This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 15, 2026

NEW ISSUE—Issued in Book-Entry Only Form

Insured Ratings S&P "AA" AG Insured
Underlying Ratings: S&P "A+"; Fitch "AA"
(See "BOND RATINGS" herein.)

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The Series 2026 Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes. See "TAX MATTERS" in this Official Statement.

$220,000,000*
EAGLE MOUNTAIN CITY, UTAH
WATER AND SEWER REVENUE BONDS
SERIES 2026

Dated: Date of Initial Delivery **Due: November 15, as shown on the inside cover**

The Series 2026 Bonds are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2026 Bonds. Purchases of Series 2026 Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Owners of the Series 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2026 Bonds. Interest on the Series 2026 Bonds is payable on May 15 and November 15 of each year, commencing May 15, 2027, through U.S. Bank Trust Company, National Association, as Paying Agent, all as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2026 Bonds, payments of the principal of, premium, if any, and interest on such Series 2026 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "THE SERIES 2026 BONDS—Book-Entry Only System" herein.

The Series 2026 Bonds are issued for the purpose of (i) financing certain improvements to the City's water and sewer system and related improvements and (ii) paying costs associated with the issuance of the Series 2026 Bonds.

The Series 2026 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity.

The Series 2026 Bonds are limited obligations of the City, payable solely from a pledge and assignment of Revenues of the System, after payment of Operation and Maintenance Expenses of the System, and moneys on deposit in the funds and accounts (other than the Rebate Fund) established in the Indenture between the City and U.S. Bank Trust Company, National Association, as trustee. Neither the credit nor the taxing power of the City or the State of Utah or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds. The Series 2026 Bonds are not general obligations of the City or the State of Utah or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2026 Bonds shall not directly, indirectly, or contingently obligate the City or the State of Utah or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2026 Bonds. See "SECURITY FOR THE BONDS" herein.

The scheduled payment of principal of and interest on the Series 2026 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2026 Bonds by ASSURED GUARANTY INC. ("AG").

The Series 2026 Bonds are offered when, as, and if issued and received by the Underwriters, subject to the approval of their legality by Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by the City Attorney, Marcus Draper. Certain matters will be passed upon for the Underwriters by their counsel, Farnsworth Johnson PLLC. LRB Public Finance Advisors, Inc. is acting as municipal advisor to the City in connection with the issuance of the Series 2026 Bonds. It is expected that the Series 2026 Bonds, in book-entry only form, will be available for delivery on or about November 5, 2026.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement is dated _____, 2026, and the information contained herein speaks only as of that date.

STIFEL, NICOLAUS & COMPANY

KEYBANC CAPITAL MARKETS **RAYMOND JAMES**

* Preliminary; subject to change.

$220,000,000*
EAGLE MOUNTAIN CITY, UTAH
WATER AND SEWER REVENUE BONDS,
SERIES 2026

MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS

Due (November 15)	Principal Amount*	Interest Rate	Yield	CUSIP**
2027	$1,500,000			26970T [___]
2028	2,500,000			
2029	3,000,000			
2030	3,775,000			
2031	3,970,000			
2032	4,170,000			
2033	4,385,000			
2034	4,610,000			
2035	4,850,000			
2036	5,095,000			
2037	5,360,000			
2038	5,630,000			
2039	5,920,000			
2040	6,225,000			
2041	6,545,000			
2042	6,880,000			
2043	7,230,000			
2044	7,605,000			
2045	8,005,000			
2046	8,435,000			
2047	8,890,000			
2048	9,370,000			
2049	9,875,000			
2050	10,405,000			
2051	10,970,000			
2052	11,575,000			
2053	12,230,000			
2054	12,920,000			
2055	13,650,000			
2056	14,425,000			

[$_____ _____% Term Bond due November 15, 20___; Price _____%; CUSIP No. _____**]

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* Preliminary; subject to change.

** The above referenced CUSIP number(s) have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2026 Bonds. Neither the City, the Trustee nor the Underwriters are responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the Series 2026 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

The information set forth herein has been obtained from the City, DTC, the Insurer, and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City, or in any other information contained herein since the date hereof.

No dealer, broker, salesman or any other person has been authorized by the City or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

All inquiries relating to this Official Statement and the offering contemplated herein should be directed to the Underwriters. Prospective investors may obtain additional information from the Underwriters or the City which they may reasonably require in connection with the decision to purchase any of the Series 2026 Bonds from the Underwriters.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Forward-looking statements are included in, but not limited to, the Official Statement under the captions "THE SERIES 2026 PROJECT," "ESTIMATED SOURCES AND USES OF FUNDS," and "THE SYSTEM—Historical and Pro Forma Debt Service Coverage." The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The Underwriters have provided the following sentence for inclusion in this Official Statement:

> The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The yields at which the Series 2026 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In connection with this offering, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect market prices of the Series 2026 Bonds. Such transactions, if commenced, may be discontinued at any time.

THE SERIES 2026 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE SERIES 2026 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2026 Bonds.

Assured Guaranty Inc. ("AG") makes no representation regarding the Series 2026 Bonds or the advisability of investing in the Series 2026 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE" and "APPENDIX G—Specimen Municipal Bond Insurance Policy."

$220,000,000*
EAGLE MOUNTAIN CITY, UTAH
WATER AND SEWER REVENUE BONDS
SERIES 2026

1650 East Stagecoach Run
Eagle Mountain, Utah 84005
(801) 789-6600

MAYOR AND CITY COUNCIL

Jared Gray ..... Mayor
Melissa Clark ..... Councilmember
Zachory Huish ..... Councilmember
Craig Whiting ..... Councilmember
Rich Wood ..... Councilmember
Brett Wright ..... Councilmember

CITY ADMINISTRATION

Benjamin A. Reeves ..... City Manager
Stephen Mumford ..... Deputy City Manager
Kimberly Ruesch ..... Administrative Services Director/Finance Director
Erin Hart ..... City Treasurer
Lacie Messerly ..... City Recorder
Marcus Draper ..... City Attorney
Brad Hickman ..... Public Works Director
Mack Straw ..... Assistant Public Works Director

TRUSTEE, REGISTRAR, AND PAYING AGENT

U.S. Bank Trust Company, National Association
170 South Main Street, Suite 600
Salt Lake City, Utah 84101
(801) 534-6051

MUNICIPAL ADVISOR

LRB Public Finance Advisors, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
(801) 596-0700

BOND AND DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
15 West South Temple, Suite 1400
Salt Lake City, Utah 84101
(801) 364-5080

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* Preliminary; subject to change.

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$220,000,000*
EAGLE MOUNTAIN CITY, UTAH
WATER AND SEWER REVENUE BONDS
SERIES 2026

INTRODUCTION

This Official Statement, including the cover page, introduction and appendices provides information regarding (i) the issuance and sale by Eagle Mountain City, Utah (the "City"), a political subdivision of the State of Utah (the "State"), of its $220,000,000* Water and Sewer Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), initially issued in book-entry form only; (ii) the City; and (iii) the City's water utility (the "Water System") and the City's sewer utility (the "Sewer System," and together with the Water System, the "System") owned and operated by the City. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2026 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in "APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE."

See also the following appendices attached hereto which are hereby incorporated herein by reference: APPENDIX A— ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR EAGLE MOUNTAIN CITY, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025; APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE; APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND UTAH COUNTY; APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING; APPENDIX E—FORM OF OPINION OF BOND COUNSEL; APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM; and APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY.

The City

The City was incorporated on December 3, 1996. The City covers approximately 52.7 square miles and is located approximately 30 miles northwest of Provo City and approximately 40 miles southwest of Salt Lake City. The City's estimated population in 2025 was 66,557. For more information with respect to the City, see "EAGLE MOUNTAIN CITY," "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR EAGLE MOUNTAIN CITY, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025," and "APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND UTAH COUNTY" herein.

The System

The existing Water System includes approximately 283 miles of pipe, seven culinary wells, one raw water well, and nine booster pumping systems to pump water to nine separate storage tanks with a total storage capacity of 16.6 million gallons. The tanks are buried reinforced concrete tanks capable of providing 1,260,000 gallons of fire storage (1,000 gallons per minute for two hours). Two additional culinary wells and one four-million gallon storage tank are under construction. The City has a portfolio of ground source and contract water combined with a total of approximately 31,000 acre feet. See "THE SYSTEM—The Water System" herein.

The Sewer System consists of approximately 210 miles of collectors and interceptors. Sewer service in the City is separated into two service areas based on drainage basins. Collection systems are constructed in the North Service Area of the City ("NSA") and in the South Service Area of the City ("SSA"). Wastewater from the NSA is transported to the wastewater treatment plant of the Timpanogos Sanitary Sewer District ("TSSD") pursuant to an agreement between the City and the TSSD. Wastewater from the SSA is transported to the City's wastewater treatment plant which is located in the SSA. Certain residences in the City are served by septic systems. See "THE SYSTEM—The Sewer System" herein.

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* Preliminary; subject to change.

Authorization and Purpose of the Series 2026 Bonds

The Series 2026 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"); (ii) resolutions of the City Council of the City adopted on February 17, 2026 and March 5, 2026; (iii) a General Indenture of Trust dated as of July 1, 2007, as heretofore supplemented (the "General Indenture"), between the City and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"); (iv) a Seventh Supplemental Indenture of Trust dated as of November 1, 2026 (the "Seventh Supplemental Indenture" and together with the General Indenture, the "Indenture") between the City and the Trustee; and (v) other applicable provisions of law.

The Series 2026 Bonds are being issued for the purpose of (i) financing improvements to the System and all related improvements (collectively, the "Series 2026 Project") and (ii) paying costs of issuance with respect to the Series 2026 Bonds.

Security

The Series 2026 Bonds will be payable from and secured solely by a pledge and assignment of the Net Revenues from the System and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture.

The Revenues of the System will be applied to pay the Operation and Maintenance Expenses of the System before being applied to pay principal of and interest on the Series 2026 Bonds. The Series 2026 Bonds will be special limited obligations of the City, payable solely from the Net Revenues of the System.

The Series 2026 Bonds will not be a general obligation of the City, the State or any agency, instrumentality or political subdivision thereof. Neither the faith and credit nor the taxing power of the City, the State or any agency, instrumentality or political subdivision thereof will be assigned or pledged for payment of the Series 2026 Bonds. The City will not mortgage or grant a security interest in the System or any portion thereof to secure payment of the Series 2026 Bonds. See "SECURITY FOR THE BONDS" below.

Outstanding Parity Bonds and Additional Bonds.

The City has previously issued and has outstanding its (i) Water and Sewer Revenue Bonds, Series 2008 (the "Series 2008 Bonds"); (ii) Water and Sewer Revenue Bonds, Series 2013 (the "Series 2013 Bonds"); (iii) Water and Sewer Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds"); and (iv) Water and Sewer Revenue Bonds, Series 2018B (the "Series 2018B Bonds"). Said Bonds were issued to finance or refinance certain improvements to the System. The Series 2008 Bonds, the Series 2013 Bonds, the Series 2014 Bonds, and the Series 2018B Bonds (sometimes collectively referred to herein as the "Outstanding Parity Bonds") are payable from and secured by the Net Revenues on a parity with the Series 2026 Bonds.

The City may issue additional construction bonds and/or refunding bonds (together "Additional Bonds") payable on a parity with the Series 2026 Bonds and the Outstanding Parity Bonds upon complying with certain requirements set forth in the Indenture. Such Additional Bonds together with the Series 2026 Bonds and the Outstanding Parity Bonds are sometimes collectively referred to herein as the "Bonds." See "SECURITY FOR THE BONDS—Outstanding Parity Bonds," and "—Additional Bonds" herein.

Bond Insurance

The scheduled payment of principal of and interest on the Series 2026 Bonds, when due, will be guaranteed under an insurance policy (the "Policy") to be issued concurrently with the delivery of the Series 2026 Bonds by Assured Guaranty Inc. ("AG" or the "Insurer"). See "BOND INSURANCE" and "APPENDIX G—SPECIMEN MUNICIPAL BOND INSURANCE POLICY" herein.

Debt Service Reserve Account

The Indenture establishes a Series 2026 Debt Service Reserve Account within the Debt Service Reserve Fund which is required to be funded in an amount equal to the Series 2026 Debt Service Reserve Requirement. The Indenture authorizes the Issuer to obtain a Reserve Instrument in place of fully funding the Series 2026 Debt Service Reserve Account. The Series 2026 Debt Service Reserve Requirement will be satisfied by a Reserve Instrument (the "Surety") to be provided by the Insurer. See "SECURITY FOR THE BONDS—Debt Service Reserve Fund" herein.

Redemption Provisions

The Series 2026 Bonds are subject to optional [and mandatory sinking fund] redemption prior to maturity. See "THE SERIES 2026 BONDS—Redemption Provisions" herein.

Registration, Denominations, Manner of Payment

The Series 2026 Bonds are issuable only as fully-registered Series 2026 Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository of the Series 2026 Bonds. Purchases of Series 2026 Bonds will be made in book-entry only form, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Beneficial owners of the Series 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2026 Bonds.

So long as Cede & Co. is the Registered Owner of the Series 2026 Bonds, as nominee of DTC, references herein and in the Indenture to the Bondowners or Registered Owners of the Series 2026 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2026 Bonds.

Principal of and interest on the Series 2026 Bonds (interest payable May 15 and November 15 of each year, commencing May 15, 2027) are payable by U.S. Bank Trust Company, National Association, Salt Lake City, Utah, as Paying Agent, to the registered owners of the Series 2026 Bonds, initially Cede & Co., as nominee of DTC. See "THE SERIES 2026 BONDS—Book-Entry Only System" below.

Transfer or Exchange

Except as described under "THE SERIES 2026 BONDS—Book-Entry Only System" below, in all cases in which the privilege of exchanging or transferring the Series 2026 Bonds is exercised, the City shall execute, and the Registrar shall authenticate and deliver, the Series 2026 Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of the Series 2026 Bonds, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer of the Series 2026 Bonds, but may impose no other charge therefor.

The Registrar shall not be required to transfer or exchange any Series 2026 Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date; (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto; (iii) during the period from and including the day fifteen days prior to the mailing of notice calling any Series 2026 Bonds for redemption, to and including the date of such mailing; or (iv) at any time following the mailing of notice calling such Series 2026 Bond for redemption.

Tax-Exempt Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. The Series 2026 Bonds are not "qualified tax-exempt obligations" within the meaning of

Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes. See "TAX MATTERS" in this Official Statement. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2026 Bonds.

Conditions of Delivery, Anticipated Date, Manner, and Place of Delivery

The Series 2026 Bonds are offered, subject to prior sale, when, as, and if issued and received by Stifel, Nicolaus & Company, Incorporated, KeyBanc Capital Markets Inc., and Raymond James & Associates, Inc. as the underwriters of the Series 2026 Bonds (the "Underwriters"), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. Certain matters relating to disclosure will be passed upon by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed on for the City by Marcus Draper, City Attorney. Certain matters will be passed upon for the Underwriters by their counsel, Farnsworth Johnson PLLC. LRB Public Finance Advisors, Inc. is acting as municipal advisor to the City in connection with the issuance of the Series 2026 Bonds. See "LEGAL MATTERS" below. It is expected that the Series 2026 Bonds in book-entry form will be available for delivery on or about November 5, 2026.

Basic Documentation

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City, the Series 2026 Bonds, and the Indenture are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, and references herein to the Series 2026 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the information with respect thereto included in the aforementioned document, copies of which are available for inspection at the principal office of the Trustee on or after the delivery of the Series 2026 Bonds. During the period of the offering of the Series 2026 Bonds, copies of the form of such document will be available from the "Contact Persons" as indicated below. Also see "APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE" below.

Contact Persons

The chief contact person for the City concerning the Series 2026 Bonds is:

Erin Hart
City Treasurer
1650 East Stagecoach Run
Eagle Mountain, Utah 84005
Telephone: (801) 789-6600
ehart@eaglemountain.gov

Additional requests for information may be directed to the City's Municipal Advisor as follows:

Laura Lewis
Principal
LRB Public Finance Advisors, Inc.
41 North Rio Grande, Suite 101
Salt Lake City, Utah 84101
Telephone: (801) 596-0700
laura@lrbfinance.com

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Series 2026 Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Series 2026 Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Series 2026 Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.

- The contingency reserve of AG was approximately $1,569 million.

- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8 K, after the filing of the last document referred to above and before the termination of the offering of the Series 2026 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE—Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Series 2026 Bonds or the advisability of investing in the Series 2026 Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept

any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE."

THE SERIES 2026 BONDS

General

The Series 2026 Bonds will be dated the date of their issuance and will mature on November 15 of the years and in the amounts as set forth on the inside front cover page of this Official Statement. The Series 2026 Bonds shall bear interest from their date at the rates set forth on the inside front cover page of this Official Statement. Interest on the Series 2026 Bonds is payable on May 15, 2027, and semiannually thereafter on May 15 and November 15 of each year (each an "Interest Payment Date"). Interest on the Series 2026 Bonds shall be computed on the basis of a 360-day year of twelve 30-day months. U.S. Bank Trust Company, National Association, Salt Lake City, Utah, is the Registrar, Paying Agent and Trustee for the Series 2026 Bonds under the Indenture (in such respective capacities, the "Registrar," "Paying Agent" and "Trustee").

The Series 2026 Bonds will be issued as fully registered Series 2026 Bonds, initially in book-entry form, in denominations of $5,000 or any integral multiple thereof, not exceeding the amount of each maturity.

The Series 2026 Bonds are special limited obligations of the City, payable solely from the Net Revenues, moneys, securities, and funds pledged therefor in the Indenture. Neither the credit nor the taxing power of the City, the State or any agency, instrumentality, or political subdivision thereof is pledged for the payment of the principal of, premium, if any, or interest on the Series 2026 Bonds. The Series 2026 Bonds are not general obligations of the City or the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2026 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2026 Bonds.

Interest on the Series 2026 Bonds will be paid on each Interest Payment Date to the registered owner thereof (initially DTC) who is the registered owner at the close of business on the Regular Record Date for such interest, which shall be the fifteenth day (whether or not a business day) next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Series 2026 Bonds on such Regular Record Date, and may be paid to the registered owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such registered owner not less than ten days prior to such Special Record Date. The principal of and premium, if any, on the Series 2026 Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee. Interest shall be paid by check or draft mailed on each Interest Payment Date to the registered owner (initially DTC) of each of the Series 2026 Bonds as the name and address of such registered owner appear on the record date in the Register.

