of the government's subscription-based arrangements. It establishes requirements to account for qualifying arrangements as a liability and an offsetting intangible right-to-use subscription asset, similar to the accounting required for leases. The Authority evaluated all potential SBITAs and none qualified for reporting under GASB Statement No. 96, and therefore, no SBITA right-to-use subscription assets, or SBITA-related liabilities are reported, and no adjustments were required to the Authority's net position.

NOTE 17 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 22, 2022, the date the financial statements were available to be issued.

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EAGLE MOUNTAIN CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

NOTE 1 – CHANGE IN ASSUMPTIONS

No changes were made in actuarial assumptions from the prior years' valuation.

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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REQUIRED SUPPLEMENTAL INFORMATION

EAGLE MOUNTAIN CITY
 Required Supplementary Information
 Schedule of the Proportionate Share of the Net Pension Liability
 June 30, 2023
 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%
2022	0.2918374%	(1,671,384)	1,997,733	-83.66%	108.70%
2023	0.3368370%	576,917	2,433,738	23.70%	97.50%
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%
2022	0.1250546%	(52,928)	2,320,700	-2.280%	103.80%
2023	0.1367281%	148,882	2,980,518	5.000%	92.30%

* 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, 2023
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%
	2022	381,839	381,839	-	2,091,364	18.26%
	2023	462,720	462,720		2,607,140	17.75%
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%
	2022	418,026	418,026	-	2,602,908	16.06%
	2023	499,469	499,469	-	3,119,732	16.01%
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%
	2022	31,890	31,890	-	406,680	7.84%

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance Detail
Budget to Actual
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Totals	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 18,702,116	\$ 16,441,500	\$ 17,327,881	\$ 886,381
Licenses and permits	5,781,500	2,556,558	3,039,285	482,727
Intergovernmental	1,979,739	4,610,549	2,424,600	(2,185,949)
Charges for services	2,102,712	2,654,194	2,755,628	101,434
Impact fees	-	-	39,262	39,262
Contributions	700,000	1,800,000	1,646,802	(153,198)
Interest	114,900	440,000	925,229	485,229
Miscellaneous	-	1,500	8,885	7,385
Total revenues	29,380,967	28,504,301	28,167,572	(336,729)
EXPENDITURES				
Current:				
General government:				
Legislative	216,264	202,492	191,537	10,955
Recorders	490,923	459,398	414,301	45,097
Attorney	167,250	260,295	186,411	73,884
Executive	1,011,857	777,580	717,241	60,339
Finance	638,463	2,293,227	2,285,124	8,103
Engineering	878,909	1,362,792	1,016,298	346,494
Human Resource	285,979	257,626	242,063	15,563
Information Technology	729,654	851,201	715,275	135,926
Public Information	295,145	282,348	268,227	14,121
Building Maintenance	983,475	1,157,475	1,049,862	107,613
Total general government	5,697,919	7,904,434	7,086,339	818,095
Public safety				
Police	5,461,011	5,487,723	5,475,190	12,533
Planning and zoning	1,309,381	1,265,791	1,281,849	(16,058)
Public works				
Streets and Roads	3,857,811	4,930,811	4,356,771	574,040
Parks	2,334,358	2,365,527	2,312,679	52,848
Total public works	6,192,169	7,296,338	6,669,450	626,888
Community development				
Recreation	466,447	452,147	449,065	3,082
Special events	356,288	419,797	355,796	64,001
Building	1,546,999	1,233,919	1,267,379	(33,460)
Library	761,505	760,205	690,841	69,364
Economic development	194,613	918,773	1,760,459	(841,686)
Total community development	3,325,852	3,784,841	4,523,540	(738,699)
Debt Service				
Principal retirement	1,220,703	116,433	116,433	-
Interest	823,266	15,867	15,867	-
Total debt services	2,043,969	132,300	132,300	-
Total expenditures	24,030,301	25,871,427	25,168,668	702,759
Excess (deficit) of revenues over (under) expenditures	5,350,666	2,632,874	2,998,904	366,030
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Lease proceeds	-	-	463,060	463,060
Insurance Proceeds				
Transfers in	-	-	-	-
Transfers out	(5,350,666)	(4,778,135)	(4,778,135)	-
Total other financing sources (uses)	(5,350,666)	(4,778,135)	(4,315,075)	463,060
Net change in fund balance	-	(2,145,261)	(1,316,171)	829,090
Fund balances - beginning	14,723,961	14,723,961	14,723,961	-
Fund balances - ending	\$ 14,723,961	\$ 12,578,700	\$ 13,407,790	\$ 829,090

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Parks Impact Fee
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 5,469	\$ 138,500	\$ 149,540	\$ 11,040
Impact fees	5,827,428	1,528,000	1,785,444	257,444
Total revenues	<u>5,832,897</u>	<u>1,666,500</u>	<u>1,934,984</u>	<u>268,484</u>
EXPENDITURES				
Public works	106,964	-	-	-
Total expenditures	<u>106,964</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues over (under) expenditures	<u>5,725,933</u>	<u>1,666,500</u>	<u>1,934,984</u>	<u>268,484</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,000,000)	(6,000,000)	(494,427)	5,505,573
Total other financing sources	<u>(5,000,000)</u>	<u>(6,000,000)</u>	<u>(494,427)</u>	<u>5,505,573</u>
Net change in fund balance	725,933	(4,333,500)	1,440,557	5,774,057
Fund balances - beginning	2,820,024	2,820,024	5,588,380	2,768,356
Fund balances - ending	<u>\$ 3,545,957</u>	<u>\$ (1,513,476)</u>	<u>\$ 7,028,937</u>	<u>\$ 8,542,413</u>

