

FISCAL YEAR ENDED JUNE 30, 2024

Annual Comprehensive Financial Report

ACFR

For Eagle Mountain City, UT



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

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Photo by Eagle Mountain Employee Todd Black



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

Annual Comprehensive Financial Report
For the year ended June 30, 2024

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EAGLE MOUNTAIN CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

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December 16, 2024



Letter of Transmittal

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

The Annual Comprehensive Financial Report (ACFR) of Eagle Mountain City (the City), for the fiscal year ended June 30, 2024 is submitted herewith. As a third class city, Eagle Mountain is given reasonable exceptions and modifications to accounting, budgetary, and reporting procedures as stated by Utah State law. The law for first, second, and third class cities is to “present to the governing body an annual financial report prepared in conformity with Accounting Principles Generally Accepted in the United States (GAAP), as prescribed in the Uniform Accounting Manual for Utah Cities.” This report, which fulfills the law for higher-class cities, presents a comprehensive financial picture covering all funds and financial transactions for the year.

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

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

As required by Utah state law, an annual audit has been conducted by independent certified public accountants. The Report of Independent Certified Public Accountants, as prepared by Gilbert & Stewart, CPA, A Professional Corporation, is included within the Financial Section of this report. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements presentation.

The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP.

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

Profile of the Government

Eagle Mountain City was incorporated in December 1996 and includes over 52 square miles or around 33,000 acres. The City is located approximately 10 miles west of the City of Lehi, Utah, 40 miles Southwest of Salt Lake City, Utah, and 30 miles Northwest of Provo, Utah.

Since the 2000 U.S. Census, Eagle Mountain City has shown steady, and often rapid, growth. In twenty years, the City has grown from 2,157 residents to over 71,000 in 2024 (based on building permits issued). More than 15,781 residential units have been permitted, with an average of 2,252 new construction permits per year over the past 5 years, making Eagle Mountain one of the fastest growing communities in Utah and the state’s third largest city geographically.

Since the City was established it has operated under the six-member council form of government. The City Council, comprised of six elected individuals, is the governing authority for the City. The elected Mayor has various administrative and executive powers. One of the Mayor’s administrative powers is the appointment of the Cabinet Officers (Department Heads), and various statutory positions with approval vote from the City Council such as the City Manager, 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 October 2024 was 3.5%, lower than the national unemployment rate of 4.2% (U.S. Bureau of Labor Statistics), with Utah County unemployment also remaining very low at 3.5% (Utah Dept. of Workforce Services). As of October 2024, Utah's foreclosure rate stood at 1 in every 3,523 housing units (AT-TOM Data).

During the last half of 2024, 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 30.13% in FY 2024 (based on new building permits issued). 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 0.0005610. 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 FY2024 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 2024 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 2023. 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,



Steve Mumford
Interim City Manager



Kimberly Ruesch
Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Eagle Mountain City
Utah

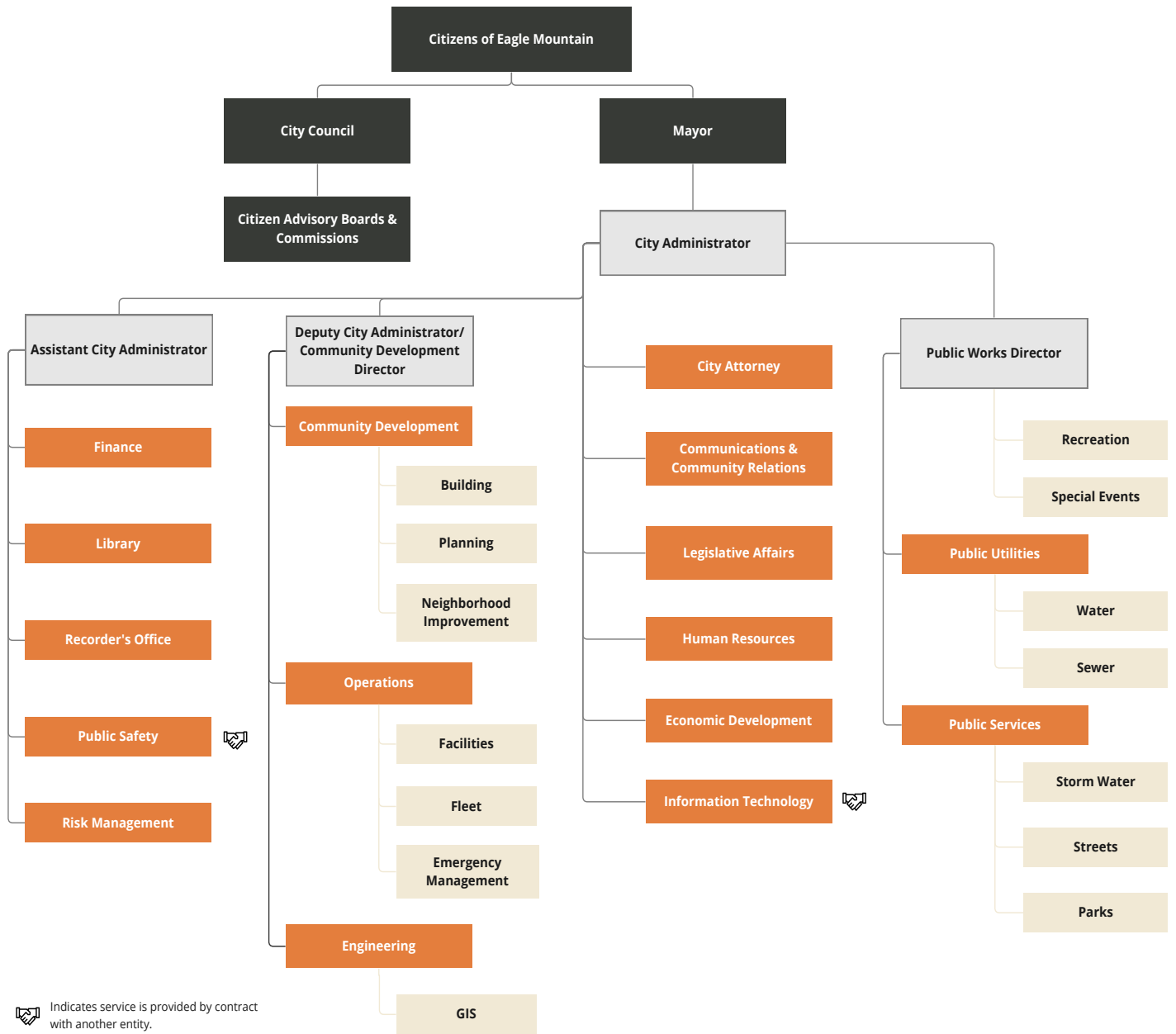
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY ORGANIZATIONAL CHART



CITY OFFICERS



Donna Burnham
Council Member



Melissa Clark
Council Member



Jared Gray
Council Member



Rich Wood
Council Member



Brett Wright
Council Member



Tom Westmoreland
Mayor



Steve Mumford
Interim City Manager

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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, 2024, 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, 2024, 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 City’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 14, 2024, 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 14, 2024

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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, 2024. 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 \$452,653,270 is made up of \$323,833,100 in net investment in capital assets, \$49,497,888 in restricted net position, and \$79,322,282 in unrestricted net position. Total net position increased by \$63,051,620 from the prior year.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$72,227,037. Of this amount, \$21,309,690 must only be spent on projects for which the money is restricted. \$40,121,067 is assigned by the City administration and is divided as follows: \$2,518,043 for debt service, \$2,592,747 for special revenues and \$35,010,277 for capital projects. The remaining \$10,796,280 is unassigned in the general fund.
- In the enterprise (proprietary) funds, operating revenues increased by \$2,155,963. Corresponding operating expenses increased by \$3,454,605. The increase in operating revenue correlates to user rate increases that were implemented during the year as well as added users to the system from growth. Operating expense increases reflect the investment in additional personnel required to maintain service levels, inflationary costs of supplies and services, and costs associated with added users to the system from growth.

Reporting the City as a Whole

This discussion and analysis are 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 the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both 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 12 and 13 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 14-17 of this report.

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

- Proprietary funds – The City reports proprietary fund types as enterprise funds. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Eagle Mountain City uses enterprise funds to account for its water utility, sewer utility, garbage, and storm drain.

The basic proprietary fund financial statements can be found on pages 18-20 of this report.

- Additionally, the City reports the following fund types:

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Eagle Mountain City, assets and deferred outflows exceed liabilities and deferred inflows by \$452,653,270.

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 2024 and 2023 are shown below:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 110,806,621	\$ 108,710,018	\$ 102,073,836	\$ 84,763,320	\$ 212,880,457	\$ 193,473,338
Capital Assets	179,578,066	154,494,404	166,230,636	150,579,517	345,808,702	305,073,921
Total assets	290,384,687	263,204,422	268,304,472	235,342,837	558,689,159	498,547,259
Deferred Outflows of Resources	1,584,008	1,104,216	941,586	884,334	2,525,594	1,988,550
Long-term debt outstanding	25,521,977	27,033,678	15,133,510	16,631,558	40,655,487	43,665,236
Other liabilities	25,456,494	26,743,717	29,236,086	27,501,554	54,692,580	54,245,271
Total liabilities	50,978,471	53,777,395	44,369,596	44,133,112	95,348,067	97,910,507
Deferred Inflows of Resources	13,210,290	13,020,623	3,125	3,030	13,213,415	13,023,653
Net position:						
Net investment in capital assets, Restricted	171,878,790	145,394,692	151,954,310	134,784,885	323,833,100	280,179,577
Unrestricted	21,309,690	26,860,274	28,188,198	28,388,006	49,497,888	55,248,280
Total net assets	\$ 227,779,933	\$ 197,510,622	\$ 224,873,337	\$ 192,091,029	\$ 452,653,270	\$ 389,601,651

The following table summarizes the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 8,906,466	\$ 5,368,857	\$ 26,476,494	\$ 26,930,003	\$ 35,382,960	\$ 32,298,860
Operating grants & contrib.	2,629,988	2,400,624	-	-	2,629,988	2,400,624
Capital grants & contrib.	21,563,867	14,223,013	33,965,009	8,893,198	55,528,876	23,116,211
General revenues:						
Property taxes	13,175,044	10,264,161	-	-	13,175,044	10,264,161
General sales & use tax	11,122,408	10,088,821	-	-	11,122,408	10,088,821
Franchise tax	6,351,030	4,634,584	-	-	6,351,030	4,634,584
Interest earnings	5,042,253	2,682,242	-	-	5,042,253	2,682,242
Insurance Proceeds	257,172	-	-	-	257,172	-
Total revenues	69,048,228	49,662,302	60,441,503	35,823,201	129,489,731	85,485,503
Expenses:						
General government	\$ 6,890,932	\$ 6,843,799	\$ -	\$ -	\$ 6,890,932	\$ 6,843,799
Public safety	6,409,105	5,482,032	-	-	6,409,105	5,482,032
Highways & public works	10,742,221	9,905,619	-	-	10,742,221	9,905,619
Community development	15,272,373	11,619,237	-	-	15,272,373	11,619,237
Planning	1,002,446	885,935	-	-	1,002,446	885,935
Interest on long-term debt	1,052,408	617,768	-	-	1,052,408	617,768
Water utility	-	-	12,364,826	9,535,804	12,364,826	9,535,804
Sewer utility	-	-	8,494,131	7,238,947	8,494,131	7,238,947
Storm drain	-	-	1,622,562	1,470,574	1,622,562	1,470,574
Non-major business	-	-	2,587,106	2,238,884	2,587,106	2,238,884
Total expenses	41,369,485	35,354,390	25,068,625	20,484,209	66,438,110	55,838,599
Increase (decrease) in net assets before transfers	27,678,743	14,307,912	35,372,878	15,338,992	63,051,621	29,646,904
Transfers	2,590,570	-	(2,590,570)	-	-	-
Increase (decr.) in net assets	30,269,313	14,307,912	32,782,308	15,338,992	63,051,621	29,646,904
Net position - beginning	197,510,620	183,202,710	192,091,029	176,752,037	389,601,649	359,954,747
Net position - ending	\$ 227,779,933	\$ 197,510,622	\$ 224,873,337	\$ 192,091,029	\$ 452,653,270	\$ 389,601,651

Financial Analysis of the Government's Funds

Governmental activities

Governmental activities increased the City's net position by \$30,269,312. Most of the change relates to infrastructure contributions from development.

Business-type activities

Business-type activities increased the City's net position by \$32,782,308. As of the end of the current fiscal year, all of the City's business-type funds reported positive net position.

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 \$72,227,037. Of this total amount, 70% constitutes assigned and unassigned fund balances. \$40,121,067 is assigned by the administration of the City and will be used for the following: \$2,518,043 for debt service, \$35,010,277 for capital projects, and \$2,592,747 for special revenues. \$10,796,280 is unassigned and is available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$10,796,280, an increase of \$2,241,228 from fiscal year 2023. The total fund balance was \$12,425,426, a decrease of \$982,364 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 29% of total general fund expenditures, while total fund balance represents 33% of that same amount.

The City has three 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 2024 the fund balance is \$50,256,449 which is an increase of \$5,540,720. This increase is due to transfers from the General Fund toward the investment in road infrastructure and future facilities.

Redevelopment Agency Fund. The Redevelopment Agency (RDA) of Eagle Mountain City was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. At the end of fiscal year 2024 the fund balance is \$2,304,983 which is an increase of \$1,344,529.

Park Impact Fee Fund. The fund was created to account for the impact fees received and spent on creation of parks, and the improvement of parks within the City. At the end of the fiscal year 2024 the fund balance is \$4,434,372 which is a decrease of \$2,594,565.

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 \$44,750,422. The net investment in capital assets in these same funds is \$151,954,310.

- As mentioned in the financial highlights, operational revenues and expenditures in the enterprise funds increased by \$2,155,963 and increased by \$3,441,260, respectively. The increase is a result of growth and

user rate changes that were implemented at the end of FY 2022. All enterprise funds showed an increase in operating revenue during the year.

The water and sewer funds showed a positive change in net position of \$19,895,485 and \$8,842,407, respectively, after non-operating revenues/expenses, contributions, and transfers are considered. The storm drain and garbage fund net position increased by \$3,786,781, and \$151,193, respectively. The change in net position is a direct result of the ongoing growth in Eagle Mountain. The collection of growth-related revenues used for infrastructure improvements as well as developer funded system infrastructure are the driving contributors to the increase in net position.

General Fund Budgetary Highlights

During the fiscal year, the general fund’s original budget revenue was amended from an original budget of \$26,131,704 to a final budget of \$35,374,922. The budget was amended 5 times during the course of the fiscal year with 45% accounting for an increased investment in capital, 35% related to contractual agreements, and 20% toward general operating costs.

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, 2024, 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	
	2024	2023	2024	2023	2024	2023
Land	\$ 6,299,199	\$ 6,682,458	\$ 9,173,916	\$ 9,065,416	\$ 15,473,115	\$ 15,747,874
Water Shares	-	-	1,498,676	1,498,676	1,498,676	1,498,676
Buildings	3,568,605	3,396,963	1,335,084	1,439,044	4,903,689	4,836,007
Improvements	9,675,261	10,072,808	-	-	9,675,261	10,072,808
Equipment	3,053,348	3,029,918	-	131,694,087	3,053,348	134,724,005
Infrastructure	145,319,062	129,327,747	149,198,921	-	294,517,983	129,327,747
Right to use assets	273,629	376,331	111,589	126,304	385,218	502,635
Right to use subscription assets	582,130	-	-	-	582,130	-
Construction in progress	10,806,832	2,038,179	4,912,450	6,755,990	15,719,282	8,794,169
Total net assets	<u>\$ 179,578,066</u>	<u>\$ 154,924,404</u>	<u>\$ 166,230,636</u>	<u>\$ 150,579,517</u>	<u>\$ 345,808,702</u>	<u>\$ 305,503,921</u>

Additional information on the City’s capital assets can be found in Note 8 on pages 41-42 in the notes to this financial report.

Long-term debt. At the end of the current year, the City had total bonded debt outstanding of \$37,800,000. Of this amount, \$285,000 is from special assessment bonds. \$37,515,000 of bonded debt is secured solely by specific revenue sources (i.e., revenue bonds and sales tax revenue bonds). The remainder of the City’s long-term obligations is comprised of notes and leases payable.