Redemption Provisions

Optional Redemption. The Series 2026 Bonds maturing on or before November 15, 20___, are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after November 15, 20___, are subject to redemption prior to maturity in whole or in part at the option of the City on November 15, 20___, or on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Issuer at a redemption price equal to 100% of the principal amount of the Series 2026 Bonds to be redeemed plus accrued interest, if any, thereon to the date of redemption.

[Mandatory Sinking Fund Redemption. The Series 2026 Bonds maturing on November 15, 20___, are subject to mandatory sinking fund redemption at a price of 100% of the principal amount thereof plus accrued interest to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Redemption Date (November 15)	Mandatory Sinking Fund Redemption Amount
*	

* Final maturity.

Upon redemption of the Series 2026 Bonds maturing on November 15, 20___, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2026 Bonds maturing on November 15, 20___, in such order of mandatory sinking fund date as shall be directed by the City.]

Book-Entry Only System

The Series 2026 Bonds originally will be issued solely in book-entry form to The Depository Trust Company ("DTC") or its nominee, Cede & Co., to be held in DTC's book-entry only system. So long as such Series 2026 Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner or Holder of such Series 2026 Bonds for all purposes of the Indenture, the Series 2026 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series 2026 Bonds may be made in the denominations described above. For a description of the book-entry system for the Series 2026 Bonds, see "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM."

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THE SERIES 2026 PROJECT

A portion of the proceeds of the Series 2026 Bonds will be used to finance the Series 2026 Project, which includes water and sewer system improvements and all related improvements, including but not limited to:

Membrane Bioreactor Wastewater Treatment Facility Expansion. The City has determined that the System needs expansion of its wastewater treatment facility by an additional six million-gallons-per-day of membrane bioreactor ("MBR") treatment capacity to accommodate projected flows from continued residential and commercial development. The existing oxidation-ditch facility is approaching practical loading limits. The project includes construction of a new headworks building with coarse and fine screening plus grit removal, biological nutrient removal basins, a membrane treatment building, solids handling facilities (sludge storage tanks and dewatering), an electrical building, odor-control systems, an administration building, and a maintenance garage, along with associated site civil, process piping, electrical, instrumentation, and controls work. Early process-intensification improvements to the existing oxidation ditch are also included.

East Sewer Trunkline. The City has also determined that the System needs a new 30-inch east sewer trunkline to serve existing and future development in the rapidly expanding eastern portion of the City. Growth projections and System capacity analyses have identified the need for this facility. The project will provide a dedicated high-capacity gravity trunkline capable of conveying wastewater from eastern development areas, including associated manholes, connections to existing collection systems, and any required appurtenances. Construction of the trunkline is essential both to open the eastern areas for continued development and to divert future wastewater flows away from the existing main trunk line as it approaches capacity, thereby protecting overall system performance and level of service.

Culinary Water Transmission Main and Booster Pump Station. The System will also be improved with a new booster pump station and 36-inch-diameter culinary water transmission main to convey additional wholesale water supplies, serve existing and future development, and enhance system redundancy and fire-flow capacity. The City obtains potable water from locally owned deep wells and a wholesale contract with the Central Utah Water Conservancy District that includes a predetermined take-down schedule. The existing Pony Express Pump Station is approaching its design capacity even though additional contracted water remains available. The new booster pump station and 36-inch transmission main will convey these remaining flows to growing portions of the City. By incorporating extra capacity through an additional pump, the facilities will be capable of delivering up to 22,000 gallons per minute at full build-out as future water supplies become available. The project includes the pump station structure, pumps, electrical and control systems, the large-diameter transmission pipeline, valves, appurtenances, and related site work.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Series 2026 Bonds are estimated to be as follows:

Sources of Funds

Par Amount of Series 2026 Bonds	$
[Net] Reoffering Premium	
Total Sources	$

Uses of Funds

Deposit to Series 2026 Acquisition and Construction Account	$
Costs of Issuance[1]	
Total Uses	$

[1] Includes Underwriters' discount, Surety and Policy premiums, legal and Trustee fees and expenses, and other costs incurred in connection with the issuance of the Series 2026 Bonds.

DEBT SERVICE SCHEDULE

The following table sets forth the debt service requirements of the Series 2026 Bonds and the Outstanding Parity Bonds.

	Series 2026 Bonds				
Fiscal Year	Principal*	Interest	Total Principal and Interest	Outstanding Parity Bonds[1]	Fiscal Total
2027	–			$1,958,968	
2028	$1,500,000			1,996,405	
2029	2,500,000			2,033,707	
2030	3,000,000			2,778,647	
2031	3,775,000			2,171,543	
2032	3,970,000			2,219,978	
2033	4,170,000			201,468	
2034	4,385,000			201,496	
2035	4,610,000			44,480	
2036	4,850,000			45,120	
2037	5,095,000			45,750	
2038	5,360,000			46,370	
2039	5,630,000			46,980	
2040	5,920,000			46,580	
2041	6,225,000			47,180	
2042	6,545,000			46,770	
2043	6,880,000			47,360	
2044	7,230,000			46,940	
2045	7,605,000			47,520	
2046	8,005,000			47,090	
2047	8,435,000			47,660	
2048	8,890,000			47,220	
2049	9,370,000			280,780	
2050	9,875,000			-	
2051	10,405,000			-	
2052	10,970,000			-	
2053	11,575,000			-	
2054	12,230,000			-	
2055	12,920,000			-	
2056	13,650,000			-	
2057	14,425,000			-	
TOTAL	$220,000,000*			$14,496,012	

* Preliminary; subject to change.
(1) Includes principal and interest.
Amounts have been rounded.
(Source: The Municipal Advisor.)

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SECURITY FOR THE BONDS

Pledge of the Indenture

The Series 2026 Bonds, the Outstanding Parity Bonds, and any other Bonds hereafter issued pursuant to the Indenture are secured equally and ratably by a pledge of (i) the Net Revenues, (ii) all moneys in funds and accounts held by the Trustee under the Indenture (except the Rebate Fund), and (iii) all other rights granted under the Indenture. The Series 2026 Bonds are special limited obligations of the City and are payable exclusively from the Net Revenues, moneys, funds and accounts held under the Indenture. As defined under the Indenture, "Net Revenues" means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

"Revenues" means all revenues, fees, impact fees (to the extent legally pledged by the City with respect to Water and Sewer improvements financed with Bond proceeds), income, rents and receipts received or earned by the City from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), together with all interest earned by and profits derived from the sale of investments in the related funds thereof.

"Operation and Maintenance Expenses" means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the City or paid to any other entity pursuant to contract or otherwise, necessary to keep the System in efficient operating condition, including cost of audits required under the Indenture, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance required by the Indenture, Administrative Costs and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to City funds and interest expense for interfund loans from City funds, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

Neither the faith and credit nor the taxing power of the City is pledged as security for the Series 2026 Bonds. The Series 2026 Bonds do not constitute general obligations of the City or of any other entity or body, municipal, state or otherwise. The Indenture does not pledge any System properties. For a description of the System, rates and charges for services provided by the System and moneys available for use in connection with the System, see "THE SYSTEM—The Water System," and "—The Sewer System" herein.

Debt Service Reserve Fund

The Indenture creates a Debt Service Reserve Fund and provides that a separate account for each Series of Bonds may be established within the Debt Service Reserve Fund. The Indenture provides that moneys in the Debt Service Reserve Fund shall at all times be maintained in a total aggregate principal amount of not less than the Debt Service Reserve Requirement for all Outstanding Series of Bonds.

"Debt Service Reserve Requirement" means with respect to the Series 2026 Bonds, an amount equal to the least of (i) 10% of the proceeds of the Series 2026 Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds 2% of original Principal, then determined on the basis of initial purchase price to the public), (ii) the maximum annual Debt Service during any Bond Fund Year for Series 2026 Bonds, and (iii) 125% of the average annual Debt Service for the Series 2026 Bonds. The Debt Service Reserve Requirement may be funded by a Reserve Instrument as provided in the Indenture. The Series 2026 Debt Service Reserve Requirement will be satisfied by the Surety to be provided by the Insurer.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds is Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund. Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once

each year. Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

Flow of Funds

All Revenues shall be accounted for and maintained by the City separate and apart from all other accounts of the City and which shall be expended and used by the City only in the manner and order of priority specified below:

(a) First, to pay all Operation and Maintenance Expenses of the System as the same become due and payable;

(b) Second, to pay the principal of, premium, if any, and interest on all Bonds outstanding under the Indenture;

(c) Third, to the extent the Debt Service Reserve Requirement is not funded with a Reserve Instrument or Instruments, to make all payments to the account in the Debt Service Reserve Fund and, as applicable, to the Reserve Instrument Fund in the amount required by the Indenture to be on deposit therein; and

(d) Fourth, to deposit in the Repair and Replacement Fund any amount required by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement.

The Net Revenues remaining after the foregoing deposits and transfers and not required to be used for remedying any defaults in the payments previously made into the funds described above may be used at any time for (i) the redemption of Bonds, (ii) the refinancing, refunding, or advance refunding of any Bonds, (iii) deposit to the Rate Stabilization Fund, or (iv) for any other lawful purpose. See "APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE–Application of Revenues," herein.

Rate Covenant

The City covenants in the Indenture that so long as any of the Bonds or any Repayment Obligations are outstanding, the rates including connection fees, for all services supplied by the System to the City and to its inhabitants and to all customers within or without the boundaries of the City, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of not less than 115% of the Aggregate Annual Debt Service Requirement for such year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture, provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. The City agrees that should its annual financial statements disclose that during the period covered by such financial statements the Net Revenues were not at least equal to the above requirement, the City shall request that a Qualified Engineer make recommendations as to the revision of the rates, charges and fees and that the City on the basis of such recommendations will revise the schedule of rates, charges and fees insofar as is practicable and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues required by the Indenture.

"Aggregate Annual Debt Service Requirement" means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specified period) on all Series of Bonds Outstanding or any specified portion thereof.

Outstanding Parity Bonds

The City issued the Outstanding Parity Bonds to finance or refinance improvements to the System. The Outstanding Parity Bonds were issued pursuant to the terms of the General Indenture and are secured by Net Revenues on a parity with the Series 2026 Bonds.

Additional Bonds

No additional indebtedness, Bonds or notes of the City payable on a priority to the pledge of Net Revenues for the payment of the Series 2026 Bonds and the Outstanding Parity Bonds shall be created or incurred without the prior written consent of the owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, Bonds or notes of the City payable on a parity with the Series 2026 Bonds and the Outstanding Parity Bonds out of Net Revenues shall be created or incurred, unless the requirements of the Indenture have been satisfied.

Among other requirements, the Indenture provides that the City must provide (1) the estimated Net Revenues (plus any Other Available Moneys) for the then-current Bond Fund Year and each of the three succeeding Bond Fund Years, (2) the Aggregate Debt Service and the total Repayment Obligations with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Additional Bonds for each of these Bond Fund Years, and (3) a statement that such estimated Net Revenues (plus any Other Available Moneys) are not less than 125% of the Aggregate Annual Debt Service Requirement on all Bonds to be Outstanding for said Bond Fund Years. However, the Revenue coverage test set forth above shall not apply to Refunding Bonds issued for the purpose of refunding Bonds originally issued under the Indenture, to the extent that (i) the Average Aggregate Annual Debt Service for such Refunding Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith and (ii) the maximum Aggregate Annual Debt Service Requirement for such Refunding Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith.

See "APPENDIX B—EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE—Additional Bonds."

THE SYSTEM

General

The City owns and operates the Water System and the Sewer System. The Water System and the Sewer System constitute the System, and the Net Revenues generated from the operation of the System are pledged to pay principal and interest on the Bonds. Set forth below is a description of both the Water System and the Sewer System.

The Water System

General. The existing Water System includes approximately 283 miles of pipe, seven culinary wells (two additional wells are under various stages of construction), one raw water well, and nine booster pumping systems to pump water to nine separate storage tanks with a total storage capacity of 16.6 million gallons (plus one four-million gallon storage tank under construction). The tanks are buried reinforced concrete tanks capable of providing 1,260,000 gallons of fire storage (1,000 gallons per minute for two hours). As a prerequisite to new construction, developers are required to donate sufficient water rights to the City as a condition of approval by the City of their proposed new development.

A portion of the Series 2026 Bond proceeds will be used to construct a new booster pump station and 36-inch-diameter culinary water transmission main to convey additional wholesale water supplies, serve existing and future development, and enhance system redundancy and fire-flow capacity. See "THE SERIES 2026 PROJECT" herein.

Water Supplies. The City is located in an area known as Cedar Valley. The City has a portfolio of ground source and contract water combined with a total of approximately 31,000 acre feet.

In addition, the City is currently engaged in the State permitting process to secure approval for the reuse of treated wastewater derived from the City's culinary water rights in conjunction with the future MBR expansion of the wastewater treatment facility. This effort, which includes an application for approximately 6,273 acre-feet per year currently under review by the State, will enable the City to produce high-quality recycled water suitable for expanded non-potable applications. Once permitted, the reuse water will be directed into a secondary system to irrigate parks,

landscaping, and other eligible areas, thereby significantly reducing reliance on potable culinary supplies for outdoor irrigation demands. In conjunction with this effort, the City will continue to pursue opportunities for advanced treatment and regulatory pathways that could support potential direct potable reuse in the future, further enhancing long-term water supply resilience and conservation.

Water Rights, Licenses, Permits, Approvals and Environmental Considerations. The City is perfecting all necessary state water rights concerning deep water wells. The City has obtained all necessary state and local licenses, permits and approvals to operate the Water System.

Environmental Matters. The Water System is currently in compliance with the provisions of all environmental laws and regulations applicable to its operations, including, but not limited to, the Safe Drinking Water Act of 1986 and the Utah Safe Drinking Water Act, and laws and regulations applicable to disposal of solid and hazardous waste. The Water System is also in compliance with all environmental, health and safety laws and regulations applicable to the use and disposal of chemicals used by the Water System to make water potable.

Water System Customers. Connection to the System is mandatory. The following table shows the number of customers (reflected in number of connections) served by the Water System as of June 30, for the fiscal years shown.

Fiscal Year	Total Connections
2026	17,860
2025	16,644
2024	15,352
2023	14,203
2022	13,538
2021	12,447
2020	10,536

Water System Production and Consumption. The following table sets forth (i) the total amount of water produced by the City, (ii) the total amount of water consumed by the Water System customers, (iii) the total number of customers (reflected in ERUs), and (iv) the average monthly consumption per customer for each month during the fiscal year ended June 30, 2026.

Period	Total Water Produced (gallons)	Water Consumed (gallons)	Number of Customers	Avg. Monthly Consumption per Customer
July 2025	774,998,365	615,743,023	22,621	27,220
August 2025	715,511,057	714,546,483	23,497	30,411
September 2025	547,261,236	559,280,455	23,716	23,583
October 2025	236,272,291	438,957,508	21,202	20,703
November 2025	117,508,993	133,098,100	17,588	7,568
December 2025	120,577,680	113,523,314	18,032	6,296
January 2026	124,508,777	130,428,946	18,229	7,155
February 2026	123,091,406	104,549,991	17,739	5,894
March 2026	169,754,263	152,784,055	17,789	8,589
April 2026	250,984,961	190,576,415	19,984	9,536
May 2026	458,326,539	261,899,864	20,121	13,016
June 2026	613,107,372	447,494,000	20,548	21,778
	Total 4,251,902,940	*Total* 3,862,882,154		

The gallons consumed and number of customers are computed by billing cycle and do not follow the calendar month. The water production does follow the calendar month, thus leading to a difference in the production versus consumption data.

Water System Sales. The following table sets forth the total Water System sales in gallons and revenues derived from the billing system for those sales for the fiscal years shown (sales amount does not include connection fees, late fees, and other miscellaneous revenues).

Fiscal Year	Gallons Sold (in 1,000s)	Sales
2026	3,862,882	$12,164,533
2025	3,531,828	10,374,165
2024	2,886,860	8,219,543
2023	2,799,292	7,373,043
2022	2,910,430	5,504,174
2021	3,049,840	5,779,358

Largest Water System Customers. The following table sets forth the ten largest customers of the Water System for the fiscal year ended June 30, 2026. The City's top users account for only 8.86% of water sales.

Customer	Type	Gallons Sold (in 1,000s)	Sales	% of Total Water Sales
Eagle Mountain City	Government	513,225	$482,085	3.96%
Stadion LLC	Industrial	44,913	198,215	1.63
Alpine School District	Institutional	253,425	158,337	1.30
Tyson Foods[1]	Industrial	49,153	93,056	0.76
Holiday Oil	Commercial	17,484	33,382	0.27
Church of Jesus Christ of Latter Day Saints	Institutional	11,685	28,395	0.23
M.A. Mortenson	Industrial	14,475	23,619	0.19
TM Crushing LLC	Industrial	9,876	21,508	0.18
Blue Sky Construction LLC	Commercial	13,088	21,146	0.17
Kilgore Companies Alta View Concrete	Industrial	6,956	18,535	0.15
Total		934,280	$1,078,278	8.86%

(1) Tyson Foods recently announced that this location will be closing in October 2026.

