

FISCAL YEAR ENDED JUNE 30, 2022

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

ACFR

FOR EAGLE MOUNTAIN CITY, UT



EAGLE
MOUNTAIN

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

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PHOTO BY EAGLE MOUNTAIN RESIDENT REY KIFURI



EAGLE
M O U N T A I N

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

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Prepared by:

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EAGLE MOUNTAIN CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

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February 17, 2023



EAGLE MOUNTAIN

Letter of Transmittal

Honorable Mayor and Members of the City Council:

The Annual Comprehensive Financial Report (ACFR) of Eagle Mountain City (the City), for the fiscal year ended June 30, 2022 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, 2022 , are fairly presented in conformity with GAAP.

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

Profile of the Government

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

Since the 200 U.S. Census, Eagle Mountain City has shown steady, and often rapid, growth. In twenty years, the City has grown from 2,157 residents to over 52,000 in 2022. More than 14,750 residential units have been permitted, with an average of 1,228 new construction permits per year over the past 5 years, making Eagle Mountain one of the fastest growing communities in Utah and the state’s third largest city geographically.

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

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

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

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

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

Once the budgets are approved, the City Council may revise the budgets from time to time after following the required procedures. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

Utah has fared better than many other states through economic consequences of the COVID-19 pandemic. Utah's unemployment rate as of December 2022 was 2.2%, lower than the national unemployment rate of 3.5%, with Utah County unemployment also remaining very low at 2.2%. During the last half of 2022, Utah's foreclosure rate stood at 1 in every 5,380 households.

During the last half of 2022, 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 11.0% in FY 2022 (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 "P" and "J".

Paul Jerome,
City Administrator

A handwritten signature in black ink that reads "KRuesch". The signature is written in a cursive style.

Kimberly Ruesch,
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

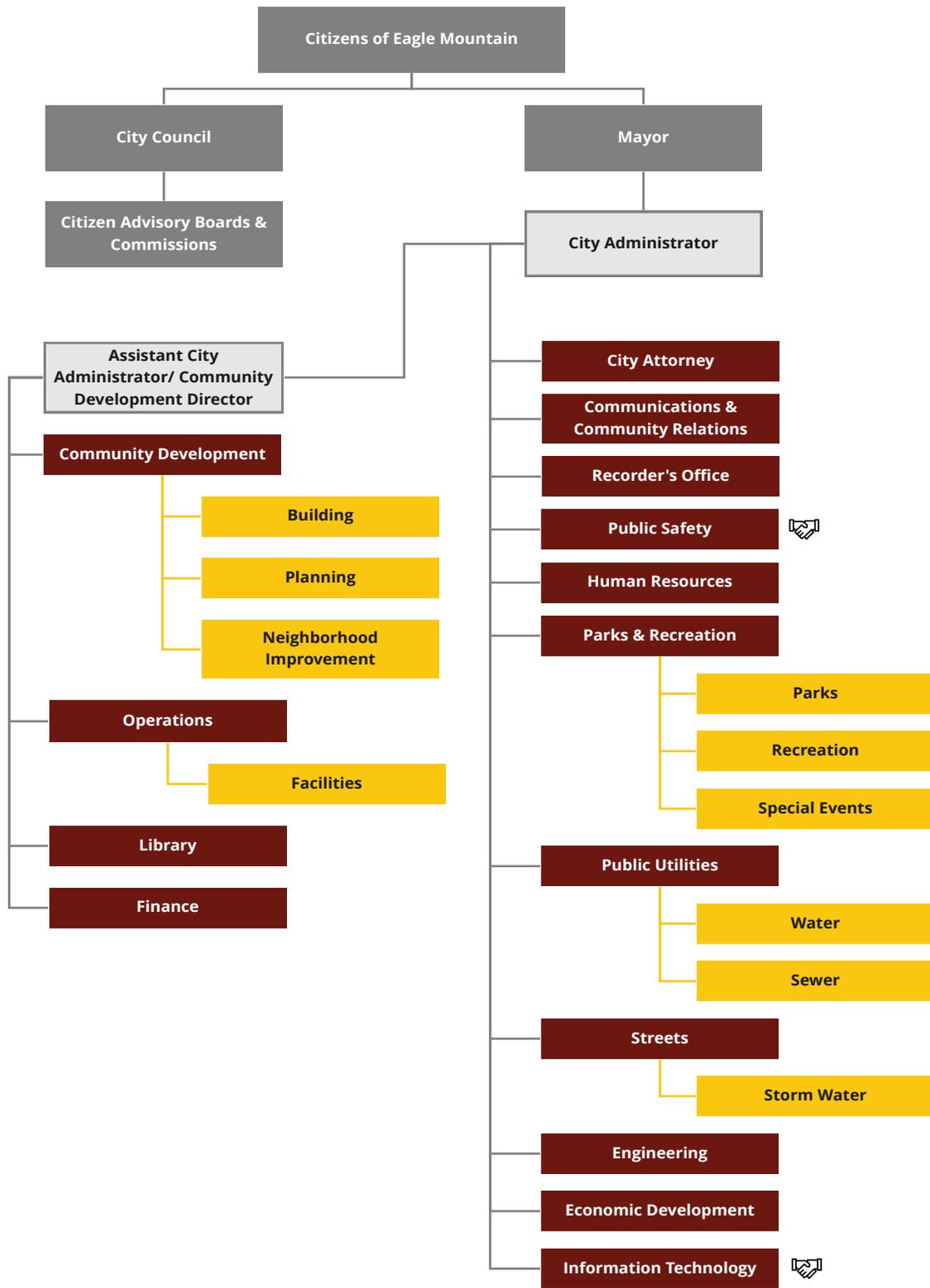
Eagle Mountain City
Utah

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



 Indicates service is provided by contract with another entity.

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



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, 2022, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, the respective changes in financial position, and, where applicable, cash flows 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

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 21, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 21, 2022

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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, 2022. 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 \$359,954,747 is made up of \$260,700,534 in net investment in capital assets, \$63,671,099 in restricted net position, and \$35,583,114 in unrestricted net position. Total net position increased by \$58,534,351 from the prior year.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$66,017,074. Of this amount, \$34,272,798 must only be spent on projects for which the money is restricted. \$3,234,155 is committed by the City Council for capital projects, \$17,067,999 is assigned by the City administration and is divided as follows: \$217,249 for debt service, \$503,413 for special revenues and \$16,347,337 for capital projects. The remaining \$11,442,122 is unassigned in the general fund.
- In the enterprise (proprietary) funds, operating revenues increased by \$1,669,938 Corresponding operating expenses decreased by \$19,728,101. This decrease is due to a large payment in fiscal year 2021 for access to water from Central Utah Water Conservancy District.

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 28-30 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 \$359,954,747.

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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 108,906,416	\$ 54,739,265	\$ 74,577,636	\$ 53,890,588	\$ 183,484,052	\$ 108,629,853
Capital Assets	139,368,610	120,764,687	141,134,253	123,605,813	280,502,863	244,370,500
Total assets	<u>248,275,026</u>	<u>175,503,952</u>	<u>215,711,889</u>	<u>177,496,401</u>	<u>463,986,915</u>	<u>353,000,353</u>
Deferred Outflows of Resources	732,901	531,802	861,820	892,400	1,594,721	1,424,202
Long-term debt outstanding	27,626,159	2,793,571	18,206,961	19,765,657	45,833,120	22,559,228
Other liabilities	24,949,596	16,368,004	21,109,021	11,028,200	46,058,617	27,396,204
Total liabilities	<u>52,575,755</u>	<u>19,161,575</u>	<u>39,315,982</u>	<u>30,793,857</u>	<u>91,891,737</u>	<u>49,955,432</u>
Deferred Inflows of Resources	13,329,462	2,793,571	505,690	255,156	13,835,152	3,048,727
Net position:						
Net investment in capital assets,	137,057,292	119,838,195	123,643,242	104,644,731	260,700,534	224,482,926
Restricted	34,272,798	13,194,849	29,398,301	23,710,217	63,671,099	36,905,066
Unrestricted	11,872,620	21,047,564	23,710,494	18,984,840	35,583,114	40,032,404
Total net assets	<u>\$ 183,202,710</u>	<u>\$ 154,080,608</u>	<u>\$ 176,752,037</u>	<u>\$ 147,339,788</u>	<u>\$ 359,954,747</u>	<u>\$ 301,420,396</u>

The following table summarizes the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 8,449,940	\$ 12,068,623	\$ 28,266,925	\$ 26,739,371	\$ 36,716,865	\$ 38,807,994
Operating grants & contrib.	2,115,144	3,805,907	-	-	2,115,144	3,805,907
Capital grants & contrib.	30,651,138	17,155,525	13,806,665	28,075,972	44,457,803	45,231,497
General revenues:						
Property taxes	5,470,054	2,210,764	-	-	5,470,054	2,210,764
General sales & use tax	8,653,171	6,914,164	-	-	8,653,171	6,914,164
Franchise tax	3,410,186	2,730,163	-	-	3,410,186	2,730,163
Interest earnings	(181,963)	226,399	-	-	(181,963)	226,399
Total revenues	<u>58,567,670</u>	<u>45,111,545</u>	<u>42,073,590</u>	<u>54,815,343</u>	<u>100,641,260</u>	<u>99,926,888</u>
Expenses:						
General government	\$ 4,210,857	\$ 4,114,283	\$ -	\$ -	\$ 4,210,857	\$ 4,114,283
Public safety	4,693,496	3,921,185	-	-	4,693,496	3,921,185
Highways & public works	8,840,825	9,215,444	-	-	8,840,825	9,215,444
Community development	6,481,068	2,592,049	-	-	6,481,068	2,592,049
Planning	426,098	439,936	-	-	426,098	439,936
Interest on long-term debt	249,625	178,385	-	-	249,625	178,385
Water utility	-	-	7,923,646	28,511,496	7,923,646	28,511,496
Sewer utility	-	-	6,044,020	5,487,893	6,044,020	5,487,893
Storm drain	-	-	1,326,680	1,207,876	1,326,680	1,207,876
Non-major business	-	-	1,910,594	1,518,858	1,910,594	1,518,858
Total expenses	<u>24,901,969</u>	<u>20,461,282</u>	<u>17,204,940</u>	<u>36,726,123</u>	<u>42,106,909</u>	<u>57,187,405</u>
Increase (decrease) in net assets before transfers	33,665,701	24,650,263	24,868,650	18,089,220	58,534,351	42,739,483
Transfers	(4,543,599)	-	4,543,599	-	-	-
Increase (decr.) in net assets	29,122,102	24,650,263	29,412,249	18,089,220	58,534,351	42,739,483
Net position - beginning	154,080,608	129,430,345	147,339,788	139,176,765	301,420,396	268,607,110
Restatement of net position	-	-	-	(9,926,197)	-	(9,926,197)
Net position - ending	<u>\$ 183,202,710</u>	<u>\$ 154,080,608</u>	<u>\$ 176,752,037</u>	<u>\$ 147,339,788</u>	<u>\$ 359,954,747</u>	<u>\$ 301,420,396</u>

Governmental activities

Governmental activities increased the City's net position by \$29,122,102. The increase is primarily a result of the bond proceeds received during the year in the amount of \$22,915,000 that will be used to fund major road infrastructure projects. Continued land development has also helped fuel the increase in revenues.

Business-type activities

Business-type activities increased the City's net position by \$29,412,249. 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 \$66,017,074. Of this total amount, 48% constitutes assigned and unassigned fund balances. \$3,234,155 is committed by the City Council and will be used for capital projects. \$17,067,999 is assigned by the administration of the City and will be used for the following: \$217,249 for debt service, \$716,347,337 for capital projects, and \$503,413 for special revenues. \$11,442,122 is unassigned and is available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$11,442,122, a decrease of \$2,512,563 from fiscal year 2021. The total fund balance was \$14,723,961, a decrease of \$1,090,526 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 60% of total general fund expenditures, while total fund balance represents 78% 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 2022 the fund balance is \$41,350,638 which is an increase of \$36,147,694. This increase is due to bond proceeds in the amount of \$25,225,958 and transfers from the general fund in the amount of \$10,334,357 toward the investment of future infrastructure.

Parks Impact Fee Fund. The fund was created to account for impact fees received and the related capital expenditures of those collected impact fees. At the end of fiscal year 2022 the fund balance is \$5,588,380 a decrease of \$1,656,291. This decrease is due to transfers to the capital project fund primarily for improvements to the Cory Wride Memorial Park.

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 \$21,676,320. The net investment in capital assets in these same funds is \$123,643,242.

- As mentioned in the financial highlights, operational revenues and expenditures in the enterprise funds increased by \$1,669,938 and decreased by \$19,728,101, respectively. The decrease is due to a large payment in fiscal year 2021 for access to water from Central Utah Water Conservancy District. 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 \$24,665,795, after non-operating revenues/expenses, contributions, and transfers are considered. The storm drain and garbage fund net position increased by \$4,180,146, and \$301,272, respectively. The major reasons for the increase in net position is the impact fees collected of \$11,913,094 and the contributed capital from developers in the water, sewer, and storm drain funds in the amount of \$13,806,665.

General Fund Budgetary Highlights

During the fiscal year, the general fund’s original budget was amended from an original budget of \$21,112,191 to a final budget of \$34,433,910. The increase reflects an increased contribution to capital projects in the amount of \$7,470,978 for future infrastructure improvements for a total contribution of \$10,334,357 and a contribution of ARPA funds to the wastewater fund in the amount of \$4,543,599 for the purchase of land needed for wastewater treatment.