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	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Special assessment bonds	\$ 240,000	\$ 285,000	\$ -	\$ -	\$ 240,000	\$ 285,000
Sales tax revenue bonds	21,170,000	21,885,000	-	-	21,170,000	21,885,000
Revenue bonds	-	-	14,151,000	15,630,000	14,151,000	15,630,000
Notes payable	-	1,220,849	-	-	-	1,220,849
Leases payable	360,261	501,266	110,641	124,834	470,902	626,100
Subscription payable	395,846	-	-	-	395,846	-
Total bonds	<u>\$ 22,166,107</u>	<u>\$ 23,892,115</u>	<u>\$ 14,261,641</u>	<u>\$ 15,754,834</u>	<u>\$ 36,427,748</u>	<u>\$ 39,646,949</u>

During fiscal year 2024, the City’s total outstanding bond, notes and lease debt decreased by a net amount of \$1,726,008.

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

Economic Factors and Next Year’s Budgets and Rates

- Eagle Mountain City issued 964 new residential building permits in fiscal year 2024. This reflects an increase of 68% or 391 new residential building permits over the previous fiscal year. When factoring in all types of building permits the City issued 2,175 permits with the City experiencing a year-over-year increase of 25%. Several significant development projects were approved during the fiscal year which are expected to contribute to an increase in building permits during fiscal year 2025. Development continues to be a major factor in the economy and growth levels are expected to remain strong.
- The City Council adopted an original budget for fiscal year 2025 in the amount of \$112,231,244 which is a decrease from the 2024 final budget of \$153,117,077. However, several capital projects were not yet complete as of the end of the fiscal year. Unspent appropriations for those projects has been rolled forward to FY 2025 in addition to other amendments, bring the current budget for fiscal year 2025 to \$158,703,340.
- The City has implemented a process of reviewing user rates for utility services on a regular basis in effort to ensure rates are sufficient to meet the infrastructure needs that come with rapid growth as well as adequate funding for future repair and replacement needs.
- o In September of 2023, the City Council approved new water rates that modified the calculation of base fees to look at meter size rather than Equivalent Residential Unit (ERU) and increased the water consumption rate by 14%. The water consumption rate was increased an additional 12% in July 2024 as anticipated in the study with an additional 12% planned for fiscal year 2026.
- o In fiscal year 2024 a sewer rate study was conducted to evaluate the adequacy of existing rates to cover operational, maintenance, and capital costs while ensuring fairness and equity among users. As a result of the study, a new rate structure was implemented incorporating a base and volume rate. The base rate is determined using the water meter size and a monthly volume rate based on the average winter water consumption. The new rate was effective July 1, 2024. An additional rate increase is expected during fiscal year 2025 and subsequent years to facilitate an expansion of the wastewater treatment plant and rising treatment costs from Timpanogos Special Service District.

Request for Information

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

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BASIC FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY

Statement of Net Position

June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents and investments	\$ 67,556,302	\$ 37,375,084	\$ 104,931,386
Restricted cash and cash equivalents	27,672,736	53,409,021	81,081,757
Investments	-	-	-
Accounts receivable			
Customers (net of allowance)	10,661,663	3,392,320	14,053,983
Intergovernmental	511,102	-	511,102
Interest	174,402	148,541	322,943
Assessments receivable	238,967	-	238,967
Taxes receivable	5,663,362	-	5,663,362
Notes receivable	702,908	-	702,908
Internal balances	(2,374,821)	2,374,821	-
Prepaid expenses	-	5,374,049	5,374,049
Capital assets (net of accumulated depreciation):			
Land	6,299,199	9,173,916	15,473,115
Water Shares	-	1,498,676	1,498,676
Buildings	3,568,605	1,335,084	4,903,689
Improvements	9,675,261	-	9,675,261
Equipment and systems	3,053,348	149,198,921	152,252,269
Infrastructure	145,319,062	-	145,319,062
Right to use assets	273,629	111,589	385,218
Right to use subscription assets	582,130	-	582,130
Construction in progress	10,806,832	4,912,450	15,719,282
Total assets	<u>290,384,687</u>	<u>268,304,472</u>	<u>558,689,159</u>
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	1,584,008	405,370	1,989,378
Bond refunding costs	-	536,216	536,216
Total deferred outflow of resources	<u>1,584,008</u>	<u>941,586</u>	<u>2,525,594</u>
LIABILITIES			
Accounts payable and accrued liabilities	11,023,281	3,434,261	14,457,543
Deposits	14,337,958	132,000	14,469,958
Bond interest payable	95,256	70,302	165,558
Unearned revenue	-	25,599,523	25,599,523
Long-term liabilities			
Due within one year	1,394,278	1,510,845	2,905,121
Due in more than one year	24,127,699	13,622,665	37,750,364
Total liabilities	<u>50,978,471</u>	<u>44,369,596</u>	<u>95,348,068</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	12,271	3,125	15,396
Deferred property taxes levied for future years	13,198,019	-	13,198,019
Total deferred inflow of resources	<u>13,210,290</u>	<u>3,125</u>	<u>13,213,415</u>
NET POSITION			
Net investment in capital assets	171,878,790	151,954,310	323,833,100
Restricted			
Impact fees	4,584,024	27,170,671	31,754,695
Capttal projects	16,725,666	-	16,725,666
Debt service	-	1,017,527	1,017,527
Unrestricted	34,591,453	44,730,829	79,322,282
Total net position	<u>\$ 227,779,933</u>	<u>\$ 224,873,337</u>	<u>\$ 452,653,270</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Activities
For the Year Ended June 30, 2024

Function/Programs	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 6,890,932	\$ 2,500,419	\$ -	\$ -	\$ (4,390,513)	\$ -	\$ (4,390,513)
Public safety	6,409,105	33,112	33,192	-	(6,342,801)	-	(6,342,801)
Public works	10,742,221	16,035	2,586,283	21,563,867	13,423,964	-	13,423,964
Community development	15,272,373	316,139	-	-	(14,956,234)	-	(14,956,234)
Planning	1,002,446	6,040,761	10,513	-	5,048,828	-	5,048,828
Interest on long-term debt	1,052,408	-	-	-	(1,052,408)	-	(1,052,408)
Total governmental activities	<u>41,369,485</u>	<u>8,906,466</u>	<u>2,629,988</u>	<u>21,563,867</u>	<u>(8,269,165)</u>	<u>-</u>	<u>(8,269,165)</u>
Business-type activities:							
Water	12,364,826	12,556,078	-	19,303,300	-	19,494,552	19,494,552
Sewer	8,494,131	9,419,651	-	9,672,773	-	10,598,293	10,598,293
Storm Drain	1,622,562	1,762,648	-	4,988,936	-	5,129,022	5,129,022
Non major business-type	2,587,106	2,738,117	-	-	-	151,011	151,011
Total business-type activities	<u>25,068,625</u>	<u>26,476,494</u>	<u>-</u>	<u>33,965,009</u>	<u>-</u>	<u>35,372,878</u>	<u>35,372,878</u>
Total primary government	<u>\$ 66,438,110</u>	<u>\$ 35,382,960</u>	<u>\$ 2,629,988</u>	<u>\$ 55,528,876</u>	<u>(8,269,165)</u>	<u>35,372,878</u>	<u>27,103,713</u>
General revenues:							
Property taxes					\$ 13,175,044	\$ -	\$ 13,175,044
General sales and use tax					11,122,408	-	11,122,408
Franchise taxes					6,351,030	-	6,351,030
Interest earnings					5,042,253	-	5,042,253
Insurance Proceeds					257,172	-	257,172
Transfers					2,590,570	(2,590,570)	-
Total general revenues and transfers					<u>38,538,477</u>	<u>(2,590,570)</u>	<u>35,947,907</u>
Change in net Position					30,269,312	32,782,308	63,051,620
Net position- beginning					197,510,621	192,091,029	389,601,650
Net position - ending					<u>\$ 227,779,933</u>	<u>\$ 224,873,337</u>	<u>\$ 452,653,270</u>

EAGLE MOUNTAIN CITY
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue		General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
		Redevelopment Agency	Impact Fee Parks			
ASSETS						
Cash, cash equivalents, and investments	\$ 27,808,581	\$ 2,306,544	\$ -	\$ 33,858,327	\$ 1,301,601	\$ 65,275,053
Restricted cash	149,652		8,279,375	16,725,666	2,518,043	27,672,736
Receivables (net):						
Accounts	98,824	10,562,763	-	-	-	10,661,587
Taxes	5,663,362	-	-	-	-	5,663,362
Intergovernmental	480,736	-	-	30,366	-	511,102
Interest	148,569	-	-	25,833	-	174,402
Special assessments	-	-	-	26,236	212,731	238,967
Notes receivable	-	-	-	702,908	-	702,908
Total assets	<u>\$ 34,349,724</u>	<u>\$ 12,869,307</u>	<u>\$ 8,279,375</u>	<u>\$ 51,369,336</u>	<u>\$ 4,032,375</u>	<u>\$ 110,900,117</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable & accrued liabilities	\$ 4,917,098	\$ 1,561	\$ 3,845,003	\$ 1,112,887	\$ 1,013,837	\$ 10,890,386
Deposits	14,337,958			-	-	14,337,958
Total liabilities	<u>19,255,056</u>	<u>1,561</u>	<u>3,845,003</u>	<u>1,112,887</u>	<u>1,013,837</u>	<u>25,228,344</u>
Deferred inflows of resources:						
Deferred property taxes levied for future years	2,635,256	10,562,763	-	-	-	13,198,019
Deferred property taxes-delinquent	33,986	-	-	-	-	33,986
Unavailable special improvement assessments	-	-	-	-	212,731	212,731
Total deferred inflows of resources	<u>2,669,242</u>	<u>10,562,763</u>	<u>-</u>	<u>-</u>	<u>212,731</u>	<u>13,444,736</u>
Fund Balances:						
Fund balances restricted for:						
Impact fees	149,652	-	4,434,372	-	-	4,584,024
Capital projects	-	-	-	16,725,666	-	16,725,666
Assigned, for:						
Special revenues	-	2,304,983	-	-	287,764	2,592,747
Debt service	-	-	-	-	2,518,043	2,518,043
Capital projects	1,479,494	-	-	33,530,783	-	35,010,277
Unassigned:	10,796,280	-	-	-	-	10,796,280
Total fund balances	<u>12,425,426</u>	<u>2,304,983</u>	<u>4,434,372</u>	<u>50,256,449</u>	<u>2,805,807</u>	<u>72,227,037</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 34,349,724</u>	<u>\$ 12,869,307</u>	<u>\$ 8,279,375</u>	<u>\$ 51,369,336</u>	<u>\$ 4,032,375</u>	<u>\$ 110,900,117</u>

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
 Balance Sheet Reconciliation to
 Statement of Net Position
 June 30, 2024

Total fund balances - governmental fund types:	\$ 72,227,037
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.	179,578,066
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	246,717
Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds.	1,584,008
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.	(25,617,232)
Deferred inflows of resources related to pensions are not available financial resources and are not reported in the governmental funds.	(12,271)
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.	(226,391)
Net assets of government activities	\$ 227,779,934

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, 2024

	General Fund	Special Revenue Redevelopment Agency	Impact fees Parks	General Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES						
Taxes	\$ 20,217,231	\$ 10,457,606	\$ -	\$ -	\$ -	\$ 30,674,837
Special assessments	-	-	-	-	34,389	34,389
Licenses and permits	6,084,433	-	-	-	-	6,084,433
Intergovernmental	2,657,821	-	-	90,242	-	2,748,063
Charges for services	3,073,270	-	-	-	52,765	3,126,035
Contributions	1,097,237	-	-	-	-	1,097,237
Impact fees	62,557	-	4,052,418	-	1,417,430	5,532,405
Interest	1,667,231	433,064	371,645	2,396,215	174,098	5,042,253
Miscellaneous	12,406	-	-	-	-	12,406
Total revenues	<u>34,872,186</u>	<u>10,890,670</u>	<u>4,424,063</u>	<u>2,486,457</u>	<u>1,678,682</u>	<u>54,352,058</u>
EXPENDITURES						
Current:						
General government	7,045,814	-	-	-	-	7,045,814
Public safety	6,406,847	-	-	-	-	6,406,847
Public works	6,440,745	-	7,018,628	-	3,962,060	17,421,433
Planning and zoning	1,053,553	-	-	-	-	1,053,553
Community development	6,171,155	9,546,141	-	-	16,985	15,734,281
Debt service:						
Principal retirement	505,880	-	-	-	1,980,849	2,486,729
Interest and fiscal charges	27,194	-	-	-	1,163,782	1,190,976
Bond issuance costs	-	-	-	-	-	-
Capital outlay	-	-	-	3,527,113	-	3,527,113
Total expenditures	<u>27,651,188</u>	<u>9,546,141</u>	<u>7,018,628</u>	<u>3,527,113</u>	<u>7,123,676</u>	<u>54,866,746</u>
Excess revenues over (under) expenditures	<u>7,220,998</u>	<u>1,344,529</u>	<u>(2,594,565)</u>	<u>(1,040,656)</u>	<u>(5,444,994)</u>	<u>(514,688)</u>
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Subscription financing	760,720	-	-	-	-	760,720
Insurance Proceeds	257,172	-	-	-	-	257,172
Bond issuance costs	-	-	-	-	-	-
Fraud loss	-	-	-	-	-	-
Transfers in	-	-	-	9,240,483	6,822,588	16,063,071
Transfers out	(9,221,254)	-	-	(2,659,107)	(1,592,140)	(13,472,501)
Total other financing sources and uses	<u>(8,203,362)</u>	<u>-</u>	<u>-</u>	<u>6,581,376</u>	<u>5,230,448</u>	<u>3,608,462</u>
Net change in fund balance	(982,364)	1,344,529	(2,594,565)	5,540,720	(214,546)	3,093,774
Fund balances - beginning of year	13,407,790	960,454	7,028,937	44,715,729	3,020,353	69,133,263
Fund balances - end of year	<u>\$ 12,425,426</u>	<u>\$ 2,304,983</u>	<u>\$ 4,434,372</u>	<u>\$ 50,256,449</u>	<u>\$ 2,805,807</u>	<u>\$ 72,227,037</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, 2024

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

Net changes in fund balances - total governmental funds	\$ 3,093,774
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	10,618,310
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	14,465,352
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(26,355)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,841,793
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.	99,436
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	177,003
Change in net assets of governmental activities	\$ 30,269,312