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Water System Rates. The City has full and independent power, as granted by State law, to establish revenue levels and rate design for water service provided by the City. Rates are adopted pursuant to resolutions of the City Council. The City is not subject to rate regulation by any state or federal regulatory body, and is empowered to set rates effective at any time. The City bases its water rates on a base rate plus the amount of use of the water by the customer. Beginning July 1, 2025, the base rate per month will increase by $1 each year for ¾" and 5/8" meter sizes. The City has also implemented an annual usage rate increase of 12% which goes into effect each July 1. Rates are reviewed annually, and if they are determined to be inadequate to cover operational costs, additional adjustments may be considered. The following tables set forth the rates currently in effect for the Water System as of July 1, 2026:

Water System Rates

Meter Size	Base Rate per Month	
¾"	$27.50	*Plus consumption fee per tier and customer type*
1"	45.83	*Plus consumption fee per tier and customer type*
1 ½"	91.67	*Plus consumption fee per tier and customer type*
2"	146.67	*Plus consumption fee per tier and customer type*
3"	293.33	*Plus consumption fee per tier and customer type*
4"	458.33	*Plus consumption fee per tier and customer type*
5"	916.67	*Plus consumption fee per tier and customer type*
6"	1,466.67	*Plus consumption fee per tier and customer type*
8"	3,850.00	*Plus consumption fee per tier and customer type*

Customer Type	Usage Level	Water Consumption in Thousands	Consumption Fee per 1,000 gallons
Residential (less than or equal to 0.5 acres)	Tier 1	0-65	$1.74
	Tier 2	65-115	1.84
	Tier 3	115-165	1.90
	Tier 4	Over 165	1.98
Large Residential (more than 0.5 acres)	Tier 1	0-120	$1.74
	Tier 2	120-170	1.84
	Tier 3	170-230	1.90
	Tier 4	Over 230	1.98
Commercial Lots			
	Tier 1	0-170	$1.74
	Tier 2	170-220	1.84
	Tier 3	Over 220	1.90
Industrial Lots			
	–	uniform rate	$1.98
Institutional			
	Tier 1	0-170	$1.74
	Tier 2	170-220	1.84
	Tier 3	Over 220	1.90

Connection Fee

Meter Size	Connection Fee
3/4"	$450
1"	640
1 1/2"	1,260
2"	1,920
3"	3,600
4"	5,120

The Sewer System

General. The Sewer System consists of approximately 210 miles of collectors and interceptors. Sewer service in the City is separated into the NSA and the SSA service areas based on drainage basins. Collection systems are constructed in both areas. Wastewater from the NSA is transported for treatment to the treatment plant owned and operated by the TSSD. The wastewater is transported to TSSD for treatment pursuant to an agreement between TSSD and the City. The City's wastewater treatment plant, operation of the collectors, interceptors, and pumps is currently being administered by the City. Following is a description of each service area and their respective treatment process.

NSA Treatment Process. Wastewater from the NSA is collected from developments and transported to the TSSD outfall line. The City and TSSD entered into an Amended and Restated Sewer Treatment Services Contract and Collection Maintenance Agreement on April 19, 2022 (the "TSSD Agreement"). The TSSD Agreement has a term of 25 years unless modified in writing and agreed to by all parties. The TSSD Agreement provides wastewater treatment services and certain collection system maintenance within the City's NSA. The TSSD Agreement does not specify any capacity entitlement, but provides that should total customer demand within the service area of TSSD exceed the capacity of TSSD, the City will continue to have access to TSSD on a proportional basis with other cities located within the boundaries of the TSSD.

SSA Treatment Process. Wastewater from the SSA is collected from developments in the city center and flows to the City's treatment facility. The City's treatment facility commenced operation in 2010. The City treatment facility uses a biologically activated sludge treatment process which currently treats up to 2.4 million gallons per day. The treatment facility uses a cannibal solids reduction process by Siemens Corp. which reduces the amount of solids discharged from the facility and reduces the cost for disposal of solids. The treated water is then discharged into lined holding ponds and from there is sent through pipes to a rapid infiltration pond which allows the water to naturally percolate back into the ground. A portion of the proceeds from the Series 2026 Bonds will be used to significantly expand the treatment capacity of the City's wastewater treatment plant. See "THE SERIES 2026 PROJECT" herein.

Septic Tank Usage. Pursuant to City policy, any lot that is one-half acre or larger in size and farther than 300 feet from a main line can operate on its own septic system and is not required to connect to the Sewer System. While septic systems are allowed, the City reports that such systems represent an insignificant portion of the population of the City. Based upon historical and existing developments and master plans approved and on file with the City, approximately 95% of all residences will be connected to the Sewer System at build-out. The City cannot make any prediction regarding the nature of development within the City and how many residences will connect to the Sewer System.

Sewer System Customers and Usage. The following tables set forth (1) the number of service connections to the Sewer System for the fiscal years shown and (2) Sewer System usage in the two service areas.

Connections

Fiscal Year	NSA	SSA	Total	% Change
2026	8,665	8,197	16,862	10.15%
2025	8,586	6,722	15,308	4.26
2024	8,451	6,232	14,683	6.08
2023	8,117	5,724	13,841	10.73
2022	7,817	4,683	12,500	11.84
2021	7,170	4,007	11,177	10.17
2020	6,889	3,256	10,145	11.02
2019	6,395	2,743	9,138	12.73

Usage

Fiscal Year	SSA Peak gal/day	Average
2026	1,665,806	1,575,803
2025	1,750,000	1,351,053
2024	1,646,667	1,298,580
2023	1,154,076	1,061,719
2022	1,013,169	883,872
2021	857,746	676,399
2020	703,137	543,184
2019	966,092	466,767

NSA
(*Average Monthly Usage*)

Fiscal Year	Gallons
2026	46,420,853
2025[1]	63,853,167
2024[1]	76,880,000
2023[1]	58,280,000
2022	41,850,000
2021	40,703,000
2020	38,519,618
2019	35,216,000

[1] During fiscal year 2026, the City identified historical overcharges from its wastewater treatment provider resulting from faulty metering equipment used in determining billable wastewater. The vendor has acknowledged the error and agreed to provide credits totaling approximately $1.1 million for charges incurred between September 2023 and December 2025. As of June 30, 2026, the City recorded a receivable for the estimated recoverable amount. Management evaluated the impact on previously issued financial statements and determined that a restatement was not required.

Wastewater Treatment. The following table sets forth (i) the total amount of wastewater treated by the City and the TSSD, (ii) the total number of customers and (iii) the average monthly usage per customer for each month during the Fiscal Year ended June 30, 2026.

Period	Wastewater Treated (gallons)	Average Number of Customers (ERUs)	Average Monthly Usage per Customer
July 2025	85,220,000	16,525	5,157
August 2025	99,730,000	16,582	6,014
September 2025	87,320,000	16,648	5,245
October 2025	93,738,000	16,681	5,619
November 2025	91,110,000	16,806	5,421
December 2025	94,270,000	16,863	5,590
January 2026	102,440,000	16,894	6,064
February 2026	88,674,000	16,928	5,238
March 2026	97,675,000	17,535	5,570
April 2026	94,250,000	17,478	5,392
May 2026	97,520,000	17,517	5,567
June 2026	92,130,000	17,587	5,239
Fiscal Year Total	1,124,077,000	17,004[1]	5,510[1]

[1] Annual Average.

Users of the Sewer System. Almost all of the users of the Sewer System are residential customers and less than 1% are non-residential customers.

Sewer System Sales. The following table sets forth the total sales for the Sewer System for the fiscal years shown(sales amount does not include connection fees, late fees, and other miscellaneous revenues). .

Fiscal Year	Sales	Percent Change
2026	13,328,880	15.84%
2025	11,506,662	31.65
2024	8,740,273	10.01
2023	7,945,129	20.03
2022	6,619,467	11.82
2021	5,919,801	–

Sewer System Rates. The City bills for sewer services according to two classes: residential and other. "Other" includes commercial and industrial classes. The City is not subject to rate regulation by any state or federal regulatory body, and is empowered to set rates effective at any time. Rates are adopted pursuant to resolution of the City Council. The monthly base rate is determined using the water meter size and a monthly volume rate based on the average winter water consumption. Currently, effective July 1, 2025, the base rate per month increases by 2.5% each year for ¾" and 5/8" meter sizes. Base rates for larger meter sizes will be adjusted proportionally based on the ¾" or 5/8" rate. Industrial rates will increase by 5% each year. The City has also implemented an annual rate increase of 2.5% for volume which goes into effect each July 1. Rates are reviewed annually, and if they are determined to be inadequate to cover operational costs, additional adjustments may be considered. The following table sets forth the rates for the Sewer System as of July 1, 2026:

Meter Size	Base Rate per Month	
5/8" or 3/4"	$36.48	*Plus usage rate per customer type*
1"	60.80	*Plus usage rate per customer type*
1 1/2"	121.60	*Plus usage rate per customer type*
2"	194.56	*Plus usage rate per customer type*
3"	389.12	*Plus usage rate per customer type*
4"	608.00	*Plus usage rate per customer type*
5"	1,215.99	*Plus usage rate per customer type*
6"	1,945.59	*Plus usage rate per customer type*
8"	5,107.17	*Plus usage rate per customer type*

Class	Usage Rate	Connection Fee
Residential (per ERU)[1]	$4.74 per 1,000 gallons	$100/ERU
Other	$41.62 per ERU	Commercial, industrial, or multifamily estimated costs of connections +15% administration fee

[1] Equivalent Residential Unit ("ERU").

Licenses, Permits and Approvals. The City reports that it holds all licenses, permits and approvals necessary for the operation of the Sewer System.

Capacity and Demand

The tables below show the existing capacity and demand in the System and anticipated future capacity of the System against existing demand.

Existing Capacity vs. Existing Demand

Utility Description	Existing Utility Capacity	Units	Existing Demand	Excess Capacity
Culinary Water Pump	14,035	gpm	4,278	9,757
Culinary Water Storage	16,600,000	gpd	9,866,280	6,733,720
Sewer System (NSA)	2,190,000	gpd	1,526,156	663,844
Sewer System (SSA)	2,400,000	gpd	1,553,507	846,493

Future Capacity vs. Existing Demand

Utility Description	Future Utility Capacity	Units	Existing Demand	Excess Capacity
Culinary Water Pump	23,035	gpm	4,278	18,757
Culinary Water Storage	20,600,000	gpd	9,866,280	10,733,720
Sewer System (NSA)	2,760,000	gpd	1,526,156	1,233,844
Sewer System (SSA)	8,400,000	gpd	1,553,507	6,846,493

Billing and Collection Procedures

The City employs a combined billing statement for all utilities, including the System. Customer accounts are due and payable by the end of the month in which the billing occurred. Customers who do not pay the full amount of the bill within the allotted time period are in default and are subject to disconnection and collection of the delinquent amounts. The City reports that approximately 2% of accounts are not paid within 30 to 60 days.

Each utility invoice not paid when due is considered delinquent and the delinquent customer is provided a final account notice within ten days after the first working day of the month. The final notice states that if full payment of the past due balance is not received within seven days after the final notice that the customer's utility services will be subject to termination. Services terminated for non-payment of delinquent accounts shall not be reinstated until payment of the delinquent account is received together with the reconnect fee of $50 to reimburse the City for the professional services necessary to reinstate the utility service. The City may, at its discretion, require an additional utility deposit be paid up to an amount equal to two times the average monthly billing for the utility service.

Impact Fees

Under State law, a municipality is allowed to impose impact fees in connection with operation of utilities. "Impact fees" are defined to mean a payment of money imposed upon development activity as a condition of development approval. The impact fee must be a reasonable charge for the facilities provided. Before imposing an impact fee, a municipality must establish a capital facilities plan that identifies, among other things, the demands placed upon existing facilities by new development activity. Municipalities may only expend impact fees for (i) system improvements for public facilities identified in the capital facilities plan, (ii) system improvements for the specific public facility type for which the fee was collected, or (iii) debt service on obligations used to finance such system improvements. The impact fees cannot be used to pay operation and maintenance expenses of the related public facility.

Water Impact Fees

Development with Water Rights, per Equivalent Residential Unit (ERU)	$4,283
Development without Water Rights, per ERU	$2,445

Note: Developments without water rights must also pay the appropriate Central Utah Water Conservancy District one-time development take down fee and the capital prepayment fee for capital recovery, as determined in the Central Utah Water Conservancy District contract.

Sewer Impact Fees

North Service Area, per Equivalent Residential Connection (ERC)	$622
South Service Area, per ERC	$4,665
West Service Area, per ERC	$4,665

Note: 1 ERC is calculated as 220 Gallons per day (GPD).

Historical and Pro Forma Debt Service Coverage

The following table sets forth historical and projected debt service coverage on the Bonds for the fiscal years shown.

The operating results of the System reflect the results of past operations and are not necessarily indicative of results of operations for any future period. Future operations will be affected by factors relating to changes in rates, other operating costs, environmental regulation, economic growth of the community, population, weather and other matters, the nature and effect of which cannot at present be determined.

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HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE

	Historical					Projected					
Fiscal Year	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Operating Revenue											
Charges for Services											
Water Charges[1]	$ 6,608,907	$ 8,059,429	$ 9,087,582	$ 11,465,712	$ 13,360,345	$ 14,963,587	$ 16,759,217	$ 18,770,324	$ 21,022,762	$ 23,545,494	$ 26,370,953
Sewer Charges[2]	6,802,667	8,001,228	8,862,073	11,598,602	13,371,233	14,901,541	20,266,096	25,332,620	28,372,534	31,209,787	34,330,766
CWP Shares Sold	4,884,223	5,083,579	5,108,769	6,203,885	8,632,800	8,848,800	9,072,000	9,302,400	9,201,800	9,431,150	9,667,450
Other Operating Income	7,539	28,280	8,736	7,449	7,316	8,194	9,177	10,278	11,512	12,893	14,440
Total Operating Revenues:	$ 18,303,336	$ 21,172,516	$ 23,067,160	$ 29,275,647	$ 35,371,695	$ 38,722,122	$ 46,106,490	$ 53,415,622	$ 58,608,608	$ 64,199,324	$ 70,383,610
Operating Expenses											
Water Operating Expenses[3]											
Salaries and wages	$ 666,444	$ 1,019,042	$ 1,199,420	$ 1,341,085	$ 1,471,615	$ 1,822,851	$ 2,041,593	$ 2,286,584	$ 2,560,974	$ 2,868,291	$ 3,212,486
Purchased Services	3,825,954	4,516,689	6,394,253	6,433,473	7,614,428	8,655,203	10,182,707	11,404,632	12,773,188	14,305,971	16,022,687
Supplies and materials	890,167	770,198	508,446	452,444	922,768	915,700	1,025,584	1,148,654	1,286,493	1,440,872	1,613,776
CWP Shares Purchased	4,884,223	5,083,579	5,108,769	8,006,549	8,632,800	8,848,800	9,072,000	9,302,400	9,201,800	9,431,150	9,667,450
Miscellaneous	14,389	183,378	19,554	7,684	14,925	27,550	30,856	34,559	38,706	43,350	48,553
Total Water Expenses	$ 10,281,177	$ 11,572,886	$ 13,230,442	$ 16,241,235	$ 18,656,537	$ 20,270,104	$ 22,352,740	$ 24,176,829	$ 25,861,161	$ 28,089,634	$ 30,564,952
Sewer Operating Expenses[4]											
Salaries and wages	$ 596,400	$ 713,362	$ 787,475	$ 990,587	$ 1,082,518	$ 1,561,784	$ 1,717,962	$ 1,889,759	$ 2,551,174	$ 2,806,292	$ 3,086,921
Purchased Services	2,875,542	3,376,445	4,608,773	5,374,220	5,067,880	5,339,228	5,873,151	6,460,466	8,721,629	9,593,792	10,553,171
Supplies and materials	480,934	520,160	350,234	474,095	839,907	1,212,489	1,333,738	1,467,112	1,980,601	2,178,661	2,396,527
Miscellaneous	14,746	29,044	7,939	7,879	7,142	26,700	29,370	32,307	43,614	47,976	52,773
Total Sewer Expenses	$ 3,967,622	$ 4,639,011	$ 5,754,421	$ 6,846,781	$ 6,997,447	$ 8,140,201	$ 8,954,221	$ 9,849,643	$ 13,297,018	$ 14,626,720	$ 16,089,392
Total Operating Expenses:	$ 14,248,799	$ 16,211,897	$ 18,984,863	$ 23,088,016	$ 25,653,984	$ 28,410,305	$ 31,306,962	$ 34,026,473	$ 39,158,179	$ 42,716,354	$ 46,654,344
	1.15	1.14	1.17								
Non-Operating Revenue (Expenses)											
Interest revenue (water system)	$ (164,139)	$ 2,445,261	$ 3,459,760	$ 4,308,895	$ 4,090,817	$ 4,090,817	$ 4,090,817	$ 4,090,817	$ 4,090,817	$ 4,090,817	$ 4,090,817
Interest revenue (sewer system)	(3,522)	170,751	557,578	496,060	528,283	528,283	528,283	528,283	528,283	528,283	528,283
Impact fees (water system)	7,747,694	2,345,417	3,557,265	4,158,555	3,369,626	3,369,626	3,369,626	3,369,626	3,369,626	3,369,626	3,369,626
Impact fees (sewer system)	3,416,461	1,518,382	4,557,705	4,530,985	5,042,600	5,042,600	5,042,600	5,042,600	5,042,600	5,042,600	5,042,600
Developer reimbursements (water system)	(55,887)	-	(965,434)	(456,974)	(714,660)	(714,660)	(714,660)	(714,660)	(714,660)	(714,660)	(714,660)
Developer reimbursements (sewer system)	(205,049)	(128,684)	(210,990)	(174,337)	(73,881)	(73,881)	(73,881)	(73,881)	(73,881)	(73,881)	(73,881)
Total Nonoperating revenues (expenses)	$ 10,735,558	$ 6,351,127	$ 10,955,884	$ 12,863,185	$ 12,242,786	$ 12,242,786	$ 12,242,786	$ 12,242,786	$ 12,242,786	$ 12,242,786	$ 12,242,786
Net Revenues Available for Debt Service:	$ 14,790,095	$ 11,311,746	$ 15,038,181	$ 19,050,816	$ 21,960,496	$ 22,554,602	$ 27,042,314	$ 31,631,935	$ 31,693,215	$ 33,725,756	$ 35,972,051
Annual Bond Debt Service											
Series 2008A (WQB Loan)	419,190	806,570	590,830	479,170	509,570	539,620	348,320	-	-	-	-
Series 2013 (DEQ)	143,943	142,999	158,038	157,785	158,498	158,158	157,785	158,377	157,917	158,423	157,878
Series 2014 Refunding (2007B Bonds)	558,375	592,225	595,325	606,700	625,900	1,207,400	1,220,800	1,222,400	1,923,100	1,971,300	2,019,600
Series 2018A Refunding (2007 Bonds)	568,500	558,900	563,600	567,300	290,700	-	-	-	-	-	-
Series 2018B (WQB Loan) 1	37,350	38,100	38,840	39,570	39,290	40,010	39,720	40,430	41,130	41,820	42,500
Series 2026*						6,733,757	12,951,375	13,851,375	14,213,875	14,819,500	14,820,875
Total Bond Debt Service:	$ 1,727,358	$ 2,138,794	$ 1,946,633	$ 1,850,525	$ 1,623,958	$ 8,678,946	$ 14,718,000	$ 15,272,582	$ 16,336,022	$ 16,991,043	$ 17,040,853
* Preliminary; subject to change.											
Projected Debt Service Coverage	**8.56**	**5.29**	**7.73**	**10.29**	**13.52**	**2.60**	**1.84**	**2.07**	**1.94**	**1.98**	**2.11**
Projected D/S Coverage w/out Impact Fees	**2.10**	**3.48**	**3.56**	**5.60**	**8.34**	**1.63**	**1.27**	**1.52**	**1.43**	**1.49**	**1.62**

Footnotes

1. Water revenue growth rate projections for FY2027-2032 are comprised of a planned 6.00% increase in rates each year and anticipated 6% compounded growth in number of end user connections.