EAGLE MOUNTAIN CITY
NOTES TO THE REQUIRED SUPPLEMENTARY STATEMENTS
YEAR ENDED JUNE 30, 2023

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, 2023

	Debt Service		Special Revenue			Total Nonmajor Governmental Funds
	General Debt Service Fund	Debt Service Special Assess. Area -2014	Impact Fee Transportation	Impact fees Parks	Cemetery	
ASSETS						
Cash and cash equivalents	\$ 43,402	\$ -	\$ -	\$ -	\$ 241,758	\$ 285,160
Restricted cash	16,460	135,681	2,589,518	7,028,937	-	9,770,596
Receivables (net):						
Special assessments	-	235,539	-	-	-	235,539
Total assets	<u>\$ 59,862</u>	<u>\$ 371,220</u>	<u>\$ 2,589,518</u>	<u>\$ 7,028,937</u>	<u>\$ 241,758</u>	<u>\$ 10,291,295</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable & accrued liabilities	\$ -	\$ 1,925	\$ 2,699	\$ -	\$ 1,842	\$ 6,466
Total liabilities	<u>-</u>	<u>1,925</u>	<u>2,699</u>	<u>-</u>	<u>1,842</u>	<u>6,466</u>
Deferred inflows of resources:						
Deferred for Special Assessments	-	235,539	-	-	-	235,539
Total deferred inflows of resources:	<u>-</u>	<u>235,539</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,539</u>
Fund Balances:						
Fund balances restricted for:						
Impact fees	-	-	2,586,819	7,028,937	-	9,615,756
Assigned for:						
Debt service fund	59,862	133,756	-	-	-	193,618
Special revenue funds	-	-	-	-	239,916	239,916
Total fund balances	<u>59,862</u>	<u>133,756</u>	<u>2,586,819</u>	<u>7,028,937</u>	<u>239,916</u>	<u>10,049,290</u>
Total Liabilities, Deferred inflows of resources, and fund balances	<u>\$ 59,862</u>	<u>\$ 371,220</u>	<u>\$ 2,589,518</u>	<u>\$ 7,028,937</u>	<u>\$ 241,758</u>	<u>\$ 10,291,295</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Debt Service		Special Revenue			Total Nonmajor Governmental Funds
	General Debt Service Fund	Special Assess. Area -2014	Impact Fee Transportation	Impact fees Parks	Cemetery	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	73,832	-	-	-	73,832
Impact fees	-	-	1,060,768	1,785,444	-	2,846,212
Charges for services	-	-	-	-	52,130	52,130
Interest	59,862	2,199	78,633	149,540	15	290,249
Total revenues	<u>59,862</u>	<u>76,031</u>	<u>1,139,401</u>	<u>1,934,984</u>	<u>52,145</u>	<u>3,262,423</u>
EXPENDITURES						
Current:						
Public works	-	6,924	2,700	-	-	9,624
Community Development	-	-	-	-	12,228	12,228
Debt service:						
Principal retirement	1,269,520	130,000	-	-	-	1,399,520
Bond issuance costs	-	-	-	-	-	-
Interest and fiscal charges	774,448	22,600	-	-	-	797,048
Total expenditures	<u>2,043,968</u>	<u>159,524</u>	<u>2,700</u>	<u>-</u>	<u>12,228</u>	<u>2,218,420</u>
Excess revenues over (under) expenditures	<u>(1,984,106)</u>	<u>(83,493)</u>	<u>1,136,701</u>	<u>1,934,984</u>	<u>39,917</u>	<u>1,044,003</u>
Other financing sources (uses)						
Transfers in	2,043,968	-	-	-	-	2,043,968
Transfers out	-	-	(2,183,315)	(494,427)	-	(2,677,742)
Total other financing sources and uses	<u>2,043,968</u>	<u>-</u>	<u>(2,183,315)</u>	<u>(494,427)</u>	<u>-</u>	<u>(633,774)</u>
Excess revenues and other sources over (under) expend. and other uses	59,862	(83,493)	(1,046,614)	1,440,557	39,917	410,229
Fund balances - beginning of year	-	217,249	3,633,433	5,588,380	199,999	9,639,061
Fund balances - end of year	<u>\$ 59,862</u>	<u>\$ 133,756</u>	<u>\$ 2,586,819</u>	<u>\$ 7,028,937</u>	<u>\$ 239,916</u>	<u>\$ 10,049,290</u>

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, 2023

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 62,500	\$ 73,800	\$ 73,832	\$ 32
Interest	-	2,000	2,199	199
Total revenues	62,500	75,800	76,031	231
EXPENDITURES				
Public works	6,750	6,750	6,924	(174)
Debt service				
Principal	30,000	130,000	130,000	-
Interest and fees	25,750	25,750	22,600	3,150
Total expenditures	62,500	162,500	159,524	2,976
Excess (deficit) of revenues over (under) expenditures	-	(86,700)	(83,493)	3,207
OTHER FINANCING SOURCES (USES)				
Total other financing sources	-	-	-	-
Net change in fund balance	-	(86,700)	(83,493)	3,207
Fund balances - beginning	217,249	217,249	217,249	-
Fund balances - ending	\$ 217,249	\$ 130,549	\$ 133,756	\$ 3,207

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Totals	variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 5,894,191	\$ 5,684,120	\$ (210,071)
Contributions	-	432,786	642,857	210,071
Charges for Services	-	-	-	-
Interest	-	933,322	1,466,177	532,855
Total Revenues	<u>-</u>	<u>7,260,299</u>	<u>7,793,154</u>	<u>532,855</u>
EXPENDITURES				
Current:				
Public Works	-	62,000	61,206	794
Capital outlay	<u>13,269,091</u>	<u>37,004,373</u>	<u>9,778,766</u>	<u>27,225,607</u>
Total expenditures	<u>13,269,091</u>	<u>37,066,373</u>	<u>9,839,972</u>	<u>27,226,401</u>
Excess (deficit) of revenues over (under) expenditures	<u>(13,269,091)</u>	<u>(29,806,074)</u>	<u>(2,046,818)</u>	<u>27,759,256</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	-	-	-	-
Transfers in	12,101,766	12,912,066	5,411,909	(7,500,157)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>12,101,766</u>	<u>12,912,066</u>	<u>5,411,909</u>	<u>(7,500,157)</u>
Net change in fund balance	(1,167,325)	(16,894,008)	3,365,091	20,259,099
Fund balances - beginning	<u>41,350,638</u>	<u>41,350,638</u>	<u>41,350,638</u>	<u>-</u>
Fund balances - ending	<u>\$ 40,183,313</u>	<u>\$ 24,456,630</u>	<u>\$ 44,715,729</u>	<u>\$ 20,259,099</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Transportation Impact Fee
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 2,809	\$ 71,500	\$ 78,633	\$ 7,133
Impact fees	2,384,326	960,250	1,060,768	100,518
Total revenues	2,387,135	1,031,750	1,139,401	107,651
EXPENDITURES				
Public works	-	2,700	2,700	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	2,700	2,700	-
Excess (deficit) of revenues over (under) expenditures	2,387,135	1,029,050	1,136,701	107,651
OTHER FINANCING SOURCES (USES)				
Operating transfers in		-	-	-
Operating transfers out	(186,000)	(2,010,099)	(2,183,315)	(173,216)
Total other financing sources	(186,000)	(2,010,099)	(2,183,315)	(173,216)
Net change in fund balance	2,201,135	(981,049)	(1,046,614)	(65,565)
Fund balances - beginning	3,633,433	3,633,433	3,633,433	-
Fund balances - ending	\$ 5,834,568	\$ 2,652,384	\$ 2,586,819	\$ (65,565)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Cemetery Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 50,500	\$ 50,500	\$ 52,130	\$ 1,630
Interest	-	-	15	15
Total revenues	50,500	50,500	52,145	1,645
EXPENDITURES				
Community Development	50,009	50,009	12,228	37,781
Total expenditures	50,009	50,009	12,228	37,781
Excess (deficit) of revenues over (under) expenditures	491	491	39,917	39,426
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	491	491	39,917	39,426
Fund balances - beginning	199,999	199,999	199,999	-
Fund balances - ending	\$ 200,490	\$ 200,490	\$ 239,916	\$ 39,426