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, 2022, 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	
	2022	2021	2022	2021	2022	2021
Land	\$ 6,682,458	\$ 6,682,458	\$ 8,842,178	\$ 3,690,765	\$ 15,524,636	\$ 10,373,223
Water Shares	-	-	1,498,676	1,498,676	1,498,676	1,498,676
Buildings	3,366,128	3,228,542	1,543,005	1,646,965	4,909,133	4,875,507
Improvements	10,470,355	4,844,589	-	-	10,470,355	4,844,589
Equipment	2,992,081	3,000,701	127,617,579	91,458,355	130,609,660	94,459,056
Infrastructure	108,094,644	86,718,199	-	-	108,094,644	86,718,199
Right to use assets	-	-	141,019	-	141,019	-
Construction in progress	8,192,944	16,290,198	1,491,796	25,311,052	9,684,740	41,601,250
Total net assets	<u>\$ 139,798,610</u>	<u>\$ 120,764,687</u>	<u>\$ 141,134,253</u>	<u>\$ 123,605,813</u>	<u>\$ 280,932,863</u>	<u>\$ 244,370,500</u>

Additional information on the City’s capital assets can be found in Note 8 on pages 52 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 \$40,594,000. Of this amount, \$415,000 is from special assessment bonds. The remaining \$40,179,000 is secured solely by specific revenue sources (i.e., revenue bonds and sales tax revenue bonds).

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	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Special assessment bonds	\$ 415,000	\$ 595,000	\$ -	\$ -	\$ 415,000	\$ 595,000
Sales tax revenue bonds	22,915,000	-	-	-	22,915,000	-
Revenue bonds	-	-	17,264,000	18,841,000	17,264,000	18,841,000
Total bonds	\$ 23,330,000	\$ 595,000	\$ 17,264,000	\$ 18,841,000	\$ 40,594,000	\$ 19,436,000

During fiscal year 2022, the City’s total outstanding debt increased by a net amount of \$21,158,000. Sales Tax bonds in the amount of \$22,915,000 were issued during the year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total taxable value of \$4,028,518,573. The current limitations for the City are \$161,140,743. In addition, state statutes allow for an additional 4% to be used for water, sewer, or other projects, thus resulting in a debt limit of 8% of total taxable value. Total limitation is \$322,281,486. Eagle Mountain City’s outstanding debt of \$40,594,000 is significantly below the statutory debt limit.

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

Economic Factors and Next Year’s Budgets and Rates

- Eagle Mountain City issued 1,440 new residential building permits in fiscal year 2022. This reflects a decrease of 169 new residential building permits over the previous fiscal year. With continued inflationary pressures and steep increases to interest rates, the City expects to see a continued decline in single family residential building permits for the next 12-18 months.
- Eagle Mountain City administration has a conservative approach to budgeting. The fiscal year 2023 budget was adopted in the amount of \$119,345,123 which is a decrease in the amount of \$11,687,681 from the 2022 final budget. While the City still anticipates strong economic growth the new budget reflects a softening of the housing market which is expected to continue through 2024.
- In March of 2022 the City Council adopted rate changes that went into effect for water, sewer, and storm water services in May of 2022. The full impact of the rate changes won’t be seen until fiscal year 2023. The rates adopted include automatic increases annually beginning July 1, 2023 for water of 4%, and sewer of 2.5%. There is no automatic increase for storm water.
- With Eagle Mountain City’s high desert location, the city entered into an agreement with the Central Utah Water Conservancy District to purchase 1800 acre feet of water from fiscal year 2012 through fiscal year 2021. As of fiscal year 2021, the city has purchased all of that original 1800 acre foot contract and is well into the next contract for 11,500 additional acre feet. Due to demand from development, the City was able to purchase water shares two years ahead of the contracted schedule in FY 2021 and should be able to continue to do so into the foreseeable future. The contract has been renegotiated several times with CUWCD to purchase additional water when new users come on to the system and have need for this specific water source.

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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, Finance Director at kruesch@emcity.org or Eagle Mountain City, Finance Director, 1650 East Stagecoach Run, Eagle Mountain, UT 84005.

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BASIC FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY
Statement of Net Position
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 29,153,293	\$ 40,564,742	\$ 69,718,035
Restricted cash and cash equivalents	34,490,047	29,398,301	63,888,348
Investments	22,977,045	-	22,977,045
Accounts receivable			
Customers (net of allowance)	187,372	2,240,039	2,427,411
Intergovernmental	2,758,170	-	2,758,170
Interest	97,365	-	97,365
Assessments receivable	348,037	-	348,037
Taxes receivable	13,471,726	-	13,471,726
Notes receivable	6,073,603	-	6,073,603
Internal balances	(2,034,174)	2,034,174	-
Net pension asset	1,383,932	340,380	1,724,312
Capital assets (net of accumulated depreciation):			
Land	6,252,458	8,842,178	15,094,636
Water Shares	-	1,498,676	1,498,676
Buildings	3,366,128	1,543,005	4,909,133
Improvements	10,470,355	-	10,470,355
Equipment and systems	2,992,081	127,617,579	130,609,660
Infrastructure	108,094,644	-	108,094,644
Right to use assets	-	141,019	141,019
Construction in progress	8,192,944	1,491,796	9,684,740
Total assets	<u>248,275,026</u>	<u>215,711,889</u>	<u>463,986,915</u>
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	732,901	191,550	924,451
Bond refunding costs	-	670,270	670,270
Total deferred outflow of resources	<u>732,901</u>	<u>861,820</u>	<u>1,594,721</u>
LIABILITIES			
Accounts payable and accrued liabilities	7,970,885	2,235,139	10,206,024
Deposits	16,681,308	103,500	16,784,808
Bond interest payable	197,403	86,310	283,713
Unearned revenue	-	18,684,072	18,684,072
Long-term liabilities			
Due within one year	1,459,391	1,678,154	3,137,545
Due in more than one year	26,166,768	16,528,807	42,695,575
Total liabilities	<u>52,475,755</u>	<u>39,315,982</u>	<u>91,791,737</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	1,893,489	505,690	2,399,179
Deferred property taxes levied for future years	11,435,973	-	11,435,973
Total deferred inflow of resources	<u>13,329,462</u>	<u>505,690</u>	<u>13,835,152</u>
NET POSITION			
Net investment in capital assets	137,057,292	123,643,242	260,700,534
Restricted			
Impact fees	9,269,497	28,593,558	37,863,055
Capital projects	25,003,301	-	25,003,301
Debt service	-	804,743	804,743
Unrestricted	11,872,620	23,710,494	35,583,114
Total net position	<u>\$ 183,202,710</u>	<u>\$ 176,752,037</u>	<u>\$ 359,954,747</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Activities
For the Year Ended June 30, 2022

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	\$ 4,210,857	\$ 1,767,411	\$ -	\$ -	\$ (2,443,446)	\$ -	\$ (2,443,446)
Public safety	4,693,496	18,874	69,912	-	(4,604,710)	-	(4,604,710)
Public works	8,840,825	5,500	2,032,604	30,651,138	23,848,417	-	23,848,417
Community development	6,481,068	304,349	-	-	(6,176,719)	-	(6,176,719)
Planning	426,098	6,353,806	12,628	-	5,940,336	-	5,940,336
Interest on long-term debt	249,625	-	-	-	(249,625)	-	(249,625)
Total governmental activities	<u>24,901,969</u>	<u>8,449,940</u>	<u>2,115,144</u>	<u>30,651,138</u>	<u>16,314,253</u>	<u>-</u>	<u>16,314,253</u>
Business-type activities:							
Water	7,923,646	14,200,001	-	5,679,444	-	11,955,799	11,955,799
Sewer	6,044,020	10,215,606	-	4,210,953	-	8,382,539	8,382,539
Storm Drain	1,326,680	1,628,183	-	3,916,268	-	4,217,771	4,217,771
Non major business-type	1,910,594	2,223,135	-	-	-	312,541	312,541
Total business-type activities	<u>17,204,940</u>	<u>28,266,925</u>	<u>-</u>	<u>13,806,665</u>	<u>-</u>	<u>24,868,650</u>	<u>24,868,650</u>
Total primary government	<u>\$ 42,106,909</u>	<u>\$ 36,716,865</u>	<u>\$ 2,115,144</u>	<u>\$44,457,803</u>	<u>16,314,253</u>	<u>24,868,650</u>	<u>41,182,903</u>
General revenues:							
Property taxes					\$ 5,470,054	\$ -	\$ 5,470,054
General sales and use tax					8,653,171	-	8,653,171
Franchise taxes					3,410,186	-	3,410,186
Interest earnings					(181,963)	-	(181,963)
Transfers					(4,543,599)	4,543,599	-
Total general revenues and transfers					<u>12,807,849</u>	<u>4,543,599</u>	<u>17,351,448</u>
Change in net Position					29,122,102	29,412,249	58,534,351
Net position- beginning					154,080,608	147,339,788	301,420,396
Net position - ending					<u>\$ 183,202,710</u>	<u>\$ 176,752,037</u>	<u>\$ 359,954,747</u>

EAGLE MOUNTAIN CITY
Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	General Capital Projects	Special Revenue Impact Fee Parks	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,741,757	\$ 14,205,840	\$ -	\$ 3,231,492	\$ 27,179,089
Restricted cash	47,684	25,003,301	5,588,380	3,850,682	34,490,047
Investments	19,725,793	3,251,252			22,977,045
Receivables (net):					
Accounts	133,500	53,447		-	186,947
Taxes	4,215,182	-		9,256,544	13,471,726
Intergovernmental	2,758,170	-		-	2,758,170
Interest	97,365	-	-	-	97,365
Special assessments	-	58,448		289,589	348,037
Notes receivable	-	6,073,603			6,073,603
Total assets	<u>\$ 36,719,451</u>	<u>\$ 48,645,891</u>	<u>\$ 5,588,380</u>	<u>\$ 16,628,307</u>	<u>\$ 107,582,029</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable & accrued liabilities	\$ 3,111,130	\$ 1,924,558		\$ 2,728,079	\$ 7,763,767
Deposits	16,681,308	-		-	16,681,308
Deferred revenue	-	-		-	-
Total liabilities	<u>19,792,438</u>	<u>1,924,558</u>	<u>-</u>	<u>2,728,079</u>	<u>24,445,075</u>
Deferred inflows of resources:					
Deferred property taxes levied for future years	2,179,429	-		9,256,544	11,435,973
Deferred property taxes-delinquent	23,623	-		-	23,623
Deferred - receivables		5,370,695			5,370,695
Unavailable special improvement assessments	-	-		289,589	289,589
Total deferred inflows of resources	<u>2,203,052</u>	<u>5,370,695</u>	<u>-</u>	<u>9,546,133</u>	<u>17,119,880</u>
Fund Balances:					
Fund balances restricted for:					
Roads	-	-		-	-
Impact fees	47,684	-	5,588,380	3,633,433	9,269,497
Capital projects		25,003,301			25,003,301
Committed					
Capital projects	3,234,155				3,234,155
Assigned, for:					
Special revenues	-	-		503,413	503,413
Debt service	-	-		217,249	217,249
Capital projects	-	16,347,337		-	16,347,337
Unassigned:	11,442,122	-		-	11,442,122
Total fund balances	<u>14,723,961</u>	<u>41,350,638</u>	<u>5,588,380</u>	<u>4,354,095</u>	<u>66,017,074</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,719,451</u>	<u>\$ 48,645,891</u>	<u>\$ 5,588,380</u>	<u>\$ 16,628,307</u>	<u>\$ 107,582,029</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Balance Sheet Reconciliation to
Statement of Net Position
June 30, 2022

Total fund balances - governmental fund types:	\$ 66,017,074
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.	139,368,610
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	5,683,907
Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds.	2,116,833
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.	(27,823,562)
Deferred inflows of resources related to pensions are not available financial resources and are not reported in the governmental funds.	(1,893,489)
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.	(266,663)
Net assets of government activities	<u><u>\$ 183,202,710</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, 2022

	General Fund	General Capital Projects	Special Revenue Impact Fee Parks	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES					
Taxes	\$ 14,233,890	\$ -	\$ -	\$ 3,295,560	\$ 17,529,450
Special assessments	-	-	-	195,754	195,754
Licenses and permits	6,384,743	-	-	-	6,384,743
Intergovernmental	6,933,678	44,533	-	-	6,978,211
Charges for services	2,128,537	-	-	75,330	2,203,867
Contributions	879,868	724,291	-	-	1,604,159
Impact fees	47,684	-	4,812,755	1,888,302	6,748,741
Miscellaneous	345,955	(87,616)	(1,823)	1,131	257,647
Total revenues	<u>30,954,355</u>	<u>681,208</u>	<u>4,810,932</u>	<u>5,456,077</u>	<u>41,902,572</u>
EXPENDITURES					
Current:					
General government	4,543,769	-	-	-	4,543,769
Public safety	4,690,939	-	-	-	4,690,939
Public works	5,504,196	-	136,152	376,944	6,017,292
Planning and zoning	630,500	-	-	-	630,500
Community development	3,410,084	-	-	3,012,463	6,422,547
Debt service:					
Principal retirement	25,773	-	-	365,184	390,957
Interest and fiscal charges	1,227	-	-	82,094	83,321
Bond issuance costs	-	-	-	-	-
Capital outlay	-	8,603,999	-	-	8,603,999
Total expenditures	<u>18,806,488</u>	<u>8,603,999</u>	<u>136,152</u>	<u>3,836,685</u>	<u>31,383,324</u>
Excess revenues over (under) expenditures	<u>12,147,867</u>	<u>(7,922,791)</u>	<u>4,674,780</u>	<u>1,619,392</u>	<u>10,519,248</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	430,000	-	-	-	430,000
Proceeds from capital lease	-	25,220,958	-	-	25,220,958
Bond issuance costs	-	(220,958)	-	-	(220,958)
Transfers in	1,209,563	19,070,485	-	-	20,280,048
Transfers out	(14,877,956)	-	(6,331,071)	(3,614,621)	(24,823,648)
Total other financing sources and uses	<u>(13,238,393)</u>	<u>44,070,485</u>	<u>(6,331,071)</u>	<u>(3,614,621)</u>	<u>20,886,400</u>
Net change in fund balance	(1,090,526)	36,147,694	(1,656,291)	(1,995,229)	31,405,648
Fund balances - beginning of year	15,814,487	5,202,944	7,244,671	6,349,324	34,611,426
Fund balances - end of year	<u>\$ 14,723,961</u>	<u>\$ 41,350,638</u>	<u>\$ 5,588,380</u>	<u>\$ 4,354,095</u>	<u>\$ 66,017,074</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, 2022