2. Sewer revenue growth rate projections for FY2027-2032 are comprised of a planned future rate increases of 5.40%, 30.00%, 19.00%, 6.00%, 4.00%, and 4.00%, respectively, as well as anticipated 6% compounded growth in number of end user connections. The large, planned rate increases in the next three years are planned to coincide with progress on plant expansion and desire by the City to have sewer fees become self-sustaining.

3. Water expense growth projections have been calculated to increase by 8.65% for FY 27 and 12% each year for every year thereafter.

4. Sewer expense growth rates for FY2027-2032 are project to increase by 16.3%, 10%, 10% 35%, 10% and 10%, respectively, and are based on the City's anticipated increases both in operating the larger treatment plant as well as considering additional flows from a larger population.

(Source: The City and the Municipal Advisor.)

Management's Discussion and Analysis of Revenues

Water and Sewer System revenues remained strong during Fiscal Year 2026, driven primarily by continued customer growth within the City and the implementation of previously approved rate adjustments. Total operating revenues increased from $29.2 million in Fiscal Year 2025 to $35.3 million in Fiscal Year 2026, an increase of approximately 20.9%.

The increase in revenues was primarily attributable to:

- Growth in residential and commercial utility connections resulting from ongoing development activity within the City;
- Higher base-rate revenues associated with an expanding customer base;
- Increased water consumption during the peak irrigation season; and
- Water rate increases of 12.0% and sewer rate increases of 2.5%.

During Fiscal Year 2026, water service revenues represented approximately 62% of total operating revenues, while sewer service revenues represented approximately 38%. The System's revenue base remains diversified across a broad residential and commercial customer base, with no single customer accounting for a material portion of total operating revenues.

The City has implemented a multi-year rate strategy designed to support ongoing operations, capital infrastructure investment, and the establishment of adequate repair and replacement reserves. Automatic annual rate adjustments currently approved include increases of 12.0% for water rates and 2.5% for sewer rates. In November 2026, City management anticipates presenting to the City Council updated sewer rate recommendations based on current operating conditions, capital improvement needs, and long-term financial planning objectives. Planned rate increases are incorporated into the projections included in the "HISTORICAL AND PRO FORMA DEBT SERVICE COVERAGE" table herein.

Management expects continued growth in System revenues as the City experiences ongoing residential, commercial, and industrial development and corresponding increases in customer connections. Revenue projections assume annual growth in water operating revenues of approximately 12.0% through Fiscal Year 2032. Sewer operating revenues are projected to increase by approximately 36.0% in Fiscal Year 2028, 25.0% in Fiscal Year 2029, 12.0% in Fiscal Year 2030, and 10.0% annually in Fiscal Years 2031 and 2032, reflecting anticipated customer growth, planned rate adjustments, and system expansion needs. Over the five-year period from Fiscal Year 2022 through Fiscal Year 2026, water revenues increased at an average annual rate of approximately 15.1%, while sewer revenues increased at an average annual rate of approximately 17.2%.

Management continues to monitor development activity, customer growth trends, consumption patterns, and operating costs to ensure that System revenues remain sufficient to support operations, capital improvement requirements, and debt service obligations. Based on current development activity, approved rate structures, and projected customer growth, management believes the utility system is positioned to maintain stable financial performance and generate revenues adequate to meet future operational and debt service requirements.

Five-Year Financial Summaries of the System

The following tables set forth a summary of financial information pertaining to the System (i.e. the combined total of the water fund, relating to the Water System, and sewer fund, relating to the Sewer System) for the fiscal years indicated. While the information for these summaries has been extracted from the City's audited financial statements for the years indicated, the summaries have not been audited.

EAGLE MOUNTAIN CITY
Statement of Net Position
Proprietary Funds–Water and Sewer Funds
(This summary has not been audited.)

	Fiscal year ending June 30,				
	2025	2024	2023	2022	2021
ASSETS					
Current assets:					
Cash and Cash Equivalents	$88,900,090	$33,369,521	$23,312,632	$38,576,263	$21,444,878
Accounts receivable - net	3,846,338	2,993,239	1,884,465	1,886,821	1,404,608
Interest	268,529	148,541	114,244	–	–
Prepaid expenses	–	5,374,049	–	–	–
Intergovernmental	–	–	1,000,000	–	–
Total current assets	93,014,957	41,885,350	26,311,341	40,463,084	22,849,486
Noncurrent assets:					
Restricted Cash & Investments	29,263,231	50,982,737	49,524,129	26,455,441	22,787,148
Net pension asset	–	–	–	318,136	2,482,621
Land, equipment, buildings & improvements	213,828,286	191,844,114	174,535,339	161,220,416	142,870,141
Less accumulated depreciation	(58,564,547)	(52,409,595)	(46,950,160)	(41,746,202)	(37,708,348)
Total noncurrent assets	184,526,970	190,417,256	177,109,308	146,247,791	130,431,562
Total assets	277,541,927	232,302,606	203,420,649	186,710,875	153,281,048
DEFERRED OUTFLOWS OF RESOURCES					
Bond refunding costs - net	469,189	536,216	603,244	670,270	737,298
Pension related costs	374,600	335,051	232,313	165,935	116,773
Total deferred outflow of resources	843,789	871,267	835,557	836,205	854,071
LIABILITIES					
Current Liabilities:					
Accounts payable & accrued liabilities	3,601,557	3,186,673	1,571,415	2,048,889	1,387,520
Debt interest payable	62,428	70,302	77,758	86,310	90,298
Current-compensated absences	102,384	63,353	51,057	25,079	5,018
Current portion of long-term debt	1,243,531	1,435,361	1,493,193	1,648,027	1,183,000
Total current liabilities	5,009,900	4,755,689	3,193,423	3,808,305	2,665,836
Noncurrent Liabilities:					
Deposits	150,000	132,000	111,000	103,500	105,000
Unearned revenue	43,782,725	25,599,523	25,529,634	18,684,072	9,277,891
Compensated absences	24,015	21,118	17,019	31,826	45,168
Net pension liability	266,779	182,105	121,715	–	27,423
Long-term debt (net of current)	11,954,306	13,377,181	14,904,683	16,489,086	18,483,466
Total noncurrent liabilities	56,177,825	39,311,927	40,684,051	35,308,484	27,938,948
Total liabilities	61,187,725	44,067,616	43,877,474	39,116,789	30,604,784
DEFERRED INFLOWS OF RESOURCES					
Pension related costs	3,595	2,583	2,504	426,263	192,102
Total deferred inflows of resources	3,595	2,583	2,504	426,263	192,102
NET POSITION					
Net investment in capital assets	142,535,091	125,158,193	111,790,547	102,007,371	86,232,625
Restricted - impact fees	27,028,628	24,744,387	24,201,914	25,650,698	21,485,700
Restricted debt service	863,187	1,017,527	844,806	804,743	–
Unrestricted	46,767,490	38,183,567	23,538,961	19,541,216	15,619,908
Total net position	$217,194,396	$189,103,674	$160,376,228	$148,004,028	$123,338,233

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2021-2025. This summary has not been audited.)

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures and Changes in Fund Net Position
Proprietary Funds–Water and Sewer Funds
(This summary has not been audited.)

	Fiscal year ending June 30,				
	2025	2024	2023	2022	2021
Operating revenues:					
Charges for services	$23,064,314	$17,949,655	$16,060,657	$13,411,574	$12,176,243
Other operating income	7,448	8,736	31,400	7,539	2,101
Total operating revenues	23,071,762	17,958,391	16,092,057	13,419,113	12,178,344
Operating expenses:					
Salaries & wages	2,331,672	1,986,895	1,732,404	1,262,844	1,090,638
Purchased services	19,929,209	11,003,026	7,893,134	6,701,496	27,572,223
Supplies & materials	926,539	858,680	1,290,358	1,371,101	1,071,798
Depreciation & amortization	6,155,548	5,459,435	5,203,958	4,037,854	3,793,528
Miscellaneous	15,564	27,493	212,422	29,135	73,546
Total operating expenses	29,358,532	19,335,529	16,332,276	13,402,430	33,601,733
Operating income (loss)	(6,286,770)	(1,377,138)	(240,219)	16,683	(21,423,389)
Nonoperating revenues (expenses):					
Interest revenue	5,559,175	4,017,338	2,616,012	(167,661)	142,821
Developer reimbursements	(1,235,310)	(1,176,424)	(128,684)	(260,936)	(159,685)
Bond refunding cost	(67,027)	(67,027)	(67,027)	(67,027)	(67,027)
Interest expense & fiscal charges	(336,849)	(378,904)	(425,936)	(453,415)	(482,414)
Total nonoperating revenues (expenses)	3,919,989	2,394,983	1,994,365	(949,039)	(566,305)
Net income (loss) before contributions & transfers	(2,366,781)	1,017,845	1,754,146	(932,356)	(21,989,694)
Developer contributions[1]	22,026,310	20,861,103	6,754,256	9,890,397	26,160,363
Impact fees	8,431,192	8,114,970	3,863,799	11,164,155	11,018,005
Transfers in	–	450,000	–	4,543,599	–
Transfers out	–	(1,716,470)	–	–	–
Total contributions & transfers	30,457,502	27,709,603	10,618,055	25,598,151	37,178,368
Change in Net Position	28,090,721	28,727,448	12,372,201	24,665,795	15,188,674
Total net position - beginning	189,103,675	160,376,226	148,004,027	123,338,233	118,075,756
Restatement	–	–	–	–	(9,926,197)
Total net position - ending	$217,194,396	$189,103,674	$160,376,228	$148,004,028	$123,338,233

[1] Represents amounts reimbursed to developers for infrastructure being installed by developers.

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2025-2021. This summary has not been audited.)

EAGLE MOUNTAIN CITY

General

The City was incorporated December 3, 1996 and covers approximately 52.7 square miles. Prior to incorporation, the City consisted of two residential subdivisions and land predominantly used for agriculture. The U.S. Census Bureau estimated the City's 2025 population to be 66,557 people. The City estimates that it is currently 31% built out and estimates reaching full build-out in the next 50 years with a population of 177,000. The City is located in Utah County, 30 miles northwest of Provo City and approximately 40 miles southwest of Salt Lake City, Utah. For additional information regarding the City, see APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND UTAH COUNTY.

Form of Government

State statutes detail the functions to be performed by State municipalities. The City is organized under general law and governed by a mayor and five council members elected for staggered four-year terms. The mayor presides over all meetings. Department heads are full-time employees of the City and responsible for day-to-day operations within the policy framework of the governing body. Department heads report to the city manager.

The principal powers and duties of State municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and to construct and maintain streets, sidewalks, waterworks and sewers. Municipalities may also operate electric, natural gas and telecommunications systems. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

The mayor, city council members and officers of the City are listed below. Many of these individuals have served the City in various roles prior to their current position.

Office/Area	Person	Total Years of Service to the City	Years in Current Position	Expiration of Term
Mayor	Jared Gray	6.5	<1	2029
Councilmember	Melissa Clark	6.5	6.5	2027
Councilmember	Zachory Huish	<1	<1	2027
Councilmember	Craig Whiting	<1	<1	2029
Councilmember	Rich Wood	2.5	2.5	2027
Councilmember	Brett Wright	4.5	4.5	2029
City Manager	Benjamin A. Reeves[(1)]	1.5	1.5	Appointed
Deputy City Manager	Stephen Mumford	19	3.5	Appointed
Administrative Services/Finance Director	Kimberly Ruesch[(2)]	6	1	Appointed
City Treasurer	Erin Hart	2.5	2.5	Appointed
City Recorder	Lacie Messerly	1.5	<1	Appointed
City Attorney	Marcus Draper	3.5	3.5	Appointed
Public Works Director	Brad Hickman	21	3	Appointed
Assistant Public Works Director	Mack Straw	20	11	Appointed

(1) While Mr. Reeves is relatively new to the City he has over twenty years of experience in city management having been city manager for Indianola, Iowa, Santaquin, Utah, and LaVerkin, Utah.

(2) Prior to joining the City in 2020, Ms. Ruesch worked for Washington City, Utah for 23 years, including 15 years as Administrative Services/Finance Director.

Employee Workforce and Retirement System

The City employs 173 full-time and 52 part-time/seasonal employees. The City contributes to the Utah Retirement Systems (URS), a multiple employer, cost-sharing, public employee retirement system. URS provides retirement benefits, annual cost of living adjustments, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature. The City also offers a deferred compensation plan.

At June 30, 2025, the City reported a net pension liability of $1,600,024 related to its participation in URS. The net pension liability was measured as of December 31, 2024. Also see "APPENDIX A— ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR EAGLE MOUNTAIN CITY, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to the Financial Statements, Note 10 – State Retirement Plans" herein.

Other Post-Employment Benefits

The City has conducted an investigation and has determined that it currently does not have any post-employment benefit liabilities.

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 Trust 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. As of fiscal year-end June 30, 2025, the City has not incurred a claim in excess of its coverage for any of the past three fiscal years.

Investment of Funds

Investment of Operating Funds. *The Utah Money Management Act*. The Utah Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended (the "Money Management Act"), governs the investment of all public funds held by public treasurers in the. It establishes criteria for investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The Money Management Act provides a limited list of approved investments including qualified in-state and permitted out-of-state financial institutions, approved government agency securities and investments in corporate securities carrying "top credit ratings." The Money Management Act also provides for pre-qualification of broker dealers by requiring that broker dealers agree in writing to comply with the Money Management Act and certify that they have read and understand the Money Management Act. The Money Management Act establishes the Money Management Council to exercise oversight of public deposits and investments. The law requires all securities to be delivered versus payment to the public treasurer's safekeeping bank. It requires diversification of investments, especially in securities of corporate issuers. Not more than 5% of the portfolio may be invested with any one issuer. Investments in mortgage pools and mortgage derivatives or any security making unscheduled periodic principal payments are prohibited. The Money Management Act also defines the State's prudent investor rules. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all of the provisions of the Money Management Act for all City operating funds. Approximately 75% of the City funds are invested in the Utah Public Treasurers' Investment Fund (the "PTIF"), as discussed below.

All investments must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities including time certificates of deposit, top rated commercial paper, treasuries and certain agencies of the U.S. Government. The maximum weighted average adjusted life of the portfolio, by policy, is not to exceed 90 days. The maximum final maturity of any security purchased by

the PTIF is limited to three years, except for a maximum maturity of five years is allowed for treasury or agency securities whose rate adjusts at least annually.

Investment activity of the PTIF is reviewed monthly by the State's Money Management Council and audited by the State Auditor.

See "APPENDIX A— ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR EAGLE MOUNTAIN CITY, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to the Financial Statements, Note 1–Summary of Significant Accounting Policies" and "Note 4–Cash Equivalents and Investments" herein.

FINANCIAL INFORMATION REGARDING THE CITY

Fund Structure; Accounting Basis

The City prepares its government-wide financial statements based on proprietary fund accounting. All assets, liabilities and equity are recorded on the City's balance sheet using full accrual accounting. All capital assets, including infrastructure, are capitalized and depreciated. Equity is comprised of contributed capital and retained earnings. The City prepares its governmental funds financial statements based on current financial resources measurement focus and the modified accrual basis of accounting.

In proprietary funds, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budget and Appropriation Process

The budget and appropriation process of the City is governed by State law (the "Fiscal Procedures Act"). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the proprietary fund. The budget is to provide a complete financial plan for the budget (ensuing fiscal) year. The budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures.

On or before the first regularly scheduled meeting of the City Council in May of each year, the budget officer is required to submit to the Council the tentative budget for the fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budget. The budget officer may revise the budget requests submitted by the heads of City departments, but must file these submissions with the Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the available revenue from non-property tax sources and the revenue from general property taxes. The tentative budget is then tentatively adopted by the Council, with any amendments or revisions that the Council deems advisable prior to the public hearing on the tentative budget. If the tax rate in the proposed budget exceeds the "certified tax rate," the Council shall comply with the Property Tax Act, Chapter 2, Title 59, Utah Code Annotated 1953, as amended (the "Property Tax Act") in adopting the budget. After public notice and hearing the tentative budget is adopted by the Council, subject to further amendment or revisions by the Council prior to adoption of the final budget.

On or before June 30 in each year, the final budget is adopted by the Council. The adopted final budget is subject to amendment by the Council during the fiscal year. Public notice and hearing are required in order to increase the budget total.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City for the succeeding tax year.

Financial Records and Statements

The City presently maintains its financial records on a July 1 to June 30 fiscal year basis. See APPENDIX A of this Official Statement for a copy of the City's audited financial statements for the fiscal year ending June 30, 2025.

Five-Year Financial Summaries

The summaries contained herein were extracted from the City's audited annual financial reports for the fiscal years ended June 30, 2021, through June 30, 2025. The summaries are unaudited.

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EAGLE MOUNTAIN CITY
Statement of Net Position
Governmental Activities
(This summary has not been audited.)