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Redevelopment Agency
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 9,256,544	\$ 9,256,544	\$ 7,645,775	\$ (1,610,769)
Interest	-	-	587	587
Total revenues	9,256,544	9,256,544	7,646,362	(1,610,182)
EXPENDITURES				
Community Development	9,256,544	9,256,544	6,989,322	2,267,222
Total expenditures	9,256,544	9,256,544	6,989,322	2,267,222
Excess (deficit) of revenues over (under) expenditures	-	-	657,040	657,040
OTHER FINANCING SOURCES (USES)				
Total other financing sources	-	-	-	-
Net change in fund balance	-	-	657,040	657,040
Fund balances - beginning	303,414	303,414	303,414	-
Fund balances - ending	\$ 303,414	\$ 303,414	\$ 960,454	\$ 657,040

EAGLE MOUNTAIN CITY
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Fleet	Utility Billing	GIS Services	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 1,473,488	173,751	\$ 320,015	\$ 1,967,254
Accounts receivable - net	5,520	-	-	5,520
Total current assets	<u>1,479,008</u>	<u>173,751</u>	<u>320,015</u>	<u>1,972,774</u>
Noncurrent assets:				
Land, equipment, buildings and improvements	5,662,836	13,996	34,582	5,711,414
Less: Accumulated depreciation	(3,584,141)	(13,996)	(34,582)	(3,632,719)
Total noncurrent assets	<u>2,078,695</u>	<u>-</u>	<u>-</u>	<u>2,078,695</u>
Total assets	<u>3,557,703</u>	<u>173,751</u>	<u>320,015</u>	<u>4,051,469</u>
<u>DEFERRED OUT FLOW OF RESOURCES</u>				
Pension related costs	<u>24,586</u>	<u>16,571</u>	<u>19,660</u>	<u>60,817</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	39,013	6,830	3,712	49,555
Compensated absences - current	8,399	3,672	1,585	13,656
Total current liabilities	<u>47,412</u>	<u>10,502</u>	<u>5,297</u>	<u>63,211</u>
Noncurrent liabilities:				
Compensated absences - net of current	2,800	1,224	528	4,552
Net pension liability	12,882	8,682	10,301	31,865
Total noncurrent liabilities	<u>15,682</u>	<u>9,906</u>	<u>10,829</u>	<u>36,417</u>
Total liabilities	<u>63,094</u>	<u>20,408</u>	<u>16,126</u>	<u>99,628</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related costs	<u>265</u>	<u>179</u>	<u>212</u>	<u>656</u>
Net Position:				
Net investment in capital assets	2,078,695	-	-	2,078,695
Unrestricted	1,440,235	169,735	323,337	1,933,307
Total net Position	<u>\$ 3,518,930</u>	<u>\$ 169,735</u>	<u>\$ 323,337</u>	<u>\$ 4,012,002</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Fleet	Utility Billing	GIS Services	Total
Operating revenues:				
Charges for services	\$ 1,484,100	\$ 273,380	\$ 307,049	\$ 2,064,529
Other operating revenue	66,483	-	-	66,483
Total operating revenues	<u>1,550,583</u>	<u>273,380</u>	<u>307,049</u>	<u>2,131,012</u>
Operating expenses:				
Salaries and wages	168,303	179,851	144,724	492,878
Purchased services	65,875	95,101	39,057	200,033
Materials and supplies	387,016	949	-	387,965
Depreciation and amortization	655,917	-	-	655,917
Miscellaneous	-	3,240	6,014	9,254
Total operating expenses	<u>1,277,111</u>	<u>279,141</u>	<u>189,795</u>	<u>1,746,047</u>
Operating income	<u>273,472</u>	<u>(5,761)</u>	<u>117,254</u>	<u>384,965</u>
Nonoperating revenues (expenses):				
Interest revenue	3,900	13	23	3,936
Interest expense	(1,758)	-	-	(1,758)
Total nonoperating revenues (expenses)	<u>2,142</u>	<u>13</u>	<u>23</u>	<u>2,178</u>
Net income (loss) before contributions and transfers	<u>275,614</u>	<u>(5,748)</u>	<u>117,277</u>	<u>387,143</u>
Contributions and transfers				
Total contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net Position	275,614	(5,748)	117,277	387,143
Total net position - beginning	3,243,316	175,483	206,060	3,624,859
Total net position - ending	<u>\$ 3,518,930</u>	<u>\$ 169,735</u>	<u>\$ 323,337</u>	<u>\$ 4,012,002</u>

EAGLE MOUNTAIN CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Fleet	Utility Billing	GIS Services	Total
Cash Flows From Operating Activities				
Receipts from customers	\$ 1,545,063	\$ 273,855	\$ 307,049	\$ 2,125,967
Payments to employees	(174,690)	(190,080)	(148,240)	(513,010)
Payments to suppliers	(607,911)	(102,193)	(44,759)	(754,863)
Net cash provided (used) by operating activities	<u>762,462</u>	<u>(18,418)</u>	<u>114,050</u>	<u>858,094</u>
Cash Flows From Noncapital Financing Activities				
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Acquisition of capital assets	(808,924)	-	-	(808,924)
Principal paid on outstanding debt	(58,298)	-	-	(58,298)
Interest paid on outstanding debt	(1,758)	-	-	(1,758)
Net cash provided (used) by capital and related financing activities	<u>(868,980)</u>	<u>-</u>	<u>-</u>	<u>(868,980)</u>
Cash Flows From Investing Activities				
Interest and dividends received	3,900	13	23	3,936
Net cash provided (used) by investing and related financing activities	<u>3,900</u>	<u>13</u>	<u>23</u>	<u>3,936</u>
Net increase (decrease) in cash and cash equivalents	(102,618)	(18,405)	114,073	(6,950)
Cash and cash equivalents - beginning	1,576,106	192,156	205,942	1,974,204
Cash and cash equivalents (deficit) - end	<u>\$ 1,473,488</u>	<u>\$ 173,751</u>	<u>\$ 320,015</u>	<u>\$ 1,967,254</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 273,472	\$ (5,761)	\$ 117,254	\$ 384,965
Adjustments to reconcile operating income to net cash provided (used) by				
Depreciation expense	655,917	-	-	655,917
(Increase)/decrease in accounts receivable	(5,520)	475	-	(5,045)
(Increase)/decrease in net pension asset	20,864	33,452	33,452	87,768
(Increase)/decrease in deferred outflows	(13,273)	4,745	(1,534)	(10,062)
Increase/(decrease) in accounts payable	(155,020)	(2,903)	312	(157,611)
Increase/(decrease) in net pension liability	12,881	8,682	10,301	31,864
Increase/(decrease) in deferred inflows	(29,217)	(58,344)	(47,010)	(134,571)
Increase/(decrease.) in compensated absences	2,358	1,236	1,275	4,869
Total adjustments	<u>488,990</u>	<u>(12,657)</u>	<u>(3,204)</u>	<u>473,129</u>
Net cash provided (used) by operating activities	<u>\$ 762,462</u>	<u>\$ (18,418)</u>	<u>\$ 114,050</u>	<u>\$ 858,094</u>

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STATISTICAL SECTION

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). This section contains tables, schedules, and information that show trends and variances. They are designed to help the constituents and other users understand the city's financial performance over time, as well changes in balances.