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities - Enterprise				Total	Governmental
	Water	Sewer	Storm Drain	NonMajor Garbage		Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 21,329,121	\$ 12,040,400	\$ 2,025,295	1,980,268	\$ 37,375,084	\$ 2,281,249
Accounts receivable - net	2,184,476	808,763	145,433	253,648	3,392,320	76
Intergovernmental	-	-	-	-	-	-
Interest	148,541	-	-	-	148,541	-
Due from other funds	-	-	-	-	-	-
Prepaid expenses	5,374,049	0	-	-	5,374,049	-
Total current assets	<u>29,036,187</u>	<u>12,849,163</u>	<u>2,170,728</u>	<u>2,233,916</u>	<u>46,289,994</u>	<u>2,281,325</u>
Noncurrent assets:						
Restricted cash and cash equivalents	47,187,405	3,795,332	2,426,284	-	53,409,021	-
Land, equipment, buildings and improv.	105,012,946	86,831,168	33,384,916	38,730	225,267,760	6,153,611
Less: Accumulated depreciation	<u>(30,114,739)</u>	<u>(22,294,856)</u>	<u>(6,597,475)</u>	<u>(30,054)</u>	<u>(59,037,124)</u>	<u>(4,077,010)</u>
Total noncurrent assets	<u>122,085,612</u>	<u>68,331,644</u>	<u>29,213,725</u>	<u>8,676</u>	<u>219,639,657</u>	<u>2,076,601</u>
Total assets	<u>151,121,799</u>	<u>81,180,807</u>	<u>31,384,453</u>	<u>2,242,592</u>	<u>265,929,651</u>	<u>4,357,926</u>
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding costs - net	230,573	305,643	-	-	536,216	-
Pension related costs	192,096	142,955	69,461	858	405,370	89,001
Total deferred outflow of resources	<u>422,669</u>	<u>448,598</u>	<u>69,461</u>	<u>858</u>	<u>941,586</u>	<u>89,001</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	2,501,028	685,645	32,530	215,058	3,434,261	132,896
Debt interest payable	23,816	46,486	-	-	70,302	-
Compensated absences - current	25,124	38,229	11,793	338	75,484	17,321
Current portion of long-term debt	922,661	512,700	-	-	1,435,361	-
Total current liabilities	<u>3,472,629</u>	<u>1,283,060</u>	<u>44,323</u>	<u>215,396</u>	<u>5,015,408</u>	<u>150,217</u>
Noncurrent liabilities:						
Deposits	132,000	-	-	-	132,000	-
Unearned Revenue	24,599,523	1,000,000	-	-	25,599,523	-
Compensated absences- (net of current)	8,375	12,743	3,931	113	25,161	5,774
Net pension liability	104,406	77,699	37,714	504	220,323	48,430
Long-term debt (net of current portion)	4,943,837	8,433,344	-	-	13,377,181	-
Total noncurrent liabilities	<u>29,788,141</u>	<u>9,523,786</u>	<u>41,645</u>	<u>617</u>	<u>39,354,188</u>	<u>54,204</u>
Total liabilities	<u>33,260,770</u>	<u>10,806,846</u>	<u>85,968</u>	<u>216,012</u>	<u>44,369,596</u>	<u>204,420</u>
DEFERRED INFLOWS OF RESOURCES						
Pension related costs	1,481	1,102	542	-	3,125	677
Total deferred outflow of resources	<u>1,481</u>	<u>1,102</u>	<u>542</u>	<u>-</u>	<u>3,125</u>	<u>677</u>
NET POSITION						
Net investment in capital assets	69,262,282	55,895,911	26,787,441	8,676	151,954,310	2,076,601
Restricted - impact fees	21,791,771	2,952,616	2,426,284	-	27,170,671	-
Restricted debt service	174,811	842,716	-	-	1,017,527	-
Unrestricted	27,053,353	11,130,214	2,153,679	2,018,762	42,356,008	2,165,229
Total net position	<u>\$ 118,282,217</u>	<u>\$ 70,821,457</u>	<u>\$ 31,367,404</u>	<u>2,027,438</u>	<u>\$ 222,498,516</u>	<u>\$ 4,241,830</u>
Adjustment to reflect the consolidation of internal service fund activities to the enterprise funds					<u>2,374,821</u>	-
Net position business-type activities					<u>\$ 224,873,337</u>	-
	-	-	-	-	(0)	-
	Water	Sewer	Storm Drain	Garbage	Total	I.S. FUND
Fixed Assets						
Equipment	105,012,946	86,831,168	33,384,916	38,730	225,229,030	6,153,611

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Drain	Nonmajor Garbage	Total	
Operating revenues:						
Charges for services	\$ -	\$ -	\$ 1,542,928	\$ 2,658,599	\$ 4,201,527	\$ 2,028,114
Charges for services pledged as security on revenue bonds	9,087,582	8,862,073	-	-	17,949,655	-
Other operating income	8,736	-	-	-	8,736	66,804
Total operating revenues	9,096,318	8,862,073	1,542,928	2,658,599	22,159,918	2,094,918
Operating expenses:						
Salaries and wages	1,199,420	787,475	348,409	19,532	2,354,836	621,201
Purchased services	6,394,253	4,608,773	311,679	2,475,446	13,790,151	409,365
Supplies and materials	508,446	350,234	51,223	86,824	996,727	395,653
Depreciation and amortization	3,141,133	2,318,302	881,925	7,746	6,349,106	724,329
Miscellaneous	19,554	7,939	8,609	87	36,189	5,046
Total operating expenses	11,262,806	8,072,723	1,601,845	2,589,635	23,527,009	2,155,594
Operating income	(2,166,488)	789,350	(58,917)	68,964	(1,367,091)	(60,676)
Nonoperating revenues (expenses):						
Interest revenue	3,459,760	557,578	219,720	79,518	4,316,576	116,759
Developer reimbursements	(965,434)	(210,990)	(40,048)	-	(1,216,472)	-
Bond refunding cost amortization	(28,822)	(38,205)	-	-	(67,027)	-
Interest expense and fiscal charges	(162,053)	(216,851)	-	-	(378,904)	-
Total nonoperating revenues (expenses)	2,303,451	91,532	179,672	79,518	2,654,173	290,504
Net income (loss) before contributions and transfers	136,963	880,882	120,755	148,482	1,287,082	229,828
Developer contributions	15,746,035	5,115,068	4,402,713	-	25,263,816	-
Impact fees	3,557,265	4,557,705	586,223	-	8,701,193	-
Transfers in	450,000	-	-	-	450,000	-
Transfers out	-	(1,716,470)	(1,324,100)	-	(3,040,570)	-
Total contributions and transfers	19,753,300	7,956,303	3,664,836	-	31,374,439	-
Change in net position	19,890,263	8,837,185	3,785,591	148,482	32,661,521	229,828
Total net position - beginning	98,391,954	61,984,272	27,581,813	1,878,956		4,012,002
Total net position - ending	\$ 118,282,217	\$ 70,821,457	\$ 31,367,404	\$ 2,027,438		\$ 4,241,830
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds					120,789	
Change in net position of business-type activities					<u>\$ 32,782,310</u>	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	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	\$ 8,066,098	\$ 9,819,109	\$ 1,534,253	\$ 2,630,311	\$ 22,049,771	\$ 2,100,313
Payments to suppliers	(10,730,522)	(4,896,464)	(355,453)	(2,542,574)	(18,525,013)	(627,908)
Payments to employees	(1,215,881)	(796,890)	(359,530)	(19,436)	(2,391,737)	(726,679)
Net cash provided (used) by operating activities	(3,880,305)	4,125,755	819,270	68,301	1,133,021	745,726
Cash Flows From Noncapital Financing Activities						
Transfers in	450,000	-	-	-	450,000	-
Transfers out	-	(1,716,470)	(1,324,100)	-	(3,040,570)	-
Net cash provided (used) by noncapital financing activities	450,000	(1,716,470)	(1,324,100)	-	(2,590,570)	-
Cash Flows From Capital and Related Financing Activities						
Purchases of capital assets	(4,663,110)	(1,454,574)	(288,737)	-	(6,406,421)	(722,235)
Impact fees collected	3,557,265	4,557,705	586,223	-	8,701,193	-
Contributions	9,670,012	-	-	-	9,670,012	-
Proceeds from sale of assets	-	-	-	-	-	173,745
Payments for developer reimbursements	(965,434)	(210,990)	(40,048)	-	(1,216,472)	-
Principal paid on capital debt	(470,772)	(1,023,350)	-	-	(1,494,122)	-
Interest paid on capital debt	(203,053)	(274,520)	-	-	(477,573)	-
Net cash provided (used) by capital and related financing activities	6,924,908	1,594,271	257,438	-	8,776,617	(548,490)
Cash Flows From Investing Activities						
Interest and dividends received	3,459,760	557,578	219,720	79,518	4,316,576	116,759
Net increase (decrease) in cash and cash equivalents	6,954,363	4,561,134	(27,672)	147,819	11,635,644	313,995
Cash and cash equivalents - beginning	61,562,163	11,274,598	4,479,251	1,832,449	79,148,461	1,967,254
Cash and cash equivalents (deficit) - ending	<u>\$ 68,516,526</u>	<u>\$ 15,835,732</u>	<u>\$ 4,451,579</u>	<u>\$ 1,980,268</u>	<u>\$ 90,784,105</u>	<u>\$ 2,281,249</u>
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	\$ (2,166,488)	\$ 789,350	\$ (58,917)	\$ 68,964	\$ (1,367,091)	\$ (60,676)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization expense	3,141,133	2,318,302	881,925	7,746	6,349,106	724,329
(Increase)/decrease in accounts rec.	(1,100,108)	957,036	(8,675)	(28,288)	(180,035)	5,395
(Increase)/decrease in prepaid expenses	(5,374,049)	-	-	-	(5,374,049)	-
(Increase)/decrease in net pension asset	-	-	-	-	-	-
(Increase)/decrease in deferred outflows	(58,894)	(43,844)	(20,684)	(858)	(124,280)	(28,182)
Increase/(decrease) in accounts payable	1,544,780	70,482	16,058	19,783	1,651,103	83,385
Increase/(decrease) in compensated absences	7,770	8,624	(2,611)	450	14,233	4,885
Increase/(decrease) in net pension liability	34,618	25,771	12,158	504	73,051	16,568
Increase/(decrease) in deferred inflows	45	34	16	-	95	22
Increase/(decrease) in deferred revenue	69,888	-	-	-	69,888	-
Increase/(decrease) in deposits	21,000	-	-	-	21,000	-
Total adjustments	(1,713,817)	3,336,405	878,187	(663)	2,500,112	806,402
Net cash provided (used) by operating activities	<u>\$ (3,880,305)</u>	<u>\$ 4,125,755</u>	<u>\$ 819,270</u>	<u>\$ 68,301</u>	<u>\$ 1,133,021</u>	<u>\$ 745,726</u>
Noncash investing, capital, and financing activities						
Contributions by developers	\$ 6,076,022	\$ 5,115,068	\$ 4,402,713	\$ -	\$ 15,593,803	\$ -
Total noncash investing, capital and financing activities	<u>\$ 6,076,022</u>	<u>\$ 5,115,068</u>	<u>\$ 4,402,713</u>	<u>\$ -</u>	<u>\$ 15,593,803</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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Blended Component Units

•The Redevelopment Agency (RDA) of Eagle Mountain City was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a separate board, who are the City's Mayor and Council. The financial statements of the RDA are included in the accompanying financial statements as a blended component unit.

The RDA is considered a blended component unit because the governing board is the same governing board of the City. In addition, the primary government has operational responsibility for the RDA. There is also a direct financial benefit/burden relationship between RDA and the primary government. The RDA is presented as a special revenue fund in the financial statements.

B. Government-wide and Fund Financial Statements

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

C. Measurement Focus, Basis of Accounting, and Presentation

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

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

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

The *park impact fee* fund accounts for the impact fees collected and spent for parks within the City.

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

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

H. Compensated Absences

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

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

I. Taxes

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and pension related costs. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, *revenue for future year*, is reported in both the statement of net position and the governmental funds balance sheet. These amounts account for property taxes levied on January 1, 2022, for the 2023 fiscal year.

M. Leases

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

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

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

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

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

- 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. Subscription Payable

The City implemented GASB No. 96, Subscription-Based Information Technology Arrangements (SBITA), The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financing of the right to use an underlying asset. Under this statement, an organization is required to recognize a subscription liability and an underlying right to use subscription asset.

O. 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.

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

It is the City's policy to use restricted, committed, assigned, and then unassigned fund balance. Below is fund balance detail for each category of fund balance in the governmental funds:

	General Fund	Capital Projects Fund	Redevelopment Agency	Parks Impact Fee Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balance:						
Restricted:						
Capital improvements	\$ -	\$ 16,725,666	\$ -	\$ -	\$ -	\$ 16,725,666
Impact fees on hand	149,652	-	-	4,434,372	-	4,584,024
	<u>149,652</u>	<u>16,725,666</u>	<u>-</u>	<u>4,434,372</u>	<u>-</u>	<u>21,309,690</u>
Committed:						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned:						
Capital improvements	1,479,494	33,530,783	-	-	-	35,010,277
Debt service	-	-	-	-	2,518,043	2,518,043
Redevelopment	-	-	2,304,983	-	-	2,304,983
Cemetery	-	-	-	-	287,764	287,764
	<u>1,479,494</u>	<u>33,530,783</u>	<u>2,304,983</u>	<u>-</u>	<u>2,805,807</u>	<u>40,121,067</u>
Unassigned	10,796,280	-	-	-	-	10,796,280
Total fund balances	<u>\$ 12,425,426</u>	<u>\$ 50,256,449</u>	<u>\$ 2,304,983</u>	<u>\$ 4,434,372</u>	<u>\$ 2,805,807</u>	<u>\$ 72,227,037</u>

P. 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, 2024

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	\$242,571,591
Accumulated depreciation	<u>(62,993,525)</u>
Net adjustment to increase <i>fund balance total governmental funds</i> to arrive at <i>net-assets - governmental activities</i>)	<u>\$179,578,066</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	\$ 212,731
Delinquent property taxes	<u>33,986</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u>\$ 246,717</u>

3. Long-term debt transactions:

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

Bonds payable	(\$21,410,000)
Lease Payable	(756,106)
Bond interest payable	(95,256)
Bond premium	(2,079,744)
Net Pension Liability	(860,554)
Compensated absences	(415,572)

Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<u>(\$25,617,232)</u>
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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

Capital outlay	\$ 17,311,396
Depreciation expense	(6,693,086)
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>\$ 10,618,310</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	\$ (760,720)
Amortization of bond premiums	115,784
Principal paid on bonds and leases	<u>2,486,729</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities</i>	<u>\$ 1,841,793</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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	\$ 22,784
Pension related costs	197,398
Compensated absences	<u>(43,179)</u>
Net adjustment to increase <i>net changes in fund</i>	
<i>balances – total governmental funds to arrive</i>	
<i>at changes in net position of governmental activities</i>	<u>\$ 177,003</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, 2024

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 Manager, 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, 2024

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2023, the City’s cash balance consisted of the following:

	<u>All Fund Types</u>
Cash, cash equivalents, and temporary cash investments	\$ 104,931,386
Cash, cash equivalents, restricted	81,081,757
Total cash and cash equivalents	\$ 186,013,143

While the City’s carrying amount of deposits was \$133,918,554, the balance in the City’s bank account and cash on hand was \$133,606,304 with the difference being due to outstanding checks and deposits in transit.

A. Deposits

Deposits – Custodial Credit Risk. Custodial risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City follows the requirements of the Utah Money Management Act in handling its depository and investing transactions. The City considers the actions of the State Money Management Council to be necessary and sufficient for adequate protection of its uninsured bank deposits. City funds are deposited in qualified depositories as defined by the Act. The City does not have a deposit policy for custodial credit risk. As of June 30, 2022, the City’s custodial credit risk, for deposits were as follows:

Depository Account	Custodial Credit Risk	Balance June 30, 2024
Checking and savings	Insured and collateralized	\$ 250,000
Investment sweep	Uninsured and uncollateralized	7,229,105
Total deposits		\$ 7,479,105

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

B. Investments

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

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper classified as “first tier” by two nationally recognized statistical rating organizations, one of which must be Moody’s Investor Services or Standard and Poor’s; bankers’ acceptances; obligations of the U.S. Treasury, including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer’s Investment Fund. All investments held by the City on June 30, 2023, comply with the provisions of the Act.

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

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

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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, 2024, the City had the following recurring fair value measurements.

Investments	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Utah Public Treasurer's Investment Fund	\$ 131,864,011	\$ -	\$ 131,864,011	\$ -
Certificates of deposit	24,884,692	-	24,884,692	
US bonds	5,018,039	5,018,039	-	
US Government, agencies	5,034,281	5,034,281	-	
Corporate Notes	11,425,431	11,425,431	-	
Total Investments	<u>\$ 178,226,454</u>	<u>\$ 21,477,751</u>	<u>\$ 156,748,703</u>	<u>\$ -</u>

- Certificates of deposit and money market accounts are valued using quoted market prices (level 1)
- Utah Public Treasurer's Investment Fund – Application of the June 30, 2024, fair value factor, as calculated by the Utah State Treasurer, to the City's ending balances in the fund. (level 2)
- US bonds, Us Government Agencies, and corporate notes are valued using quoted prices for similar securities in active markets. (level 2)

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 4 – CASH EQUIVALENTS AND INVESTMENTS (Continued)

The City’s investments are managed through participation in the State Public Treasurer’s Investment Fund and through a trust arrangement with a local bank, and a liquid asset management account. As of June 30, 2024, the City had the following investments:

<u>Investments</u>	<u>Investment Maturities (in Years)</u>				<u>Quality Ratings</u>
	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>	
Utah Public Treasurer's Investment Fund	\$ 131,864,011	\$ -	\$ -	\$ -	Unrated
Certificates of deposit	6,500,111	18,384,581	-	-	Unrated
US Bonds	2,327,042	2,690,997	-	-	A1-AAA
US Government or Agencies	1,238,898	3,795,383	-	-	A1-AAA
Corporate Bonds	5,403,850.00	6,021,581	-	-	A1-AAA
Total investments	<u>\$ 147,333,912</u>	<u>\$ 30,892,542</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, 2024

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

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

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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	RDA	Water	Sewer	Storm Drain	Non major Enterprise	Non major Gov't'l	Total
Receivables:									
Accounts	\$ 99,115	\$ -	\$ -	\$ 2,189,371	\$ 809,975	\$ 145,684	\$ 254,145	\$ -	\$ 3,498,290
Interest	148,569	25,833	-	148,541	-	-	-	-	322,943
Taxes	5,663,362	-	10,562,763	-	-	-	-	-	16,226,125
Special									
Assessments	-	26,236	-	-	-	-	-	212,731	238,967
Intergovernmental	480,736	733,274	-	-	-	-	-	-	1,214,010
Less: allowance for uncollectible accounts	(290)	-	-	(4,895)	(1,212)	(251)	(497)	-	(7,145)
	<u>\$ 6,391,492</u>	<u>\$ 785,343</u>	<u>\$ 10,562,763</u>	<u>\$ 2,333,017</u>	<u>\$ 808,763</u>	<u>\$ 145,433</u>	<u>\$ 253,648</u>	<u>\$ 212,731</u>	<u>\$ 21,493,190</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, 2024, 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 2024 funding cycle. The funds were received in 2024 fiscal year.