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

Net changes in fund balances - total governmental funds \$ 31,405,648

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. 5,675,811

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 12,940,112

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 3,294,499

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. (24,773,118)

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. 84,799

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 494,351

Change in net assets of governmental activities \$ 29,122,102

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities - Enterprise				Total	Governmental Activities Internal Service Funds
	Water	Sewer	Storm Drain	NonMajor Garbage		
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 31,599,041	\$ 6,977,222	\$ 417,139	1,571,340	\$ 40,564,742	\$ 1,974,204
Accounts receivable - net	1,126,679	760,142	133,977	219,241	2,240,039	425
Total current assets	<u>32,725,720</u>	<u>7,737,364</u>	<u>551,116</u>	<u>1,790,581</u>	<u>42,804,781</u>	<u>1,974,629</u>
Noncurrent assets:						
Restricted cash and cash equivalents	22,380,453	4,074,988	2,942,860	-	29,398,301	-
Net pension asset	184,157	133,979	22,244	-	340,380	87,768
Land, equipment, buildings and improv.	87,176,355	74,044,061	26,533,177	38,730	187,792,323	4,902,490
Less: Accumulated depreciation	<u>(24,025,376)</u>	<u>(17,720,826)</u>	<u>(4,897,306)</u>	<u>(14,562)</u>	<u>(46,658,070)</u>	<u>(2,976,802)</u>
Total noncurrent assets	<u>85,715,589</u>	<u>60,532,202</u>	<u>24,600,975</u>	<u>24,168</u>	<u>170,872,934</u>	<u>2,013,456</u>
Total assets	<u>118,441,309</u>	<u>68,269,566</u>	<u>25,152,091</u>	<u>1,814,749</u>	<u>213,677,715</u>	<u>3,988,085</u>
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding costs - net	288,216	382,054	-	-	670,270	-
Pension related costs	93,371	72,564	25,615	-	191,550	50,756
Total deferred outflow of resources	<u>381,587</u>	<u>454,618</u>	<u>25,615</u>	<u>-</u>	<u>861,820</u>	<u>50,756</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	1,476,558	572,331	28,412	157,838	2,235,139	207,118
Debt interest payable	27,266	59,044	-	-	86,310	-
Current - compensated absences	13,701	11,378	5,048	-	30,127	-
Current portion of long-term debt	<u>437,627</u>	<u>1,210,400</u>	<u>-</u>	<u>-</u>	<u>1,648,027</u>	<u>58,299</u>
Total current liabilities	<u>1,955,152</u>	<u>1,853,153</u>	<u>33,460</u>	<u>157,838</u>	<u>3,999,603</u>	<u>265,417</u>
Noncurrent liabilities:						
Deposits	103,500	-	-	-	103,500	-
Unearned Revenue	18,684,072	-	-	-	18,684,072	-
Compensated absences- (net of current)	15,451	16,375	7,895	-	39,721	13,339
Long-term debt (net of current portion)	<u>6,415,711</u>	<u>10,073,375</u>	<u>-</u>	<u>-</u>	<u>16,489,086</u>	<u>-</u>
Total noncurrent liabilities	<u>25,218,734</u>	<u>10,089,750</u>	<u>7,895</u>	<u>-</u>	<u>35,316,379</u>	<u>13,339</u>
Total liabilities	<u>27,173,886</u>	<u>11,942,903</u>	<u>41,355</u>	<u>157,838</u>	<u>39,315,982</u>	<u>278,756</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related costs	237,248	189,015	79,427	-	505,690	135,226
Total deferred outflow of resources	<u>237,248</u>	<u>189,015</u>	<u>79,427</u>	<u>-</u>	<u>505,690</u>	<u>135,226</u>
NET POSITION						
Net investment in capital assets	56,585,857	45,421,514	21,635,871	-	123,643,242	1,888,253
Restricted - impact fees	22,229,946	3,420,752	2,942,860	-	28,593,558	-
Restricted debt service	150,507	654,236	-	-	804,743	-
Unrestricted	<u>12,445,452</u>	<u>7,095,764</u>	<u>478,193</u>	<u>1,656,911</u>	<u>21,676,320</u>	<u>1,736,606</u>
Total net position	<u>\$ 91,411,762</u>	<u>\$ 56,592,266</u>	<u>\$ 25,056,924</u>	<u>1,656,911</u>	<u>\$ 174,717,863</u>	<u>\$ 3,624,859</u>
Adjustment to reflect the consolidation of internal service fund activities to the enterprise funds					<u>2,034,174</u>	
Net position business-type activities					<u>\$ 176,752,037</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, 2022

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Drain	Nonmajor Garbage	Total	
Operating revenues:						
Charges for services	\$ -	\$ -	\$ 880,016	\$ 2,222,398	\$ 3,102,414	\$ 1,815,989
Charges for services pledged as security on revenue bonds	6,608,907	6,802,667	-	-	13,411,574	-
Other operating income	7,539	-	-	-	7,539	52,128
Total operating revenues	6,616,446	6,802,667	880,016	2,222,398	16,521,527	1,868,117
Operating expenses:						
Salaries and wages	666,444	596,400	295,241	3,281	1,561,366	352,852
Purchased services	3,825,954	2,875,542	275,182	1,851,520	8,828,198	137,784
Supplies and materials	890,167	480,934	36,681	58,704	1,466,486	333,874
Depreciation and amortization	2,345,805	1,692,049	725,278	7,746	4,770,878	618,389
Miscellaneous	14,389	14,746	3,312	612	33,059	4,608
Total operating expenses	7,742,759	5,659,671	1,335,694	1,921,863	16,659,987	1,447,507
Operating income	(1,126,313)	1,142,996	(455,678)	300,535	(138,460)	420,610
Nonoperating revenues (expenses):						
Interest revenue	(164,139)	(3,522)	(772)	737	(167,696)	794
Developer reimbursements	(55,887)	(205,049)	(28,611)	-	(289,547)	-
Bond refunding cost amortization	(28,822)	(38,205)	-	-	(67,027)	-
Interest expense and fiscal charges	(187,116)	(266,299)	-	-	(453,415)	(3,866)
Total nonoperating revenues (expenses)	(435,964)	(513,075)	(29,383)	737	(977,685)	(3,072)
Net income (loss) before contributions and transfers	(1,562,277)	629,921	(485,061)	301,272	(1,116,145)	417,538
Developer contributions	5,679,444	4,210,953	3,916,268	-	13,806,665	-
Impact fees	7,747,694	3,416,461	748,939	-	11,913,094	-
Transfers in	-	4,543,599	-	-	4,543,599	-
Transfers out	-	-	-	-	-	-
Total contributions and transfers	13,427,138	12,171,013	4,665,207	-	30,263,358	-
Change in net position	11,864,861	12,800,934	4,180,146	301,272	29,147,213	417,538
Total net position - beginning	79,546,901	43,791,332	20,876,778	1,355,639		3,207,321
Total net position - ending	\$ 91,411,762	\$ 56,592,266	\$ 25,056,924	\$ 1,656,911		\$ 3,624,859
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					265,035	
Change in net position of business-type activities					<u>\$ 29,412,248</u>	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	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	\$ 15,731,852	\$ 6,611,229	\$ 822,886	\$ 2,202,220	\$ 25,368,187	\$ 1,867,942
Payments to suppliers	(3,922,246)	(3,519,640)	(312,228)	(1,896,024)	(9,650,138)	(392,732)
Payments to employees	(754,473)	(662,212)	(296,037)	(3,281)	(1,716,003)	(308,571)
Net cash provided (used) by operating activities	11,055,133	2,429,377	214,621	302,915	14,002,046	1,166,639
Cash Flows From Noncapital Financing Activities						
Transfers in	-	4,543,599	-	-	4,543,599	-
Transfers out	-	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	-	4,543,599	-	-	4,543,599	-
Cash Flows From Capital and Related Financing Activities						
Purchases of capital assets	(1,471,027)	(6,903,344)	(36,175)	-	(8,410,546)	(576,622)
Impact fees collected	7,747,694	3,416,461	748,939	-	11,913,094	-
Contributions	-	61,664	3,400	-	65,064	-
Payments for developer reimbursements	(55,887)	(205,049)	(28,611)	-	(289,547)	-
Principal paid on capital debt	(409,390)	(1,175,900)	-	-	(1,585,290)	(56,397)
Interest paid on capital debt	(228,765)	(319,848)	-	-	(548,613)	(3,866)
Net cash provided (used) by capital and related financing activities	5,582,625	(5,126,016)	687,553	-	1,144,162	(636,885)
Cash Flows From Investing Activities						
Interest and dividends received	(164,139)	(3,522)	(772)	737	(167,696)	794
Net increase (decrease) in cash and cash equivalents	16,473,619	1,843,438	901,402	303,652	19,522,111	530,548
Cash and cash equivalents - beginning	37,505,875	9,208,772	2,458,597	1,267,688	50,440,932	1,443,656
Cash and cash equivalents (deficit) - ending	<u>\$ 53,979,494</u>	<u>\$ 11,052,210</u>	<u>\$ 3,359,999</u>	<u>\$ 1,571,340</u>	<u>\$ 69,963,043</u>	<u>\$ 1,974,204</u>
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	\$ (1,126,313)	\$ 1,142,996	\$ (455,678)	\$ 300,535	\$ (138,460)	\$ 420,610
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization expense	2,345,805	1,692,049	725,278	7,746	4,770,878	618,389
(Increase)/decrease in accounts rec.	(290,775)	(191,438)	(57,130)	(20,178)	(559,521)	(175)
(Increase)/decrease in net pension asset	(184,157)	(133,979)	(22,244)	-	(340,380)	(87,768)
(Increase)/decrease in deferred outflows	(31,550)	(17,612)	12,714	-	(36,448)	(7,825)
Increase/(decrease) in accounts payable	809,764	(148,418)	2,947	14,812	679,105	167,695
Increase/(decrease) in compensated absences	6,649	70	1,362	-	8,081	1,194
Increase/(decrease) in net pension liability	(14,518)	(12,905)	(9,001)	-	(36,424)	(10,082)
Increase/(decrease) in deferred inflows	135,547	98,614	16,373	-	250,534	64,601
Increase/(decrease) in deferred revenue	9,406,181	-	-	-	9,406,181	-
Increase/(decrease) in deposits	(1,500)	-	-	-	(1,500)	-
Total adjustments	12,181,446	1,286,381	670,299	2,380	14,140,506	746,029
Net cash provided (used) by operating activities	<u>\$ 11,055,133</u>	<u>\$ 2,429,377</u>	<u>\$ 214,621</u>	<u>\$ 302,915</u>	<u>\$ 14,002,046</u>	<u>\$ 1,166,639</u>
Noncash investing, capital, and financing activities						
Contributions by developers	\$ 5,679,445	\$ 4,149,289	\$ 3,916,268	\$ -	\$ 13,745,002	\$ -
Total noncash investing, capital and financing activities	<u>\$ 5,679,445</u>	<u>\$ 4,149,289</u>	<u>\$ 3,916,268</u>	<u>\$ -</u>	<u>\$ 13,745,002</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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Government-wide and Fund Financial Statements

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

C. Measurement Focus, Basis of Accounting, and Presentation

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

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

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

Additionally, the government reports the following fund types:

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

H. Compensated Absences

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

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

I. Taxes

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022

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, 2021, for the 2022 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, 2022

- 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continue)

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	\$ 47,684	\$ 25,003,301	\$ 5,588,380	\$ 3,633,433	\$ 34,272,798
Special assessments	-	-	-	-	-
	<u>47,684</u>	<u>25,003,301</u>	<u>5,588,380</u>	<u>3,633,433</u>	<u>34,272,798</u>
Committed:					
Capital improvements	3,234,155	-	-	-	3,234,155
	<u>3,234,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,234,155</u>
Assigned:					
Capital improvements	-	16,347,337	-	-	16,347,337
Debt service	-	-	-	217,249	217,249
Redevelopment	-	-	-	303,414	303,414
Cemetery	-	-	-	199,999	199,999
	<u>-</u>	<u>16,347,337</u>	<u>-</u>	<u>720,662</u>	<u>17,067,999</u>
Unassigned	11,442,122	-	-	-	11,442,122
Total fund balances	<u>\$ 14,723,961</u>	<u>\$ 41,350,638</u>	<u>\$ 5,588,380</u>	<u>\$ 4,354,095</u>	<u>\$ 66,017,074</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, 2022

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	\$190,023,609
Accumulated depreciation	<u>(50,654,999)</u>
Net adjustment to increase <i>fund balance total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>)	<u>\$139,368,610</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	\$ (195,754)
Notes receivable	5,875,700
Delinquent property taxes	<u>3,961</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$5,683,907</u>

3. Long-term debt transactions:

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

Bonds payable	(\$23,330,000)
Lease Payable	(212,938)
Note Payable	(1,460,369)
Bond interest payable	(197,403)
Bond premium	(2,311,312)
Net Pension Liability	(-)
Compensated absences	(311,540)

Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>(\$27,823,562)</u>
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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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	\$ 10,765,893
Depreciation expense	<u>(5,090,082)</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>\$ 5,675,811</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	\$ (22,915,000)
Bond Premium	(2,305,958)
Amortization of bond premiums	486
Principal paid on bonds and capital lease	<u>447,354</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>\$ (24,773,118)</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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	\$	(166,304)
Pension related costs		687,990
Compensated absences		<u>(30,630)</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>491,056</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, 2022

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, 2022

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, 2022, the City’s cash balance consisted of the following:

	<u>All Fund Types</u>
Cash, cash equivalents, and temporary cash investments	\$ 69,718,035
Cash, cash equivalents, restricted	63,888,348
Total cash and cash equivalents	\$ 133,606,383

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:

<u>Depository Account</u>	<u>Custodial Credit Risk</u>	<u>Balance June 30, 2022</u>
Checking and savings	Insured and collateralized	\$ 250,000
Checking and savings	Uninsured and uncollateralized	25,914,977
Investment sweep	Uninsured and uncollateralized	35,569,864
Total deposits		\$ 61,734,841

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments

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

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard and Poor’s; bankers’ acceptances; obligations of the U.S. Treasury, including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund. All investments held by the City on June 30, 2020, comply with the provisions of the Act.