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets*	\$ 47,939,072	\$ 59,048,455	\$ 66,092,722	\$ 76,834,279	\$ 77,979,425	\$ 88,966,275	\$ 105,517,474	\$ 119,838,195	\$ 137,057,292	\$ 145,394,692
Restricted	668,962	1,081,833	1,642,085	1,107,530	2,061,683	2,712,487	5,629,857	5,950,178	34,272,798	26,860,274
Unrestricted	9,891,812	6,694,321	5,176,939	6,950,460	7,865,614	7,919,700	18,283,015	28,292,235	11,872,620	25,255,655
Total governmental activities	<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>	<u>183,202,710</u>	<u>197,510,621</u>
Business-type activities										
Invested in capital assets*	32,487,480	32,767,922	38,007,144	43,226,694	62,953,936	78,428,437	101,889,316	104,644,731	123,643,242	134,784,885
Restricted	2,712,824	1,239,952	2,992,801	4,132,156	4,974,285	12,311,560	20,270,583	23,710,217	28,593,558	28,388,006
Unrestricted	13,123,112	19,392,299	17,900,677	18,406,880	20,179,446	19,101,283	17,016,866	18,984,840	17,215,702	28,918,138
Total business-type activities net position	<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>	<u>169,452,502</u>	<u>192,091,029</u>
Primary government										
Invested in capital assets*	80,426,552	91,816,377	104,099,866	120,060,973	140,933,361	167,394,712	207,406,790	224,482,926	260,700,534	280,179,577
Restricted	3,381,786	2,321,785	4,634,886	5,239,686	7,035,968	15,024,047	25,900,440	36,905,066	63,671,099	55,248,280
Unrestricted	23,014,924	26,086,621	23,077,616	25,357,340	28,045,061	27,020,983	35,299,881	40,032,404	35,583,114	54,173,793
Total primary government net position	<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>	<u>\$ 359,954,747</u>	<u>\$ 389,601,650</u>

Source: Eagle Mountain City

*Net of Related Debt

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

	Fiscal Year									
	<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>2022</u>	<u>2023</u>
Expenses										
Government activities:										
General government	\$ 2,731,266	\$ 2,555,214	\$ 3,257,256	\$ 3,075,688	\$ 3,251,578	\$ 3,544,085	\$ 3,501,474	\$ 4,114,283	\$ 4,210,857	\$ 6,843,799
Public safety	2,083,205	2,352,818	2,286,418	2,332,378	2,550,530	2,682,316	3,019,448	3,921,185	4,693,496	5,482,032
Highways & public works	4,516,101	6,730,966	6,496,475	7,506,410	7,023,575	9,405,363	10,116,835	9,215,444	8,840,825	9,905,619
Community development	1,036,699	876,459	1,174,443	1,281,716	2,088,942	1,995,945	2,143,788	2,592,049	6,481,068	11,619,237
Planning	327,311	395,512	380,673	508,154	468,853	475,935	432,853	439,936	426,098	885,935
Interest on long-term debt	243,250	160,767	166,707	68,597	62,215	54,343	49,203	178,385	249,625	617,768
Total governmental activities expense	<u>10,937,832</u>	<u>13,071,736</u>	<u>13,761,972</u>	<u>14,772,943</u>	<u>15,445,693</u>	<u>18,157,987</u>	<u>19,263,602</u>	<u>20,461,282</u>	<u>24,901,969</u>	<u>35,354,390</u>
Business-type activities										
Water utility	3,017,295	3,589,243	4,077,461	4,217,435	4,500,613	4,989,887	6,834,214	28,511,496	7,923,646	9,535,804
Sewer utility	2,899,340	3,510,591	3,923,954	4,004,069	3,988,418	4,475,542	4,785,726	5,487,893	6,044,020	7,238,947
Electric utility	10,135,436	9,834,298	95,183	61,235	-	-	-	-	-	-
Gas utility	4,102,155	3,452,371	79,069	61,731	-	-	-	-	-	-
Golf Course	-	-	-	-	-	-	-	-	-	-
Storm Drain	-	-	-	-	921,619	952,274	1,024,911	1,207,876	1,326,680	1,470,574
Non Major Business	1,061,465	1,031,895	1,148,040	1,310,495	1,342,353	1,717,825	1,384,721	1,518,858	1,910,594	2,238,884
Total business-type activities expense	<u>21,215,691</u>	<u>21,418,398</u>	<u>9,323,707</u>	<u>9,654,965</u>	<u>10,753,003</u>	<u>12,135,528</u>	<u>14,029,572</u>	<u>36,726,123</u>	<u>17,204,940</u>	<u>20,484,209</u>
Total primary government expenses	<u>32,153,523</u>	<u>34,490,134</u>	<u>23,085,679</u>	<u>24,427,908</u>	<u>26,198,696</u>	<u>30,293,515</u>	<u>33,293,174</u>	<u>57,187,405</u>	<u>42,106,909</u>	<u>55,838,599</u>
Program Revenues										
Governmental activities										
Charges for services:	3,485,946	3,574,307	4,569,333	4,898,084	5,065,769	6,258,526	7,422,231	12,068,623	8,449,940	5,368,857
Operating grants and contributions	29,359	14,442	52,235	24,429	20,065	32,444	1,457,357	3,805,907	2,115,144	2,400,624
Capital grants and contributions	6,473,181	10,865,051	10,001,603	13,384,998	13,747,878	14,042,049	24,244,422	17,155,525	30,651,138	14,223,013
Total governmental activities program revenues	<u>9,988,486</u>	<u>14,453,800</u>	<u>14,623,171</u>	<u>18,307,511</u>	<u>18,833,712</u>	<u>20,333,019</u>	<u>33,124,010</u>	<u>33,030,055</u>	<u>41,216,222</u>	<u>21,992,494</u>
Business-type activities:										
Charges for services:	24,004,272	20,171,460	11,472,554	13,254,589	15,561,474	18,006,742	22,003,328	26,739,371	28,266,925	26,930,003
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	948,298	4,418,845	3,431,786	6,250,205	10,420,966	17,257,782	27,754,625	28,075,972	13,806,665	8,893,198
Total business-type activities program revenues	<u>24,952,570</u>	<u>24,590,305</u>	<u>14,904,340</u>	<u>19,504,794</u>	<u>25,982,440</u>	<u>35,264,524</u>	<u>49,757,953</u>	<u>54,815,343</u>	<u>42,073,590</u>	<u>35,823,201</u>
Total primary governmental program revenues	<u>34,941,056</u>	<u>39,044,105</u>	<u>29,527,511</u>	<u>37,812,305</u>	<u>44,816,152</u>	<u>55,597,543</u>	<u>82,881,963</u>	<u>87,845,398</u>	<u>83,289,812</u>	<u>57,815,695</u>

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY

Changes in Net Position (cont.)