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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>Business Type</u>	<u>Total</u>
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor govtl.	3,021,342	2,209,107	-	-	-	5,230,449
Capital projects	6,199,912	-	-	-	3,040,571	9,240,483
Internal Service	-	-	-	-	-	-
Business type	-	450,000	-	-	-	450,000
Total transfer out	<u>\$ 9,221,254</u>	<u>\$ 2,659,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,040,571</u>	<u>\$ 14,920,932</u>

The City transferred monies to support capital project payments in the capital projects fund and to fund debt service in the debt service fund.

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

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (general fund)	\$ 2,635,256	\$ 2,635,256
Property taxes receivable (RDA fund)	10,562,763	10,562,763
Property tax delinquent	33,986	
Special assessments (special revenue fund)	<u>212,731</u>	
Total	<u>\$13,444,736</u>	<u>\$ 13,198,019</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

Primary Government	Beginning			Ending
Governmental activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Land	\$ 6,252,458	\$ 46,741	\$ -	\$ 6,299,199
Construction in progress	2,038,179	9,279,513	510,860	10,806,832
Total capital assets not being depreciated	<u>8,290,637</u>	<u>9,326,254</u>	<u>510,860</u>	<u>17,106,031</u>
Capital assets being depreciated:				
Buildings	5,131,479	312,036	-	5,443,515
Improvements	11,559,740	-	-	11,559,740
Machinery and equipment	8,889,722	991,021	304,333	9,576,410
Infrastructure	176,757,638	20,897,577	-	197,655,215
Right to use - machinery and equipment	469,960	-	-	469,960
Right to use subscription asset	-	760,720	-	760,720
Total capital assets being depreciated	<u>202,808,539</u>	<u>22,961,354</u>	<u>304,333</u>	<u>225,465,560</u>
Less accumulated depreciation for:				
Buildings	1,734,516	140,394	-	1,874,910
Improvements	1,486,932	397,547	-	1,884,479
Machinery and equipment	5,859,804	967,591	304,333	6,523,062
Infrastructure	47,429,891	4,906,262	-	52,336,153
Right to use - machinery and equipment	93,629	102,702	-	196,331
Right to use subscription asset	-	178,590	-	178,590
Total accumulated depreciation	<u>56,604,772</u>	<u>6,693,086</u>	<u>304,333</u>	<u>62,993,525</u>
Total capital assets, being depreciated, net	<u>146,203,767</u>	<u>16,268,268</u>	<u>-</u>	<u>162,472,035</u>
Governmental activities capital assets, net	<u>\$ 154,494,404</u>	<u>\$ 25,594,522</u>	<u>\$ 510,860</u>	<u>\$ 179,578,066</u>
	Beginning			Ending
Business-type activities:	Balance	Increases	Decreases	Balance
Capital assets not being depreciated:				
Construction in progress	\$ 6,755,990	\$ 3,084,186	\$ 4,927,726	\$ 4,912,450
Land	9,065,416	108,500	-	9,173,916
Water shares	1,498,676	-	-	1,498,676
Total capital assets not being depreciated	<u>17,320,082</u>	<u>3,192,686</u>	<u>4,927,726</u>	<u>15,585,042</u>
Capital assets being depreciated:				
Buildings	3,715,254	-	-	3,715,254
Equipment and systems	182,085,049	23,735,264	-	205,820,314
Right to use assets	147,150	-	-	147,150
Total capital assets being depreciated	<u>185,947,453</u>	<u>23,735,264</u>	<u>-</u>	<u>209,682,718</u>
Less accumulated depreciation for:				
Buildings	2,276,210	103,960	-	2,380,170
Equipment and systems	50,390,962	6,230,431	-	56,621,393
Right to use assets	20,846	14,715	-	35,561
Total accumulated depreciation	<u>52,688,018</u>	<u>6,349,106</u>	<u>-</u>	<u>59,037,124</u>
Total capital assets, being depreciated, net	<u>133,259,435</u>	<u>17,386,158</u>	<u>-</u>	<u>150,645,594</u>
Business-type activities capital assets, net	<u>\$ 150,579,517</u>	<u>\$ 20,578,844</u>	<u>\$ 4,927,726</u>	<u>\$ 166,230,636</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 8 - CAPITAL ASSETS (Continued)

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

Governmental activities:

General government	\$ 200,640
Public safety	2,258
Public works	6,174,832
Planning	-
Community development	315,356
Total depreciation expense - governmental activities	\$ 6,693,086

Business-type activities:

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

Total depreciation expense	\$ 12,723,035
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The City has various construction projects as of June 30, 2024. The City's commitments with contractors are as follows:

Project	Remaining Commitment
Road projects	\$ 551,035
Parks & Recreation	948,320
Water projects	1,855,174
Total	\$ 3,354,529

NOTE 9 – LONG-TERM DEBT

Bonds and notes payable at June 30, 2023, are comprised of the following:

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

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

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total
2025	\$ 20,000	\$ 13,512	\$ 33,512
2026	20,000	12,200	32,200
2027	25,000	10,888	35,888
2028	25,000	9,576	34,576
2029	25,000	8,000	33,000
2030-2033	125,000	16,750	141,750
Total	<u>\$ 240,000</u>	<u>\$ 70,926</u>	<u>\$ 310,926</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
2025	\$ 460,000	\$ 19,170	\$ 479,170
2026	495,000	14,570	509,570
2027	530,000	9,620	539,620
2028	432,000	4,320	436,320
Total	<u>\$ 1,917,000</u>	<u>\$ 47,680</u>	<u>\$ 1,964,680</u>

3. \$2,536,000 Eagle Mountain City Water Quality Revenue Bond Series 2013

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

Fiscal Year	Principal	Interest	Total
2025	\$ 133,000	\$ 20,537	\$ 153,537
2026	136,000	18,197	154,197
2027	138,000	18,395	156,395
2028	140,000	18,232	158,232
2029	143,000	15,873	158,873
2030-2034	637,000	31,870	668,870
Total	<u>\$ 1,327,000</u>	<u>\$ 123,104</u>	<u>\$ 1,450,104</u>

4. \$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:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 – LONG-TERM DEBT (Continued)

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

5. \$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. This bond requires annual installments of principal beginning November 2018, and interest due beginning May 2018 through May 2026, bearing interest ranging from 4.75-5.00%. The debt service requirements to maturity are as follows:

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

6. \$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:

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 – LONG-TERM DEBT (Continued)

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

7. \$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:

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

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 – LONG-TERM DEBT (Continued)

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

- The note was issued to fund road projects within the City. A grant was authorized by the State of Utah to fund the project. The Grant funds will not be available until 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 note was retired in 2024.

9. Leases payable

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

The Governmental Activity leases future debt service requirements are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 101,184	\$ 4,116	\$ 105,300
2026	103,149	7,926	111,075
2027	105,551	4,248	109,799
2028	24,602	2,398	27,000
2029	25,774	1,227	27,001
Total	\$ 360,260	\$ 19,915	\$ 380,175

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 – LONG-TERM DEBT (Continued)

The Business Type Activities leases future debt service requirements are as follows:

Fiscal Year	Principal	Interest	Total
2025	\$ 14,361	\$ 1,224	\$ 15,585
2026	14,531	1,054	15,585
2027	14,702	882	15,584
2028	14,876	709	15,585
2029	15,052	532	15,584
2030-2032	37,118	584	37,702
Total	<u>\$ 110,640</u>	<u>\$ 4,985</u>	<u>\$ 115,625</u>

10. Subscription-Based Information Technology Agreements (SBITA)

For the year ended June 30, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of June 30, 2024, the City had 2 active subscriptions. The subscriptions have payments that range from \$149,608 to \$215,266 and interest rate of 3.59%. As of June 30, 2024, the total combined value of the subscription liability is \$395,846, and the total combined value of the short-term subscription liability is \$189,431. The combined value of the right to use asset, as of June 30, 2024 of \$760,720 with accumulated amortization of \$93,629 the future lease payments are included below:

Fiscal Year	Principal	Interest	Total
2025	\$ 189,431	\$ 4,208	\$ 193,639
2026	206,415	2,190	208,605
Total	<u>\$ 395,846</u>	<u>\$ 6,398</u>	<u>\$ 402,244</u>

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 9 – LONG-TERM DEBT (Continued)

11. Changes in long term liabilities

Changes in bonds payable, deferred items, leases, and compensated absences during the fiscal year June 30, 2024, were as follows:

	July 1 2023	Additions	Reductions	June 30 2024	Due in One Yr
Governmental Activities:					
Bonds Payable					
2014 Special assessment bond	\$ 285,000	\$ -	\$ 45,000	\$ 240,000	\$ 20,000
Unamortized bond premium	4,868	-	486	4,382	-
2022 Sales Tax Bond	21,885,000	-	715,000	21,170,000	755,000
Unamortized bond premium	2,190,660	-	115,298	2,075,362	-
Total bonds payable	<u>24,365,528</u>	-	<u>875,784</u>	<u>23,489,744</u>	<u>775,000</u>
Leases payable	501,267	-	141,006	360,261	101,184
Notes payable	1,220,849	-	1,220,849	-	-
Subscription payable	-	760,720	364,874	395,846	206,415
Net pension liability	578,529	282,025	-	860,554	-
Compensated absences	367,505	474,938	426,872	415,571	311,679
Gov't activities long-term debt	<u>\$ 27,033,678</u>	<u>\$ 1,517,683</u>	<u>\$ 3,029,385</u>	<u>\$ 25,521,976</u>	<u>\$ 1,394,278</u>
Business-Type Activities:					
Bonds payable:					
2009 sewer revenue bond	\$ 2,483,000	\$ -	\$ 566,000	\$ 1,917,000	\$ 460,000
2013 water quality revenue bond	1,458,000	-	131,000	1,327,000	133,000
2014 water and sewer refunding bond	9,155,000	-	235,000	8,920,000	255,000
Unamortized bond premium	554,114	-	61,568	492,546	-
2018A water and sewer refunding bond	1,350,000	-	520,000	830,000	545,000
Unamortized bond premium	88,928	-	29,644	59,284	-
2018B water and sewer revenue bond	1,184,000	-	27,000	1,157,000	28,000
Total bonds payable	<u>16,273,042</u>	-	<u>1,570,212</u>	<u>14,702,830</u>	<u>1,421,000</u>
Leases payable	124,834	-	14,193	110,641	14,361
Net pension liability	147,271	73,052	-	220,323	-
Compensated absences	86,411	122,241	108,006	100,646	75,484
Business type long-term debt	<u>\$ 16,631,558</u>	<u>\$ 195,293</u>	<u>\$ 1,692,411</u>	<u>\$ 15,134,440</u>	<u>\$ 1,510,845</u>

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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 to June 30,2020 2.00% per year July 1, 2020 to present	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, 2024

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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

	Employee Paid	Paid by Employer for Employee	Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
111 - Local Governmental Division Tier 2	N/A	N/A	16.01%	0.180%
Noncontributory				
15 - Local Governmental Division Tier 1	N/A	N/A	17.97%	N/A
Firefighters Retirement				
32 - Other Division B	16.71	N/A	6.34%	N/A
132 -Tier 2 DB Hybrid Firefighters	2.59	N/A	14.08%	N/A
Tier 20 DC Only				
211 Local Government	N/A	N/A	6.19%	10.000%
232 - Firefighters	N/A	N/A	0.08%	14.000%

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

For the fiscal year ended June 30, 2023, the employer and employee contributions to the System were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 510,976	N/A
Tier 2 Public Employee System	618,648	1,132
Tier 2 DC Only System	50,156	N/A
	<u>\$ 1,179,780</u>	<u>\$ 1,132</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, 2024 the City reported a net pension asset of \$0 and a net pension liability of \$1,080,876

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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, 2023				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	\$ -	\$ 824,173	0.3553137%	0.3368370%	0.0184767%
Tier 2 Public Employees System	-	256,703	0.1318875%	0.1367281%	-0.0048406%
Total Net Pension Asset/Liability	<u>\$ -</u>	<u>\$ 1,080,876</u>			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the System during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2024, the City recognized pension expense of (\$602,882). At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 245,969	\$ 6,819
Changes in assumptions	142,883	11,288
Net difference between projected and actual earnings on the pension plan investments	440,565	2,381,072
Changes in proportion and differences between contributions and proportionate shares of contributions	74,585	-
Contributions subsequent to the measurement date	481,303	-
Total	<u>\$ 1,385,305</u>	<u>\$ 2,399,179</u>

\$481,003 reported as deferred outflows of resources related to pensions resulting from contributions made prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	\$ 396,216
2025	373,088
2026	563,305
2027	(92,958)
2028	26,608
Thereafter	119,789

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 10 – STATE RETIREMENT PLANS (Continued)

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

For the year ended June 30, 2024, the City recognized pension expense of \$595,183 for the noncontributory system. At June 30, 2024 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	\$ 5,577,096	\$ -
Changes in assumptions	247,317	-
Net difference between projected and actual earnings on the pension plan investments	268,014	-
Changes in proportion and differences between contributions and proportionate shares of contributions	14,223	5,236
Contributions subsequent to the measurement date	252,032	-
Total	\$ 6,358,682	\$ 5,236

\$252,032 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, 2023.

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
2024	\$ 371,724
2025	338,372
2026	503,884
2027	(112,567)
2028	-
Thereafter	-

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

For the year ended June 30, 2024, the City recognized pension expense of \$335,546. At June 30, 2024 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, 2024

NOTE 10 – STATE RETIREMENT PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,220	\$ 4,204
Changes in assumptions	146,936	203
Net difference between projected and actual earnings on the pension plan investments	-	-
Changes in proportion and differences between contributions and proportionate shares of contributions	36,651	5,752
Contributions subsequent to the measurement date	335,900	-
Total	<u>\$ 630,695</u>	<u>\$ 10,159</u>

\$335,900 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, 2023. 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
2024	\$ 24,492
2025	34,717
2026	59,421
2027	19,609
2028	26,608
Thereafter	119,789

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EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Actuarial assumptions – The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5-9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expenses, including inflation

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

The actuarial assumptions used in the January 1, 2023, valuation was based on an actuarial experience study for the period ending December 31, 2022.

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, 2024

NOTE 10 – STATE RETIREMENT PLANS (Continued)

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

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

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

Sensitivity of the City’s proportionate share of the net pension asset and liability to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Proportion Share of			
Noncontributory Systems	\$ 4,277,415	\$ 824,173	\$ 2,067,683
Tier 2 Public Employees System	881,996	256,703	228,211
Total	\$ 5,159,411	\$ 1,080,876	\$ 2,295,894

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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>2024</u>	<u>2023</u>	<u>2022</u>
401(k) Plan			
Employer Contributions	\$ 307,261	\$ 230,038	\$ 174,303
Employee Contributions	147,575	117,415	78,150
457 Plan			
Employer Contributions	311,640	285,708	246,546
Employee Contributions	260,029	230,029	201,577
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	63,620	52,581	47,051

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, 2024

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 \$3,915,287.