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
ASSETS					
Cash, Cash Equivalents & Invts.	$59,495,029	$67,556,302	$65,156,050	$29,153,293	$39,189,155
Restricted cash & cash equivalents	31,565,596	27,672,736	27,015,114	34,490,047	5,990,067
Investments	–	–	–	22,977,045	3,305,493
Accounts receivable:					
Customers (net of allowance)	8,491,475	10,661,663	10,639,507	187,372	845,224
Intergovernmental	1,124,512	511,102	1,928,672	2,758,170	419,703
Interest	798	174,402	134,112	97,365	–
Assessments receivable	179,779	238,967	266,060	348,037	521,700
Taxes receivable	7,179,637	5,663,362	5,121,477	13,471,726	3,618,435
Notes receivable	702,908	702,908	702,908	6,073,603	2,618,626
Internal balances	(2,506,180)	(2,374,821)	(2,254,032)	(2,034,174)	(1,769,138)
Net pension asset	–	–	–	1,383,932	–
Prepaid Expenses	–	–	150	–	–
Capital assets (net):					
Land	15,315,869	6,299,199	6,252,458	6,252,458	6,682,458
Buildings	3,429,241	3,568,605	3,396,963	3,366,128	3,228,542
Improvements	9,277,714	9,675,261	10,072,808	10,470,355	4,844,589
Equipment & systems	3,528,515	3,053,348	3,029,918	2,992,081	3,000,701
Infrastructure	178,340,230	145,319,062	129,327,747	108,094,644	86,718,199
Right to use assets	161,854	273,629	376,331	–	–
Right to use subscription assets	716,912	582,130	–	–	–
Construction in progress	2,026,366	10,806,832	2,038,179	8,192,944	16,290,198
Total assets	319,030,255	290,384,687	263,204,422	248,275,026	175,503,952
DEFERRED OUTFLOWS OF RESOURCES					
Pension related costs	1,778,220	1,584,008	1,104,216	732,901	531,802
Total deferred outflow of resources	1,778,220	1,584,008	1,104,216	732,901	531,802
LIABILITIES					
Accts payable & accrued liabilities	6,450,195	11,023,281	11,780,544	7,970,885	3,427,836
Deposits	17,951,723	14,337,958	14,845,133	16,681,308	12,756,531
Bond interest payable	91,486	95,256	118,040	197,403	31,099
Unearned revenue	20,000	–	–	–	–
Long-term liabilities:					
Due within one year	1,734,781	1,394,278	1,328,076	1,459,391	334,111
Due in more than one year	23,448,472	24,127,699	25,705,602	26,166,768	2,611,997
Total liabilities	49,696,657	50,978,472	53,777,395	52,475,755	19,161,575
DEFERRED INFLOWS OF RESOURCES					
Pension related costs	17,239	12,271	11,902	1,893,489	874,852
Deferred property taxes levied for future years	11,293,950	13,198,019	13,008,721	11,435,973	1,918,719
Total deferred inflow of resources	11,311,189	13,210,290	13,020,623	13,329,462	2,793,571
NET POSITION					
Net Investment in Capital Assets	206,772,788	171,878,790	145,394,692	137,057,292	119,838,195
Restricted - Special Assessments	–	–	–	–	1,209,565
Restricted - Government Fees	1,686,490	–	–	–	
Restricted - Impact fees	10,580,122	4,584,024	9,702,701	9,269,497	4,740,613
Restricted - Capital projects	20,405,180	16,725,666	17,157,573	25,003,301	–
Unrestricted	20,356,050	34,591,453	25,255,655	11,872,620	28,292,235
Total net position	$259,800,630	$227,779,933	$197,510,621	$183,202,710	$154,080,608

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2025-2021. This summary has not been audited.)

EAGLE MOUNTAIN CITY
Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
(This summary has not been audited.)

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
REVENUES					
Taxes	$22,505,366	$20,217,231	$17,327,881	$14,233,890	$11,643,141
Licenses & permits	4,876,707	6,084,433	3,039,285	6,384,743	10,434,703
Intergovernmental	3,279,415	2,657,821	2,424,600	6,933,678	3,925,438
Charges for services	3,672,246	3,073,270	2,755,628	2,128,537	1,556,615
Contributions	1,932,738	1,097,237	1,646,802	879,868	–
Impact fees	113,590	62,557	39,262	47,684	–
Interest	487,403	1,667,231	925,229	–	–
Miscellaneous	96,283	12,406	8,885	345,955	199,257
Total revenues	36,963,748	34,872,186	28,167,572	30,954,355	27,759,154
EXPENDITURES					
Current					
General government	7,250,055	7,045,814	7,086,339	4,543,769	4,147,767
Public safety	7,348,722	6,406,847	5,475,190	4,690,939	3,918,627
Public works	7,705,687	6,440,745	6,669,450	5,504,196	5,609,831
Planning & zoning	1,042,796	1,053,553	1,281,849	630,500	517,105
Community development	7,240,210	6,171,155	4,523,540	3,410,084	2,265,984
Debt service:					
Principal retirement	381,071	505,880	116,433	25,773	77,319
Interest & fiscal charges	17,852	27,194	15,867	1,227	3,681
Total expenditures	30,986,393	27,651,188	25,168,668	18,806,488	16,540,314
Excess of revenues over (under) expenditures	5,977,355	7,220,998	2,998,904	12,147,867	11,218,840
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	–	–	–	430,000	336,983
Lease proceeds	–	–	463,060	–	257,732
Subscription financing	370,519	760,720	–	–	–
Insurance Proceeds	81,525	257,172	–	–	–
Transfers In	18,701	–	–	1,209,563	351,840
Transfers Out	(756,155)	(9,221,254)	(4,778,135)	(14,877,956)	–
Total Other Financing Sources (Uses)	(285,410)	(8,203,362)	(4,315,075)	(13,238,393)	946,555
Net change in fund balance	5,691,945	(982,364)	(1,316,171)	(1,090,526)	12,165,395
Fund balance - beginning of year	12,425,426	13,407,790	14,723,961	15,814,487	3,649,092
Fund balance - end of year	$18,117,371	$12,425,426	$13,407,790	$14,723,961	$15,814,487

(Source: This summary of financial information has been taken from the City's audited financial statements for the years 2025-2021. This summary has not been audited.)

DEBT STRUCTURE OF THE CITY

Outstanding Municipal Debt of the City (as of October 1, 2026)

Water and Sewer Revenue Bonds

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
2008	Sewer Improvements	$6,665,000	November 15, 2029	$874,000
2013	Water Improvements	2,536,000	May 15, 2034	1,172,000
2014	Refunding	9,685,000	November 15, 2031	8,380,000
2018B	Sewer Improvements	1,283,000	December 1, 2048	1,101,000
2026[1]	System Improvements	220,000,000*	November 15, 2056	220,000,000*
Total				$231,527,000*

(1) For purposes of this Official Statement the Series 2026 Bonds will be considered outstanding.
* Preliminary; subject to change.

Sales Tax Revenue Bonds[1]

Series	Purpose	Original Amount	Final Maturity Date	Current Balance Outstanding
2022	Road and Water Improvements	$22,915,000	February 1, 2042	$19,625,000

(1) At or about the same time as the issuance of the Series 2026 Bonds, the Redevelopment Agency of Eagle Mountain City plans to issue its $10,000,000 Sales Tax Increment and Subordinate Sales Tax Revenue Bonds, Series 2026, which are secured in part by a subordinate pledge of the City's sales and use tax revenues.

Other Financial Considerations

As of June 30, 2025, the City also had capital lease agreements for various machinery, buildings, and equipment with a combined present value of $369,116. See "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR EAGLE MOUNTAIN CITY, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to the Financial Statements, Note 9–Long-Term Debt-8. Leases payable" herein.

Future Debt Plans

The City currently has no plans for Additional Bonds under the Indenture, but reserves the right to issue such bonds as its capital needs require. As noted above, at or about the same time as the issuance of the Series 2026 Bonds, the Redevelopment Agency of Eagle Mountain City plans to issue its $10,000,000 Sales Tax Increment and Subordinate Sales Tax Revenue Bonds, Series 2026, which will be secured in part by a subordinate pledge of the City's sales and use tax revenues. In the next three to five years, the City may issue bonds to finance a new city hall.

No Defaulted Bonds

The City has never failed to pay principal and interest when due on its outstanding bonded indebtedness or any other obligations.

BONDHOLDERS' RISKS

The purchase of the Series 2026 Bonds involves certain investment risks that are discussed throughout this Official Statement. No prospective purchaser of the Series 2026 Bonds should make a decision to purchase any of the Series 2026 Bonds without first reading and considering the entire Official Statement, including all Appendices, and making an independent evaluation of all such information. Certain of those investment risks are described below. The list of risks described below is not intended to be definitive or exhaustive and the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General

The Series 2026 Bonds are payable from and secured by a pledge and assignment of Net Revenues from the System and moneys on deposit in the funds and accounts held by the Trustee under the Indenture (other than the Rebate Fund). Future economic and other conditions, the demand for water and sewer services within the City and the surrounding areas, economic and employment trends and events, demographic changes, changes in governmental regulations and policies and other factors may adversely affect the future financial condition of the System, and, consequently, the availability of Net Revenues. No assurance can be made that the Net Revenues of the System will be realized by the City in amounts sufficient to pay debt service on the Series 2026 Bonds when due.

Limited Obligations

The Series 2026 Bonds are special limited obligations of the City, payable solely from the Net Revenues, moneys, securities and funds pledged therefor in the Indenture. The Series 2026 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in the improvements financed with the proceeds of the Series 2026 Bonds or any portion thereof to secure payment of the Series 2026 Bonds.

Limited Remedies

Remedies available to the owners of the Series 2026 Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Series 2026 Bonds or to preserve the tax-exempt status of the Bonds.

The remedies available to the owners of the Series 2026 Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions. Consequently, any enforcement proceedings may entail risks of delay, and/or limitation or modification of their rights as otherwise provided under the Indenture and the Series 2026 Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Series 2026 Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditors' rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Series 2026 Bonds.

Operation of the System

In order for the City to make timely payment of the principal and interest requirements of the Series 2026 Bonds and to meet its other obligations under the Indenture, it will be necessary for the City to manage, operate and maintain the System in an efficient and economical manner that is consistent with prudent utility practice. The operation of the System is subject to the requirements of various governmental rules and regulations and the System must be operated in compliance with these requirements. In the event that the System is not operated or is not capable of operation as required by the provisions of such governmental rules and regulations, the City may be subject to certain penalties.

The City believes that the System is operated and will continue to be operated in a manner that will allow it to pay Operation and Maintenance Expenses for the System, as well as debt service on the Series 2026 Bonds and the Outstanding Parity Bonds.

To the extent the System develops operational problems, rates for the System may need to be increased to produce sufficient Revenue unless other sources of funds are obtained. In the event that Revenues need to be increased for the continued operation of the System (and to pay debt service on the Series 2026 Bonds), it may be necessary to increase rates for the System. Although the City has the ability to establish rates without prior approval from another governmental entity, the City may decide not to make any rate increases due to political feasibility or other concerns.

Destruction of the System

The Indenture requires that the City in its operation of the System maintain insurance in such amounts and to such extent as is normally carried by other entities operating public utilities of the same size and type. In the event of any loss or damage, the Indenture requires that the proceeds of any insurance shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder is to be paid into the Bond Fund. However, there can be no assurance that the proceeds of such insurance will be sufficient to restore or replace the lost or damaged property.

The City, along with other communities on the Wasatch Front, is located in a seismic zone. A strong earthquake could cause damage or destruction to the System or parts thereof.

Damage to or destruction of the System or parts thereof may prevent the City from providing service to some or all of its customers. In such event, the Net Revenues may decrease.

Drought and Water Supply

Utah is experiencing prolonged drought conditions, including a severe snow drought in the last winter season (2025-2026), affecting water availability in some parts of the State. There can be no assurance that drought conditions will not persist or reappear in the future. The persistence or reappearance of drought conditions could materially adversely affect the operation of the System.

In the event the City is unable to obtain sufficient water to treat and deliver to meet its needs or other emergency conditions occur, there is no assurance that the City will be able to maintain a source of water to supply its customers.

Climate Change

Climate change caused by human activities and other causes may have adverse effects on the System. As greenhouse gas emissions continue to accumulate in the atmosphere, earth temperatures may further increase and may impact the frequency and severity of weather events such as drought, wildfires, floods and heat waves. The City is located in a high desert area and is bordered by unimproved land and is susceptible to wildfire risk. A wildfire could cause significant damage in the City and may interrupt or reduce operations of the System and thereby impact the timing and amount of Net Revenues which may impact the ability of the City to pay debt service on the Bonds. The future fiscal impact of drought, wildfires, heat waves and other events relating to climate change is difficult to predict, but it could be significant and it could have a material adverse effect on the City's finances.

Construction Risk

The Series 2026 Project is a significant undertaking and timely completion of the Series 2026 Project may impact the ability of the City to generate sufficient Net Revenues. The repayment of the Bonds is dependent upon generation of Net Revenues which, in part is dependent upon the completion of improvements to the System, including the Series 2026 Project. Although the City has carefully planned the timing and development of the Series 2026 Project, there are a number of risks and contingencies associated with the construction of the Series 2026 Project, including, but not limited to, fire, environmental, labor shortages, strikes or other work stoppages and problems in

obtaining materials or costs of such materials and labor. Such occurrences or similar occurrences may cause the completion of the Series 2026 Project to be delayed. If the progress of the Series 2026 Project does not occur in a manner sufficient to generate timely and sufficient Net Revenues, payment of debt service on the Bonds may be adversely affected.

There can be no assurance that the construction of the Series 2026 Project will occur in any particular timeframe or manner presently contemplated.

Cybersecurity

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. At least one of the rating agencies factors the risk of such an attack into its ratings analysis, recognizing that a cyberattack could affect liquidity, public policy and constituent confidence, and ultimately credit quality. A cyberattack could cause the informational systems of the City to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidences and reputational damage. To date, the City has not been the subject of a successful materially adverse cyberattack. However, the City notes that it was the victim of a successful "phishing" attack in 2022 which resulted in an accidental payout of approximately $1.1 million. The City identified and contained the breach and was successful in recovering approximately $400,000. The City has instituted policies and procedures to guard against similar attacks in the future. Additionally, the City believes it has made all reasonable efforts to ensure that any future cyberattack is not successful and that the information systems of the City are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the City's information systems or other challenges. The City has insurance coverage for cyber liability.

CONTINUING DISCLOSURE

The City has undertaken for the benefit of the Owners and the beneficial owners of the Series 2026 Bonds to provide certain annual financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") and the City has undertaken for the benefit of the Owners and beneficial owners of the Series 2026 Bonds to provide notice of certain material events to the MSRB all in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule"). See APPENDIX D attached hereto and incorporated herein by reference for a form of the Continuing Disclosure Undertaking (the "Disclosure Undertaking") that will be executed by the City.

In the past five years, the City failed to timely file its audited financial statements and operating data for the fiscal years ended June 30, 2021, 2022, 2024, and 2025. The City has adopted written procedures regarding continuing disclosure to ensure compliance with its outstanding continuing disclosure undertakings. The City has filed notices of failure to file on EMMA as required.

A failure by the City to comply with the Disclosure Undertaking will not constitute a default under the Indenture and beneficial owners of the Bonds are limited to the remedies described in the Disclosure Undertaking. A failure by the City to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price.

LEGAL MATTERS

General

All legal matters incident to the authorization and issuance of the Series 2026 Bonds are subject to the approval of Gilmore & Bell, P.C., Bond Counsel to the City. Certain matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Marcus Draper, City Attorney. Certain matters will be passed upon by Farnsworth Johnson PLLC, as

counsel to the Underwriters. The approving opinion of Bond Counsel will be delivered with the Series 2026 Bonds. A copy of the opinion of Bond Counsel in substantially the form set forth in APPENDIX E of this Official Statement will be made available upon request from the Trustee.

Absence of Litigation

A non-litigation opinion is expected to be provided by the City Attorney, dated the date of closing, stating, among other things that there is no action, suit, proceeding, inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, which is pending or threatened, challenging the creation, organization, or existence of the City; or the titles of its officers to their respective offices; or seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2026 Bonds; or for the purpose of restraining or enjoining the levy and collection of taxes, Revenues, or assessments by the City; or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2026 Bonds are issued; or the validity of the Series 2026 Bonds or the issuance thereof.

The City is involved in litigation and administrative proceedings arising in the ordinary course of its governmental operations. In the opinion of the City Attorney, the ultimate disposition of such matters is not expected to have a material adverse effect on the City's financial condition or its ability to pay debt service on the Series 2026 Bonds.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 2026 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2026 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2026 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2026 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law currently existing as of the issue date of the Series 2026 Bonds:

Federal Tax Exemption. The interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. The interest on the Series 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Series 2026 Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code").

Bond Counsel's opinions are provided as of the date of the original issue of the Series 2026 Bonds, subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds.

State of Utah Tax Exemption. The interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 Bonds but has reviewed the discussion under the heading "TAX MATTERS."

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2026 Bond over its issue price. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2026 Bond during any accrual period generally equals (1) the issue price of that Series 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2026 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange, or Retirement of Series 2026 Bonds. Upon the sale, exchange, or retirement (including redemption) of a Series 2026 Bond, an owner of the Series 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, or retirement of the Series 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2026 Bond. To the extent a Series 2026 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2026 Bonds, and to the proceeds paid on the sale of the Series 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2026 Bonds should be aware that ownership of the Series 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum

tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated ("Stifel"), KeyBanc Capital Markets Inc., and Raymond James & Associates, Inc., as underwriters of the Series 2026 Bonds have agreed, subject to certain conditions, to purchase all of the Series 2026 Bonds from the City at an aggregate purchase price of $[_____] (representing the par amount of the Series 2026 Bonds of $[_____], plus a [net] reoffering [premium/discount] of $[_____] and less an underwriting discount of $[_____]). The Underwriters have advised the City that they intend to make a public offering of the Series 2026 Bonds at the prices set forth on the inside cover page hereof. Such prices may be changed from time to time by the Underwriters. The Underwriters may offer and sell Series 2026 Bonds to certain dealers (including dealers depositing Series 2026 Bonds into investment trusts) and others at prices lower than the offering prices stated on the cover page hereof. Although the Underwriters expect to maintain a secondary market in the Series 2026 Bonds after the initial offering, no assurance can be made that such a market will develop or be maintained by the Underwriters or others.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

MUNICIPAL ADVISOR

The City has entered into an agreement with LRB Public Finance Advisors, Inc., Salt Lake City, Utah (the "Municipal Advisor") whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to timing of sale, bond market conditions, costs of issuance and other factors relating to the sale of the Series 2026 Bonds. The Municipal Advisor has read and participated in the drafting of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matters related to the Official Statement. Municipal Advisor fees are contingent upon the sale and delivery of the Series 2026 Bonds.

BOND RATINGS

S&P Global Ratings ("S&P") is expected to assign its municipal bond rating of "AA" to the Series 2026 Bonds with the understanding that upon delivery of the Series 2026 Bonds, the Policy guaranteeing the payment when due of the principal of and interest on the Series 2026 Bonds will be issued by the Insurer. See "BOND INSURANCE" above. S&P and Fitch have assigned underlying municipal bond ratings of "A+" and "AA", respectively, to the Series 2026 Bonds.

Such ratings assigned to the Series 2026 Bonds do not constitute a recommendation by the respective rating agency to buy, sell or hold the Series 2026 Bonds. Such ratings reflect only the view of such organization delivering the same and any desired explanation of the significance of such ratings should be obtained from that rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies, and assumptions of its own.