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year	
	<u>2022</u>	<u>2023</u>
Net (Expense)/Revenue		
Governmental activities	\$ 16,314,253	\$ (13,361,896)
Business-type activities	24,868,650	15,338,992
Total Primary government net expense	<u>41,182,903</u>	<u>1,977,096</u>
General Revenues and Other Changes in Net Position		
Governmental activities		
Taxes		
Property taxes	5,470,054	10,264,161
General sales & use tax	8,653,171	10,088,821
Franchise tax	3,410,186	4,634,584
Other		
Interest earnings	(181,963)	2,682,242
Contribution of assets from Utility Funds		
Gain (loss) on sale of capital assets		
Transfers		
Total Governmental activities	<u>17,351,448</u>	<u>27,669,808</u>
Other Business-type activities:		
Gain (loss) on disposition of capital assets		
Contribution of assets from Utility Funds		
Transfers		
Total Other Business-type activities	<u>-</u>	<u>-</u>
Change in Net Position		
Governmental activities	33,665,701	14,307,912
Business-type activities	24,868,650	15,338,992
Total primary government	<u>\$ 58,534,351</u>	<u>\$ 29,646,904</u>

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

	Fiscal Year									
	<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>2022</u>	<u>2023</u>
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,684	\$ 1,113,912
Assigned								\$ 1,859,802		3,738,826
Unassigned	2,602,459	2,162,826	3,070,888	2,959,323	2,862,311	3,489,448	3,649,092	13,954,685	11,442,122	8,555,052
Total general fund	\$ 2,602,459	\$ 2,162,826	\$ 3,070,888	\$ 2,959,323	\$ 2,862,311	\$ 3,489,448	\$ 3,649,092	\$ 15,814,487	\$ 11,489,806	\$ 13,407,790
All Other Governmental Funds										
Restricted	\$ 1,688,626	\$ 1,934,908	\$ 2,350,766	\$ 2,463,417	\$ 3,433,976	\$ 3,180,962	\$ 6,372,591	\$ 13,194,849	\$ 3,633,433	\$ 26,773,329
Assigned	2,073,633	965,104	428,063	2,303,926	1,771,422	1,628,073	12,572,709	5,602,090	16,347,337	28,952,144
Unassigned reported in										
Special Revenue Funds									5,588,380	
Capital Projects Funds									25,003,301	
Nonmajor										
Total all other governmental funds	\$ 3,762,259	\$ 2,900,012	\$ 2,778,829	\$ 4,767,343	\$ 5,205,398	\$ 4,809,035	\$ 18,945,300	\$ 18,796,939	\$ 50,572,451	\$ 55,725,473

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Revenues										
Taxes	\$ 4,128,574	\$ 4,438,660	\$ 5,060,489	\$ 5,734,815	\$ 6,344,105	\$ 7,258,837	\$ 9,073,784	\$ 11,847,831	\$ 17,529,450	\$ 24,973,656
Licenses, fees, and permits	1,552,860	1,662,088	2,214,940	2,895,474	3,454,239	4,745,362	5,939,075	10,434,703	6,384,743	3,039,285
Intergovernmental	778,765	821,777	948,648	1,336,283	1,520,620	1,479,142	2,217,260	3,944,005	6,978,211	8,108,720
Charges for services	1,882,121	1,855,281	2,039,483	1,686,659	1,304,991	1,347,173	1,476,898	1,632,420	2,203,867	2,807,758
Special assessments	867,149	422,258	1,922,459	307,641	258,551	225,728	170,868	228,219	195,754	73,832
Investment earnings										2,682,242
Contributions	-	-	-	-	-	-	1,316,880	-	1,604,159	2,289,659
Impact fees	1,495,226	1,523,058	2,024,613	3,308,604	3,402,318	3,250,639	5,356,167	9,007,320	6,748,741	2,885,474
Miscellaneous	120,980	313,700	767,731	666,876	1,310,833	2,304,165	1,496,089	268,299	257,647	8,885
Total Revenues	10,825,675	11,036,822	14,978,363	15,936,352	17,595,657	20,611,046	27,047,021	37,362,797	41,902,572	46,869,511
Expenditures										
Current:										
General Government	2,703,466	2,617,687	3,222,850	3,027,034	3,294,126	3,421,616	3,455,632	4,147,767	4,543,769	7,086,339
Community Development	1,027,595	1,106,656	1,245,069	1,217,788	2,122,126	2,026,336	2,199,085	2,502,292	6,422,547	11,525,090
Public Works	3,412,266	3,136,684	2,880,937	4,799,868	5,087,135	6,683,232	6,732,075	7,015,979	6,017,292	6,740,280
Public Safety	2,065,929	2,367,014	2,286,418	2,332,378	2,550,530	2,688,014	3,024,814	3,918,627	4,690,939	5,475,190
Planning and Zoning	317,400	386,939	415,180	487,486	492,349	469,353	447,889	517,105	630,500	1,281,849
Finance & Admin. Services										
Tax Increment Distributions										
Debt service										
Principal Retirement	3,651,000	940,000	1,817,000	180,000	155,000	140,000	220,000	551,766	390,957	1,515,953
Bond Issuance Costs	123,286	-	-	-						
Interest and Fiscal Charges	226,440	277,744	180,379	70,618	64,152	54,588	49,238	155,128	83,321	812,915
Capital Outlay	375,859	1,664,752	2,223,822	4,444,671	6,597,297	8,906,776	5,015,276	7,131,814	8,603,999	9,778,766
Total expenditures	13,903,241	12,497,476	14,271,655	16,559,843	20,362,715	24,389,915	21,144,009	25,940,478	31,383,324	44,216,382
Excess of revenues over (under) expenditure	(3,077,566)	(1,460,654)	706,708	(623,491)	(2,767,058)	11,422,319	11,422,319	11,422,319	10,519,248	2,653,129

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Other Financing Sources (Uses)										
Proceeds from lease activity										\$ 463,060
Issuance of long term debt									\$ (220,958)	
Proceeds from Issuance of Long-Term Debt							\$ 2,000,000	\$ 257,732	25,220,958	
Proceeds from Asset Disposals		\$ 497,516						336,983	430,000	
Loss on Grant Noncompliance		(412,000)								
Debt Proceeds	\$ 4,616,245									
Contributions						\$ 2,614,261				
Transfer in	660,676	2,154,692	\$ 1,802,835	\$ 6,527,733	\$ 6,091,881	6,050,244	12,578,357	351,840	20,280,048	7,455,877
Transfers out	(628,620)	(2,081,434)	(1,722,651)	(3,843,012)	(2,983,780)	(4,654,862)	(6,185,461)	(351,840)	(24,823,648)	(7,455,877)
Total other financing sources (uses)	4,648,301	158,774	80,184	2,684,721	3,108,101	4,009,643	8,392,896	594,715	20,886,400	463,060
Net change in fund balances	\$ 1,570,735	\$ (1,301,880)	\$ 786,892	\$ 2,061,230	\$ 9,011,113	\$ 15,431,962	\$ 19,815,215	\$ 12,017,034	\$ 31,405,648	\$ 3,116,189
Debt service as a percentage of noncapital expenditures	28.66%	11.24%	16.58%	2.18%	1.18%	1.37%	1.72%	4.27%	2.30%	7.43%