NOTE 14 – REDEVELOPMENT AGENCY OF EAGLE MOUNTAIN CITY

For the year ended June 30, 2024, the following activity occurred in the City’s Redevelopment Agency:

Property Tax Increment Received:	
Project Area 1:	
EDA 2012-1	\$ -
Project Area 2:	
Parkside	17,951
Project Area 3:	
Sweetwater	9,746,126
Project Area 4	
Pole Canyon -38	2,449
Project Area 5	
Pole Canyon -53	691,080
Total Tax increment received by RDA	\$ 10,457,606
 Property Tax Increment Expended:	
Administrative costs	\$ 176,117
Reimbursements to taxing agency	610,306
Site and Improvements	8,759,718
Total tax increment expended by RDA	\$ 9,546,141

EAGLE MOUNTAIN CITY
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

NOTE 15 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 14, 2024, 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, 2024

NOTE 1 – CHANGE IN ASSUMPTIONS

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

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, 2024
 Last 10 Fiscal Years*

Fiscal Year	Proportion of the net liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Porportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System					
2015	0.3418200%	\$ 1,484,263	\$ 2,830,676	52.4%	90.2%
2016	0.2882055%	1,630,807	2,337,197	69.78%	87.80%
2017	0.2514720%	1,606,251	1,989,663	80.73%	87.30%
2018	0.0251466%	1,101,749	1,913,175	57.59%	91.90%
2019	0.2619790%	1,928,544	1,990,978	96.86%	87.00%
2020	0.2694202%	1,015,409	2,003,401	50.68%	93.70%
2021	0.2809756%	144,124	2,006,669	7.18%	99.20%
2022	0.2918374%	(1,671,384)	1,997,733	-83.66%	108.70%
2023	0.3368370%	576,917	2,433,738	23.70%	97.50%
2024	0.3553137%	824,173	2,716,757	30.34%	96.90%
Tier 2 Public Employees Retirement System					
2015	0.0903999%	(2,740)	444,513	-0.6%	103.50%
2016	0.0953808%	(208)	616,135	-0.030%	100.20%
2017	0.9893570%	11,036	811,348	1.360%	95.10%
2018	0.1030719%	9,088	1,008,808	0.900%	97.40%
2019	0.0984386%	42,159	1,149,735	3.670%	90.80%
2020	0.1095960%	24,649	1,522,444	1.620%	96.50%
2021	0.1195348%	17,192	1,911,180	0.900%	98.30%
2022	0.1250546%	(52,928)	2,320,700	-2.280%	103.80%
2023	0.1367281%	148,882	2,980,518	5.000%	92.30%
2024	0.1318875%	256,703	3,409,740	7.530%	89.58%

* 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, 2024
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	2015	\$ 481,847	\$ 481,847	\$ -	\$ 2,608,808	22.03%
	2016	394,681	394,681	-	2,136,875	22.19%
	2017	355,432	355,432	-	1,924,378	18.47%
	2018	360,046	360,046	-	1,949,357	18.48%
	2019	371,693	371,693	-	2,012,414	18.47%
	2020	367,383	367,383	-	1,989,079	18.47%
	2021	368,150	368,150	-	1,997,741	18.47%
	2022	381,839	381,839	-	2,091,364	18.26%
	2023	462,720	462,720	-	2,607,140	17.75%
	2024	510,976	510,976	-	2,879,332	17.75%
Tier 2 Public Employees Systems	2015	89,317	89,317	-	597,837	13.85%
	2016	98,396	98,396	-	659,935	12.13%
	2017	138,865	138,865	-	931,353	14.91%
	2018	164,524	164,524	-	1,088,839	15.11%
	2019	197,644	197,644	-	1,271,838	15.54%
	2020	279,125	279,125	-	1,782,409	15.66%
	2021	326,682	326,682	-	2,067,607	15.80%
	2022	418,026	418,026	-	2,602,908	16.06%
	2023	499,469	499,469	-	3,119,732	16.01%
	2024	618,648	618,648	-	3,872,984	15.97%
Tier 2 Public Employees DC Only System	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%
	2023	40,672	40,672	-	584,283	6.96%
	2024	50,156	50,156	-	738,686	6.79%

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

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

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance Detail
Budget to Actual
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 17,721,658	\$ 20,551,470	\$ 20,217,231	\$ (334,239)
Licenses and permits	2,671,108	5,359,000	6,084,433	725,433
Intergovernmental	2,347,000	2,682,426	2,657,821	(24,605)
Charges for services	2,539,938	3,022,573	3,073,270	50,697
Impact fees	21,000	31,000	62,557	31,557
Contributions	702,000	1,035,953	1,097,237	61,284
Interest	150,000	288,500	1,667,231	1,378,731
Miscellaneous	-	8,000	12,406	4,406
Total revenues	26,152,704	32,978,922	34,872,186	1,893,264
EXPENDITURES				
Current:				
General government:				
Legislative	257,918	257,918	104,344	153,574
Recorders	726,249	821,249	816,276	4,973
Attorney	332,371	422,371	230,084	192,287
Executive	1,152,887	1,077,887	1,024,594	53,293
Finance	646,705	689,705	648,419	41,286
Engineering	1,141,914	1,412,224	1,278,566	133,658
Human Resource	264,168	274,168	241,395	32,773
Information Technology	813,086	1,620,853	1,573,376	47,477
Public Information	438,356	622,809	452,240	170,569
Building Maintenance	692,681	819,481	676,520	142,961
Total general government	6,466,335	8,018,665	7,045,814	972,851
Public safety				
Police	6,695,094	6,695,094	6,406,847	288,247
Planning and zoning	1,231,135	1,360,291	1,053,553	306,738
Public works				
Streets and Roads	4,106,221	4,431,221	3,986,882	444,339
Parks	2,575,214	2,663,959	2,453,863	210,096
Total public works	6,681,435	7,095,180	6,440,745	654,435
Community development				
Recreation	493,352	493,352	474,439	18,913
Special events	527,139	565,639	524,234	41,405
Building	1,737,304	1,723,504	1,462,092	261,412
Library	752,881	752,881	673,441	79,440
Economic development	768,460	4,126,960	3,036,949	1,090,011
Total community development	4,279,136	7,662,336	6,171,155	1,491,181
Debt Service				
Principal retirement	133,700	133,700	505,880	(372,180)
Interest	823,266	15,867	27,194	(11,327)
Total debt services	956,966	149,567	533,074	(383,507)
Total expenditures	26,310,101	30,981,133	27,651,188	3,329,945
Excess (deficit) of revenues over (under) expenditures	(157,397)	1,997,789	7,220,998	5,223,209
OTHER FINANCING SOURCES (USES)				
Subscriptions proceeds	-	670,000	760,720	90,720
Insurance Proceeds	-	257,000	257,172	172
Transfers out	(5,350,666)	(4,778,135)	(9,221,254)	(4,443,119)
Total other financing sources (uses)	(5,350,666)	(3,851,135)	(8,203,362)	(4,352,227)
Net change in fund balance	(5,508,063)	(1,853,346)	(982,364)	870,982
Fund balances - beginning	13,407,790	13,407,790	13,407,790	-
Fund balances - ending	\$ 7,899,727	\$ 11,554,444	\$ 12,425,426	\$ 870,982

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Redevelopment Agency
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,562,763	\$ 10,562,763	\$ 10,457,606	\$ (105,157)
Interest	-	-	433,064	433,064
Total revenues	<u>10,562,763</u>	<u>10,562,763</u>	<u>10,890,670</u>	<u>327,907</u>
EXPENDITURES				
Community Development	10,562,763	10,482,889	9,546,141	936,748
Total expenditures	<u>10,562,763</u>	<u>10,482,889</u>	<u>9,546,141</u>	<u>936,748</u>
Excess (deficit) of revenues over (under) expenditures	<u>-</u>	<u>79,874</u>	<u>1,344,529</u>	<u>1,264,655</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	(151,349)	-	151,349
Total other financing sources	<u>-</u>	<u>(151,349)</u>	<u>-</u>	<u>151,349</u>
Net change in fund balance	-	(71,475)	1,344,529	1,416,004
Fund balances - beginning	960,454	960,454	960,454	-
Fund balances - ending	<u>\$ 960,454</u>	<u>\$ 888,979</u>	<u>\$ 2,304,983</u>	<u>\$ 1,416,004</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, 2024

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 5,000	\$ 225,000	\$ 371,645	\$ 146,645
Impact fees	1,109,502	4,050,000	4,052,418	2,418
Total revenues	<u>1,114,502</u>	<u>4,275,000</u>	<u>4,424,063</u>	<u>149,063</u>
EXPENDITURES				
Public works	30,000	7,156,224	7,018,628	137,596
Total expenditures	<u>30,000</u>	<u>7,156,224</u>	<u>7,018,628</u>	<u>137,596</u>
Excess (deficit) of revenues over (under) expenditures	<u>1,084,502</u>	<u>(2,881,224)</u>	<u>(2,594,565)</u>	<u>286,659</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,084,502	(2,881,224)	(2,594,565)	286,659
Fund balances - beginning	2,820,024	2,820,024	7,028,937	4,208,913
Fund balances - ending	<u>\$ 3,904,526</u>	<u>\$ (61,200)</u>	<u>\$ 4,434,372</u>	<u>\$ 4,495,572</u>

EAGLE MOUNTAIN CITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

NOTE 1 – CHANGE IN ASSUMPTIONS

The assumption 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.

COMBINING AND INDIVIDUAL FUND STATEMENTS

GOVERNMENTAL FUNDS, PROPRIETARY, AND
INTERNAL SERVICE FUNDS

EAGLE MOUNTAIN CITY
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Debt Service		Special Revenue		Total Nonmajor Governmental Funds
	General Debt Service Fund	Special Assess. Area -2014	Impact Fee Transportation	Cemetery	
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 1,013,316	\$ 288,285	\$ 1,301,601
Restricted cash	2,406,675	111,368	-	-	2,518,043
Receivables (net):					
Special assessments	-	212,731	-	-	212,731
Total assets	<u>\$ 2,406,675</u>	<u>\$ 324,099</u>	<u>\$ 1,013,316</u>	<u>\$ 288,285</u>	<u>\$ 4,032,375</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable & accrued liabilities	\$ -	\$ -	\$ 1,013,316	\$ 521	\$ 1,013,837
Total liabilities	<u>-</u>	<u>-</u>	<u>1,013,316</u>	<u>521</u>	<u>1,013,837</u>
Deferred inflows of resources:					
Deferred for Special Assessments	-	212,731	-	-	212,731
Total deferred inflows of resources:	<u>-</u>	<u>212,731</u>	<u>-</u>	<u>-</u>	<u>212,731</u>
Fund Balances:					
Fund balances restricted for:					
Impact fees	-	-	-	-	-
Assigned for:					
Debt service fund	2,406,675	111,368	-	-	2,518,043
Special revenue funds	-	-	-	287,764	287,764
Total fund balances	<u>2,406,675</u>	<u>111,368</u>	<u>-</u>	<u>287,764</u>	<u>2,805,807</u>
Total Liabilities, Deferred inflows of resources, and fund balances	<u>\$ 2,406,675</u>	<u>\$ 324,099</u>	<u>\$ 1,013,316</u>	<u>\$ 288,285</u>	<u>\$ 4,032,375</u>

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Debt Service		Special Revenue		Total Nonmajor Governmental Funds
	General Debt Service Fund	Special Assess. Area -2014	Impact Fee Transportation	Cemetery	
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	34,389	-	-	34,389
Impact fees	-	-	1,417,430	-	1,417,430
Charges for services	-	-	-	52,765	52,765
Interest	134,679	6,410	20,941	12,068	174,098
Total revenues	<u>134,679</u>	<u>40,799</u>	<u>1,438,371</u>	<u>64,833</u>	<u>1,678,682</u>
EXPENDITURES					
Current:					
Public works	-	1,775	3,960,285	-	3,962,060
Community Development	-	-	-	16,985	16,985
Debt service:					
Principal retirement	1,935,849	45,000	-	-	1,980,849
Bond issuance costs	-	-	-	-	-
Interest and fiscal charges	1,147,370	16,412	-	-	1,163,782
Total expenditures	<u>3,083,219</u>	<u>63,187</u>	<u>3,960,285</u>	<u>16,985</u>	<u>7,123,676</u>
Excess revenues over (under) expenditures	<u>(2,948,540)</u>	<u>(22,388)</u>	<u>(2,521,914)</u>	<u>47,848</u>	<u>(5,444,994)</u>
Other financing sources (uses)					
Transfers in	5,295,353	-	1,527,235	-	6,822,588
Transfers out	-	-	(1,592,140)	-	(1,592,140)
Total other financing sources and uses	<u>5,295,353</u>	<u>-</u>	<u>(64,905)</u>	<u>-</u>	<u>5,230,448</u>
Excess revenues and other sources over (under) expend. and other uses	2,346,813	(22,388)	(2,586,819)	47,848	(214,546)
Fund balances - beginning of year	59,862	133,756	2,586,819	239,916	3,020,353
Fund balances - end of year	<u>\$ 2,406,675</u>	<u>\$ 111,368</u>	<u>\$ -</u>	<u>\$ 287,764</u>	<u>\$ 2,805,807</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, 2024

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 59,413	\$ 59,413	\$ 34,389	\$ (25,024)
Interest	-	-	6,410	6,410
Total revenues	59,413	59,413	40,799	(18,614)
EXPENDITURES				
Public works	9,750	9,750	1,775	7,975
Debt service				
Principal	30,000	39,000	45,000	(6,000)
Interest and fees	19,663	19,663	16,412	3,251
Total expenditures	59,413	68,413	63,187	5,226
Excess (deficit) of revenues over (under) expenditures	-	(9,000)	(22,388)	(13,388)
OTHER FINANCING SOURCES (USES)				
Total other financing sources	-	-	-	-
Net change in fund balance	-	(9,000)	(22,388)	(13,388)
Fund balances - beginning	133,756	133,756	133,756	-
Fund balances - ending	\$ 133,756	\$ 124,756	\$ 111,368	\$ (13,388)

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		Actual Totals	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 90,242	\$ 242
Contributions	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	-	2,396,215	2,396,215
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>2,486,457</u>	<u>2,396,457</u>
EXPENDITURES				
Current:				
Public Works	-	-	-	-
Capital outlay	1,112,000	17,846,594	3,527,113	14,319,481
Total expenditures	<u>1,112,000</u>	<u>17,846,594</u>	<u>3,527,113</u>	<u>14,319,481</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,022,000)</u>	<u>(17,756,594)</u>	<u>(1,040,656)</u>	<u>16,715,938</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	-	-	-	-
Transfers in	566,099	5,545,618	9,240,483	3,694,865
Transfers out	(450,000)	(2,671,109)	(2,659,107)	12,002
Total other financing sources (uses)	<u>116,099</u>	<u>2,874,509</u>	<u>6,581,376</u>	<u>3,706,867</u>
Net change in fund balance	(905,901)	(14,882,085)	5,540,720	20,422,805
Fund balances - beginning	44,715,729	44,715,729	44,715,729	-
Fund balances - ending	<u>\$ 43,809,828</u>	<u>\$ 29,833,644</u>	<u>\$ 50,256,449</u>	<u>\$ 20,422,805</u>

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Transportation Impact Fee
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 10,000	\$ 10,000	\$ 20,941	\$ 10,941
Impact fees	992,000	1,400,000	1,417,430	17,430
Total revenues	1,002,000	1,410,000	1,438,371	28,371
EXPENDITURES				
Public works	-	3,721,104	3,960,285	(239,181)
Debt service:	-	-	-	-
Total expenditures	-	3,721,104	3,960,285	(239,181)
Excess (deficit) of revenues over (under) expenditures	1,002,000	(2,311,104)	(2,521,914)	(210,810)
OTHER FINANCING SOURCES (USES)				
Operating transfers in		1,171,109	1,527,235	356,126
Operating transfers out	(1,826,362)	(1,826,362)	(1,592,140)	234,222
Total other financing sources	(1,826,362)	(655,253)	(64,905)	590,348
Net change in fund balance	(824,362)	(2,966,357)	(2,586,819)	379,538
Fund balances - beginning	2,586,819	2,586,819	2,586,819	-
Fund balances - ending	\$ 1,762,457	\$ (379,538)	\$ -	\$ 379,538

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Cemetery Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	\$ 63,500	\$ 63,500	\$ 52,765	\$ (10,735)
Interest	-	-	12,068	12,068
Total revenues	63,500	63,500	64,833	1,333
EXPENDITURES				
Community Development	83,134	83,134	16,985	66,149
Total expenditures	83,134	83,134	16,985	66,149
Excess (deficit) of revenues over (under) expenditures	(19,634)	(19,634)	47,848	67,482
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	(19,634)	(19,634)	47,848	67,482
Fund balances - beginning	239,916	239,916	239,916	-
Fund balances - ending	\$ 220,282	\$ 220,282	\$ 287,764	\$ 67,482