There is no assurance that any rating assigned to the Series 2026 Bonds will be maintained for any period of time or that such rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Series 2026 Bonds.

MISCELLANEOUS

Independent Accountants

The general purpose financial statements of the City as of June 30, 2025 and for the year then ended, included in this Official Statement, have been audited by Gilbert & Stewart, CPA, PC, Provo, Utah ("Gilbert & Stewart"), as stated in its report in APPENDIX A to this Official Statement. Gilbert & Stewart has not been asked to consent to the use of its name and audited financial statements in this Official Statement.

Additional Information

All quotations contained herein from and summaries and explanations of the Utah Constitution, statutes, programs, laws of the State, court decisions, and the Indenture do not purport to be complete, and reference is made to said Constitution, statutes, programs, laws, court decisions, and the Indenture for full and complete statements of their respective provisions.

This Preliminary Official Statement is in a form "deemed final" by the City for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, is intended as such and not as representations of fact.

The appendices attached hereto are an integral part of this Official Statement, and should be read in conjunction with the foregoing material.

The delivery of the Official Statement has been duly authorized by the City.

EAGLE MOUNTAIN CITY, UTAH

APPENDIX A

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR EAGLE MOUNTAIN CITY, UTAH FOR FISCAL YEAR ENDED JUNE 30, 2025

FISCAL YEAR ENDED JUNE 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

ACFR

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

See the table of contents for a complete list of sections.

Eagle Mountain City

1650 East Stagecoach Run
Eagle Mountain, Utah, 84005

Annual Comprehensive Financial Report
For the year ended June 30, 2025

Prepared by:

Benjamin Reeves, City Manager
Kimberly Ruesch, Administrative Services Director
Jeret Shaffer, Finance Manager
Mark Mower, Accountant
Terrence Dela Pena, Budget Manager
Richard Lory, Management Analyst
Erin Hart, City Treasurer

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EAGLE MOUNTAIN CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025

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September 2, 2026

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, 2025, 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, 2025, 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 about 73,990 in 2025 (based on building permits issued). About 17,252 residential units have been permitted, with an average of 1,182 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 approval of City Manager recommendations for department heads, and the appointment of statutory municipal officials, such as the City Manager, City Treasurer, the City Recorder, and the City Engineer, with approval from City Council.

The City Council establishes City policy, approves the budget, and advises and consents to the appointment of statutory municipal 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 municipalities. 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, library, and recreation services. The City also operates water, wastewater, stormwater, and solid waste, 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

Eagle Mountain continued to experience strong economic growth between July 2024 and June 2025, driven by sustained residential development, population growth, increasing consumer spending, and continued investment in commercial and industrial activity. The City's estimated population grew from approximately 67,658 residents in 2024 to more than 73,000 residents by mid-2025, representing one of the fastest growth rates in Utah and the nation. This growth continues to generate demand for housing, infrastructure, public safety, parks, trails, library, and other municipal services.

The local economy remained resilient throughout the period despite broader economic uncertainty and higher interest rates. Eagle Mountain benefits from a highly educated workforce, a median household income exceeding $113,000, and labor force participation rates significantly higher than national averages. Utah's unemployment rate as of June 2025 was 3.2% (Utah Dept. of Workforce Services), lower than the national unemployment rate of 4.1% (U.S. Bureau of Labor Statistics), with Utah County unemployment also remaining very low at 3.9% (Utah Dept. of Workforce Services).

Despite a relatively small commercial tax base, Eagle Mountain residents benefit from one of the lowest municipal property tax rates in Utah County, with a 2025 property tax rate of 0.000534. The City has not increased its property tax rate through the Truth-in-Taxation process since 2010. Careful financial management and strong residential growth have enabled the City to provide essential municipal services while maintaining a low property tax burden.

At the same time, a balanced local economy is critical to the City's long-term financial sustainability. Because property tax revenues fund only a portion of the cost of essential services, including public safety, the City relies heavily on sales tax and other revenues to support day-to-day operations. As a result, revenues that could otherwise be invested in quality-of-life amenities, parks, recreation opportunities, trails, cultural programs, and other community enhancements are often needed to maintain core services. Expanding the City's commercial and retail tax base would help diversify revenue sources, strengthen the City's fiscal resilience, and create greater capacity to invest in the amenities and infrastructure that support a high quality of life. Additional information about economic factors can be found in the MD&A.

Long-Term Financial Planning

The City's long-term financial planning efforts remain focused on maintaining fiscal sustainability while addressing the demands of continued growth. As one of Utah's fastest-growing communities, Eagle Mountain must balance the need for essential public services, infrastructure investment, and quality-of-life enhancements while ensuring that services remain affordable, sustainable, and aligned with resident expectations.

A key strategic priority is the diversification of the City's revenue base. While residential growth has contributed to increased property tax revenues, the City continues to rely heavily on sales tax and other revenues to fund essential municipal services. Expanding commercial and retail development will strengthen the City's fiscal resilience by creating a more balanced revenue structure, reducing pressure on existing revenues, and increasing the City's ability to invest in parks, recreation, transportation, and other community amenities.

The City regularly evaluates long-term operating and capital needs through its budget process, Capital Improvement Plan, development forecasts, reserve policies, and financial projections to ensure that growth remains fiscally sustainable and that service levels can be maintained for current and future residents.

Relevant Financial Policies

Relevant financial policies that had an impact on Fiscal Year 2025 statements include:

- Reassess services and service levels during the budget process.
- Maintain financial reserves to guard against services disruptions.
- Maintain and replace equipment and capital improvements and annually update the Capital Improvement Plan.
- Plan the use of debt so that debt service payments will be predictable and manageable. Debt service payments to not extend beyond the estimated useful life of the financed project.
- Charge Enterprise Funds for services provided by the General Fund.

Major Initiatives

The major budgetary initiatives that had an impact on the Fiscal Year 2025 financial statements include:

- Additional staff in enterprise funds to maintain service levels.
- Investments in capital assets for both governmental and business-type activities, such as land acquisition, facility upgrades, road projects, and improvements to parks.
- A build up of water and sewer fund reserves, due to significant infrastructure systems installed by developers, to prepare for future repair and replacement projects.

More information on budgetary initiatives can be found in the MD&A section.

Awards and Acknowledgments

For FY2024, Eagle Mountain City received the Government Finance Officers Association's (GFOA) Triple Crown for achieving the Distinguished Budget Presentation award, the Certificate of Achievement in Financial Reporting award, and the Popular Annual Financial Reporting award.

GFOA awarded a Distinguished Budget Presentation Award for the City's annual budget document for fiscal years 2008 through 2025. 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.

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. 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 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,

Benjamin Reeves
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

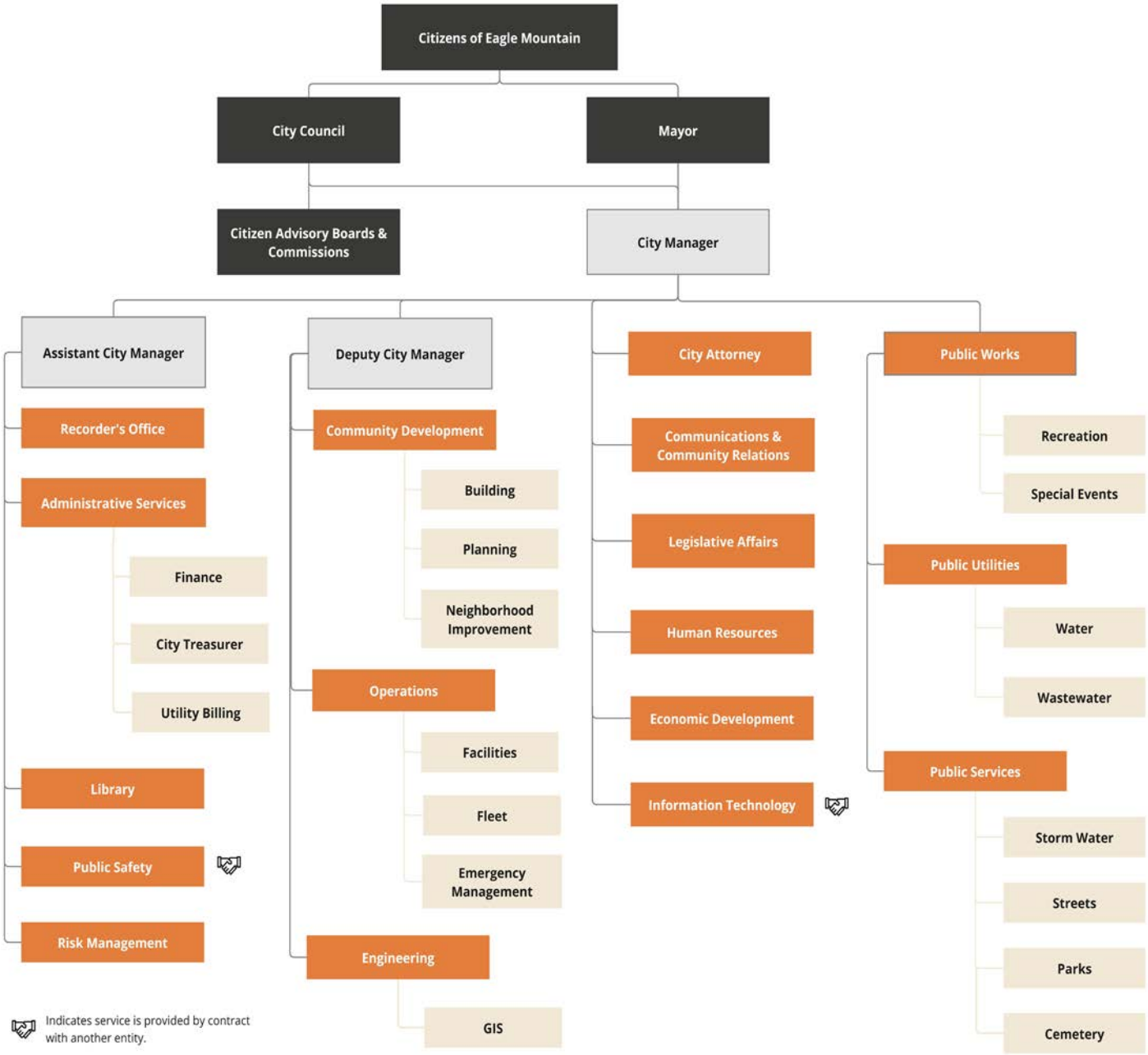
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

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

Benjamin Reeves
City Manager

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INDEPENDENT AUDITOR'S REPORT

GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
Eagle Mountain, Utah

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Eagle Mountain City, Utah (the City), as of and for the year ended June 30, 2025, 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, 2025, 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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2025, 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
August 11, 2026

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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, 2025. 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 $518,847,757 is made up of $380,681,465 in net investment in capital assets, $32,671,792 in restricted net position, and $74,404,466 in unrestricted net position. Total net position increased by $66,194,487 from the prior year.

- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $70,822,748. Of this amount, $30,134,913 must only be spent on projects for which the money is restricted. $2,107,781 must only be spent on the projects committed by formal resolution of the City Council, $24,257,504, is assigned by the City administration and is divided as follows: $2,852,718 for debt service, $4,368,220 for special revenues and $17,036,566 for capital projects. The remaining $14,322,550 is unassigned in the general fund.

- In the enterprise (proprietary) funds, operating revenues increased by $5,641,911. Corresponding operating expenses increased by $10,908,066. The increase in operating revenue correlates to user rate increases that were implemented at the end of fiscal year 2022 as well as added users to the system from growth. Operating expense increases reflect the investment in additional personnel required to maintain service levels, inflationary costs of supplies and services, and costs associated with added users to the system from growth.

Reporting the City as a Whole

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

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

- The *statement of net position* presents information on all of Eagle Mountain City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Eagle Mountain City is improving or deteriorating. However, you will also need to consider other non-financial factors.

- The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Eagle Mountain City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 23 and 24 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 25-28 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 29-31 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 $518,847,757.

One of the largest portions of Eagle Mountain City's net position (73%) 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 2025 and 2024 are shown below:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 106,233,554	$ 110,806,621	$ 133,275,759	$ 102,073,836	$ 239,509,313	$ 212,880,457
Capital Assets	212,796,701	179,578,066	186,651,086	166,230,636	399,447,787	345,808,702
Total assets	319,030,255	290,384,687	319,926,845	268,304,472	638,957,100	558,689,159
Deferred Outlflows of Resources	1,778,220	1,584,008	922,836	941,586	2,701,056	2,525,594
Long-term debt outstanding	25,183,253	25,521,977	13,689,767	15,133,510	38,873,020	40,655,487
Other liabilities	24,513,404	25,456,494	48,108,427	29,236,086	72,621,831	54,692,580
Total liabilities	49,696,657	50,978,471	61,798,194	44,369,596	111,494,851	95,348,067
Deferred Inflows of Resources	11,311,189	13,210,290	4,360	3,125	11,315,549	13,213,415
Net position:						
Net investment in capital assets,	206,772,788	171,878,790	173,908,677	151,954,310	380,681,465	323,833,100
Restricted	32,671,792	21,309,690	31,090,034	28,188,198	63,761,826	49,497,888
Unrestricted	20,356,050	34,591,453	54,048,416	44,730,829	74,404,466	79,322,282
Total net assets	$ 259,800,630	$ 227,779,933	$ 259,047,127	$ 224,873,337	$ 518,847,757	$ 452,653,270

The following table summarizes the changes in net position:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	$ 8,166,957	$ 8,906,466	$ 33,626,937	$ 26,476,494	$ 41,793,894	$ 35,382,960
Operating grants & contrib.	3,256,911	2,629,988	-	-	3,256,911	2,629,988
Capital grants & contrib.	29,746,627	21,563,867	36,509,625	33,965,009	66,256,252	55,528,876
General revenues:						
Property taxes	18,041,752	13,175,044	-	-	18,041,752	13,175,044
General sales & use tax	12,327,836	11,122,408	-	-	12,327,836	11,122,408
Franchise tax	7,161,002	6,351,030	-	-	7,161,002	6,351,030
Interest earnings	3,441,701	5,042,253	-	-	3,441,701	5,042,253
Insurance Proceeds	81,525	257,172	-	-	81,525	257,172
Total revenues	82,224,311	69,048,228	70,136,562	60,441,503	152,360,873	129,489,731
Expenses:						
General government	$ 7,684,047	$ 6,890,932	$ -	$ -	$ 7,684,047	$ 6,890,932
Public safety	7,349,854	6,409,105	-	-	7,349,854	6,409,105
Highways & public works	12,122,174	10,742,221	-	-	12,122,174	10,742,221
Community development	20,908,283	15,272,373	-	-	20,908,283	15,272,373
Planning	1,166,635	1,002,446	-	-	1,166,635	1,002,446
Interest on long-term debt	972,621	1,052,408	-	-	972,621	1,052,408
Water utility	-	-	20,884,719	12,364,826	20,884,719	12,364,826
Sewer utility	-	-	10,008,118	8,494,131	10,008,118	8,494,131
Storm drain	-	-	2,134,261	1,622,562	2,134,261	1,622,562
Non-major business	-	-	2,935,674	2,587,106	2,935,674	2,587,106
Total expenses	50,203,614	41,369,485	35,962,772	25,068,625	86,166,386	66,438,110
Increase (decrease) in net assets before transfers	32,020,697	27,678,743	34,173,790	35,372,878	66,194,487	63,051,621
Transfers	-	2,590,570	-	(2,590,570)	-	-
Increase (decr.) in net assets	32,020,697	30,269,313	34,173,790	32,782,308	66,194,487	63,051,621
Net position - beginning	227,779,933	197,510,620	224,873,337	192,091,029	452,653,270	389,601,649
Net position - ending	$ 259,800,630	$ 227,779,933	$ 259,047,127	$ 224,873,337	$ 518,847,757	$ 452,653,270

Governmental Activities

Governmental activities increased the City's net position by $32,020,697. The change in net position is related to capital asset activity and increase in infrastructure asset contributions from developers.

Business-type activities

Business-type activities increased the City's net position by $34,173,790. As of the end of the current fiscal year, all of the City's business-type funds reported positive net position.

Financial Analysis of the Government's Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined fund balances of $70,822,748. Of this total amount, 54% constitutes assigned and unassigned fund balances. $26,365,285 is assigned by the administration of the City and will be used for the following: $2,852,718 for debt service, $19,144,347 for capital projects, and $4,368,220 for special revenues. $14,322,550 is unassigned and is available for spending at the government's discretion.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was $11,785,671, an increase of $989,391 from fiscal year 2024. The total fund balance was $18,117,371, an increase of $5,690,945 from the prior year. The increase in fund balance was a result of operating expenses finishing the year under budget and a reduced transfer to the capital project fund. The unassigned fund balance also includes balances that fall within a Committed or Assigned category representing amounts set aside for specific future needs. Of the $18,117,371 total fund balance, $11,785,671 is available for general operations and emergencies.

The City has three major Governmental Funds

1. General Capital Projects fund. The fund was created to account for financial resources to be used for the acquisition and construction of major capital facilities within the City. At the end of fiscal year 2025 the fund balance is $36,419,800 which is a decrease of $15,087,127. This decrease is due to capital improvement projects underway for roads and the acquisition of land for future needs of the City.

2. 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 2025 the fund balance is $990,692 which is a decrease of $1,314,291.

3. 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 2025 the fund balance is $8,151,716 which is a increase of $3,717,344.

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 $51,542,236. The net investment in capital assets in these same funds is $173,908,677.

- As mentioned in the financial highlights, operational revenues and expenditures in the enterprise funds increased by $5,641,911 and increased by $10,908,066., respectively. The . The

increase in expense is related to accessing additional water from Central Utah Water Conservancy District in conjuction with the water supply agreements and increasing operting costs from inflation and added users to the system. The increase in revenue is a result of added users to the system and annual user rate that take place in July of each year. In 2022 the City implemented annual rate changes to keep pace with inflation, maintain aging infrastructure, and meet the service demands of a growing community. Small, predictable annual increases allow the City to responsibly fund the repair and replacement of critical infrastructure, and maintain reliable service ensuring that current and future residents receive safe, dependable utility services while preserving the long-term financial sustainability of the system.