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

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

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses (net of administration fees of the PTIF) are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. There’s no required participation and no minimum balance or minimum/maximum participant withdrawal requirements.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022, the City had the following recurring fair value measurements.

Investments	Investment Maturities (in Years)					Quality Ratings
	Less Than 1	1-5	6-10	More than 10		
Utah Public Treasurer's Investment Fund	\$ 71,885,491	\$ -	\$ -	\$ -	\$ -	-
Morten Asset Management Account	-	22,977,045	-	-	-	-
Total investments	<u>\$ 71,885,491</u>	<u>\$ 22,977,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-

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

- Utah Public Treasurers Investment Fund – Application of the June 30, 2022, fair value factor, as calculated by the Utah State Treasurer, to the City's ending balances in the fund.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022, the City had the following investments:

Investments	Investment Maturities (in Years)				Quality Ratings
	Less Than 1	1-5	6-10	More than 10	
Utah Public Treasurer's Investment Fund	\$ 72,183,712	\$ -	\$ -	\$ -	\$ -
Morten Asset Management Account	-	22,977,045	-	-	-
Total investments	<u>\$ 72,183,712</u>	<u>\$ 22,977,045</u>	<u>\$ -</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, 2022

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

Investments	Fair Value	Quality Ratings			
		AAA	AA	More than A	Unrated
Utah Public Treasurer's Investment Fund	\$ 71,885,491	\$ -	\$ -	\$ -	\$ 71,885,491
Morten Asset Management Account	22,977,045	6,882,619	-	11,138,812	4,955,614
Total investments	<u>\$ 94,862,536</u>	<u>\$ 6,882,619</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,841,105</u>

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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 Gov't'l	Total
Receivables:								
Accounts	\$ 134,064	\$ 53,447	\$ 1,145,990	\$ 775,676	\$ 136,662	\$ 233,803		\$ 2,479,642
Interest	97,365							97,365
Taxes	4,215,182		-	-	-	-	9,256,544	13,471,726
Special								
Assessments	-	58,448	-	-	-	-	289,589	348,037
Intergovernmental	2,758,170		-	-	-	-	-	2,758,170
Less: allowance for uncollectible accounts	(564)		(19,311)	(15,534)	(2,685)	(14,562)	-	(52,656)
	<u>\$ 7,204,217</u>	<u>\$ 111,895</u>	<u>\$ 1,126,679</u>	<u>\$ 760,142</u>	<u>\$ 133,977</u>	<u>\$ 219,241</u>	<u>\$ 9,546,133</u>	<u>\$ 19,102,284</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, 2022, 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, 2022, the note balance was \$1,345,718. This note is reported in the capital projects fund.

During fiscal year 2022, 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, 2022, the note balance was \$4,024,977. This note is reported in the capital projects fund.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 7 – INTERFUND RECEIVABLES AND TRANSFERS

Transfers of the City consist of the following:

Transfer In:	<u>General</u>	<u>Capital Projects</u>	<u>Park Impact Fee</u>	<u>Nonmajor Govrmtl.</u>	<u>Total</u>
General	\$ -	\$ -	\$ -	\$ 1,209,563	\$ 1,209,563
Nonmajor govtl.	-	-	-	-	-
Capital projects	10,334,357	-	6,331,071	2,405,058	19,070,486
Internal Service	-	-	-	-	-
Business type	4,543,599	-	-	-	4,543,599
Total transfer out	<u>\$ 14,877,956</u>	<u>\$ -</u>	<u>\$ 6,331,071</u>	<u>\$ 3,614,621</u>	<u>\$ 24,823,648</u>

The City transferred monies to support capital project payments in the capital projects fund. The City also transferred monies to support operations in the economic development fund. The General fund transferred monies from the federal ARPA funds to the Sewer fund. The funds were used in the construction of a sewer plant expansion.

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)	\$ 2,179,429	\$ 2,179,429
Property tax receivable (RDA fund)	9,256,544	9,256,544
Property tax delinquent	23,623	
Notes receivable	5,370,695	
Special assessments (special revenue fund)	<u>289,589</u>	
Total	<u>\$17,119,880</u>	<u>\$ 11,435,973</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

Primary Government	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 6,682,458	\$ -	\$ 430,000	\$ 6,252,458
Construction in progress	16,290,198	6,856,090	14,953,344	8,192,944
Total capital assets not being depreciated	<u>22,972,656</u>	<u>6,856,090</u>	<u>15,383,344</u>	<u>14,445,402</u>
Capital assets being depreciated:				
Buildings	4,701,443	264,330	-	4,965,773
Improvements	5,730,728	5,829,012	-	11,559,740
Machinery and equipment	7,101,110	840,103	-	7,941,213
Infrastructure	125,823,667	25,287,814	-	151,111,481
Total capital assets being depreciated	<u>143,356,948</u>	<u>32,221,259</u>	<u>-</u>	<u>175,578,207</u>
Less accumulated depreciation for:				
Buildings	1,472,901	126,744	-	1,599,645
Improvements	886,139	203,246	-	1,089,385
Machinery and equipment	4,100,409	848,723	-	4,949,132
Infrastructure	39,105,468	3,911,369	-	43,016,837
Total accumulated depreciation	<u>45,564,917</u>	<u>5,090,082</u>	<u>-</u>	<u>50,654,999</u>
Total capital assets, being depreciated, net	<u>97,792,031</u>	<u>27,131,177</u>	<u>-</u>	<u>124,923,208</u>
Governmental activities capital assets, net	<u>\$ 120,764,687</u>	<u>\$ 33,987,267</u>	<u>\$ 15,383,344</u>	<u>\$ 139,368,610</u>
Business-type activities:	Beginning			Ending
Business-type activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Construction in progress	\$ 25,311,052	\$ 888,830	\$ 24,708,086	\$ 1,491,796
Land	3,690,765	5,151,413	-	8,842,178
Water shares	1,498,676	-	-	1,498,676
Total capital assets not being depreciated	<u>30,500,493</u>	<u>6,040,243</u>	<u>24,708,086</u>	<u>11,832,650</u>
Capital assets being depreciated:				
Buildings	3,715,254	-	-	3,715,254
Equipment and systems	131,277,257	40,820,010	-	172,097,268
Right to use assets	-	147,150	-	147,150
Total capital assets being depreciated	<u>134,992,511</u>	<u>40,967,160</u>	<u>-</u>	<u>175,959,672</u>
Less accumulated depreciation for:				
Buildings	2,068,289	103,960	-	2,172,249
Equipment and systems	39,818,902	4,660,787	-	44,479,689
Right to use assets	-	6,131	-	6,131
Total accumulated depreciation	<u>41,887,191</u>	<u>4,770,878</u>	<u>-</u>	<u>46,658,069</u>
Total capital assets, being depreciated, net	<u>93,105,320</u>	<u>36,196,282</u>	<u>-</u>	<u>129,301,603</u>
Business-type activities capital assets, net	<u>\$ 123,605,813</u>	<u>\$ 42,236,525</u>	<u>\$ 24,708,086</u>	<u>\$ 141,134,253</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 8 - CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 102,564
Public safety	2,557
Public works	4,884,927
Planning	-
Community development	100,034
Total depreciation expense - governmental activities	\$ 5,090,082

Business-type activities:

Water	\$ 2,345,805
Sewer	1,692,049
Storm drain	725,278
Garbage	7,746
Total depreciation expense - business-type activities	\$ 4,770,878

Total depreciation expense	\$ 9,860,960
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The City has various construction projects as of June 30, 2022. The City's commitments with contractors are as follows:

Project	Remaining Commitment
Road projects	1,601,266
Sewer projects	635,532
Water projects	299,991
Total	\$ 3,282,241

NOTE 9 – LONG-TERM DEBT

Bonds and notes payable at June 30, 2022, 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, 2022

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2023	\$ 30,000	\$ 20,750	\$ 50,750
2024	30,000	19,662	49,662
2025	30,000	18,088	48,088
2026	35,000	16,512	51,512
2027	35,000	14,674	49,674
2028-2032	205,000	44,588	249,588
2033	50,000	2,500	52,500
Total	<u>\$ 415,000</u>	<u>\$ 136,774</u>	<u>\$ 551,774</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
2023	\$ 774,000	\$ 32,570	\$ 806,570
2024	430,000	24,830	454,830
2025	460,000	20,530	480,530
2026	495,000	15,830	510,830
2027	530,000	10,980	540,980
2028-2029	568,000	5,760	573,760
Total	<u>\$ 3,257,000</u>	<u>\$ 110,500</u>	<u>\$ 3,367,500</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, 2022, \$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, 2022

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2023	\$ 114,000	\$ 28,982	\$ 142,982
2024	131,000	27,038	158,038
2025	133,000	25,076	158,076
2026	136,000	22,824	158,824
2027	138,000	20,536	158,536
2028-2032	726,000	66,856	792,856
2033-2034	194,000	9,958	203,958
Total	<u>\$ 1,572,000</u>	<u>\$ 201,270</u>	<u>\$ 1,773,270</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
2023	\$ 225,000	\$ 367,225	\$ 592,225
2024	235,000	360,325	595,325
2025	255,000	351,700	606,700
2026	285,000	340,900	625,900
2027	890,000	317,400	1,207,400
2028-2032	7,490,000	867,200	8,357,200
Total	<u>\$ 9,380,000</u>	<u>\$ 2,604,750</u>	<u>\$ 11,984,750</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, 2022

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2023	\$ 495,000	\$ 63,920	\$ 558,920
2024	520,000	43,600	563,600
2025	545,000	22,300	567,300
2026	285,000	5,700	290,700
Total	<u>\$ 1,845,000</u>	<u>\$ 135,520</u>	<u>\$ 1,980,520</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
2023	\$ 26,000	\$ 12,100	\$ 38,100
2024	27,000	11,840	38,840
2025	28,000	11,570	39,570
2026	28,000	11,290	39,290
2027	29,000	11,010	40,010
2028-2032	155,000	50,600	205,600
2033-2037	180,000	42,350	222,350
2038-2042	201,000	32,880	233,880
2043-2047	214,000	22,570	236,570
2048-2049	322,000	6,000	328,000
Total	<u>\$ 1,210,000</u>	<u>\$ 212,210</u>	<u>\$ 1,422,210</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, 2022

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2023	\$ 1,030,000	\$ 779,747	\$ 1,809,747
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
2028-2032	4,815,000	4,221,000	9,036,000
2033-2037	6,135,000	2,911,489	9,046,489
2038-2042	7,845,000	1,215,100	9,060,100
Total	<u>\$ 22,915,000</u>	<u>\$ 9,155,497</u>	<u>\$ 18,090,497</u>

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
2023	\$ 190,703	\$ 43,519	\$ 234,222
2024	196,386	37,836	234,222
2025	202,238	31,984	234,222
2026	208,265	25,957	234,222
2027	214,471	19,751	234,222
2028-2030	448,306	20,138	468,444
Total	<u>\$ 1,460,369</u>	<u>\$ 179,185</u>	<u>\$ 1,639,554</u>

10. Leases payable

At the end of the year, the City has entered into 4 lease agreements for machinery, buildings and equipment. The combined leases have a combined present value of \$ 351,797. 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 the business type activity funds. The financed purchase leases will be depreciated over the useful lives of the assets. These leases are recorded in the governmental activity funds. There are no residual value guarantees in the lease provisions.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – LONG-TERM DEBT (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 84,072	\$ 1,227	\$ 85,299
2024	25,774	1,227	27,001
2025	25,773	1,227	27,000
2026	25,773	1,227	27,000
2027	25,773	1,227	27,000
2028	25,773	1,227	27,000
Total	<u>\$ 212,938</u>	<u>\$ 7,362</u>	<u>\$ 220,300</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 14,027	\$ 1,557	\$ 15,584
2024	14,192	1,392	15,584
2025	14,361	1,224	15,585
2026	14,530	1,054	15,584
2027	14,702	883	15,585
2028-2032	67,047	1,789	68,836
Total	<u>\$ 138,859</u>	<u>\$ 7,899</u>	<u>\$ 146,758</u>

11. Changes in long term liabilities

Changes in bonds payable, deferred items, capital leases, and compensated absences during the fiscal year June 30, 2022, were as follows:

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 9 – LONG-TERM DEBT (Continued)

	July 1 2021	Additions	Reductions	June 30 2022	Due in One Yr
Governmental Activities:					
Bonds Payable					
2014 Special assessment bond	\$ 595,000	\$ -	\$ 180,000	\$ 415,000	\$ 30,000
Unamortized bond premium	5,840	-	486	5,354	-
2022 Sales Tax Bond	-	22,915,000	-	22,915,000	1,030,000
Unamortized bond premium	-	2,305,958	-	2,305,958	-
Total bonds payable	<u>600,840</u>	<u>25,220,958</u>	<u>180,486</u>	<u>25,641,312</u>	<u>1,060,000</u>
Leases payable	295,108	-	82,170	212,938	84,072
Notes payable	1,645,553	-	185,184	1,460,369	190,703
Net pension liability	124,891	-	124,891	-	-
Compensated absences	279,716	161,726	129,902	311,540	124,616
Gov't activities long-term debt	<u>\$ 2,946,108</u>	<u>\$ 25,382,684</u>	<u>\$ 702,633</u>	<u>\$ 27,626,159</u>	<u>\$ 1,459,391</u>
Business-Type Activities:					
Bonds payable:					
2009 sewer revenue bond	\$ 4,026,000	\$ -	\$ 769,000	\$ 3,257,000	\$ 774,000
2013 water quality revenue bond	1,685,000	-	113,000	1,572,000	114,000
2014 water and sewer refunding bond	9,565,000	-	185,000	9,380,000	225,000
Unamortized bond premium	677,250	-	61,568	615,682	-
2018A water and sewer refunding bond	2,330,000	-	485,000	1,845,000	495,000
Unamortized bond premium	148,216	-	29,644	118,572	-
2018B water and sewer revenue bond	1,235,000	-	25,000	1,210,000	26,000
Total bonds payable	<u>19,666,466</u>	<u>-</u>	<u>1,668,212</u>	<u>17,998,254</u>	<u>1,634,000</u>
Leases payable	-	147,149	8,290	138,859	14,027
Net pension liability	36,424	-	36,424	-	-
Compensated absences	62,767	33,900	26,819	69,848	30,127
Business type long-term debt	<u>\$ 19,765,657</u>	<u>\$ 181,049</u>	<u>\$ 1,739,745</u>	<u>\$ 18,206,961</u>	<u>\$ 1,678,154</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022