Source: Eagle Mountain City

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. This section contains information to help the constituent assess the city's most significant local revenue sources: Property tax, sales tax, and water revenue

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
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
2022	2,290,941,800	409,131,282	4,912,200	1,338,450	294,898,830	112,612,542	413,762,022	3,113,835,104	0.0724%	4,985,040,404
2023	2,943,882,440	1,059,304,715	5,403,500	1,256,349	495,318,398	129,342,698	631,320,945	5,190,491,769	0.0541%	8,017,633,219

Source: Utah State Tax Commission

- 1) Residential Property has been combined with 'Personal Property-Primary Mobile Homes'
- 2) Commercial and Industrial Property has been combined with 'Personal Property-Other Property'

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

Fiscal Year	City Direct Rates		Overlapping Rates						Total Tax Rate
	Basic Rates	Total Direct Rates	Utah County	Central Utah Water Conservancy District	Alpine School District	Unified Fire Service Area	State Assessing & Collecting	Local Assessing & Collecting	
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
2022	0.724	0.724	0.853	0.400	6.904	1.592	0.012	0.142	10.627
2023	0.541	0.541	0.661	0.400	5.724	1.320	0.015	0.337	8.998

Source: State of Utah Certified Tax Rates

EAGLE MOUNTAIN CITY

Principal Property Tax Payers

Fiscal Years 2014 and 2023

TAXPAYER	TAX YEAR 2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
STADION LLC	\$ 305,404,041	1	15.63%			
TYSON FRESH MEATS INC	66,855,600	2	3.42%			
AMH DEVELOPMENT LLC	41,301,040	3	2.11%			
BCP DEVELOPMENT INC	36,395,442	4	1.86%			
BUILDING CONSTRUCTION PARTNERS LLC	36,346,700	5	1.86%			
PACIFICORP	30,883,306	6	1.58%			
RICHMOND AMERICAN HOMES OF UTAH INC	30,754,005	7	1.57%			
LGI HOMES-UTAH LLC	24,597,900	8	1.26%			
QUESTAR GAS	20,268,501	9	1.04%			
STAKER & PARSON COMPANIES INC	19,070,194	10	0.98%			
	<u>\$ 611,876,729</u>					
KERN RIVER GAS TRANS CO				\$ 14,096,150	1	2.25%
DIRECT COMMUNICATIONS				11,416,794	2	1.83%
CJM LIMITED PARTNERSHIP				4,067,400	3	0.65%
PACIFICORP				3,572,468	4	0.57%
VESTIN MORTGAGE INC				1,549,400	5	0.25%
WAGSTAFF INVESTMENTS LLC				1,425,100	6	0.23%
STAR WEST EAGLE MTN. PROPRTY				1,400,000	7	0.22%
MAVERIK INC				1,126,900	8	0.18%
MARSH WOODRUFF LC				1,099,500	9	0.18%
TOD COR HOLDINGS LLC				1,027,500	10	0.16%
				<u>\$ 40,781,212</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
2013	1,102,986	1,027,078	91.4%	75,908	1,102,986	100.00%
2014	972,744	910,201	93.1%	62,108	972,309	99.96%
2015	987,417	931,878	93.6%	55,231	987,109	99.97%
2016	1,074,593	1,014,350	94.4%	59,929	1,074,280	99.97%
2017	1,191,899	1,136,921	94.4%	54,643	1,191,565	99.97%
2018	1,298,033	1,243,503	95.4%	53,096	1,296,599	99.89%
2019	1,445,423	1,382,506	95.8%	59,571	1,442,077	99.77%
2020	1,605,635	1,524,338	94.9%	76,781	1,601,118	99.72%
2021	1,884,241	1,762,534	94.9%	108,949	1,871,482	99.32%
2022	2,265,309	2,198,618	97.1%	48,383	2,247,001	99.19%
2023	2,921,331	2,716,707	93.0%	186,317	2,903,024	99.37%

Source: Utah County Treasurer

EAGLE MOUNTAIN CITY
Taxable Sales by Category
Last Ten Fiscal Years

	Fiscal Year									
	<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>2022</u>	<u>2023</u>
Retail/Grocery	\$ 127,141	\$ 222,813	\$ 298,627	\$ 339,642	\$ 459,179	\$ 805,850	\$ 915,568	\$ 1,491,103	\$ 2,034,122	\$ 2,562,993
Utility/Communication	201,344	223,063	224,107	234,343	251,546	249,275	301,374	350,002	427,433	\$ 504,370
Auto dealers & supplies	13,639	15,401	15,978	18,382	33,117	19,056	19,834	90,864	83,826	\$ 88,018
Eating & drinking establishments	9,687	10,251	24,765	32,893	41,225	43,161	69,321	73,994	73,591	\$ 75,798
Home furnishings and appliances	2,827	2,326	5,719	2,735	2,864	8,973	25,734	57,553	67,428	\$ 77,542
Medical	2,300	3,872	3,815	6,680	7,954	10,006	13,643	13,933	16,135	\$ 18,233
Service stations	47,175	45,297	53,990	68,693	82,865	102,120	120,252	133,273	147,940	\$ 281,086
All other outlets	36,561	39,795	58,993	143,245	267,400	360,314	968,480	1,593,605	1,413,008	\$ 1,695,610
Utah State Tax- Motor Vehicle	54,359	60,151	67,971	85,646	98,436	116,599	119,611	214,420	283,552	\$ 348,769
Totals	\$ 495,032	\$ 622,970	\$ 753,965	\$ 932,259	\$ 1,244,586	\$ 1,715,355	\$ 2,553,818	\$ 4,018,746	\$ 4,547,035	\$ 5,652,420

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
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%
2022	1.00%	0.25%	0.80%	4.85%
2023	1.00%	0.25%	0.80%	4.85%

Source: Utah State Tax Commission

EAGLE MOUNTAIN CITY
Sales Tax Revenue Payers by Industry
Fiscal Years 2014 and 2023

	Fiscal Year 2014				Fiscal Year 2023			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	705	53.82%	\$ 127,141	25.7%	1330	13.5%	\$ 2,562,993	45.3%
Utility/Communication	100	7.63%	201,344	40.7%	70	0.7%	504,370	8.9%
Auto Dealers & Supplies	39	2.98%	13,639	2.8%	111	1.1%	88,018	1.6%
Eating/Drinking Establishments	12	0.92%	9,687	2.0%	14	0.1%	75,798	1.3%
Home Furnishings & Appliances	38	2.90%	2,827	0.6%	72	0.7%	77,542	1.4%
Medical	27	2.06%	2,300	0.5%	29	0.3%	18,233	0.3%
Service Stations	3	0.23%	47,175	9.5%	8	0.1%	281,086	5.0%
All Other Outlets	385	29.39%	36,561	7.4%	8180	83.3%	1,695,610	30.0%
Utah State Tax- Motor Vehicle	1	0.08%	54,359	11.0%	4	0.0%	348,769	6.2%
Total			\$ 495,032	100.0%	9818	100.0%	\$ 5,652,420	100.0%