-

The water and sewer funds showed a positive change in net position of $12,725,353 and $15,365,368, respectively, after non-operating revenues/expenses, contributions, and transfers are considered. The storm drain and garbage fund net position increased by $5,943,164, and $8,545, respectively. The major reasons for the increase in net position is the significant infrastructure system additions being installed by developers to meet the required demands of supplying services for growth and the building up reserves for future repair and replacement projects that come with increased demand on the system and aging infrastructure.

General Fund Budgetary Highlights

During the fiscal year, the general fund's original budget was amended seven times from an original budget of $33,790,608 to a final budget of $36,819,867 to account for the creation of an Open Space division, implementation of new software for improved business processes, and capital outlay purchases approved during the year. Year end actual revenues totaled $37,312,639 and year end expenses totaled $31,736,047. General Fund expenditures were less than the final amended budget, resulting in a favorable budget variance. However, this variance was partially attributable to staffing and capacity constraints that affected the City's ability to complete all planned work during the fiscal year. Continued population growth increased operational demands across multiple departments, and several positions remained vacant for portions of the year. As a result, certain projects, programs, and strategic initiatives progressed more slowly than anticipated or were deferred to future fiscal years, contributing to lower-than-budgeted expenditures.

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, 2025, 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	
	2025	2024	2025	2024	2025	2024
Land	$ 15,315,869	$ 6,299,199	$ 9,209,016	$ 9,173,916	$ 24,524,885	$ 15,473,115
Water Shares	-	-	1,498,676	1,498,676	1,498,676	1,498,676
Buildings	3,429,241	3,568,605	1,231,124	1,335,084	4,660,365	4,903,689
Improvements	9,277,714	9,675,261	-	-	9,277,714	9,675,261
Equipment	3,528,515	3,053,348	-	-	3,528,515	3,053,348
Infrastructure	178,340,230	145,319,062	165,079,781	149,198,921	343,420,011	294,517,983
Right to use assets	161,854	273,629	110,284	111,589	272,138	385,218
Right to use subscription assets	716,912	582,130	-	-	716,912	582,130
Construction in progress	2,026,366	10,806,832	9,522,205	4,912,450	11,548,571	15,719,282
Total net assets	$ 212,796,701	$ 179,578,066	$ 186,651,086	$ 166,230,636	$ 399,447,787	$ 345,808,702

Additional information on the City's capital assets can be found in Note 8 on pages 54-55 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 $33,267,000. Of this amount, $210,000 is from special assessment bonds. $33,057 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.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Special assessment bonds	$ 210,000	$ 240,000	$ -	$ -	$ 210,000	$ 240,000
Sales tax revenue bonds	20,415,000	21,170,000	-	-	20,415,000	21,170,000
Revenue bonds	-	-	12,642,000	14,151,000	12,642,000	14,151,000
Notes payable	-	-	-	-	-	-
Leases payable	259,076	360,261	108,980	110,641	368,056	470,902
Subscription payable	486,478	395,846	-	-	486,478	-
Total bonds	$ 21,370,554	$ 22,166,107	$ 12,750,980	$ 14,261,641	$ 34,121,534	$ 36,031,902

During fiscal year 2025, the City's total outstanding bond, notes and lease debt decreased by a net amount of $1,910,368.

Additional information on the City's long-term debt can be found in Note 9 beginning on page 56 of this financial report.

Looking Forward

Fiscal Year 2025 was marked by continued expansion within Eagle Mountain, with sustained population increases driving both economic activity and demand for municipal services. As the community grew, the City experienced increased use of public infrastructure and services, including transportation networks, parks, public safety, and utility systems. Growth contributed to higher revenues, while also requiring additional investments to maintain service quality and accommodate future needs.

Economic conditions during the year continued to affect the cost of City operations. Higher prices for construction materials, equipment, contracted services, and employee compensation increased the cost of maintaining existing assets and delivering services to residents. These cost pressures influenced both operating expenditures and capital improvement projects, requiring ongoing evaluation of resources and long-term financial planning.

Development activity remained strong throughout the year, supporting residential growth. The City also continued efforts to encourage commercial and employment-related investment, helping create a more balanced local economy and strengthening future revenue opportunities. While growth generated additional financial resources, it also reinforced the need for continued investment in infrastructure, facilities, and service delivery to ensure the City's long-term financial stability and ability to meet community expectations.

The City anticipates continued population and economic growth in the coming years, which will create additional demands on municipal services and organizational resources. To maintain desired service levels and successfully implement strategic initiatives, the City will need to make targeted investments in personnel, training, technology, and operational support. Continued growth in recurring revenues and a strong property tax base that creates revenue stability will be critical to funding these investments and ensuring the City has the capacity necessary to manage growth responsibly, maintain infrastructure, and meet the expectations of a growing community.

Request for Information

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

BASIC FINANCIAL STATEMENTS

EAGLE MOUNTAIN CITY

Statement of Net Position

June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents and investments	$ 59,495,029	$ 93,722,025	$ 153,217,054
Restricted cash and cash equivalents	31,565,596	32,461,450	64,027,046
Investments	-	-	-
Accounts receivable			
Customers (net of allowance)	8,491,475	4,317,575	12,809,050
Intergovernmental	1,124,512	-	1,124,512
Interest	798	268,529	269,327
Assessments receivable	179,779	-	179,779
Taxes receivable	7,179,637	-	7,179,637
Notes receivable	702,908	-	702,908
Internal balances	(2,506,180)	2,506,180	-
Prepaid expenses	-	-	-
Capital assets (net of accumulated depreciation):			
Land	15,315,869	9,209,016	24,524,885
Water Shares	-	1,498,676	1,498,676
Buildings	3,429,241	1,231,124	4,660,365
Improvements	9,277,714	-	9,277,714
Equipment and systems	3,528,515	165,079,781	168,608,296
Infrustructure	178,340,230	-	178,340,230
Right to use assets	161,854	110,284	272,138
Right to use subscription assets	716,912	-	716,912
Construction in progress	2,026,366	9,522,205	11,548,571
Total assets	319,030,255	319,926,845	638,957,100
DEFERRED OUT FLOW OF RESOURCES			
Pension related costs	1,778,220	453,647	2,231,867
Bond refunding costs	-	469,189	469,189
Total deferred outflow of resources	1,778,220	922,836	2,701,056
LIABILITIES			
Accounts payable and accrued liabilities	6,450,195	4,113,274	10,563,470
Deposits	17,951,723	150,000	18,101,723
Bond interest payable	91,486	62,428	153,914
Unearned revenue	20,000	43,782,725	43,802,725
Long-term liabilities			
Due within one year	1,734,781	1,382,423	3,117,203
Due in more than one year	23,448,472	12,307,344	35,755,815
Total liabilities	49,696,657	61,798,194	111,494,851
DEFERRED INFLOWS OF RESOURCES			
Pension related costs	17,239	4,360	21,599
Deferred property taxes levied for future years	11,293,950	-	11,293,950
Total deferred inflow of resources	11,311,189	4,360	11,315,549
NET POSITION			
Net investment in capital assets	206,772,788	173,908,677	380,681,465
Restricted			
Government Fees	1,686,490	-	1,686,490
Impact fees	10,580,122	30,226,847	40,806,969
Capttal projects	20,405,180	-	20,405,180
Debt service	-	863,187	863,187
Unrestricted	20,356,050	54,048,416	74,404,466
Total net position	$ 259,800,630	$ 259,047,127	$ 518,847,757

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY

Statement of Activities

For the Year Ended June 30, 2025

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue & Changes in Net Position: Governmental Activities	Net (Expense) Revenue & Changes in Net Position: Business-type Activities	Net (Expense) Revenue & Changes in Net Position: Total
Primary government:							
Governmental activities:							
General government	$ 7,684,047	$ 2,981,083	$ -	$ -	$ (4,702,964)	$ -	$ (4,702,964)
Public safety	7,349,854	20,594	43,487	-	(7,285,773)	-	(7,285,773)
Public works	12,122,174	17,248	3,202,814	29,746,627	20,844,515	-	20,844,515
Community development	20,908,283	359,625	-	-	(20,548,658)	-	(20,548,658)
Planning	1,166,635	4,788,407	10,610	-	3,632,382	-	3,632,382
Interest on long-term debt	972,621	-	-	-	(972,621)	-	(972,621)
Total governmental activities	50,203,614	8,166,957	3,256,911	29,746,627	(9,033,119)	-	(9,033,119)
Business-type activities:							
Water	20,884,719	16,372,002	-	17,297,721	-	12,785,004	12,785,004
Sewer	10,008,118	12,258,935	-	13,159,781	-	15,410,598	15,410,598
Storm Drain	2,134,261	2,045,290	-	6,052,123	-	5,963,152	5,963,152
Non major business-type	2,935,674	2,950,710	-	-	-	15,036	15,036
Total business-type activities	35,962,772	33,626,937	-	36,509,625	-	34,173,790	34,173,790
Total primary government	$ 86,166,386	$ 41,793,894	$ 3,256,911	$66,256,252	(9,033,119)	34,173,790	25,140,671
General revenues:							
Property taxes					$ 18,041,752	$ -	$ 18,041,752
General sales and use tax					12,327,836	-	12,327,836
Franchise taxes					7,161,002	-	7,161,002
Interest earnings					3,441,701	-	3,441,701
Insurance Proceeds					81,525	-	81,525
Transfers					(0)	-	(0)
Total general revenues and transfers					41,053,816	-	41,053,816
Change in net Position					32,020,697	34,173,790	66,194,487
Net position- beginning					227,779,933	224,873,337	452,653,270
Net position - ending					$ 259,800,630	$ 259,047,127	$ 518,847,757

EAGLE MOUNTAIN CITY
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Special Revenue: Redevelopment Agency	Special Revenue: Impact Fee Parks	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents, and investments	$ 35,781,371	$ 994,092	$ -	$ 17,147,135	$ 3,377,940	$ 57,300,538
Restricted cash	265,005		8,151,716	18,132,756	5,016,119	31,565,596
Receivables (net):						
Accounts	28,478	8,453,952	-	-	-	8,482,430
Taxes	7,179,637	-	-	-	-	7,179,637
Intergovernmental	688,309	-	-	436,203	-	1,124,512
Interest	-	-	-	798	-	798
Special assessments	-	-	-	-	179,779	179,779
Notes receivable	-	-	-	702,908	-	702,908
Total assets	$ 43,942,800	$ 9,448,044	$ 8,151,716	$ 36,419,800	$ 8,573,838	$ 106,536,198
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts payable & accrued liabilities	$ 4,999,570	$ 3,400	$ -	$ 1,230,478	$ 412	$ 6,233,860
Deposits	17,951,723			-	-	17,951,723
Deferred revenue	-			20,000	-	20,000
Total liabilities	22,951,293	3,400	-	1,250,478	412	24,205,583
Deferred inflows of resources:						
Deferred property taxes levied for future years	2,839,998	8,453,952	-	-	-	11,293,950
Deferred property taxes-delinquent	34,138	-	-	-	-	34,138
Unavailable special improvement assessments	-	-	-	-	179,779	179,779
Total deferred inflows of resources	2,874,136	8,453,952	-	-	179,779	11,507,867
Fund Balances:						
Fund balances restricted for:						
Impact fees	265,005	-	8,151,716	-	2,163,401	10,580,122
Special assessments	-			-	-	-
Capital projects	2,272,424	-	-	18,132,756	-	20,405,180
Government fees	1,686,490	-	-	-	-	1,686,490
Assigned, for:						
Special revenues	-	990,692	-	-	3,377,528	4,368,220
Debt service	-	-	-	-	2,852,718	2,852,718
Capital projects	2,107,781	-	-	17,036,566	-	19,144,347
Unassigned:	11,785,671	-	-	-	-	11,785,671
Total fund balances	18,117,371	990,692	8,151,716	35,169,322	8,393,647	70,822,748
Total liabilities, deferred inflows of resources and fund balances	$ 43,942,800	$ 9,448,044	$ 8,151,716	$ 36,419,800	$ 8,573,838	$ 106,536,198

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY

Balance Sheet Reconciliation to
Statement of Net Assets
June 30, 2025

Total fund balances - governmental fund types:	$ 70,822,748
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.	212,796,701
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	213,917
Net pension assets and deferred outflows of resources are not available financial resources and are not reported in the governmental funds.	1,778,220
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.	(25,274,739)
Deferred inflows of resources related to pensions are not available financial resources and are not reported in the governmental funds.	(17,239)
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.	(518,978)
Net assets of government activities	$ 259,800,630

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, 2025

	General Fund	Special Revenue Redevelopment Agency	Special Revenue Impact fees Parks	General Capital Projects	Nonmajor Governmental Fund	Total Governmental Funds
REVENUES						
Taxes	$ 22,505,366	$ 15,025,376	$ -	$ -	$ -	$ 37,530,742
Special assessments	-	-	-	-	43,764	43,764
Licenses and permits	4,876,707	-	-	-	-	4,876,707
Intergovernmental	3,279,415	-	-	656,362	-	3,935,777
Charges for services	3,672,246	-	-	-	57,895	3,730,141
Contributions	1,932,738	-	-	-		1,932,738
Impact fees	113,590	-	3,472,123	-	4,258,082	7,843,795
Interest	487,403	392,068	342,042	2,068,649	151,539	3,441,701
Miscellaneous	96,283	-	-	-	-	96,283
Total revenues	36,963,748	15,417,444	3,814,165	2,725,011	4,511,280	63,431,648
EXPENDITURES						
Current:						
General government	7,250,055	-	-	-	-	7,250,055
Public safety	7,348,722	-	-	-	-	7,348,722
Public works	7,705,687	-	96,821	-	299,971	8,102,479
Planning and zoning	1,042,796	-	-	-	-	1,042,796
Community development	7,240,210	13,481,748	-	-	232,052	20,954,010
Debt service:						
Principal retirement	381,071	-	-	-	785,000	1,166,071
Interest and fiscal charges	17,852	-	-	-	1,074,325	1,092,177
Bond issuance costs	-	-	-	-	-	-
Capital outlay	-	-	-	18,331,671	-	18,331,671
Total expenditures	30,986,393	13,481,748	96,821	18,331,671	2,391,348	65,287,981
Excess revenues over (under) expenditures	5,977,355	1,935,696	3,717,344	(15,606,660)	2,119,932	(1,856,333)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Subscription financing	370,519	-	-	-	-	370,519
Insurance Proceeds	81,525	-	-	-	-	81,525
Bond issuance costs	-	-	-	-	-	-
Fraud loss	-	-	-	-	-	-
Transfers in	18,701	-	-	538,234	5,300,210	5,857,145
Transfers out	(756,155)	(3,249,987)	-	(18,701)	(1,832,302)	(5,857,145)
Total other financing sources and uses	(285,410)	-	-	519,533	3,467,908	452,044
Net change in fund balance	5,691,945	(1,314,291)	3,717,344	(15,087,127)	5,587,840	(1,404,289)
Fund balances - beginning of year	12,425,426	2,304,983	4,434,372	50,256,449	2,805,807	72,227,037
Fund balances - end of year	$ 18,117,371	$ 990,692	$ 8,151,716	$ 35,169,322	$ 8,393,647	$ 70,822,748

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, 2025

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	$ (1,404,289)
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.	14,474,698
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	18,743,937
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(32,800)
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.	911,338
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.	(291,499)
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	(380,688)
Change in net assets of governmental activities	$ 32,020,697

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY

Statement of Net Position

Proprietary Funds

June 30, 2025

	Business-Type Activities - Enterprise					Governmental Activities Internal Service Funds
	Water	Sewer	Storm Drain	NonMajor Garbage	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	$ 73,094,470	$ 15,805,620	$ 2,602,816	2,219,119	$ 93,722,025	$ 2,194,491
Accounts receivable - net	2,498,875	1,347,463	191,176	280,061	4,317,575	9,045
Interest	268,529	-	-	-	268,529	
Total current assets	75,861,874	17,153,083	2,793,992	2,499,180	98,308,129	2,203,536
Noncurrent assets:						
Restricted cash and cash equivalents	22,479,193	6,784,038	3,198,219	-	32,461,450	-
Land, equipment, buildings and improv.	116,978,577	96,849,709	39,083,276	38,730	252,950,292	6,830,565
Less: Accumulated depreciation	(33,581,765)	(24,982,782)	(7,696,859)	(37,800)	(66,299,206)	(4,658,717)
Total noncurrent assets	105,876,005	78,650,965	34,584,636	930	219,112,536	2,171,848
Total assets	181,737,879	95,804,048	37,378,628	2,500,110	317,420,665	4,375,384
DEFERRED OUTFLOWS OF RESOURCES						
Bond refunding costs - net	201,751	267,438	-	-	469,189	
Pension related costs	213,871	160,729	77,826	1,221	453,647	101,271
Total deferred outflow of resources	415,622	428,167	77,826	1,221	922,836	101,271
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	2,649,586	951,971	47,662	464,055	4,113,274	70,740
Debt interest payable	21,810	40,618	-	-	62,428	-
Compensated absences - current	42,900	59,484	22,747	-	125,131	19,273
Current portion of long-term debt	435,531	808,000	13,761	-	1,257,292	-
Total current liabilities	3,149,827	1,860,073	84,170	464,055	5,558,126	90,013
Noncurrent liabilities:						
Deposits	150,000	-	-	-	150,000	-
Unearned Revenue	42,782,725	1,000,000	-	-	43,782,725	-
Compensated absences- (net of current)	10,062	13,953	5,336	-	29,351	2,734
Net pension liability	151,026	115,753	55,625	1,283	323,687	74,701
Long-term debt (net of current portion)	4,900,252	7,054,054	-	-	11,954,306	-
Total noncurrent liabilities	47,994,065	8,183,760	60,961	1,283	56,240,069	77,435
Total liabilities	51,143,892	10,043,833	145,131	465,338	61,798,194	167,448
DEFERRED INFLOWS OF RESOURCES						
Pension related costs	2,038	1,557	755	10	4,360	991
Total deferred outflow of resources	2,038	1,557	755	10	4,360	991
NET POSITION						
Net investment in capital assets	78,262,780	64,272,311	31,372,656	930	173,908,677	2,171,848
Restricted - impact fees	21,322,501	5,706,127	3,198,219	-	30,226,847	-
Restrcted debt service	167,964	695,223	-	-	863,187	-
Unrestricted	31,254,326	15,513,164	2,739,693	2,035,053	51,542,236	2,136,368
Total net position	$ 131,007,571	$ 86,186,825	$ 37,310,568	2,035,983	$ 256,540,947	$ 4,308,216
Adjustment to reflect the consolidation of internal service fund activities to the enterprise funds					2,506,180	
Net position business-type actvities					$ 259,047,127	