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	16.070%	0.620%
Noncontributory				
15 - Local Governmental Division Tier 1	N/A	N/A	16.470%	N/A
Firefighters Retirement				
32 - Other Division B	16.71	N/A	7.240%	N/A
132 -Tier 2 DB Hybrid Firefighters	2.27	N/A	14.080%	N/A
Tier 20 DC Only				
211 Local Government	N/A	N/A	6.690%	10.000%
232 - Firefighters	N/A	N/A	0.080%	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, 2022, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 381,839	N/A
Tier 2 Public Employee System	418,026	-
Tier 2 DC Only System	31,890	N/A
	<u>\$ 831,755</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, 2022 the City reported a net pension asset of \$1,724,312 and a net pension liability of \$0.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	\$ 1,671,384	\$ -	0.2918374%	0.2809756%	0.0108618%
Tier 2 Public Employees System	52,928	-	0.1250546%	0.1195348%	0.0055198%
Total Net Pension Asset/Liability	<u>\$ 1,724,312</u>	<u>\$ -</u>			

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the System during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2022, the City recognized pension expense of (\$22,598). At June 30, 2022 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	\$ 200,772	\$ 6,819
Changes in assumptions	206,217	11,288
Net difference between projected and actual earnings on the pension plan investments	-	2,381,072
Changes in proportion and differences between contributions and proportionate shares of contributions	83,958	-
Contributions subsequent to the measurement date	433,504	-
Total	<u>\$ 924,451</u>	<u>\$ 2,399,179</u>

\$433,504 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, 2021. 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
2022	\$ (359,939)
2023	\$ (655,920)
2024	\$ (566,035)
2025	\$ (386,773)
2026	\$ 10,541
Thereafter	\$ 49,894

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense of \$(206,663) for the noncontributory system. At June 30, 2022 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	\$ 175,059	\$ -
Changes in assumptions	-	10,738
Net difference between projected and actual earnings on the pension plan investments	-	2,250,294
Changes in proportion and differences between contributions and proportionate shares of contributions	51,459	-
Contributions subsequent to the measurement date	196,807	-
Total	\$ 423,325	\$ 2,261,032

\$196,807 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, 2021. 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
2022	\$ (335,646)
2023	\$ (624,697)
2024	\$ (543,461)
2025	\$ (373,894)
2026	\$ -
Thereafter	\$ -

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

For the year ended June 30, 2022, the City recognized pension expense of \$184,065. At June 30, 2022 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, 2022

NOTE 10 – STATE RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,713	\$ 6,819
Changes in assumptions	49,351	500
Net difference between projected and actual earnings on the pension plan investments	-	130,778
Changes in proportion and differences between contributions and proportionate shares of contributions	32,499	-
Contributions subsequent to the measurement date	236,697	-
Total	<u>\$ 344,260</u>	<u>\$ 138,097</u>

\$236,697 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, 2021. 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
2022	\$ (24,294)
2023	\$ (31,223)
2024	\$ (22,574)
2025	\$ (12,879)
2026	\$ 10,541
Thereafter	\$ 49,894

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Actuarial assumptions – The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	11.40%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

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

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

Sensitivity of the City’s proportionate share of the net pension asset and liability to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Proportion Share of			
Noncontributory Systems	\$ 898,754	\$ (1,671,384)	\$ (3,815,663)
Tier 2 Public Employees System	315,355	(52,928)	(335,693)
Total	\$ 1,214,109	\$ (1,724,312)	\$ (4,151,356)

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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>2022</u>	<u>2021</u>	<u>2020</u>
401(k) Plan			
Employer Contributions	\$ 174,303	\$ 131,040	\$ 90,199
Employee Contributions	78,150	62,453	53,295
457 Plan			
Employer Contributions	246,546	237,828	233,773
Employee Contributions	201,577	175,792	173,596
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	47,051	46,174	32,185

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, 2022

NOTE 12 - RISK MANAGEMENT

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

NOTE 13 – CONTINGENT LIABILITIES

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

NOTE 14 – REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY

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

Property Tax Increment Received:	
Project Area 1:	
Town Center	\$ 174,290
Project Area 2:	
750 West	206,406
Project Area 3:	
SR-193	677,872
Project Area 4	
Antelope Drive	80,932
Total Tax increment received by RDA	\$ 1,139,500
 Property Tax Increment Expended:	
Administrative costs	\$ 73,785
Reimbursements of site improvements	1,080,091
Site and Improvements	-
Total tax increment expended by RDA	\$ 1,153,876

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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. Those affected have been cooperating with authorities. At this time no City or vendor employees are under suspicion of wrongdoing. The City previously prepared for the possibility of a cybercrime negatively impacting available financial resources by purchasing an insurance policy that deals directly with cybercrimes and attacks. Eagle Mountain City is working with the insurance company to be reimbursed for the loss.

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, 2022

NOTE 1 – CHANGE IN ASSUMPTIONS

The investment return assumption was decreased by .010% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumptions change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

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, 2022
 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%
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%

* 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, 2022
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%
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%
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%

* Contributions in Tier 2 include an amortization rate to help the unfunded liabilities in the Tier 1 systems.

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance Detail
Budget to Actual
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 13,893,889	\$ 13,893,889	\$ 14,233,890	\$ 340,001
Licenses and permits	4,244,700	4,244,700	6,384,743	2,140,043
Intergovernmental	1,711,300	1,711,300	6,933,678	5,222,378
Charges for services	1,527,617	1,527,617	2,128,537	600,920
Impact fees	-	-	47,684	47,684
Contributions	500,000	500,000	879,868	379,868
Miscellaneous	233,850	233,850	345,955	112,105
Total revenues	<u>22,111,356</u>	<u>22,111,356</u>	<u>30,954,355</u>	<u>8,842,999</u>
EXPENDITURES				
Current:				
General government:				
Legislative	113,857	113,857	100,544	13,313
Recorders	437,168	474,168	433,583	40,585
Attorney	165,000	167,250	129,076	38,174
Executive	628,444	628,444	683,997	(55,553)
Finance	618,906	643,906	566,321	77,585
Engineering	622,728	662,728	710,357	(47,629)
Human Resource	259,214	260,714	255,491	5,223
Information Technology	465,466	530,873	562,721	(31,848)
Public Information	292,507	292,507	278,222	14,285
Building Maintenance	679,289	877,458	823,457	54,001
Total general government	<u>4,282,579</u>	<u>4,651,905</u>	<u>4,543,769</u>	<u>108,136</u>
Public safety				
Police	4,318,534	4,403,618	4,690,939	(287,321)
Planning and zoning	935,811	935,811	630,500	305,311
Public works				
Streets and Roads	3,533,050	4,195,582	3,601,334	594,248
Parks	2,220,945	2,147,029	1,902,862	244,167
Total public works	<u>5,753,995</u>	<u>6,342,611</u>	<u>5,504,196</u>	<u>838,415</u>
Community development				
Recreation	333,944	333,944	285,463	48,481
Special events	318,365	343,365	308,086	35,279
Building	1,258,368	1,263,068	1,191,550	71,518
Library	452,562	464,562	451,486	13,076
Economic development	260,266	260,266	1,173,499	(913,233)
Total community development	<u>2,623,505</u>	<u>2,665,205</u>	<u>3,410,084</u>	<u>(744,879)</u>
Debt Service				
Principal retirement	25,773	25,773	25,773	-
Interest	1,227	1,227	1,227	-
Total debt services	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>-</u>
Total expenditures	<u>17,941,424</u>	<u>19,026,150</u>	<u>18,806,488</u>	<u>219,662</u>
Excess (deficit) of revenues over (under) expenditures	<u>4,169,932</u>	<u>3,085,206</u>	<u>12,147,867</u>	<u>9,062,661</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	430,000	430,000
Proceeds from capital lease	-	-	-	-
Transfers in	-	-	1,209,563	1,209,563
Transfers out	-	-	(14,877,956)	(14,877,956)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,238,393)</u>	<u>(13,238,393)</u>
Net change in fund balance	4,169,932	3,085,206	(1,090,526)	(4,175,732)
Fund balances - beginning	15,814,487	15,814,487	15,814,487	-
Fund balances - ending	<u>\$ 19,984,419</u>	<u>\$ 18,899,693</u>	<u>\$ 14,723,961</u>	<u>\$ (4,175,732)</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Parks Impact Fee
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ (1,823)	\$ (1,823)
Impact fees	-	-	4,812,755	4,812,755
Total revenues	-	-	4,810,932	4,810,932
EXPENDITURES				
Public works	-	55,000	136,151	(81,151)
Total expenditures	-	55,000	136,151	(81,151)
Excess (deficit) of revenues over (under) expenditures	-	(55,000)	4,674,781	4,729,781
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(5,964,129)	(6,331,072)	(366,943)
Total other financing sources	-	(5,964,129)	(6,331,072)	(366,943)
Net change in fund balance	-	(6,019,129)	(1,656,291)	4,362,838
Fund balances - beginning	2,820,024	2,820,024	7,244,671	4,424,647
Fund balances - ending	<u>\$ 2,820,024</u>	<u>\$ (3,199,105)</u>	<u>\$ 5,588,380</u>	<u>\$ 8,787,485</u>

EAGLE MOUNTAIN CITY
NOTES TO THE REQUIRED SUPPLEMENTARY STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022

	Debt Service	Capital Projects			Special Revenue			Total Nonmajor Governmental Funds	
	Special Assess. Area -2014	Special Improv. 2000-1	Special Improv. District 98-1	Special Improv. District 98-3	Special Improv. District 97-1	Impact Fee Transportation	Cemetery		RDA
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,053	\$ 3,027,439	\$ 3,231,492
Restricted cash	217,249	-	-	-	-	3,633,433	-	-	3,850,682
Receivables (net):									
Special assessments	289,589	-	-	-	-	-	-	-	289,589
Taxes								9,256,544	9,256,544
Total assets	<u>\$ 506,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,633,433</u>	<u>\$ 204,053</u>	<u>\$ 12,283,983</u>	<u>\$ 16,628,307</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities:									
Accounts payable & accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,054	\$ 2,724,025	\$ 2,728,079
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,054</u>	<u>2,724,025</u>	<u>2,728,079</u>
Deferred inflows of resources:									
Deferred property taxes levied for future years								9,256,544	9,256,544
Deferred for Special Assessments	289,589	-	-	-	-	-	-	-	289,589
Total deferred inflows of resources:	<u>289,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,256,544</u>	<u>9,546,133</u>
Fund Balances:									
Fund balances restricted for:									
Impact fees	-	-	-	-	-	3,633,433	-	-	3,633,433
Assigned for:									
Debt service fund	217,249	-	-	-	-	-	-	-	217,249
Special revenue funds	-	-	-	-	-	-	199,999	303,414	503,413
Total fund balances	<u>217,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,633,433</u>	<u>199,999</u>	<u>303,414</u>	<u>4,354,095</u>
Total Liabilities, Deferred inflows of resources, and fund balances	<u>\$ 506,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,633,433</u>	<u>\$ 204,053</u>	<u>\$ 12,283,983</u>	<u>\$ 16,628,307</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Debt Service		Capital Projects			Special Revenue			Total Nonmajor Governmental Funds
	Special Assess. Area -2014	Debt Service 2000-1	Special Improv. Dist. 98-1	Special Improv. Dist. 98-3	Special Improv. Revenue 97-1	Impact Fee Transportation	Cemetery	RDA	
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,295,560	\$ 3,295,560
Special assessments	195,754	-	-	-	-	-	-	-	195,754
Impact fees	-	-	-	-	-	1,888,302	-	-	1,888,302
Charges for services	-	-	-	-	-	-	75,330	-	75,330
Miscellaneous	391	-	-	-	-	740	-	-	1,131
Total revenues	<u>196,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,889,042</u>	<u>75,330</u>	<u>3,295,560</u>	<u>5,456,077</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public works	20,000	-	-	-	-	356,944	-	-	376,944
Community Development	-	-	-	-	-	-	20,187	2,992,276	3,012,463
Debt service:									
Principal retirement	180,000	-	-	-	-	185,184	-	-	365,184
Interest and fiscal charges	33,056	-	-	-	-	49,038	-	-	82,094
Total expenditures	<u>233,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,166</u>	<u>20,187</u>	<u>2,992,276</u>	<u>3,836,685</u>
Excess revenues over (under) expenditures	<u>(36,911)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,297,876</u>	<u>55,143</u>	<u>303,284</u>	<u>1,619,392</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(17)	(113,956)	(369,820)	(725,772)	(2,405,056)	-	-	(3,614,621)
Total other financing sources and uses	<u>-</u>	<u>(17)</u>	<u>(113,956)</u>	<u>(369,820)</u>	<u>(725,772)</u>	<u>(2,405,056)</u>	<u>-</u>	<u>-</u>	<u>(3,614,621)</u>
Excess revenues and other sources over (under) expend. and other uses	<u>(36,911)</u>	<u>(17)</u>	<u>(113,956)</u>	<u>(369,820)</u>	<u>(725,772)</u>	<u>(1,107,180)</u>	<u>55,143</u>	<u>303,284</u>	<u>(1,995,229)</u>
Fund balances - beginning of year	254,160	17	113,956	369,820	725,772	4,740,613	144,856	130	6,349,324
Fund balances - end of year	<u>\$ 217,249</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,633,433</u>	<u>\$ 199,999</u>	<u>\$ 303,414</u>	<u>\$ 4,354,095</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, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 126,750	\$ 126,750	\$ 195,754	\$ 69,004
Miscellaneous	-	-	391	391
Total revenues	126,750	126,750	196,145	69,395
EXPENDITURES				
Public works	21,750	21,750	20,000	1,750
Debt service				
Principal	55,000	55,000	180,000	(125,000)
Interest and fees	50,000	50,000	33,056	16,944
Total expenditures	126,750	126,750	233,056	(106,306)
Excess (deficit) of revenues over (under) expenditures	-	-	(36,911)	(36,911)
OTHER FINANCING SOURCES (USES)				
Total other financing sources	-	-	-	-
Net change in fund balance	-	-	(36,911)	(36,911)
Fund balances - beginning	254,160	254,160	254,160	-
Fund balances - ending	\$ 254,160	\$ 254,160	\$ 217,249	\$ (36,911)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,075,350	\$ 5,075,350	\$ 44,533	\$ (5,030,817)
Contributions	-	-	724,291	724,291
Miscellaneous	-	-	(87,616)	(87,616)
Total Revenues	<u>5,075,350</u>	<u>5,075,350</u>	<u>681,208</u>	<u>(4,394,142)</u>
EXPENDITURES				
Current:				
Capital outlay	18,461,000	20,145,200	8,603,999	11,541,201
Debt Service				
Bond Issuance Costs	-	-	220,958	(220,958)
Total expenditures	<u>18,461,000</u>	<u>20,145,200</u>	<u>8,824,957</u>	<u>11,320,243</u>
Excess (deficit) of revenues over (under) expenditures	<u>(13,385,650)</u>	<u>(15,069,850)</u>	<u>(8,143,749)</u>	<u>6,926,101</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	7,000,000	7,000,000	25,220,958	18,220,958
Transfers in	4,863,379	4,863,379	19,070,485	14,207,106
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>4,863,379</u>	<u>11,863,379</u>	<u>44,291,443</u>	<u>32,428,064</u>
Net change in fund balance	(8,522,271)	(3,206,471)	36,147,694	39,354,165
Fund balances - beginning	5,202,944	5,202,944	5,202,944	-
Fund balances - ending	<u>\$ (3,319,327)</u>	<u>\$ 1,996,473</u>	<u>\$ 41,350,638</u>	<u>\$ 39,354,165</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Improvement District 98-1
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Impact fees	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficit) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers out		-	(133,956)	(133,956)
Total other financing sources	-	-	(133,956)	(133,956)
Net Change in Fund Balance	-	-	(133,956)	(133,956)
Fund balances - beginning	133,956	133,956	133,956	-
Fund balances - ending	\$ 133,956	\$ 133,956	\$ -	\$ (133,956)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Improvement District 98-3
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Impact fees	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Public works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out		-	(369,820)	(369,820)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(369,820)</u>	<u>(369,820)</u>
Net change in fund balance	-	-	(369,820)	(369,820)
Fund balances - beginning	369,820	369,820	369,820	-
Fund balances - ending	<u>\$ 369,820</u>	<u>\$ 369,820</u>	<u>\$ -</u>	<u>\$ (369,820)</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Special Improvement District 97-1
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Impact fees	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficit) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	-	(725,772)	(725,772)
Total other financing sources	-	-	(725,772)	(725,772)
Net change in fund balance	-	-	(725,772)	(725,772)
Fund balances - beginning	725,772	725,772	725,772	-
Fund balances - ending	\$ 725,772	\$ 725,772	\$ -	\$ (725,772)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Transportation Impact Fee
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 740	\$ 740
Impact fees	-	-	1,888,302	1,888,302
Total revenues	-	-	1,889,042	1,889,042
EXPENDITURES				
Public works	-	112,000	356,944	(244,944)
Debt service:				
Principal retirement	-	-	185,184	(185,184)
Interest and fiscal charges	-	-	49,038	(49,038)
Total expenditures	-	112,000	591,166	(479,166)
Excess (deficit) of revenues over (under) expenditures	-	(112,000)	1,297,876	1,409,876
OTHER FINANCING SOURCES (USES)				
Operating transfers in		-	-	-
Operating transfers out	-	(1,897,290)	(2,405,056)	(507,766)
Total other financing sources	-	(1,897,290)	(2,405,056)	(507,766)
Net change in fund balance	-	(2,009,290)	(1,107,180)	902,110
Fund balances - beginning	4,740,613	4,740,613	4,740,613	-
Fund balances - ending	\$ 4,740,613	\$ 2,731,323	\$ 3,633,433	\$ 902,110