EAGLE MOUNTAIN CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Debt Service Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Totals	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ -	\$ -	\$ 134,679	\$ 134,679
Total revenues	-	-	134,679	134,679
EXPENDITURES				
Debt service				
Principal	911,386	1,936,395	1,935,849	546
Interest and fees	1,134,586	1,159,577	1,147,370	12,207
Total expenditures	2,045,972	3,095,972	3,083,219	12,753
Excess (deficit) of revenues over (under) expenditures	(2,045,972)	(3,095,972)	(2,948,540)	147,432
OTHER FINANCING SOURCES (USES)				
Transfers In	2,045,972	2,043,969	5,295,353	3,251,384
Total other financing sources	2,045,972	2,043,969	5,295,353	3,251,384
Net change in fund balance	2,045,972	(1,052,003)	2,346,813	3,398,816
Fund balances - beginning	59,862	59,862	59,862	-
Fund balances - ending	\$ 2,105,834	\$ (992,141)	\$ 2,406,675	\$ 3,398,816

EAGLE MOUNTAIN CITY
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Fleet	Utility Billing	GIS Services	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 1,804,797	706	\$ 475,746	\$ 2,281,249
Accounts receivable - net	-	76	-	76
Due from other funds	-	-	-	-
Total current assets	<u>1,804,797</u>	<u>782</u>	<u>475,746</u>	<u>2,281,325</u>
Noncurrent assets:				
Land, equipment, buildings and improvements	6,105,033	13,996	34,582	6,153,611
Less: Accumulated depreciation	(4,028,432)	(13,996)	(34,582)	(4,077,010)
Total noncurrent assets	<u>2,076,601</u>	<u>-</u>	<u>-</u>	<u>2,076,601</u>
Total assets	<u>3,881,398</u>	<u>782</u>	<u>475,746</u>	<u>4,357,926</u>
<u>DEFERRED OUT FLOW OF RESOURCES</u>				
Pension related costs	<u>39,168</u>	<u>23,019</u>	<u>26,814</u>	<u>89,001</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable and accrued liabilities	119,021	6,554	7,321	132,896
Due to other funds	-	-	-	-
Compensated absences - current	9,965	2,790	4,565	17,321
Current portion of long-term debt	-	-	-	-
Total current liabilities	<u>128,986</u>	<u>9,344</u>	<u>11,886</u>	<u>150,217</u>
Noncurrent liabilities:				
Compensated absences - net of current	3,322	930	1,522	5,774
Net pension liability	21,452	12,472	14,506	48,430
Total noncurrent liabilities	<u>24,774</u>	<u>13,402</u>	<u>16,028</u>	<u>54,204</u>
Total liabilities	<u>153,760</u>	<u>22,746</u>	<u>27,914</u>	<u>204,420</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related costs	<u>276</u>	<u>184</u>	<u>217</u>	<u>677</u>
Net Position:				
Net investment in capital assets	2,076,601	-	-	2,076,601
Unrestricted	1,689,929	871	474,429	2,165,229
Total net Position	<u>\$ 3,766,530</u>	<u>\$ 871</u>	<u>\$ 474,429</u>	<u>\$ 4,241,830</u>
	-	-	-	-

EAGLE MOUNTAIN CITY
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Fleet	Utility Billing	GIS Services	Total
Operating revenues:				
Charges for services	\$ 1,372,829	\$ 302,836	\$ 352,449	\$ 2,028,114
Other operating revenue	66,804	-	-	66,804
Total operating revenues	<u>1,439,633</u>	<u>302,836</u>	<u>352,449</u>	<u>2,094,918</u>
Operating expenses:				
Salaries and wages	267,336	191,036	162,829	621,201
Purchased services	73,476	283,539	52,350	409,365
Materials and supplies	395,533	120	-	395,653
Depreciation and amortization	724,329	-	-	724,329
Miscellaneous	-	1,724	3,322	5,046
Total operating expenses	<u>1,460,674</u>	<u>476,419</u>	<u>218,501</u>	<u>2,155,594</u>
Operating income	<u>(21,041)</u>	<u>(173,583)</u>	<u>133,948</u>	<u>(60,676)</u>
Nonoperating revenues (expenses):				
Interest revenue	94,896	4,719	17,144	116,759
Gain (Loss) on sale of assets	173,745	-	-	173,745
Total nonoperating revenues (expenses)	<u>268,641</u>	<u>4,719</u>	<u>17,144</u>	<u>290,504</u>
Net income (loss) before contributions and transfers	<u>247,600</u>	<u>(168,864)</u>	<u>151,092</u>	<u>229,828</u>
Contributions and transfers				
Total contributions and transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net Position	247,600	(168,864)	151,092	229,828
Total net position - beginning	3,518,930	169,735	323,337	4,012,002
Total net position - ending	<u>\$ 3,766,530</u>	<u>\$ 871</u>	<u>\$ 474,429</u>	<u>\$ 4,241,830</u>

EAGLE MOUNTAIN CITY
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Fleet	Utility Billing	GIS Services	Total
Cash Flows From Operating Activities				
Receipts from customers	\$ 1,445,153	\$ 302,711	\$ 352,449	\$ 2,100,313
Payments to employees	(271,246)	(194,865)	(161,797)	(627,908)
Payments to suppliers	(389,004)	(285,610)	(52,065)	(726,679)
Net cash provided (used) by operating activities	<u>784,903</u>	<u>(177,764)</u>	<u>138,587</u>	<u>745,726</u>
Cash Flows From Noncapital Financing Activities				
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities				
Proceeds from the sale of assets	173,745	-	-	173,745
Acquisition of capital assets	(722,235)	-	-	(722,235)
Net cash provided (used) by capital and related financing activities	<u>(548,490)</u>	<u>-</u>	<u>-</u>	<u>(548,490)</u>
Cash Flows From Investing Activities				
Interest and dividends received	94,896	4,719	17,144	116,759
Net cash provided (used) by investing and related financing activities	<u>94,896</u>	<u>4,719</u>	<u>17,144</u>	<u>116,759</u>
Net increase (decrease) in cash and cash equivalents	331,309	(173,045)	155,731	313,995
Cash and cash equivalents - beginning	1,473,488	173,751	320,015	1,967,254
Cash and cash equivalents (deficit) - end	<u>\$ 1,804,797</u>	<u>\$ 706</u>	<u>\$ 475,746</u>	<u>\$ 2,281,249</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$ (21,041)	\$ (173,583)	\$ 133,948	\$ (60,676)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	724,329	-	-	724,329
(Increase)/decrease in accounts receivable	5,520	(125)	-	5,395
(Increase)/decrease in net pension asset	-	-	-	-
(Increase)/decrease in deferred outflows	(14,581)	(6,447)	(7,154)	(28,182)
Increase/(decrease) in accounts payable	80,005	(227)	3,607	83,385
Increase/(decrease) in net pension liability	8,572	3,790	4,206	16,568
Increase/(decrease) in deferred inflows	11	5	6	22
Increase/(decrease) in compensated absences	2,088	(1,177)	3,974	4,885
Total adjustments	<u>805,944</u>	<u>(4,181)</u>	<u>4,639</u>	<u>806,402</u>
Net cash provided (used) by operating activities	<u>\$ 784,903</u>	<u>\$ (177,764)</u>	<u>\$ 138,587</u>	<u>\$ 745,726</u>

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STATISTICAL SECTION

FINANCIAL TRENDS

Pages 90-95 of the Statistical Section of this report show financial trends in the City over the last ten years, both for governmental activities as well as business-type activities (proprietary or enterprise funds). This section contains tables, schedules, and information that show trends and variances. They are designed to help the constituents and other users understand the city's financial performance over time, as well changes in balances.

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Governmental activities										
Invested in capital assets*	\$ 59,048,455	\$ 66,092,722	\$ 76,834,279	\$ 77,979,425	\$ 88,966,275	\$ 105,517,474	\$ 119,838,195	\$ 137,057,292	\$ 145,394,692	\$ 171,878,790
Restricted	1,081,833	1,642,085	1,107,530	2,061,683	2,712,487	5,629,857	5,950,178	34,272,798	26,860,274	21,309,690
Unrestricted	6,694,321	5,176,939	6,950,460	7,865,614	7,919,700	18,283,015	28,292,235	11,872,620	25,255,655	34,591,453
Total governmental activities	<u>66,824,609</u>	<u>72,911,746</u>	<u>84,892,269</u>	<u>87,906,722</u>	<u>99,598,462</u>	<u>129,430,346</u>	<u>154,080,608</u>	<u>183,202,710</u>	<u>197,510,621</u>	<u>227,779,933</u>
Business-type activities										
Invested in capital assets*	32,767,922	38,007,144	43,226,694	62,953,936	78,428,437	101,889,316	104,644,731	123,643,242	134,784,885	151,954,310
Restricted	1,239,952	2,992,801	4,132,156	4,974,285	12,311,560	20,270,583	23,710,217	28,593,558	27,543,200	28,188,198
Unrestricted	19,392,299	17,900,677	18,406,880	20,179,446	19,101,283	17,016,866	18,984,840	23,710,494	28,918,138	44,730,829
Total business-type activities net position	<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>175,947,294</u>	<u>191,246,223</u>	<u>224,873,337</u>
Primary government										
Invested in capital assets*	91,816,377	104,099,866	120,060,973	140,933,361	167,394,712	207,406,790	224,482,926	260,700,534	280,179,577	323,833,100
Restricted	2,321,785	4,634,886	5,239,686	7,035,968	15,024,047	25,900,440	36,905,066	63,671,099	55,248,280	49,497,888
Unrestricted	26,086,621	23,077,616	25,357,340	28,045,061	27,020,983	35,299,881	40,032,404	35,583,114	54,173,793	79,322,282
Total primary government net position	<u>\$ 120,224,783</u>	<u>\$ 131,812,368</u>	<u>\$ 150,657,999</u>	<u>\$ 176,014,390</u>	<u>\$ 209,439,742</u>	<u>\$ 268,607,111</u>	<u>\$ 301,420,396</u>	<u>\$ 359,954,747</u>	<u>\$ 389,601,650</u>	<u>\$ 452,653,270</u>

Source: Eagle Mountain City

*Net of Related Debt

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Expenses										
Government activities:										
General government	\$ 2,555,214	\$ 3,257,256	\$ 3,075,688	\$ 3,251,578	\$ 3,544,085	\$ 3,501,474	\$ 4,114,283	\$ 4,210,857	\$ 6,843,799	\$ 6,890,932
Public safety	2,352,818	2,286,418	2,332,378	2,550,530	2,682,316	3,019,448	3,921,185	4,693,496	5,482,032	6,409,105
Highways & public works	6,730,966	6,496,475	7,506,410	7,023,575	9,405,363	10,116,835	9,215,444	8,840,825	9,905,619	10,742,221
Community development	876,459	1,174,443	1,281,716	2,088,942	1,995,945	2,143,788	2,592,049	6,481,068	11,619,237	15,272,373
Planning	395,512	380,673	508,154	468,853	475,935	432,853	439,936	426,098	885,935	1,002,446
Interest on long-term debt	160,767	166,707	68,597	62,215	54,343	49,203	178,385	249,625	617,768	1,052,408
Total governmental activities expense	13,071,736	13,761,972	14,772,943	15,445,693	18,157,987	19,263,602	20,461,282	24,901,969	35,354,390	41,369,485
Business-type activities										
Water utility	3,589,243	4,077,461	4,217,435	4,500,613	4,989,887	6,834,214	28,511,496	7,923,646	9,535,804	12,364,826
Sewer utility	3,510,591	3,923,954	4,004,069	3,988,418	4,475,542	4,785,726	5,487,893	6,044,020	7,238,947	8,494,131
Electric utility	9,834,298	95,183	61,235	-	-	-	-	-	-	-
Gas utility	3,452,371	79,069	61,731	-	-	-	-	-	-	-
Golf Course	-	-	-	-	-	-	-	-	-	-
Storm Drain	-	-	-	921,619	952,274	1,024,911	1,207,876	1,326,680	1,470,574	1,622,562
Non Major Business	1,031,895	1,148,040	1,310,495	1,342,353	1,717,825	1,384,721	1,518,858	1,910,594	2,238,884	2,587,106
Total business-type activities expense	21,418,398	9,323,707	9,654,965	10,753,003	12,135,528	14,029,572	36,726,123	17,204,940	20,484,209	25,068,625
Total primary government expenses	34,490,134	23,085,679	24,427,908	26,198,696	30,293,515	33,293,174	57,187,405	42,106,909	55,838,599	66,438,110
Program Revenues										
Governmental activities										
Charges for services:	3,574,307	4,569,333	4,898,084	5,065,769	6,258,526	7,422,231	12,068,623	8,449,940	5,368,857	8,906,466
Operating grants and contributions	14,442	52,235	24,429	20,065	32,444	1,457,357	3,805,907	2,115,144	2,400,624	2,629,988
Capital grants and contributions	10,865,051	10,001,603	13,384,998	13,747,878	14,042,049	24,244,422	17,155,525	30,651,138	14,223,013	21,563,867
Total governmental activities programs revenues	14,453,800	14,623,171	18,307,511	18,833,712	20,333,019	33,124,010	33,030,055	41,216,222	21,992,494	33,100,321
Business-type activities:										
Charges for services:	20,171,460	11,472,554	13,254,589	15,561,474	18,006,742	22,003,328	26,739,371	28,266,925	26,930,003	26,476,494
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	4,418,845	3,431,786	6,250,205	10,420,966	17,257,782	27,754,625	28,075,972	13,806,665	8,893,198	33,965,009
Total business-type activities program revenues	24,590,305	14,904,340	19,504,794	25,982,440	35,264,524	49,757,953	54,815,343	42,073,590	35,823,201	60,441,503
Total primary governmental program revenues	39,044,105	29,527,511	37,812,305	44,816,152	55,597,543	82,881,963	87,845,398	83,289,812	57,815,695	93,541,824

Source: Eagle Mountain City

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue										
Governmental activities	\$ 1,382,064	\$ 861,199	\$ 3,534,568	\$ 3,388,019	\$ 2,175,032	\$ 13,860,408	\$ 12,568,773	\$ 16,314,253	\$ (13,361,896)	\$ (8,269,164)
Business-type activities	3,171,907	5,580,633	9,849,829	15,229,437	23,128,996	35,728,381	18,089,220	24,868,650	15,338,992	35,372,878
Total Primary government net expense	<u>4,553,971</u>	<u>6,441,832</u>	<u>13,384,397</u>	<u>18,617,456</u>	<u>25,304,028</u>	<u>49,588,789</u>	<u>30,657,993</u>	<u>41,182,903</u>	<u>1,977,096</u>	<u>27,103,714</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	1,089,674	1,202,258	1,377,090	1,488,313	1,693,461	1,873,536	2,210,764	5,470,054	10,264,161	13,175,044
General sales & use tax	2,478,132	2,751,058	3,139,809	3,659,450	4,344,548	5,333,067	6,914,164	8,653,171	10,088,821	11,122,408
Franchise tax	870,287	1,110,170	1,224,569	1,196,977	1,224,736	1,868,869	2,730,163	3,410,186	4,634,584	6,351,030
Other	-	-	-	-	-	-	-	-	-	257,172
Interest earnings	43,559	82,267	204,058	394,194	858,582	503,107	226,399	(181,963)	2,682,242	5,042,253
Contribution of assets from Utility Funds	3,852,118	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	(297,188)	-	-	-	-	-	-	-	-	-
Transfers	195,519	80,184	2,684,721	(7,112,500)	1,395,382	6,392,896	-	-	-	-
Total Governmental activities	<u>8,232,101</u>	<u>5,225,937</u>	<u>8,630,247</u>	<u>(373,566)</u>	<u>9,516,709</u>	<u>15,971,475</u>	<u>12,081,490</u>	<u>17,351,448</u>	<u>27,669,808</u>	<u>35,947,907</u>
Other Business-type activities:										
Gain (loss) on disposition of capital assets	6,234,012	-	-	-	-	-	-	-	-	-
Contribution of assets from Utility Funds	(3,852,118)	-	-	-	-	-	-	-	-	-
Transfers	(195,519)	(80,184)	(2,684,721)	7,112,500	(1,395,382)	(6,392,896)	-	-	-	-
Total Other Business-type activities	<u>2,186,375</u>	<u>(80,184)</u>	<u>(2,684,721)</u>	<u>7,112,500</u>	<u>(1,395,382)</u>	<u>(6,392,896)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position										
Governmental activities	9,614,165	6,087,136	12,164,815	3,014,453	11,691,741	29,831,883	24,650,263	33,665,701	14,307,912	27,678,743
Business-type activities	5,358,282	5,500,449	7,165,108	22,341,937	21,733,614	29,335,485	18,089,220	24,868,650	15,338,992	35,372,878
Total primary government	<u>\$ 14,972,447</u>	<u>\$ 11,587,585</u>	<u>\$ 19,329,923</u>	<u>\$ 25,356,390</u>	<u>\$ 33,425,355</u>	<u>\$ 59,167,368</u>	<u>\$ 42,739,483</u>	<u>\$ 58,534,351</u>	<u>\$ 29,646,904</u>	<u>\$ 63,051,621</u>