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Charges for Water Fees
 Last Ten Fiscal Years

	<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>2022</u>	<u>2023</u>
Water Sales	\$ 2,811,503	\$ 3,062,503	\$ 3,222,097	\$ 3,802,599	\$ 4,167,224	\$ 4,541,799	\$ 5,206,858	\$ 6,473,104	\$ 6,608,907	\$ 8,059,429
Secondary Water										
Other	159,107	15,973	470,701	1,512	1,361	4,138	5,330	2,101	7,539	28,280
Totals	<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>	<u>\$ 6,616,446</u>	<u>\$ 8,087,709</u>

Source: Eagle Mountain City

DEBT CAPACITY

Pages 104-108 of the Statistical Section of this report show ratios and margins for debt obtained by the City in the form of bonds for capital infrastructure within the City. This section presents information to help the constituents assess the affordability of the city's current levels of outstanding debt and the government's ability to issue additional debt.

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

Fiscal Year	Governmental Activities						Business-type Activities					
	Excise tax road bonds	Transportation Loan (UDOT)	Sales Tax Revenue Bond 2022	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
2014	146	-	-	1,621	2,409	440	23,031	25,338	489	52,802	12.77%	2,275
2015	-	-	-	867	2,369	333	22,754	-	1,047	53,465	11.65%	2,303
2016	-	-	-	-	1,418	224	22,119	-	985	26,804	5.84%	1,041
2017	-	-	-	-	1,238	113	21,741	-	924	24,738	4.70%	960
2018	-	-	-	-	1,082	-	20,787	-	1,099	24,008	4.27%	878
2019	-	-	-	-	935	-	21,107	-	245	22,968	3.63%	713
2020	-	2,000	-	-	715	169	20,195	-	923	24,002	3.19%	626
2021	-	1,645	-	-	595	295	18,841	-	825	22,201	2.94%	578
2022	-	1,460	22,915	-	415	212	17,264	-	734	43,000	4.61%	986
2023	-	1,221	21,885	-	285	626	16,273	-	2,195	42,485	2.51%	691

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Direct and Overlapping Governmental Activities Debt
 June 30, 2023

<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	421,467,570	5.0%	21,073,379
Central Utah Water Cons. Dist.	639,061,670	3.3%	21,089,035
Unified Fire Service Area	10,808,525	99.5%	<u>10,751,996</u>
Subtotal, overlapping debt			52,914,410
City direct debt			<u>27,033,678</u>
Total direct and overlapping debt			<u><u>\$ 79,948,088</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 entites 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 2022

Assessed value	\$5,190,491,769
Debt limit (12% of the assessed value)	622,859,012
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	622,859,012

Fiscal Year

	<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>2022</u>	<u>2023</u>
Debt limit	\$ 79,794	\$ 83,804	\$ 96,938	\$ 109,972	\$ 133,246	\$ 155,074	\$ 188,820	\$ 234,523,291	\$ 294,716,781	\$ 483,422,229	\$ 622,859,012
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	483,422,229	622,859,012
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%	0.00%

Source: Utah State Tax Commission

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

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

Fiscal Year	Water and Sewer Revenue Bonds						Electric and Gas Revenue Bonds						SID 2000-1 (Sales Tax 2013)			
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Special Assessment	Debt Service		
				Principal	Interest	Coverage				Principal	Interest	Coverage		Principal	Interest	Coverage
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)	-	-	-	-	-	-	-	-	-	-
2022	13,419	9,364	4,055	1,585	548	1.90	-	-	-	-	-	-	-	-	-	-
2023	16,092	11,128	4,964	1,648	525	2.28	-	-	-	-	-	-	-	-	-	-

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	
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	-	-	-	-	
2022	-	-	-	-	289	365	82	0.65	-	-	-	-	
2023	-	-	-	-	285	1,400	797	0.13	-	-	-	-	

DEMOGRAPHICS AND ECONOMICS

Pages 109-113 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. This section offers demographic and economic indicators to help the constituent understand the environment within which the city's financial activities take place

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
2022	53,566	1,331,382,930	24,855	1.9
2023	61,491	1,689,772,680	27,480	2.6

Source: Eagle Mountain City, Utah State Tax Commission

EAGLE MOUNTAIN CITY

Principal Employers Fiscal Years 2014 and 2023

2023				2014			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Alpine School District	1086	1	34.61%	Alpine School District	354	1	46.15%
Tyson Fresh Meats. Inc	684	2	21.80%	Eagle Mountain City	98	2	12.78%
M.A. Mortenson Construction	200	3	6.37%	Ridley's Family Market	85	3	11.08%
Eagle Mountain City	186	4	5.93%	Ranches Academy	48	4	6.26%
Macey's Eagle Mountain	159	5	5.07%	Job Match	47	5	6.13%
Suntec Concrete, Inc	150	6	4.78%	Rockwell High School	35	6	4.56%
Ridley's Family Markets	114	7	3.63%	Ranches Golf Course	30	7	3.91%
E2 Optics, LLC	100	8	3.19%	TM Crushing LLC	19	8	2.48%
Stadion, LLC	96	9	3.06%	Direct Communications	19	9	2.48%
Eagle Mountain McDonald's	72	10	2.29%	Village Pizza	19	10	2.48%
Gotta Dance Performing Arts Stud	38	11	1.21%	Maverik	13	N/A	N/A
Wendy's #13398	35	12	1.12%	N/A	N/A	N/A	N/A
Arby's-Home Run Restaurant Gro	35	13	1.12%	N/A	N/A	N/A	N/A
Sweet Rock LLC DBA Crumbl C	30	14	0.96%	N/A	N/A	N/A	N/A
Summit Spa & Float - Eagle Mou	29	15	0.92%	N/A	N/A	N/A	N/A
Eagle Mountain Counseling	28	16	0.89%	N/A	N/A	N/A	N/A
TM Crushing, LLC	27	17	0.86%	N/A	N/A	N/A	N/A
Arctic Circle	23	18	0.73%	N/A	N/A	N/A	N/A
Village Pizza	23	19	0.73%	N/A	N/A	N/A	N/A
Inspire Sports LLC	23	20	0.73%	N/A	N/A	N/A	N/A
Total City Employment	3,138		100.00%	Total City Employment	767		98.31%

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. This section contains service and infrastructure data to help the constituent understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