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Cemetery Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 50,500	\$ 50,500	\$ 75,330	\$ 24,830
Intergovernmental	-	-	-	-
Total revenues	50,500	50,500	75,330	24,830
EXPENDITURES				
Community Development	50,009	50,009	20,187	29,822
Total expenditures	50,009	50,009	20,187	29,822
Excess (deficit) of revenues over (under) expenditures	491	491	55,143	54,652
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	491	491	55,143	54,652
Fund balances - beginning	144,856	144,856	144,856	-
Fund balances - ending	\$ 145,347	\$ 145,347	\$ 199,999	\$ 54,652

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Redevelopment Agency
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Totals</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Taxes	\$ 7,742,407	\$ 7,742,407	\$ 3,295,560	\$ (4,446,847)
Total revenues	<u>7,742,407</u>	<u>7,742,407</u>	<u>3,295,560</u>	<u>(4,446,847)</u>
EXPENDITURES				
Community Development	<u>7,742,407</u>	<u>7,742,407</u>	<u>2,992,276</u>	<u>4,750,131</u>
Total expenditures	<u>7,742,407</u>	<u>7,742,407</u>	<u>2,992,276</u>	<u>4,750,131</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>303,284</u>	<u>303,284</u>
OTHER FINANCING SOURCES (USES)				
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	303,284	303,284
Fund balances - beginning	130	130	130	-
Fund balances - ending	<u>\$ 130</u>	<u>\$ 130</u>	<u>\$ 303,414</u>	<u>\$ 303,284</u>

EAGLE MOUNTAIN CITY
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Fleet	Utility Billing	GIS Services	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 1,576,106	192,156	\$ 205,942	\$ 1,974,204
Accounts receivable - net	-	425	-	425
Total current assets	<u>1,576,106</u>	<u>192,581</u>	<u>205,942</u>	<u>1,974,629</u>
Noncurrent assets:				
Net pension asset	20,864	33,452	33,452	87,768
Land, equipment, buildings and improvements	4,853,912	13,996	34,582	4,902,490
Less: Accumulated depreciation	<u>(2,928,224)</u>	<u>(13,996)</u>	<u>(34,582)</u>	<u>(2,976,802)</u>
Total noncurrent assets	<u>1,946,552</u>	<u>33,452</u>	<u>33,452</u>	<u>2,013,456</u>
Total assets	<u>3,522,658</u>	<u>226,033</u>	<u>239,394</u>	<u>3,988,085</u>
<u>DEFERRED OUT FLOW OF RESOURCES</u>				
Pension related costs	<u>11,314</u>	<u>21,316</u>	<u>18,126</u>	<u>50,756</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	194,034	9,684	3,400	207,118
Current portion of long-term debt	<u>58,299</u>	<u>-</u>	<u>-</u>	<u>58,299</u>
Total current liabilities	<u>252,333</u>	<u>9,684</u>	<u>3,400</u>	<u>265,417</u>
Noncurrent liabilities:				
Compensated absences	<u>8,841</u>	<u>3,660</u>	<u>838</u>	<u>13,339</u>
Total noncurrent liabilities	<u>8,841</u>	<u>3,660</u>	<u>838</u>	<u>13,339</u>
Total liabilities	<u>261,174</u>	<u>13,344</u>	<u>4,238</u>	<u>278,756</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related costs	<u>29,482</u>	<u>58,522</u>	<u>47,222</u>	<u>135,226</u>
Net Position:				
Net investment in capital assets	1,888,253	-	-	1,888,253
Unrestricted	<u>1,355,063</u>	<u>175,483</u>	<u>206,060</u>	<u>1,736,606</u>
Total net Position	<u>\$ 3,243,316</u>	<u>\$ 175,483</u>	<u>\$ 206,060</u>	<u>\$ 3,624,859</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2022

	Fleet	Utility Billing	GIS Services	Total
Operating revenues:				
Charges for services	\$ 1,284,973	\$ 257,585	\$ 273,431	\$ 1,815,989
Other operating revenue	52,128	-	-	52,128
Total operating revenues	<u>1,337,101</u>	<u>257,585</u>	<u>273,431</u>	<u>1,868,117</u>
Operating expenses:				
Salaries and wages	108,464	146,950	97,438	352,852
Purchased services	17,045	82,682	38,057	137,784
Materials and supplies	333,874	-	-	333,874
Depreciation and amortization	618,389	-	-	618,389
Miscellaneous	-	3,237	1,371	4,608
Total operating expenses	<u>1,077,772</u>	<u>232,869</u>	<u>136,866</u>	<u>1,447,507</u>
Operating income	<u>259,329</u>	<u>24,716</u>	<u>136,565</u>	<u>420,610</u>
Nonoperating revenues (expenses):				
Interest revenue	794	-	-	794
Interest expense	(3,866)	-	-	(3,866)
Total nonoperating revenues (expenses)	<u>(3,072)</u>	<u>-</u>	<u>-</u>	<u>(3,072)</u>
Net income (loss) before contributions and transfers	<u>256,257</u>	<u>24,716</u>	<u>136,565</u>	<u>417,538</u>
Contributions and transfers				
Total contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net Position	256,257	24,716	136,565	417,538
Total net position - beginning	2,987,059	150,767	69,495	3,207,321
Total net position - ending	<u>\$ 3,243,316</u>	<u>\$ 175,483</u>	<u>\$ 206,060</u>	<u>\$ 3,624,859</u>

EAGLE MOUNTAIN CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Fleet	Utility Billing	GIS Services	Total
Cash Flows From Operating Activities				
Receipts from customers	\$ 1,337,101	\$ 257,410	\$ 273,431	\$ 1,867,942
Payments to employees	(117,691)	(161,188)	(113,853)	(392,732)
Payments to suppliers	(188,278)	(80,594)	(39,699)	(308,571)
Net cash provided (used) by operating activities	<u>1,031,132</u>	<u>15,628</u>	<u>119,879</u>	<u>1,166,639</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	(576,622)	-	-	(576,622)
Principal paid on outstanding debt	(56,397)	-	-	(56,397)
Interest paid on outstanding debt	(3,866)	-	-	(3,866)
Net cash provided (used) by capital and related financing activities	<u>(636,885)</u>	<u>-</u>	<u>-</u>	<u>(636,885)</u>
Cash Flows From Investing Activities				
Interest and dividends received	794	-	-	794
Net cash provided (used) by investing and related financing activities	<u>794</u>	<u>-</u>	<u>-</u>	<u>794</u>
Net increase (decrease) in cash and cash equivalents	395,041	15,628	119,879	530,548
Cash and cash equivalents - beginning	1,181,065	176,528	86,063	1,443,656
Cash and cash equivalents (deficit) - end	<u>\$ 1,576,106</u>	<u>\$ 192,156</u>	<u>\$ 205,942</u>	<u>\$ 1,974,204</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ 259,329	\$ 24,716	\$ 136,565	\$ 420,610
Adjustments to reconcile operating income to net cash provided (used) by				
Depreciation expense	618,389	-	-	618,389
(Increase)/decrease in accounts receivable	-	(175)	-	(175)
(Increase)/decrease in net pension asset	(20,864)	(33,452)	(33,452)	(87,768)
(Increase)/decrease in deferred outflows	(2,728)	(709)	(4,388)	(7,825)
Increase/(decrease) in accounts payable	162,641	5,325	(271)	167,695
Increase/(decrease) in net pension liability	(2,016)	(4,840)	(3,226)	(10,082)
Increase/(decrease) in deferred inflows	15,357	24,622	24,622	64,601
Increase/(decrease.) in compensated absences	1,024	141	29	1,194
Total adjustments	<u>771,803</u>	<u>(9,088)</u>	<u>(16,686)</u>	<u>746,029</u>
Net cash provided (used) by operating activities	<u>\$ 1,031,132</u>	<u>\$ 15,628</u>	<u>\$ 119,879</u>	<u>\$ 1,166,639</u>