Source: Eagle Mountain City

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,281,839	\$ 1,113,912	\$ 149,652
Assigned						\$ 1,859,802			3,738,826	1,479,494
Unassigned	2,162,826	3,070,888	2,959,323	2,862,311	3,489,448	3,649,092	13,954,685	11,442,122	8,555,052	10,796,280
Total general fund	<u>\$ 2,162,826</u>	<u>\$ 3,070,888</u>	<u>\$ 2,959,323</u>	<u>\$ 2,862,311</u>	<u>\$ 3,489,448</u>	<u>\$ 3,649,092</u>	<u>\$ 15,814,487</u>	<u>\$ 14,723,961</u>	<u>\$ 13,407,790</u>	<u>\$ 12,425,426</u>
All Other Governmental Funds										
Restricted	\$ 1,934,908	\$ 2,350,766	\$ 2,463,417	\$ 3,433,976	\$ 3,180,962	\$ 6,372,591	\$ 13,194,849	\$ 3,633,433	\$ 26,773,329	\$ 21,160,038
Assigned	965,104	428,063	2,303,926	1,771,422	1,628,073	12,572,709	5,602,090	17,067,999	27,558,156	33,530,783
Unassigned reported in										
Special Revenue Funds								5,588,380	1,393,988	5,110,790
Capital Projects Funds								25,003,301		
Nonmajor										
Total all other governmental funds	<u>\$ 2,900,012</u>	<u>\$ 2,778,829</u>	<u>\$ 4,767,343</u>	<u>\$ 5,205,398</u>	<u>\$ 4,809,035</u>	<u>\$ 18,945,300</u>	<u>\$ 18,796,939</u>	<u>\$ 51,293,113</u>	<u>\$ 55,725,473</u>	<u>\$ 59,801,611</u>

Source: Eagle Mountain City

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues										
Taxes	\$ 4,438,660	\$ 5,060,489	\$ 5,734,815	\$ 6,344,105	\$ 7,258,837	\$ 9,073,784	\$ 11,847,831	\$ 17,529,450	\$ 24,973,656	\$ 30,674,837
Licenses, fees, and permits	1,662,088	2,214,940	2,895,474	3,454,239	4,745,362	5,939,075	10,434,703	6,384,743	3,039,285	6,084,433
Intergovernmental	821,777	948,648	1,336,283	1,520,620	1,479,142	2,217,260	3,944,005	6,978,211	8,108,720	2,748,063
Charges for services	1,855,281	2,039,483	1,686,659	1,304,991	1,347,173	1,476,898	1,632,420	2,203,867	2,807,758	3,126,035
Special assessments	422,258	1,922,459	307,641	258,551	225,728	170,868	228,219	195,754	73,832	34,389
Investment earnings									2,682,242	5,042,253
Contributions	-	-	-	-	-	1,316,880	-	1,604,159	2,289,659	1,097,237
Impact fees	1,523,058	2,024,613	3,308,604	3,402,318	3,250,639	5,356,167	9,007,320	6,748,741	2,885,474	5,532,405
Miscellaneous	313,700	767,731	666,876	1,310,833	2,304,165	1,496,089	268,299	257,647	8,885	12,406
Total Revenues	11,036,822	14,978,363	15,936,352	17,595,657	20,611,046	27,047,021	37,362,797	41,902,572	46,869,511	54,352,058
Expenditures										
Current:										
General Government	2,617,687	3,222,850	3,027,034	3,294,126	3,421,616	3,455,632	4,147,767	4,543,769	7,086,339	7,045,814
Community Development	1,106,656	1,245,069	1,217,788	2,122,126	2,026,336	2,199,085	2,502,292	6,422,547	11,525,090	15,734,281
Public Works	3,136,684	2,880,937	4,799,868	5,087,135	6,683,232	6,732,075	7,015,979	6,017,292	6,740,280	17,421,433
Public Safety	2,367,014	2,286,418	2,332,378	2,550,530	2,688,014	3,024,814	3,918,627	4,690,939	5,475,190	6,406,847
Planning and Zoning	386,939	415,180	487,486	492,349	469,353	447,889	517,105	630,500	1,281,849	1,053,553
Finance & Admin. Services										
Tax Increment Distributions										
Debt service										
Principal Retirement	940,000	1,817,000	180,000	155,000	140,000	220,000	551,766	390,957	1,515,953	2,486,729
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	277,744	180,379	70,618	64,152	54,588	49,238	155,128	83,321	812,915	1,190,976
Capital Outlay	1,664,752	2,223,822	4,444,671	6,597,297	8,906,776	5,015,276	7,131,814	8,603,999	9,778,766	3,527,113
Total expenditures	12,497,476	14,271,655	16,559,843	20,362,715	24,389,915	21,144,009	25,940,478	31,383,324	44,216,382	54,866,746
Excess of revenues over (under) expenditure	(1,460,654)	706,708	(623,491)	(2,767,058)	11,422,319	11,422,319	11,422,319	2,653,129	2,653,129	(514,688)

Source: Eagle Mountain City

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</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		
Subscription Financing										760,720
Insurance Proceeds										257,172
Lease Proceeds									463,060	
Proceeds from Asset Disposals	\$ 497,516						336,983	430,000		
Loss on Grant Noncompliance	(412,000)									
Debt Proceeds										
Contributions					\$ 2,614,261					
Transfer in	2,154,692	\$ 1,802,835	\$ 6,527,733	\$ 6,091,881	6,050,244	12,578,357	351,840	20,280,048	7,455,877	16,063,071
Transfers out	(2,081,434)	(1,722,651)	(3,843,012)	(2,983,780)	(4,654,862)	(6,185,461)	(351,840)	(24,823,648)	(7,455,877)	(13,472,501)
Total other financing sources (uses)	158,774	80,184	2,684,721	3,108,101	4,009,643	8,392,896	594,715	20,886,400	463,060	3,608,462
Net change in fund balances	\$ (1,301,880)	\$ 786,892	\$ 2,061,230	\$ 9,011,113	\$ 15,431,962	\$ 19,815,215	\$ 12,017,034	\$ 23,539,529	\$ 3,116,189	\$ 3,093,774
Debt service as a percentage of noncapital expenditures	12.67%	19.87%	2.11%	1.62%	1.27%	1.70%	3.91%	2.13%	7.25%	7.72%

Source: Eagle Mountain City

REVENUE CAPACITY

Pages 96-103 of the Statistical Section of this report show the revenue capacity for the City from taxes and fees. Also shown are taxable values for property within the City. This section contains information to help the constituent assess the city's most significant local revenue sources: Property tax, sales tax, and water revenue

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

Fiscal Year	Residential Property (1)	Commercial and Industrial Property (2)	Agricultural Property	FAA	Unimproved Non FAA-Vacant	Centrally Assessed Values	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Market Value
2015	694,523,745	19,539,846	3,722,200	1,017,153	74,765,712	33,648,886	113,153,951	714,063,591	0.1192%	1,298,297,438
2016	790,828,684	21,392,771	3,835,800	984,050	104,647,449	39,069,499	148,536,798	812,221,455	0.1118%	1,476,766,282
2017	906,140,094	31,143,681	3,824,900	1,120,838	104,011,021	56,115,663	165,072,422	937,283,775	0.1081%	1,704,152,318
2018	1,067,667,701	39,055,681	3,801,500	1,131,057	102,934,380	68,680,398	176,547,335	1,106,723,382	0.1011%	2,012,224,331
2019	1,297,402,260	35,740,400	4,614,600	1,131,645	137,319,730	75,834,551	218,900,526	1,333,142,660	0.0924%	2,156,381,254
2020	1,600,758,645	70,638,537	4,960,000	1,062,090	184,344,330	82,271,632	272,638,052	1,944,035,234	0.0825%	3,253,185,989
2021	1,896,995,585	183,165,790	4,900,900	1,334,904	261,125,730	98,000,509	365,362,043	2,445,523,418	0.0769%	3,994,685,633
2022	2,290,941,800	409,131,282	4,912,200	1,338,450	294,898,830	112,612,542	413,762,022	3,113,835,104	0.0724%	4,985,040,404
2023	3,487,970,205	1,059,304,715	5,403,500	1,256,349	495,318,398	129,342,698	631,320,945	5,190,491,769	0.0541%	8,017,633,219
2024	3,889,117,954	1,570,264,482	5,410,800	1,225,920	417,940,860	100,576,268	525,156,848	5,984,539,284	0.0524%	9,143,467,574

Source: Utah State Tax Commission

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

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

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

Fiscal Year	City Direct Rates		Overlapping Rates						Total Tax Rate
	Basic Rates	Total Direct Rates	Utah County	Central Utah Water Conservancy District	Alpine School District	Unified Fire Service Area	State Assessing & Collecting	Local Assessing & Collecting	
2015	1.192	1.192	0.916	0.422	8.096	2.097	0.013	0.220	12.956
2016	1.118	1.118	0.870	0.405	8.177	1.997	0.012	0.216	12.795
2017	1.081	1.081	0.834	0.400	7.718	1.884	0.011	0.204	12.132
2018	1.011	1.011	0.779	0.400	7.167	1.809	0.010	0.180	11.356
2019	0.924	0.924	0.732	0.400	7.033	1.836	0.009	0.170	11.104
2020	0.825	0.825	0.672	0.400	6.699	1.745	0.009	0.158	10.508
2021	0.769	0.769	1.041	0.400	6.800	1.715	0.012	0.149	10.886
2022	0.724	0.724	0.853	0.400	6.904	1.592	0.012	0.142	10.627
2023	0.541	0.541	0.661	0.400	5.724	1.320	0.015	0.111	8.772
2024	0.524	0.524	0.656	0.400	5.518	1.346	0.015	0.110	8.569

Source: State of Utah Certified Tax Rates

EAGLE MOUNTAIN CITY

Principal Property Tax Payers

Fiscal Years 2014 and 2023

TAXPAYER	TAX YEAR 2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
STADION LLC	\$ 305,404,041	1	15.63%			
TYSON FRESH MEATS INC	66,855,600	2	3.42%			
AMH DEVELOPMENT LLC	41,301,040	3	2.11%			
BCP DEVELOPMENT INC	36,395,442	4	1.86%			
BUILDING CONSTRUCTION PARTNERS LLC	36,346,700	5	1.86%			
PACIFICORP	30,883,306	6	1.58%			
RICHMOND AMERICAN HOMES OF UTAH INC	30,754,005	7	1.57%			
LGI HOMES-UTAH LLC	24,597,900	8	1.26%			
QUESTAR GAS	20,268,501	9	1.04%			
STAKER & PARSON COMPANIES INC	19,070,194	10	0.98%			
	<u>\$ 611,876,729</u>					
KERN RIVER GAS TRANS CO				\$ 14,096,150	1	2.25%
DIRECT COMMUNICATIONS				11,416,794	2	1.83%
CJM LIMITED PARTNERSHIP				4,067,400	3	0.65%
PACIFICORP				3,572,468	4	0.57%
VESTIN MORTGAGE INC				1,549,400	5	0.25%
WAGSTAFF INVESTMENTS LLC				1,425,100	6	0.23%
STAR WEST EAGLE MTN. PROPRTY				1,400,000	7	0.22%
MAVERIK INC				1,126,900	8	0.18%
MARSH WOODRUFF LC				1,099,500	9	0.18%
TOD COR HOLDINGS LLC				1,027,500	10	0.16%
				<u>\$ 40,781,212</u>		

Source: Utah County Assessor

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

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Current Amount Collected	Percentage of Levy	Subsequent Delinquent Amount Collected	Total Collected to Date	Percentage of Levy
2014	972,744	910,201	93.1%	62,108	972,309	99.96%
2015	987,417	931,878	93.6%	55,231	987,109	99.97%
2016	1,074,593	1,014,350	94.4%	59,929	1,074,280	99.97%
2017	1,191,899	1,136,921	94.4%	54,643	1,191,565	99.97%
2018	1,298,033	1,243,503	95.4%	53,096	1,296,599	99.89%
2019	1,445,423	1,382,506	95.8%	59,571	1,442,077	99.77%
2020	1,605,635	1,524,338	94.9%	76,781	1,601,118	99.72%
2021	1,884,241	1,762,534	94.9%	108,949	1,871,482	99.32%
2022	2,265,309	2,198,618	97.1%	48,383	2,247,001	99.19%
2023	2,921,331	2,716,707	93.0%	186,317	2,903,024	99.37%
2024	3,154,063	3,050,146	96.7%	82,598	3,132,744	99.32%

Source: Utah County Treasurer

EAGLE MOUNTAIN CITY

Taxable Sales by Category

Last Ten Fiscal Years

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Retail/Grocery	\$ 222,813	\$ 298,627	\$ 339,642	\$ 459,179	\$ 805,850	\$ 915,568	\$ 1,491,103	\$ 2,034,122	\$ 2,562,993	\$ 2,211,058
Utility/Communication	223,063	224,107	234,343	251,546	249,275	301,374	350,002	427,433	504,370	835,172
Auto dealers & supplies	15,401	15,978	18,382	33,117	19,056	19,834	90,864	83,826	88,018	47,200
Eating & drinking establishments	10,251	24,765	32,893	41,225	43,161	69,321	73,994	73,591	75,798	200,326
Home furnishings and appliances	2,326	5,719	2,735	2,864	8,973	25,734	57,553	67,428	77,542	49,057
Medical	3,872	3,815	6,680	7,954	10,006	13,643	13,933	16,135	18,233	24,576
Service stations	45,297	53,990	68,693	82,865	102,120	120,252	133,273	147,940	281,086	189,632
All other outlets	39,795	58,993	143,245	267,400	360,314	968,480	1,593,605	1,413,008	1,695,610	1,524,666
Utah State Tax- Motor Vehicle	60,151	67,971	85,646	98,436	116,599	119,611	214,420	283,552	348,769	244,117
Totals	<u>\$ 622,970</u>	<u>\$ 753,965</u>	<u>\$ 932,259</u>	<u>\$ 1,244,586</u>	<u>\$ 1,715,355</u>	<u>\$ 2,553,818</u>	<u>\$ 4,018,746</u>	<u>\$ 4,547,035</u>	<u>\$ 5,652,420</u>	<u>\$ 5,325,805</u>

Source: Eagle Mountain City

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

Fiscal Year	Eagle Mountain City Direct Rate	Utah County	Mass Transit, Highway and Airport	State of Utah
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%	1.05%	4.85%
2021	1.00%	0.25%	1.05%	4.85%
2022	1.00%	0.25%	1.05%	4.85%
2023	1.00%	0.25%	1.05%	4.85%
2024	1.00%	0.25%	1.25%	4.85%

Source: Utah State Tax Commission

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

	Fiscal Year 2015				Fiscal Year 2024			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	727	51.85%	\$ 222,813	35.8%	856	8.3%	\$ 2,211,058	41.52%
Utility/Communication	95	6.78%	223,063	35.8%	67	0.6%	835,172	15.68%
Auto Dealers & Supplies	38	2.71%	15,401	2.5%	82	0.8%	47,200	0.89%
Eating/Drinking Establishments	13	0.93%	10,251	1.6%	24	0.2%	200,326	3.76%
Home Furnishings & Appliances	36	2.57%	2,326	0.4%	58	0.6%	49,057	0.92%
Medical	36	2.57%	3,872	0.6%	83	0.8%	24,576	0.46%
Service Stations	7	0.50%	45,297	7.3%	6	0.1%	189,632	3.56%
All Other Outlets	449	32.03%	39,795	6.4%	9120	88.3%	1,524,666	28.63%
Utah State Tax- Motor Vehicle	1	0.07%	60,151	9.66%	32	0.31%	\$ 244,117	4.58%
Total	1402	100.0%	\$ 622,969	100.0%	10328	100.0%	\$ 5,325,805	100.0%