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

<u>Function/Program</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>2022</u>	<u>2023</u>
General government											
Administration	7	5	5.5	4	5.41	5.41	5.41	5.41	5.50	6.00	6.60
Finance	3	4	4	4	3.6	3.6	3.6	3.6	4.0	4.00	4.50
Planning	2.83	4	4	4	4	4.5	4.5	5.5	7.0	10.50	8.55
Building	3.5	5.5	5.75	5	5.25	6.26	9.02	10.02	10.00	10.00	11.20
Recorder	3	3	3	3	3	3	3.5	3.5	5.5	4.75	4.50
Facilities	0	1	1.5	3	2.1	2.75	4.25	4.75	7.00	5.75	5.13
Public Information	0	1	1.25	2	2.4	2.18	2.18	3.18	2.00	2.00	3.25
Human Resources	0	1	1	1	1	1	1	1	1	1.00	1.00
Other	3	1.5	2.15	1.5	7.38	7.78	7.78	7.78			2.00
Police											
Crossing Guards	3.2	4.75	5.25	5	4.52	4.52	4.52	5.50	6.50	5.00	3.82
Fire											
Firefighters and officer	17	0	0	0	0	0	0	0	0		0.00
Parks and recreation	4.5	7.2	7.2	7.5	9.33	12.66	14.55	15.55	15.50	15.00	14.64
Library	4.13	5.15	5.5	6	6.33	6.33	6.50	7.00	7.50	7.25	10.25
Other public works											
Management	0	0	0	0	0	0		0	0	0.00	0.00
Engineering	2.66	4.96	5	5	4.33	4.33	5.83	6.83	7.00	10.00	8.50
Streets	3.5	4.5	4.5	7.5	6.01	5.91	7.41	8.41	12.00	11.25	8.97
Water	5.16	5.3	5.5	7	5.93	7.47	9.09	10.09	10.50	10.25	12.63
Wastewater	5.17	5.31	4	4.5	5.3	5.83	5.83	5.83	8.00	8.00	9.00
Utility Billing	5	5.5	4	3	3.5	3.5	3.9	3.9	3.5	2.50	3.88
Other	2	2.68	3.38	3	4.63	4.58	5.24	5.24			2.25
Energy	11	13	0	0	0	0	0	0	0	0.00	0.00
Total	85.65	84.35	72.48	76	84.02	91.61	104.09	113.09	112.5	113.25	120.65

Source: Eagle Mountain City

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

		<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>2022</u>	<u>2023</u>
<u>Function/Program: General government</u>											
Building											
	Building permits issued	559	674	1,086	1,437	1,554	1,470	2,038	2,672	2,555	1,736
	Building inspections conducted	4,155	4,958	6,382	8,000	10,813	9,963	12,539	14,147	16,577	10,647
Police ¹											
	Physical arrest	353	498	481	492	582	540	336	222	243	193
	Warrants served	39	86	154	86	55	53	24	27	40	27
	Traffic violations	1,500	1,821	2,148	1,420	1,142	2,212	2,682	2,030	3,281	5,367
	Officer initiated calls					6,597	6,701	6,651	4,767	6,820	9,062
	Citizen initiated calls					7,944	8,754	9,936	11,056	10,271	11,064
Fire ²											
	Emergency responses										
	Inspections										
Streets											
	Miles plowed - snow removal	5,896	1,394	11,522	10,981	3,491	8,763	11,188	5,422	6,083	16,334
	Crack seal (sq. ft.) ³	720	305	147	462,000	16,698,305	232,407	0	0	1,200,000	2,002,748
	Asphalt Repairs (sq. ft.)	58,313	88,454	75,782	365,731	284,060	150,819	180,162	9,126	64,234	319,161
Parks and recreation											
	Youth City sports registrations	3,379	3,402	2,448	1,011	1,074	1,250	1,265	1,773	1,260	1,603
	Total recreational sports (youth/adul)	4/5	4/5	3/5	1/7	1/7	1/5	1/5	1/5	1/5	3/3
Water											
	New meters installed	354	410	446	657	763	830	1,284	1,216	1,453	1,098
	Water meters replaced	156	646	436	318	712	135	481	1,564	250	120
	Average daily pumped (gallons)	4,285,000	4,036,302	4,820,000	4,903,000	5,824,838	6,136,501	6,102,658	9,266,630	8,229,133	8,257,872
	Avg daily consumption (gallons)	4,076,000	4,030,318	4,366,025	4,858,875	5,122,255	5,409,144	6,630,942	8,355,727	7,973,780	7,663,539

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>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>2022</u>	<u>2023</u>
Police ¹											
Sworn Officers	15	15	16	16	16	16	18	19	20	26	28
Fire ²											
Fire Hydrants	958	957	998	1,116	1,123	1,284	1,424	1,574	1,724	1,905	1,548
Fire Stations											
Other public works											
Streets (miles)	133.5	138.37	143	151.97	154.14	164.34	186.95	199	205	220	238
Gas mains (miles) ³	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	2,400,000	2,400,000	2,400,000
Sanitary sewers (miles) ⁴	73	85	89.49	83.95	94.6	95.95	115	120.82	133.71	147.75	157.8
Parks and recreation											
Total developed park (acres)	79	88	90	100	124	155	160	176	200	220	227
Playgrounds	15	15	15	17	23	25	27	43	46	49	49
Baseball/softball diamonds	7	7	7	7	7	7	7	7	7	7	7
Soccer/football fields	5	5	5	5	5	5	6	6	10	10	10
Water											
Water pipe (miles) ⁴	142	151.9	156.65	125.59	136.59	148	170	183.08	196.02	214.18	230.42
Total water storage (gallons)	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	13,350,000	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



GILBERT & STEWART
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ESTABLISHED 1974

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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, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 17, 2023.

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.

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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
December 17, 2023

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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, 2023.

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

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

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Compliance

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Audit Guide and which are described in a separate letter to management dated December 17, 2023, as items 2023-1 and 2023-2. 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 2023-1 and 2023-2.

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

December 17, 2023

EAGLE MOUNTAIN CITY

**CORRESPONDENCE WITH
THOSE CHARGED
WITH GOVERNANCE**



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

December 17, 2023

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, 2023. 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 June 8, 2023. 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 December 17, 2023.

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:

23-1 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 & Zoning	\$ 16,058
General Fund – Community Development	737,399

Recommendation: We recommend that the City budgets expenditures appropriately.

City’s Response: This compliance issue corrates to the newly implemented GASB 87 and the requirement to record the full value of leased assets the first year in addition to the lease payment. This does not represent a true outflow of funds. The remaining overage in Community Development relates to a development reimbursement agreement. The City will start budgeting expenditures more appropriately.

23-2 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 the City was over the allowed limit by \$2,435,228.

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 currently has \$3,738,826 of fund balance that is assigned for capital projects that will be moved to the Capital Projects fund in order to come into compliance.

Utah State Legal Compliance Findings – Prior Year:

22-1 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 – Public Safety	\$ 287,321
General Fund – Community Development	744,879
General Fund – Debt Service	27,000
Parks Impact Fee	81,151
Debt service – SAA 2014	106,306
Transportation Impact Fee	479,166

Recommendation: We recommend that the City budgets expenditures appropriately.

22-2 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 \$608,098.

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: See current year finding 23-2.

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, 2023



1650 Stagecoach Run, Eagle Mountain, UT 84005
Questions: Call 801-789-6601