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STATISTICAL SECTION

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

	Fiscal Year									
	<u>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>
Governmental activities										
Invested in capital assets*	\$ 47,599,396	\$ 47,939,072	\$ 59,048,455	\$ 66,092,722	\$ 76,834,279	\$ 77,979,425	\$ 88,966,275	\$ 105,517,474	\$ 119,838,195	\$ 137,057,292
Restricted	510,486	668,962	1,081,833	1,642,085	1,107,530	2,061,683	2,712,487	5,629,857	5,950,178	34,272,798
Unrestricted	7,213,734	9,891,812	6,694,321	5,176,939	6,950,460	7,865,614	7,919,700	18,283,015	28,292,235	11,872,620
Total governmental activities	<u>55,323,616</u>	<u>58,499,846</u>	<u>66,824,609</u>	<u>72,911,746</u>	<u>84,892,269</u>	<u>87,906,722</u>	<u>99,598,462</u>	<u>129,430,346</u>	<u>154,080,608</u>	<u>183,202,710</u>
Business-type activities										
Invested in capital assets*	30,175,509	32,487,480	32,767,922	38,007,144	43,226,694	62,953,936	78,428,437	101,889,316	104,644,731	123,643,242
Restricted	2,326,787	2,712,824	1,239,952	2,992,801	4,132,156	4,974,285	12,311,560	20,270,583	23,710,217	28,593,558
Unrestricted	12,116,297	13,123,112	19,392,299	17,900,677	18,406,880	20,179,446	19,101,283	17,016,866	18,984,840	17,215,702
Total business-type activities net position	<u>44,618,593</u>	<u>48,323,416</u>	<u>53,400,173</u>	<u>58,900,622</u>	<u>65,765,730</u>	<u>88,107,667</u>	<u>109,841,280</u>	<u>139,176,765</u>	<u>147,339,788</u>	<u>169,452,502</u>
Primary government										
Invested in capital assets*	77,774,905	80,426,552	91,816,377	104,099,866	120,060,973	140,933,361	167,394,712	207,406,790	224,482,926	260,700,534
Restricted	2,837,273	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
Unrestricted	19,330,031	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
Total primary government net position	<u>\$ 99,942,209</u>	<u>\$ 106,823,262</u>	<u>\$ 120,224,783</u>	<u>\$ 131,812,368</u>	<u>\$ 150,657,999</u>	<u>\$ 176,014,390</u>	<u>\$ 209,439,742</u>	<u>\$ 268,607,111</u>	<u>\$ 301,420,396</u>	<u>\$ 359,954,747</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>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>
Expenses										
Government activities:										
General government	\$ 3,121,417	\$ 2,731,266	\$ 2,555,214	\$ 3,257,256	\$ 3,075,688	\$ 3,251,578	\$ 3,544,085	\$ 3,501,474	\$ 4,114,283	\$ 4,210,857
Public safety	3,581,943	2,083,205	2,352,818	2,286,418	2,332,378	2,550,530	2,682,316	3,019,448	3,921,185	4,693,496
Highways & public works	3,973,735	4,516,101	6,730,966	6,496,475	7,506,410	7,023,575	9,405,363	10,116,835	9,215,444	8,840,825
Community development	1,280,805	1,036,699	876,459	1,174,443	1,281,716	2,088,942	1,995,945	2,143,788	2,592,049	6,481,068
Planning	357,287	327,311	395,512	380,673	508,154	468,853	475,935	432,853	439,936	426,098
Interest on long-term debt	308,993	243,250	160,767	166,707	68,597	62,215	54,343	49,203	178,385	249,625
Total governmental activities expense	<u>12,624,180</u>	<u>10,937,832</u>	<u>13,071,736</u>	<u>13,761,972</u>	<u>14,772,943</u>	<u>15,445,693</u>	<u>18,157,987</u>	<u>19,263,602</u>	<u>20,461,282</u>	<u>24,901,969</u>
Business-type activities										
Water utility	2,692,125	3,017,295	3,589,243	4,077,461	4,217,435	4,500,613	4,989,887	6,834,214	28,511,496	7,923,646
Sewer utility	3,014,536	2,899,340	3,510,591	3,923,954	4,004,069	3,988,418	4,475,542	4,785,726	5,487,893	6,044,020
Electric utility	9,819,481	10,135,436	9,834,298	95,183	61,235	-	-	-	-	-
Gas utility	3,494,341	4,102,155	3,452,371	79,069	61,731	-	-	-	-	-
Golf Course	-	-	-	-	-	-	-	-	-	-
Storm Drain	-	-	-	-	-	921,619	952,274	1,024,911	1,207,876	1,326,680
Non Major Business	3,047,851	1,061,465	1,031,895	1,148,040	1,310,495	1,342,353	1,717,825	1,384,721	1,518,858	1,910,594
Total business-type activities expense	<u>22,068,334</u>	<u>21,215,691</u>	<u>21,418,398</u>	<u>9,323,707</u>	<u>9,654,965</u>	<u>10,753,003</u>	<u>12,135,528</u>	<u>14,029,572</u>	<u>36,726,123</u>	<u>17,204,940</u>
Total primary government expenses	<u>34,692,514</u>	<u>32,153,523</u>	<u>34,490,134</u>	<u>23,085,679</u>	<u>24,427,908</u>	<u>26,198,696</u>	<u>30,293,515</u>	<u>33,293,174</u>	<u>57,187,405</u>	<u>42,106,909</u>
Program Revenues										
Governmental activities										
Charges for services:	4,685,581	3,485,946	3,574,307	4,569,333	4,898,084	5,065,769	6,258,526	7,422,231	12,068,623	8,449,940
Operating grants and contributions	138,386	29,359	14,442	52,235	24,429	20,065	32,444	1,457,357	3,805,907	2,115,144
Capital grants and contributions	1,742,092	6,473,181	10,865,051	10,001,603	13,384,998	13,747,878	14,042,049	24,244,422	17,155,525	30,651,138
Total governmental activities program revenues	<u>6,566,059</u>	<u>9,988,486</u>	<u>14,453,800</u>	<u>14,623,171</u>	<u>18,307,511</u>	<u>18,833,712</u>	<u>20,333,019</u>	<u>33,124,010</u>	<u>33,030,055</u>	<u>41,216,222</u>
Business-type activities:										
Charges for services:	20,737,488	24,004,272	20,171,460	11,472,554	13,254,589	15,561,474	18,006,742	22,003,328	26,739,371	28,266,925
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	231,593	948,298	4,418,845	3,431,786	6,250,205	10,420,966	17,257,782	27,754,625	28,075,972	13,806,665
Total business-type activities program revenues	<u>20,969,081</u>	<u>24,952,570</u>	<u>24,590,305</u>	<u>14,904,340</u>	<u>19,504,794</u>	<u>25,982,440</u>	<u>35,264,524</u>	<u>49,757,953</u>	<u>54,815,343</u>	<u>42,073,590</u>
Total primary governmental program revenues	<u>27,535,140</u>	<u>34,941,056</u>	<u>39,044,105</u>	<u>29,527,511</u>	<u>37,812,305</u>	<u>44,816,152</u>	<u>55,597,543</u>	<u>82,881,963</u>	<u>87,845,398</u>	<u>83,289,812</u>

Source: Eagle Mountain City

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

	Fiscal Year	
	<u>2021</u>	<u>2022</u>
Net (Expense)/Revenue		
Governmental activities	\$ 12,568,773	\$ 16,314,253
Business-type activities	18,089,220	24,868,650
Total Primary government net expense	<u>30,657,993</u>	<u>41,182,903</u>
General Revenues and Other Changes in Net Position		
Governmental activities		
Taxes		
Property taxes	2,210,764	5,470,054
General sales & use tax	6,914,164	8,653,171
Franchise tax	2,730,163	3,410,186
Other	-	-
Interest earnings	226,399	(181,963)
Contribution of assets from Utility Funds	-	-
Gain (loss) on sale of capital assets	-	-
Transfers	-	-
Total Governmental activities	<u>12,081,490</u>	<u>17,351,448</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	24,650,263	33,665,701
Business-type activities	18,089,220	24,868,650
Total primary government	<u>\$ 42,739,483</u>	<u>\$ 58,534,351</u>

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 20,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,684
Assigned									\$ 1,859,802	
Unassigned	1,870,514	2,602,459	2,162,826	3,070,888	2,959,323	2,862,311	3,489,448	3,649,092	13,954,685	11,442,122
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
All Other Governmental Funds										
Restricted	\$ 2,041,588	\$ 1,688,626	\$ 1,934,908	\$ 2,350,766	\$ 2,463,417	\$ 3,433,976	\$ 3,180,962	\$ 6,372,591	\$ 13,194,849	\$ 3,633,433
Assigned	861,413	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
Unassigned reported in										
Special Revenue Funds										5,588,380
Capital Projects Funds										25,003,301
Nonmajor										
Total all other governmental funds	\$ 2,903,001	\$ 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

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>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>
Revenues										
Taxes	\$ 4,260,060	\$ 4,128,574	\$ 4,438,660	\$ 5,060,489	\$ 5,734,815	\$ 6,344,105	\$ 7,258,837	\$ 9,073,784	\$ 11,847,831	\$ 17,529,450
Licenses, fees, and permits	1,124,774	1,552,860	1,662,088	2,214,940	2,895,474	3,454,239	4,745,362	5,939,075	10,434,703	6,384,743
Intergovernmental	1,047,984	778,765	821,777	948,648	1,336,283	1,520,620	1,479,142	2,217,260	3,944,005	6,978,211
Charges for services	3,428,521	1,882,121	1,855,281	2,039,483	1,686,659	1,304,991	1,347,173	1,476,898	1,632,420	2,203,867
Special assessments	398,497	867,149	422,258	1,922,459	307,641	258,551	225,728	170,868	228,219	195,754
Contributions	-	-	-	-	-	-	-	1,316,880	-	-
Impact fees	877,598	1,495,226	1,523,058	2,024,613	3,308,604	3,402,318	3,250,639	5,356,167	9,007,320	6,748,741
Miscellaneous	158,836	120,980	313,700	767,731	666,876	1,310,833	2,304,165	1,496,089	268,299	257,647
Total Revenues	11,296,270	10,825,675	11,036,822	14,978,363	15,936,352	17,595,657	20,611,046	27,047,021	37,362,797	40,298,413
Expenditures										
Current:										
General Government	3,109,776	2,703,466	2,617,687	3,222,850	3,027,034	3,294,126	3,421,616	3,455,632	4,147,767	4,543,769
Community Development	1,266,531	1,027,595	1,106,656	1,245,069	1,217,788	2,122,126	2,026,336	2,199,085	2,502,292	6,422,547
Public Works	1,863,423	3,412,266	3,136,684	2,880,937	4,799,868	5,087,135	6,683,232	6,732,075	7,015,979	6,017,292
Public Safety	2,806,751	2,065,929	2,367,014	2,286,418	2,332,378	2,550,530	2,688,014	3,024,814	3,918,627	4,690,939
Planning and Zoning	348,991	317,400	386,939	415,180	487,486	492,349	469,353	447,889	517,105	630,500
Finance & Admin. Services										
Tax Increment Distributions										
Debt service										
Principal Retirement	854,000	3,651,000	940,000	1,817,000	180,000	155,000	140,000	220,000	551,766	390,957
Bond Issuance Costs		123,286	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	313,772	226,440	277,744	180,379	70,618	64,152	54,588	49,238	155,128	83,321
Capital Outlay	144,662	375,859	1,664,752	2,223,822	4,444,671	6,597,297	8,906,776	5,015,276	7,131,814	8,603,999
Total expenditures	10,707,906	13,903,241	12,497,476	14,271,655	16,559,843	20,362,715	24,389,915	21,144,009	25,940,478	31,383,324
Excess of revenues over (under) expenditure	588,364	(3,077,566)	(1,460,654)	706,708	(623,491)	(2,767,058)	11,422,319	11,422,319	11,422,319	8,915,089

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>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>
Other Financing Sources (Uses)										
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	\$ 30,000						\$ 2,614,261			
Transfer in	608,584	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
Transfers out	(608,584)	(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)
Total other financing sources (uses)	<u>30,000</u>	<u>4,648,301</u>	<u>158,774</u>	<u>80,184</u>	<u>2,684,721</u>	<u>3,108,101</u>	<u>4,009,643</u>	<u>8,392,896</u>	<u>594,715</u>	<u>20,886,400</u>
Net change in fund balances	<u>\$ 618,364</u>	<u>\$ 1,570,735</u>	<u>\$ (1,301,880)</u>	<u>\$ 786,892</u>	<u>\$ 2,061,230</u>	<u>\$ 9,011,113</u>	<u>\$ 15,431,962</u>	<u>\$ 19,815,215</u>	<u>\$ 12,017,034</u>	<u>\$ 29,801,489</u>
Debt service as a percentage of noncapital expenditures	11.06%	28.66%	11.24%	16.58%	2.18%	1.18%	1.37%	1.72%	4.27%	2.16%

Source: Eagle Mountain City

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

REVENUE CAPACITY
 Pages 99-106 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.

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
*2013	686,272,348	17,590,268	2,296,320	1,366,436	94,171,737	33,929,671	131,764,164	703,862,616	0.1668%	1,279,750,211
2014	576,027,914	15,222,724	1,744,200	1,080,159	75,696,353	33,929,671	112,450,383	591,250,638	0.1380%	1,075,001,160
2015	694,523,745	19,539,846	3,722,200	1,017,153	74,765,712	33,648,886	113,153,951	714,063,591	0.1192%	1,298,297,438
2016	790,828,684	21,392,771	3,835,800	984,050	104,647,449	39,069,499	148,536,798	812,221,455	0.1118%	1,476,766,282
2017	906,140,094	31,143,681	3,824,900	1,120,838	104,011,021	56,115,663	165,072,422	937,283,775	0.1081%	1,704,152,318
2018	1,067,667,701	39,055,681	3,801,500	1,131,057	102,934,380	68,680,398	176,547,335	1,106,723,382	0.1011%	2,012,224,331
2019	1,297,402,260	35,740,400	4,614,600	1,131,645	137,319,730	75,834,551	218,900,526	1,333,142,660	0.0924%	2,156,381,254
2020	1,600,758,645	70,638,537	4,960,000	1,062,090	184,344,330	82,271,632	272,638,052	1,944,035,234	0.0825%	3,253,185,989
2021	1,896,995,585	183,165,790	4,900,900	1,334,904	261,125,730	98,000,509	365,362,043	2,445,523,418	0.0769%	3,994,685,633
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

Source: Utah State Tax Commission

*2013 figures are estimates

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

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

Fiscal Year	City Direct Rates		Overlapping Rates						Total Tax Rate
	Basic Rates	Total Direct Rates	Utah County	Central Utah Water Conservancy District	Alpine School District	Unified Fire Service Area	State Assessing & Collecting	Local Assessing & Collecting	
2013	1.668	1.668	1.127	0.455	8.828		0.168	0.029	12.275
2014	1.380	1.380	1.006	0.446	8.699	2.192	0.158	0.095	13.976
2015	1.192	1.192	0.916	0.422	8.096	2.097	0.013	0.220	12.956
2016	1.118	1.118	0.870	0.405	8.177	1.997	0.012	0.216	12.795
2017	1.081	1.081	0.834	0.400	7.718	1.884	0.011	0.204	12.132
2018	1.011	1.011	0.779	0.400	7.167	1.809	0.010	0.180	11.356
2019	0.924	0.924	0.732	0.400	7.033	1.836	0.009	0.170	11.104
2020	0.825	0.825	0.672	0.400	6.699	1.745	0.009	0.158	10.508
2021	0.769	0.769	1.041	0.400	6.800	1.715	0.012	0.149	10.886
2022	0.724	0.724	0.853	0.400	6.904	1.592	0.012	0.142	10.627