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Charges for Water Fees
 Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Water Sales	\$ 3,062,503	\$ 3,222,097	\$ 3,802,599	\$ 4,167,224	\$ 4,541,799	\$ 5,206,858	\$ 6,473,104	\$ 6,608,907	\$ 8,059,429	\$ 9,087,582
Secondary Water Other	15,973	470,701	1,512	1,361	4,138	5,330	2,101	7,539	28,280	8,736
Totals	<u>\$ 3,078,476</u>	<u>\$ 3,692,798</u>	<u>\$ 3,804,111</u>	<u>\$ 4,168,585</u>	<u>\$ 4,545,937</u>	<u>\$ 5,212,188</u>	<u>\$ 6,475,205</u>	<u>\$ 6,616,446</u>	<u>\$ 8,087,709</u>	<u>\$ 9,096,318</u>

Source: Eagle Mountain City

DEBT CAPACITY

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

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

Fiscal Year	Governmental Activities							Business-type Activities						
	Excise tax road bonds	Transportation Loan (UDOT)	Sales Tax Revenue Bond 2022	Sales Tax Series 2013 (SA bond 2006 2000-1)	Special Assessment bond 2013-1	Leases	Subscription Liabilities	Water and Sewer Revenue Bonds	Electric and Gas Revenue Bonds	Leases	Unamortized Bond Premium	Total Primary Government	Percentage of Personal Income	Per Capita
2015	-	-	-	867	2,369	333	-	22,754	-	-	1,047	53,465	11.65%	2,303
2016	-	-	-	-	1,418	224	-	22,119	-	-	985	26,804	5.84%	1,041
2017	-	-	-	-	1,238	113	-	21,741	-	-	924	24,738	4.70%	960
2018	-	-	-	-	1,082	-	-	20,787	-	-	1,099	24,008	4.27%	878
2019	-	-	-	-	935	-	-	21,107	-	-	245	22,968	3.63%	713
2020	-	2,000	-	-	715	169	-	20,195	-	-	923	24,002	3.19%	626
2021	-	1,645	-	-	595	295	-	18,841	-	-	825	22,201	2.94%	578
2022	-	1,460	22,915	-	415	212	-	17,264	-	-	734	43,000	4.61%	986
2023	-	1,221	21,885	-	285	501	-	15,630	-	125	2,195	41,842	2.48%	680
2024	-	-	21,170	-	240	360	396	14,151	-	111	2,075	38,503	1.99%	579

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY
 Direct and Overlapping Governmental Activities Debt
 June 30, 2024

<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	354,725,496	5.0%	17,736,275
Central Utah Water Cons. Dist.	602,056,226	3.3%	19,867,855
Unified Fire Service Area		99.5%	-
Subtotal, overlapping debt			37,604,130
City direct debt			25,521,976
Net Pension Liabilities			1,080,877
Compensated Absences			516,214
Total direct and overlapping debt			<u><u>\$ 64,723,197</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 2024

Assessed value	\$5,996,253,481
Debt limit (12% of the assessed value)	719,550,418
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	719,550,418

Fiscal Year

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 83,804	\$ 96,938	\$ 109,972	\$ 133,246	\$ 155,074	\$ 188,820	\$ 234,523,291	\$ 294,716,781	\$ 483,422,229	\$ 622,859,012	\$ 719,550,418
Total net debt applicable to limit											
Legal debt margin	79,794	83,804	96,938	109,972	133,246	155,074	188,820	234,523,291	483,422,229	622,859,012	719,550,418
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Utah State Tax Commission

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

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

Water and Sewer Revenue Bonds							SID 2000-1 (Sales Tax 2013)			
Fiscal Year	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Special Assessment	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
2015	5,982	2,983	2,999	592	933	1.97	213	754	88	0.25
2016	6,560	4,353	2,207	530	515	2.11	964	867	62	1.04
2017	7,420	4,460	2,960	678	688	2.17	57	-	-	-
2018	8,196	4,845	3,351	725	667	2.41	-	-	-	-
2019	9,144	5,850	3,294	883	594	2.23	-	-	-	-
2020	10,216	7,658	2,558	992	599	1.61	-	-	-	-
2021	12,176	8,796	3,380	1,354	578	1.75	-	-	-	-
2022	13,412	9,365	4,047	1,585	548	1.90	-	-	-	-
2023	16,061	11,128	4,933	1,648	525	2.27	-	-	-	-
2024	17,950	13,876	4,074	1,494	477	2.07	-	-	-	-

Source: Eagle Mountain City

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

Fiscal Year	2022 Sales Tax Revenue Bond					SAA 2014-1			
	Sales Tax Revenue	Debt Service			Coverage	Special Assessments	Debt Service		
		Principal	Interest				Principal	Interest	Coverage
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	8,653	1,030	779		4.78	289	365	82	0.65
2023	10,088	715	1,094		5.58	235	1,400	797	0.11
2024	11,122	755	1,058		6.13	212	45	16	3.48

Source: Eagle Mountain City

DEMOGRAPHICS AND ECONOMICS

Pages 109-113 of the Statistical Section of this report show demographic and economic statistics for the City over the last 10 years of the City's history. This section offers demographic and economic indicators to help the constituent understand the environment within which the city's financial activities take place

EAGLE MOUNTAIN CITY Demographic and Economic Statistics Last Ten Calendar Years

Calendar	Population	Personal Income	Per Capita Personal Income	Unemployment Rate*
2013	24,097	355,865,378	14,768	4.6
2014	25,760	386,553,677	15,006	3.7
2015	27,027	440,705,329	16,306	3.2
2016	31,165	512,700,028	16,451	2.9
2017	32,980	570,420,663	17,296	2.9
2018	36,288	646,332,366	17,811	2.9
2019	40,537	778,177,973	19,197	2.8
2020	45,744	879,125,926	19,218	1.9
2021	52,469	1,121,944,627	21,383	2.1
2022	53,566	1,331,382,930	24,855	1.9
2023	61,491	1,689,772,680	27,480	2.6
2024	66,500	1,934,551,500	29,091	2.5

Source: Eagle Mountain City, Utah State Tax Commission

EAGLE MOUNTAIN CITY

Principal Employers Fiscal Years 2014 and 2023

2024				2015			
<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	1112	1	34.71%	Alpine School District	417	1	50.18%
Tyson Fresh Meats. Inc	752	2	23.47%	Eagle Mountain City	103	2	12.39%
M.A. Mortenson Construction	200	3	6.24%	Ridley's Family Market	73	3	8.78%
Eagle Mountain City	175	4	5.46%	Job Match	55	4	6.62%
Macey's Eagle Mountain	159	5	4.96%	Ranches Academy	48	5	5.78%
Ridley's Family Markets	114	6	3.56%	Rockwell High School	35	6	4.21%
John Hancock Charter School	113	7	3.53%	Ranches Golf Course	30	7	3.61%
E2 Optics, LLC	100	8	3.12%	TM Crushing LLC	19	8	2.29%
Stadion, LLC	96	9	3.00%	Direct Communications	19	9	2.29%
Eagle Mountain McDonald's	75	10	2.34%	Village Pizza	19	10	2.29%
Wendy's #13398	35	11	1.09%	Maverik	13	11	1.56%
Noodles & Company	35	12	1.09%			N/A	N/A
Gotta Dance Performing Arts Studio	35	13	1.09%			N/A	N/A
Rockwell Charter High School	33	14	1.03%			N/A	N/A
REP Management DBA Quench It	30	15	0.94%			N/A	N/A
Direct Communications Cedar	29	16	0.91%			N/A	N/A
Eagle Mountain Counseling	28	17	0.87%			N/A	N/A
Zap Electric, LLC	28	18	0.87%			N/A	N/A
Pioneer Drug DBA Cedar Valley Pharmacy	28	19	0.87%			N/A	N/A
A to Z Building Blocks	27	20	0.84%			N/A	N/A
Total City Employment	3,204		100.00%	Total City Employment	831		100.00%

Source: Eagle Mountain City

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

N/A = Not Available

OPERATING INFORMATION

Pages 111-113 of the Statistical Section show operating statistics and performance measurement data for the City's overall performance over the last 10 years. This section contains service and infrastructure data to help the constituent understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

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

General government											
Administration	5	5.5	4	5.41	5.41	5.41	5.41	5.50	6.00	6.60	8.60
Finance	4	4	4	3.6	3.6	3.6	3.6	4.0	4.00	4.50	4.50
Planning	4	4	4	4	4.5	4.5	5.5	7.0	10.50	8.55	10.55
Building	5.5	5.75	5	5.25	6.26	9.02	10.02	10.00	10.00	11.20	11.20
Recorder	3	3	3	3	3	3.5	3.5	5.5	4.75	4.50	5.50
Facilities	1	1.5	3	2.1	2.75	4.25	4.75	7.00	5.75	5.13	4.13
Public Information	1	1.25	2	2.4	2.18	2.18	3.18	2.00	2.00	3.25	2.63
Human Resources	1	1	1	1	1	1	1	1	1.00	1.00	1.00
Attorney	0	0	0	0	0	0	0	0	0	1.00	1.00
Other	1.5	2.15	1.5	7.38	7.78	7.78	7.78	0	0	3.00	3.95
Police											
Crossing Guards	4.75	5.25	5	4.52	4.52	4.52	5.50	6.50	5.00	3.82	4.82
Fire											
Firefighters and officer	0	0	0	0	0	0	0	0	0	0	0
Parks and recreation	7.2	7.2	7.5	9.33	12.66	14.55	15.55	15.50	15.00	21.31	22.38
Library	5.15	5.5	6	6.33	6.33	6.50	7.00	7.50	7.25	10.25	10.25
Other public works											
Management	0	0	0	0	0	0	0	0	0	0	0
Engineering	4.96	5	5	4.33	4.33	5.83	6.83	7.00	10.00	8.50	9.50
Streets	4.5	4.5	7.5	6.01	5.91	7.41	8.41	12.00	11.25	8.97	8.47
Water	5.3	5.5	7	5.93	7.47	9.09	10.09	10.50	10.25	12.63	15.25
Wastewater	5.31	4	4.5	5.3	5.83	5.83	5.83	8.00	8.00	9.00	9.00
Utility Billing	5.5	4	3	3.5	3.5	3.9	3.9	3.5	2.50	3.88	3.88
Other	2.68	3.38	3	4.63	4.58	5.24	5.24	0	0	2.25	0.09
Stormwater	0	0	0	0	0	0	0	0	0	4	4.63
GIS	0	0	0	0	0	0	0	0	0	2	3.00
Fleet	0	0	0	0	0	0	0	0	0	2	2.25
Energy	13	0	0	0	0	0	0	0	0	0	0
Total	84.35	72.48	76	84.02	91.61	104.09	113.09	112.5	113.25	137.45	146.57

Source: Eagle Mountain City

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Function/Program: General government</u>										
Building										
Building permits issued	674	1,086	1,437	1,554	1,470	2,038	2,672	2,555	1,736	2,259
Building inspections conducted	4,958	6,382	8,000	10,813	9,963	12,539	14,147	16,577	10,647	12,576
Police ¹										
Physical arrest	498	481	492	582	540	336	222	243	193	576
Warrants served	86	154	86	55	53	24	27	40	27	27
Traffic violations	1,821	2,148	1,420	1,142	2,212	2,682	2,030	3,281	5,367	5,886
Officer initiated calls				6,597	6,701	6,651	4,767	6,820	9,062	8,261
Citizen initiated calls				7,944	8,754	9,936	11,056	10,271	11,064	12,872
Fire ²										
Emergency responses										
Inspections										
Streets										
Miles plowed - snow removal	1,394	11,522	10,981	3,491	8,763	11,188	5,422	6,083	16,334	10,318
Crack seal (sq. ft.) ³	305	147	462,000	16,698,305	232,407	0	0	1,200,000	2,002,748	0
Asphalt Repairs (sq. ft.)	88,454	75,782	365,731	284,060	150,819	180,162	9,126	64,234	319,161	11,310
Parks and recreation										
Youth City sports registrations	3,402	2,448	1,011	1,074	1,250	1,265	1,773	1,260	1,603	1,660
Total recreational sports (youth/	4/5	3/5	1/7	1/7	1/5	1/5	1/5	1/5	3/3	3/3
Water										
New meters installed	410	446	657	763	830	1,284	1,216	1,453	1,098	1,083
Water meters replaced	646	436	318	712	135	481	1,564	250	120	487
Average daily pumped (gallons)	4,036,302	4,820,000	4,903,000	5,824,838	6,136,501	6,102,658	9,266,630	8,229,133	8,257,872	9,045,160
Avg daily consumption (gallons)	4,030,318	4,366,025	4,858,875	5,122,255	5,409,144	6,630,942	8,355,727	7,973,780	7,663,539	7,585,515

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.

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

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Police ¹											
Sworn Officers	15	16	16	16	16	18	19	20	26	28	29
Fire ²											
Fire Hydrants	957	998	1,116	1,123	1,284	1,424	1,574	1,724	1,905	1,548	2,012
Fire Stations											
Other public works											
Streets (miles)	138.37	143	151.97	154.14	164.34	186.95	199	205	220	238	247.5
Gas mains (miles) ³	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	2,400,000	2,400,000	2,400,000	2,400,000
Sanitary sewers (miles) ⁴	85	89.49	83.95	94.6	95.95	115	120.82	133.71	147.75	157.8	180.94
Parks and recreation											
Total developed park (acres)	88	90	100	124	155	160	176	200	220	227	253
Playgrounds	15	15	17	23	25	27	43	46	49	49	52
Baseball/softball diamonds	7	7	7	7	7	7	7	7	7	7	7
Soccer/football fields	5	5	5	5	5	6	6	10	10	10	10
Water											
Water pipe (miles) ⁴	151.9	156.65	125.59	136.59	148	170	183.08	196.02	214.18	230.42	262.38
Total water storage (gallons)	6,600,000	6,600,000	6,600,000	9,000,000	9,000,000	9,700,000	13,200,000	13,350,000	13,350,000	13,350,000	13,500,000

Source: Eagle Mountain City

Notes:

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

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

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

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

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GOVERNMENT AUDITING STANDARDS REPORT

UTAH STATE COMPLIANCE REPORT



GILBERT & STEWART
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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, 2024, 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 14, 2024.

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 14, 2024

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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, 2024.

State compliance requirements were tested for the year ended June 30, 2024 in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Enterprise Fund Transfers
- Tax Levy Revenue Recognition
- Impact Fees
- Utah Retirement Systems
- Public Treasurer’s Bond

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, 2024.

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 14, 2024, as item 24-1. Our opinion on compliance was not modified with respect to these matters.

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

Report on Internal Control over Financial Reporting

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

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

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

We noted matters involving internal control over compliance which we are submitting for your consideration. These matters are described in a separate letter to management as item 2024-1.

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

Gilbert & Stewart

GILBERT & STEWART, CPA, PC.

Provo, Utah

December 14, 2024

EAGLE MOUNTAIN CITY

**CORRESPONDENCE WITH
THOSE CHARGED
WITH GOVERNANCE**



GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
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December 14, 2024

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, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 2, 2024. 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 14, 2024.

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:

24-1 General Compliance - Budgetary Compliance

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

General Fund – Debt Service	\$ 383,507
Transportation Impact Fee Fund	239,181

Recommendation: It is recommended that near year-end the City reviews year-to-date expenditures by fund and compare them against budgeted amounts to determine if an amended budget should be proposed and approved.

City’s Response: The City will make the necessary changes to ensure actual expenditures by fund do not exceed budgeted amounts.

Utah State Legal Compliance Findings – Prior Year:

23-1 General Compliance - Budgetary Compliance

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

General Fund – Planning & Zoning	\$ 16,058
General Fund – Community Development	737,399

Recommendation: We recommend that the City budgets expenditures appropriately.

City’s Response: See 24-1

23-2 General Compliance – Fund Balance

Finding: Utah State law prohibits the City from having an unrestricted general fund balance that exceeds 35% of the current year total revenues of the general fund. We noted that City was over the allowed limit by \$2,435,228.

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

City’s Response: Resolved in current year.

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 124any 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, 2024



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