Source: State of Utah Certified Tax Rates

EAGLE MOUNTAIN CITY

Principal Property Tax Payers
Fiscal Years 2013 and 2022

TAXPAYER	TAX YEAR 2021			2013		
	Taxable Assessed		Percentage of Total	Taxable		Percentage of Total
	Value	Rank	City Taxable Assessed Value	Assessed Value	Rank	City Taxable Assessed Value
STADION LLC	\$ 242,681,841	1	12.42%			
AMERICAN HOMES 4 RENT	65,752,580	2	3.36%			
TYSON FRESH MEATS	65,056,811	3	3.33%			
BUILDING CONSTRUCTION PARTNERS	55,767,445	4	2.85%			
IVORY HOMES	46,296,985	5	2.37%			
PACIFICORP	33,951,953	6	1.74%			
RICHMOND AMERICAN	32,761,370	7	1.68%			
EDGE HOMES UTAH	29,828,680	8	1.53%			
PATTERSON CONSTRUCTION	24,872,765	9	1.27%			
DIRECT COMMUNICATIONS	24,425,833	10	1.25%			
	\$ 621,396,263					
KERN RIVER GAS TRANS CO				\$ 15,028,272	1	2.40%
DIRECT COMMUNICATIONS				11,513,020	2	1.84%
PACIFICORP				2,331,439	3	0.37%
VESTIN MORTGAGE INC				1,678,400	4	0.27%
WAGSTAFF INVESTMENTS LLC				1,388,900	5	0.22%
STAR WEST EAGLE MTN. PROPRTY				1,379,900	6	0.22%
IRIE INVESTMENTS LLC				1,354,700	7	0.22%
MEADOWS RANCH HOLDINGS LLC				1,246,400	8	0.20%
MAVERIK INC				1,100,700	9	0.18%
MARSH WOODRUFF LC				1,075,000	10	0.17%
				\$ 38,096,731		

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%

Source: Utah County Treasurer

EAGLE MOUNTAIN CITY

Taxable Sales by Category

Last Ten Fiscal Years

	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>
Retail/Grocery	\$ 82,984	\$ 127,141	\$ 222,813	\$ 298,627	\$ 339,642	\$ 459,179	\$ 805,850	\$ 915,568	\$ 1,491,103	\$ 2,034,122
Utility/Communication	195,865	201,344	223,063	224,107	234,343	251,546	249,275	301,374	350,002	427,433
Auto dealers & supplies	11,539	13,639	15,401	15,978	18,382	33,117	19,056	19,834	90,864	83,826
Eating & drinking establishments	11,119	9,687	10,251	24,765	32,893	41,225	43,161	69,321	73,994	73,591
Home furnishings and appliances	1,774	2,827	2,326	5,719	2,735	2,864	8,973	25,734	57,553	67,428
Medical	2,698	2,300	3,872	3,815	6,680	7,954	10,006	13,643	13,933	16,135
Service stations	43,905	47,175	45,297	53,990	68,693	82,865	102,120	120,252	133,273	147,940
All other outlets	16,041	36,561	39,795	58,993	143,245	267,400	360,314	968,480	1,593,605	1,413,008
Utah State Tax- Motor Vehicle	50,422	54,359	60,151	67,971	85,646	98,436	116,599	119,611	214,420	283,552
Totals	\$ 416,347	\$ 495,032	\$ 622,970	\$ 753,965	\$ 932,259	\$ 1,244,586	\$ 1,715,355	\$ 2,553,818	\$ 4,018,746	\$ 4,547,035

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
2013	1.00%	0.25%	0.80%	4.70%
2014	1.00%	0.25%	0.80%	4.70%
2015	1.00%	0.25%	0.80%	4.70%
2016	1.00%	0.25%	0.80%	4.70%
2017	1.00%	0.25%	0.80%	4.70%
2018	1.00%	0.25%	0.80%	4.70%
2019	1.00%	0.25%	0.80%	4.85%
2020	1.00%	0.25%	0.80%	4.85%
2021	1.00%	0.25%	0.80%	4.85%
2022	1.00%	0.25%	0.80%	4.85%

Source: Utah State Tax Commission

EAGLE MOUNTAIN CITY
Sales Tax Revenue Payers by Industry
Fiscal Years 2013 and 2022

	Fiscal Year 2013				Fiscal Year 2022			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	651	55.50%	\$ 82,984	19.9%	1065	13.0%	\$ 2,034,122	44.7%
Utility/Communication	90	7.67%	195,865	47.0%	66	0.8%	427,433	9.4%
Auto Dealers & Supplies	30	2.56%	11,539	2.8%	106	1.3%	83,826	1.8%
Eating/Drinking Establishments	10	0.85%	11,119	2.7%	14	0.2%	73,591	1.6%
Home Furnishings & Appliances	37	3.15%	1,774	0.4%	62	0.8%	67,428	1.5%
Medical	34	2.90%	2,698	0.6%	26	0.3%	16,135	0.4%
Service Stations	2	0.17%	43,905	10.5%	4	0.0%	147,940	3.3%
All Other Outlets	318	27.11%	16,041	3.9%	6816	83.5%	1,413,008	31.1%
Utah State Tax- Motor Vehicle	1	0.09%	50,422	12.1%	3	0.0%	283,552	6.2%
Total			\$ 416,347	100.0%	8162	100.0%	\$ 4,547,035	100.0%

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
Charges for Water Fees
Last Ten Fiscal Years

	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>
Water Sales	\$ 2,633,580	\$ 2,811,503	\$ 3,062,503	\$ 3,222,097	\$ 3,802,599	\$ 4,167,224	\$ 4,541,799	\$ 5,206,858	\$ 6,473,104	\$ 6,608,907
Secondary Water	-									
Other	-	159,107	15,973	470,701	1,512	1,361	4,138	5,330	2,101	7,539
Totals	\$ 2,633,580	\$ 2,970,610	\$ 3,078,476	\$ 3,692,798	\$ 3,804,111	\$ 4,168,585	\$ 4,545,937	\$ 5,212,188	\$ 6,475,205	\$ 6,616,446

Source: Eagle Mountain City

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

Fiscal Year	Governmental Activities							Business-type Activities					
	Excise tax road bonds	Transportation Loan (UDOT)	Special Assessment bond 2004A 98-1	Sales Tax Series 2013 (SA bond 2006 2000-1)	Special Assessment bond 2013-1	Capital Leases		Water and Sewer Revenue Bonds	Electric and Gas Revenue Bonds	Unamortized Bond Premium	Total Primary Government	Percentage of Personal Income	Per Capita
2013	285	-	-	2,926	-	-		21,245	27,530	816	44,935	11.37%	1,988
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	-	-	-	23,330		17,264	-	734	43,000	4.61%	986

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Direct and Overlapping Governmental Activities Debt
 June 30, 2022

<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	603,788,083	5.0%	30,189,404
Central Utah Water Cons. Dist.	699,526,169	3.3%	23,084,364
Unified Fire Service Area	-	99.5%	-
Subtotal, overlapping debt			<u>53,273,768</u>
City direct debt			<u>2,535,661</u>
Total direct and overlapping debt			<u><u>\$ 55,809,429</u></u>

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

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

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

Legal Debt Margin Calculation for FY 2022

Assessed value	\$4,028,518,573
Debt limit (12% of the assessed value)	483,422,229
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	483,422,229

	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>
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
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
Total net debt applicable to the limit as a percentage of debt limit										
	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Utah State Tax Commission

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

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

Fiscal Year	SID 98-1 (2005A)				SAA 2014-1				Excise Tax Road Bond			
	Special Assessments	Principal	Interest	Coverage	Special Assessments	Principal	Interest	Coverage	Class B & C Road Funds	Principal	Interest	Coverage
2013	5	558	41	0.01	-	-	-	-	772	134	16	5.15
2014	-	-	-	-	211	-	-	-	738	146	10	4.73
2015	-	-	-	-	209	224	-	0.93	-	-	-	-
2016	-	-	-	-	959	950	118	0.90	-	-	-	-
2017	-	-	-	-	251	180	71	1.00	-	-	-	-
2018	-	-	-	-	229	155	64	1.05	-	-	-	-
2019	-	-	-	-	216	140	55	1.11	-	-	-	-
2020	-	-	-	-	169	220	49	0.63	-	-	-	-
2021	-	-	-	-	446	474	151	0.71	-	-	-	-
2022	-	-	-	-	289	365	82	0.65	-	-	-	-

DEMOGRAPHICS AND ECONOMICS

Pages 112-113 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.

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

Source: Eagle Mountain City, Utah State Tax Commission

EAGLE MOUNTAIN CITY

Principal Employers Fiscal Years 2013 and 2022

2022				2013			
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Alpine School District	1100	1	44.97%	Apline School District	374	1	53.81%
Tyson Fresh Meats. Inc	463	2	18.93%	Eagle Mountain City	120	2	17.27%
E2 Optics, LLC	130	3	5.31%	Ranches Academy	50	3	7.19%
Suntec Concrete, Inc	130	3	5.31%	Rockwell High School	35	4	5.04%
Ridley's Family Markets	114	5	4.66%	TM Crushing LLC	28	5	4.03%
Eagle Mountain McDonald's	80	6	3.27%	Ranches Golf Course	25	6	3.60%
Stadion, LLC	66	7	2.70%	Direct Communications	22	7	3.17%
Gotta Dance Performing Arts Stuc	46	8	1.88%	Village Pizza	17	8	2.45%
Western Partitions, Inc	40	9	1.64%	Maverik	13	9	1.87%
Dairy Queen Chill & Grill DBA F	37	10	1.51%	Brevium	11	10	1.58%
Zap Electric, LLC	28	11	1.14%	N/A	N/A	N/A	N/A
TM Crushing, LLC	27	12	1.10%	N/A	N/A	N/A	N/A
Village Pizza	25	13	1.02%	N/A	N/A	N/A	N/A
Premier Family Medical	25	13	1.02%	N/A	N/A	N/A	N/A
Six Sisters Deli & Grille	24	15	0.98%	N/A	N/A	N/A	N/A
Direct Communications Cedar	23	16	0.94%	N/A	N/A	N/A	N/A
Arctic Circle	23	16	0.94%	N/A	N/A	N/A	N/A
Maverik #380	22	18	0.90%	N/A	N/A	N/A	N/A
Jiffy Lube 3769	22	18	0.90%	N/A	N/A	N/A	N/A
Eagle Vision, PLLC	21	20	0.86%	N/A	N/A	N/A	N/A
Total City Employment	2,446		100.00%	Total City Employment	695		100.00%

Source: Eagle Mountain City

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

N/A = Not Available

OPERATING INFORMATION

Pages 114-116 of the Statistical Section show operating statistics and performance measurement data for the City's overall performance over the last 10 years.

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

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

Source: Eagle Mountain City

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

	<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>Function/Program: General government</u>										
Building										
Building permits issued	458	559	674	1,086	1,437	1,554	1,470	2,038	2,672	2,555
Building inspections conducted	2,864	4,155	4,958	6,382	8,000	10,813	9,963	12,539	14,147	16,577
Police ¹										
Physical arrest	416	353	498	481	492	582	540	336	222	243
Warrants served	48	39	86	154	86	55	53	24	27	40
Traffic violations	1,399	1,500	1,821	2,148	1,420	1,142	2,212	2,682	2,030	3,281
Officer initiated calls						6,597	6,701	6,651	4,767	6,820
Citizen initiated calls						7,944	8,754	9,936	11,056	10,271
Fire ²										
Emergency responses										
Inspections										
Streets										
Miles plowed - snow removal	10,574	5,896	1,394	11,522	10,981	3,491	8,763	11,188	5,422	6,083
Crack seal (sq. ft.) ³	480	720	305	147	462,000	16,698,305	232,407	0	0	1
Asphalt Repairs (sq. ft.)	21,768	58,313	88,454	75,782	365,731	284,060	150,819	180,162	9,126	64,234
Parks and recreation										
Youth City sports registrations	2,704	3,379	3,402	2,448	1,011	1,074	1,250	1,265	1,773	1,260
Total recreational sports (youth/adul	3/5	4/5	4/5	3/5	1/7	1/7	1/5	1/5	1/5	1/5
Water										
New meters installed	228	354	410	446	657	763	830	1,284	1,216	1,453
Water meters replaced	239	156	646	436	318	712	135	481	1,564	250
Average daily pumped (gallons)	4,142,638	4,285,000	4,036,302	4,820,000	4,903,000	5,824,838	6,136,501	6,102,658	9,266,630	8,229,133
Avg daily consumption (gallons)	4,332,255	4,076,000	4,030,318	4,366,025	4,858,875	5,122,255	5,409,144	6,630,942	8,355,727	7,973,780

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

Source: Eagle Mountain City

Notes:

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

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

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

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

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GOVERNMENT AUDITING STANDARDS REPORT
UTAH STATE COMPLIANCE REPORT



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eagle Mountain City (the City), as of and for the year ended June 30, 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 21, 2022.

Internal Control Over Financial Reporting

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

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

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

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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 21, 2022

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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, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Restricted Taxes and Related Revenues
- Government Fees
- Utah Retirement Systems
- Cash Management

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Compliance

In our opinion, Eagle Mountain City, complied, in all material respects, with the state compliance requirements identified above for the year ended June 30, 2022.

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 21, 2022, as items 2022-1 and 2022-2. 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 2022-1 and 2022-2.

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 21, 2022

EAGLE MOUNTAIN CITY

**CORRESPONDENCE WITH
THOSE CHARGED
WITH GOVERNANCE**



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

December 22, 2022

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eagle Mountain City for the year ended June 30, 2022. 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 August 22, 2022. 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 22, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

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

Utah State Legal Compliance Findings – Current Year:

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:

<u>Other Funds (by Fund)</u>	
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.

City’s Response: The City will start budgeting expenditures more 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: The City will take the necessary steps to come into compliance.

Utah State Legal Compliance Findings – Prior Year:

21-1 General Compliance - Budgetary Compliance

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

<u>Other Funds (by Fund)</u>	
General Fund – General Government	\$ 9,345
General Fund – Public Safety	115,828
General Fund – Planning and Zoning	607,736
General Fund – Debt Service	81,000
Debt service – SAA 2014	32,208
Debt service – SID 1997-1	257,128

Recommendation: We recommend that the City budgets expenditures appropriately.

City’s Response: See current year finding 22-1.

21-2 General Compliance – Fund Balance

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

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

City's Response: See current year finding 22-2.

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, 2022



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