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY

Statement of Revenues, Expenditures, and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Fund
	Water	Sewer	Storm Drain	Nonmajor Garbage	Total	
Operating revenues:						
Charges for services	$ -	$ -	$ 1,839,969	$ 2,887,389	$ 4,727,358	$ 2,227,681
Charges for services pledged as security on revenue bonds	11,465,712	11,598,602	-	-	23,064,314	-
Other operating income	5,259	2,189	2,709	-	10,157	23,631
Total operating revenues	11,470,971	11,600,791	1,842,678	2,887,389	27,801,829	2,251,312
Operating expenses:						
Salaries and wages	1,341,085	990,587	470,348	19,225	2,821,245	754,067
Purchased services	14,440,022	5,489,187	435,214	2,830,693	23,195,116	469,729
Supplies and materials	452,444	474,095	115,587	84,281	1,126,407	356,204
Depreciation and amortization	3,467,026	2,688,522	1,099,384	7,746	7,262,678	888,933
Miscellaneous	7,684	7,880	13,845	220	29,629	9,848
Total operating expenses	19,708,261	9,650,271	2,134,378	2,942,165	34,435,075	2,478,781
Operating income	(8,237,290)	1,950,520	(291,700)	(54,776)	(6,633,246)	(227,469)
Nonoperating revenues (expenses):						
Interest revenue	4,901,031	658,144	202,612	63,321	5,825,108	109,782
Developer reimbursements	(1,060,973)	(174,337)	(19,871)	-	(1,255,181)	-
Bond refunding cost amortization	(28,822)	(38,205)	-	-	(67,027)	-
Interest expense and fiscal charges	(146,314)	(190,535)	-	-	(336,849)	-
Total nonoperating revenues (expenses)	3,664,922	255,067	182,741	63,321	4,166,051	293,855
Net income (loss) before contributions and transfers	(4,572,368)	2,205,587	(108,959)	8,545	(2,467,195)	66,386
Developer contributions	13,731,302	8,295,008	5,380,797	-	27,407,107	-
Impact fees	3,566,419	4,864,773	671,326	-	9,102,518	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total contributions and transfers	17,297,721	13,159,781	6,052,123	-	36,509,625	-
Change in net position	12,725,353	15,365,368	5,943,164	8,545	34,042,430	66,386
Total net position - beginning	118,282,218	70,821,457	31,367,404	2,027,438		4,241,830
Total net position - ending	$ 131,007,571	$ 86,186,825	$ 37,310,568	$ 2,035,983		$ 4,308,216

Adjustment to reflect the consolidation of internal service fund activities to enterprise funds	131,359
Change in net position of business-type activities	$ 34,173,789

See accompanying notes to the financial statements.

EAGLE MOUNTAIN CITY
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	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	$ 29,219,786	$ 11,062,091	$ 1,796,935	$ 2,860,976	$ 44,939,788	$ 2,242,343
Payments to suppliers	(9,359,541)	(5,705,431)	(549,512)	(2,666,195)	(18,280,679)	(740,842)
Payments to employees	(1,296,221)	(947,389)	(448,231)	(19,251)	(2,711,092)	(897,935)
Net cash provided (used) by operating activities	18,564,024	4,409,271	799,192	175,530	23,948,017	603,566
Cash Flows From Noncapital Financing Activities						
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	-
Cash Flows From Capital and Related Financing Activities						
Proceeds from the issuance of long-term debt	-	-	-		-	-
Purchases of capital assets	(5,042,213)	(1,723,533)	(290,745)	-	(7,056,491)	(984,179)
Impact fees collected	3,566,419	4,864,773	671,326	-	9,102,518	-
Contributions	6,807,885	-	-	-	6,807,885	-
Payments for developer reimbursements	(1,060,973)	(174,337)	(19,871)	-	(1,255,181)	-
Principal paid on capital debt	(491,495)	(1,032,000)	(13,058)	-	(1,536,553)	-
Interest paid on capital debt	(187,541)	(248,392)	-	-	(435,933)	-
Net cash provided (used) by capital and related financing activities	3,592,082	1,686,511	347,652	-	5,626,245	(800,106)
Cash Flows From Investing Activities						
Interest and dividends received	4,901,031	658,144	202,612	63,321	5,825,108	109,782
Net increase (decrease) in cash and cash equivalents	27,057,137	6,753,926	1,349,456	238,851	35,399,370	(86,758)
Cash and cash equivalents - beginning	68,516,526	15,835,732	4,451,579	1,980,268	90,784,105	2,281,249
Cash and cash equivalents (deficit) - ending	$ 95,573,663	$ 22,589,658	$ 5,801,035	$ 2,219,119	$ 126,183,475	$ 2,194,491
Reconciliation of operating income to net cash provided (used) by operating activities:						
Operating income	$ (8,237,290)	$ 1,950,520	$ (291,700)	$ (54,776)	$ (6,633,246)	$ (227,469)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization expense	3,467,026	2,688,522	1,099,384	7,746	7,262,678	888,933
(Increase)/decrease in accounts rec.	(434,387)	(538,700)	(45,743)	(26,413)	(1,045,243)	(8,969)
(Increase)/decrease in prepaid expenses	5,374,049	-	-	-	5,374,049	-
(Increase)/decrease in deferred outflows	(21,776)	(17,775)	(8,366)	(364)	(48,281)	(12,270)
Increase/(decrease) in accounts payable	148,560	265,731	15,134	248,999	678,424	(62,154)
Increase/(decrease) in compensated absences	19,464	22,465	12,358	(450)	53,837	(1,087)
Increase/(decrease) in net pension liabilitiy	46,619	38,053	17,911	779	103,362	26,268
Increase/(decrease) in deferred inflows	557	455	214	9	1,235	314
Increase/(decrease) in deferred revenue	18,183,202	-	-	-	18,183,202	-
Increase/(decrease) in deposits	18,000	-	-	-	18,000	-
Total adjustments	26,801,314	2,458,751	1,090,892	230,306	30,581,263	831,035
Net cash provided (used) by operating activities	$ 18,564,024	$ 4,409,271	$ 799,192	$ 175,530	$ 23,948,017	$ 603,566
Noncash investing, capital, and financing activities						
Contributions by developers	$ 6,923,418	$ 8,295,008	$ 5,380,797	$ -	$ 20,599,223	$ -
Capital assets acquired through long term debt	-	-	26,819	-	26,819	-
Total noncash investing, capital and financing activities	$ 6,923,418	$ 8,295,008	$ 5,407,616	$ -	$ 20,626,042	$ -

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

The 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

B. Government-wide and Fund Financial Statements

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

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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 s*torm 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, utility billing, and GIS 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

D. Cash and Investments

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

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

E. Interfund Transactions

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

F. Restricted Assets

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

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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:

Assets	Years
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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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

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

J. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the accrual debt proceeds received, are reported as debt service expenditures. Interest expense is not included in the functions of governmental activities.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Deferred Outflows/Inflows of Resources

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

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 assets 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 assets 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, 2025, for the 2026 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 a 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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

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.

- 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.

M. 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.

M. Fund Equity

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

- **Non spendable**. This category includes fund balance amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as non-spendable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

- **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.

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	$ 2,272,424	$ 18,132,756	$ -	$ -	$ -	$ 20,405,180
Impact fees on hand	265,005	-	-	8,151,716	2,163,401	10,580,122
Planning and development	1,686,490	-	-	-	-	1,686,490
	4,223,919	18,132,756	-	8,151,716	2,163,401	32,671,792
Committed:						
	-	-	-	-	-	-
Assigned:						
Capital improvements	2,107,781	17,036,566	-	-	-	19,144,347
Debt service	-	-	-	-	2,852,718	2,852,718
Redevelopment	-	-	990,692	-	-	990,692
Community Development	-	-	-	-	3,052,525	3,052,525
Cemetery	-	-	-	-	325,003	325,003
	2,107,781	17,036,566	990,692	-	6,230,246	26,365,285
Unassigned	11,785,671	-	-	-	-	11,785,671
Total fund balances	$ 18,117,371	$ 35,169,322	$ 990,692	$ 8,151,716	$ 8,393,647	$ 70,822,748

N. Use of Estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets.
This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

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

Cost of capital assets	$283,769,385
Accumulated depreciation	(70,972,684)
Net adjustment to increase *fund balance total governmental funds* to arrive at *net-assets - governmental activities*	$212,796,701

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	$ 179,779
Delinquent property taxes	34,138
Net adjustment to increase *fund balance – total governmental funds* to arrive at *net assets - governmental activities*	$ 213,917

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

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	($20,625,000)
Leases Payable	(745,554)
Bond interest payable	(91,486)
Bond premium	(1,963,958)
Net Pension Liability	(1,276,337)
Compensated absences	(572,404)
Net adjustment to reduce *fund balance – total governmental funds* to arrive at *net position – governmental activities*	($25,274,738)

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	$ 22,761,082
Depreciation expense	(8,286,384)
Net adjustment to increase *net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities*	$ 14,474,698

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

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

Principal payments:	
Issuance of long-term debt	$ (370,519)
Amortization of bond premiums	115,786
Principal paid on bonds and leases	1,166,071
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$ 911,338

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	$ 3,770
Pension related costs	(226,539)
Compensated absences	(157,920)
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (380,689)

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.

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

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

A. On or before the first regularly scheduled meeting of the City Council in May, the City Administrator, authorized under state statute to be appointed budget officer, submits a proposed operating budget. The operating budget includes proposed expenditures and the means of financing them.

B. A public hearing is held, at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.

C. On or before June 22, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1.

D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The City Administrator, however, acting as budget officer, has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.

E. Budget appropriations for any department may be reduced by resolution.

F. A public hearing, as required in (B) above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

G. Encumbrances lapse at year end. Encumbered amounts carry over to the following year and are subject to reappropriation. Therefore, no encumbrances are presented in the financial statements.

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

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, 2025, the City's cash balance consisted of the following:

	All Fund Types
Cash, cash equivalents, and temporary cash investments	$ 153,217,054
Cash, cash equivalents, restricted	64,027,046
Total cash and cash equivalents	$ 217,244,100

While the City's carrying amount of deposits was $186,013,143, the balance in the City's bank account and cash on hand was $185,705,559 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, 2025, 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	26,479,662
Total deposits		$ 26,729,662

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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, 2025, 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 are no required participation and no minimum balance or minimum/maximum participant withdrawal requirements.

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, 2025, the City had the following recurring fair value measurements.

- 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, 2025, 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)

		Fair Value Measurements Using		
Investments	Fair Value	Level 1	Level 2	Level 3
Utah Public Treasurer's Investment Fund	$ 143,307,044	$ -	$ 143,307,044	$
Certificates of deposit	25,893,462	25,893,462	-	
US bonds	4,265,083	-	4,265,083	
US Government, agencies	5,685,910	-	5,685,910	
Corporate Notes	13,189,370	-	13,189,370	
Total Investments	$ 192,340,869	$ 25,893,462	$ 166,447,407	$ -

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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, 2025, the City had the following investments:

	Investment Maturities (in Years)				
Investments	Less Than 1	1-5	6-10	More than 10	Quality Ratings
Utah Public Treasurer's Investment Fund	$ 143,307,044	$ -	$ -	$ -	Unrated
Certificates of deposit	25,893,462	-	-	-	Unrated
US Bonds	1,996,220	2,268,863			A1-AAA
US Government or Agencies	- 299,895	5,386,015			A1-AAA
Corporate Bonds	7,044,625	6,144,745			A1-AAA
Total investments	$ 178,541,246	$ 13,799,623	$ -	$ -	

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

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

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.

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 Treasurer's 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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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 Govt'l	Total
Receivables:									
Accounts	$ 28,743	$ -	$ -	$ 2,505,117	$ 1,350,044	$ 191,411	$ 280,745	$ -	$ 4,356,060
Interest	-	798	-	268,529	-	-	-	-	269,327
Taxes	7,179,637	-	8,453,952	-	-	-	-	-	15,633,589
Special									-
Assessments	-	-	-	-	-	-	-	179,779	179,779
Intergovernmental	688,309	436,203	-	-	-	-	-	-	1,124,512
Less: allowance									-
for uncollectible									-
accounts	(265)	-	-	(6,242)	(2,581)	(335)	(684)	-	(10,107)
	$ 7,896,424	$ 437,001	$ 8,453,952	$ 2,767,404	$ 1,347,463	$ 191,076	$ 280,061	$ 179,779	$ 21,553,160

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, 2025, the outstanding note balance was $702,908. This note is reported in the capital projects fund.

NOTE 7 – INTERFUND RECEIVABLES AND TRANSFERS

The operating transfers of the City consist of the following:

Transfer In:	General	Capital Projects	RDA	Nonmajor Govrnmtl.	Total
General	$ -	$ 18,701		$ -	$ 18,701
Nonmajor govtl.	217,921	-	3,249,987	1,832,302	5,300,210
Capital projects	538,234	-	-	-	538,234
Internal Service	-	-	-	-	-
Business type	-	-	-	-	-
Total transfer out	$ 756,155	$ 18,701	$ 3,249,987	$ 1,832,302	$ 5,857,145

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 d*eferred 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:

	Unavailable	Unearned
Property taxes receivable (general fund)	$ 2,839,998	$ 2,839,998
Property taxes receivable (RDA fund)	8,453,952	8,453,952
Property tax delinquent	34,138	
Special assessments (special revenue fund)	179,779	
Total	$11,507,867	$ 11,293,950

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

Primary Government **Governmental activities:**	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 6,299,199	$ 9,016,670		$ 15,315,869
Construction in progress	10,806,832	2,014,946	10,795,412	2,026,366
Total capital assets not being depreciated	17,106,031	11,031,616	10,795,412	17,342,235
Capital assets being depreciated:				
Buildings	5,443,515	11,825	-	5,455,340
Improvements	11,559,740	-	-	11,559,740
Machinery and equipment	9,576,410	1,681,144	307,225	10,950,329
Infrastructure	197,655,215	39,175,327	-	236,830,542
Right to use - machinery and equipment	469,960	-	-	469,960
Right to use subscription asset	760,720	400,519	-	1,161,239
Total capital assets being depreciated	225,465,560	41,268,815	307,225	266,427,150
Less accumulated depreciation for:				
Buildings	1,874,910	151,189	-	2,026,099
Improvements	1,884,479	397,547	-	2,282,026
Machinery and equipment	6,523,062	1,205,977	307,225	7,421,814
Infrastructure	52,336,153	6,154,159	-	58,490,312
Right to use - machinery and equipment	196,331	111,775	-	308,106
Right to use subscription asset	178,590	265,737	-	444,327
Total accumulated depreciation	62,993,525	8,286,384	307,225	70,972,684
Total capital assets, being depreciated, net	162,472,035	32,982,431	-	195,454,466
Governmental activities capital assets, net	$ 179,578,066	$ 44,014,047	$ 10,795,412	$ 212,796,701

Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 4,912,482	$ 4,864,065	$ 254,342	$ 9,522,205
Land	9,174,006	35,010		9,209,016
Water shares	1,498,676	-	-	1,498,676
Total capital assets not being depreciated	15,585,164	4,899,075	254,342	20,229,897
Capital assets being depreciated:				
Buildings	3,715,254	-	-	3,715,254
Equipment and systems	205,820,279	23,010,891		228,831,171
Right to use assets	147,150	26,820		173,970
Total capital assets being depreciated	209,682,683	23,037,711	-	232,720,395
Less accumulated depreciation for:				
Buildings	2,380,170	103,960	-	2,484,130
Equipment and systems	56,620,797	7,130,593	-	63,751,390
Right to use assets	35,561	28,125		63,686
Total accumulated depreciation	59,036,528	7,262,678	-	66,299,206
Total capital assets, being depreciated, net	150,646,155	15,775,033	-	166,421,189
Business-type activities capital assets, net	$ 166,231,319	$ 20,674,108	$ 254,342	$ 186,651,086

NOTE 8 - CAPITAL ASSETS *(Continued)*

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

Governmental activities:		
General government	$	229,320
Public safety		1,132
Public works		7,744,089
Planning		-
Community development		311,843
Total depreciation expense - governmental activities	$	8,286,384
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	$	14,316,333

The City has various construction projects as of June 30, 2025. The City's commitments with contractors are as follows:

Project		Remaining Commitment
Roads	$	1,706,598
Water		4,241,517
Waste Water		1,656,126
Total	$	7,604,241

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NOTE 9 – LONG-TERM DEBT

Bonds, notes, and leases payable at June 30, 2025, are comprised of the following:

1. **$2,400,000 Eagle Mountain City Special Assessment Bond 2014 (SAA-2014)**
   This bond requires semiannual payments of interest and annual payments of principal due November 1, 2014 through May 1, 2033, bearing a variable interest rate ranging from 2-5%. The debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
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	30,000	6,500	36,500
2031-2033	85,000	10,250	95,250
Total	$ 210,000	$ 57,414	$ 267,414

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 debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 495,000	$ 14,570	$ 509,570
2027	530,000	9,620	539,620
2028	344,000	4,320	348,320
Total	$ 1,369,000	$ 28,510	$ 1,397,510

NOTE 9 – LONG-TERM DEBT *(Continued)*

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
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	145,000	15,873	160,873
2031-2034	492,000	31,870	523,870
Total	$ 1,194,000	$ 118,440	$ 1,312,440

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:

Fiscal Year	Principal	Interest	Total
2026	$ 285,000	$ 340,900	$ 625,900
2027	890,000	317,400	1,207,400
2028	940,000	280,800	1,220,800
2029	980,000	242,400	1,222,400
2030	1,735,000	242,400	1,977,400
2031-2032	3,835,000	344,000	4,179,000
Total	$ 8,665,000	$ 1,767,900	$ 10,432,900

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
2026	$ 285,000	$ 5,700	$ 290,700
Total	$ 285,000	$ 5,700	$ 290,700

NOTE 9 – LONG-TERM DEBT *(Continued)*

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:

Fiscal Year	Principal	Interest	Total
2026	$ 28,000	$ 11,120	$ 39,120
2027	29,000	11,010	40,010
2028	29,000	10,720	39,720
2029	30,000	10,430	40,430
2030	31,000	10,130	41,130
2031-2035	170,000	45,800	215,800
2036-2040	194,000	36,800	230,800
2041-2045	209,000	26,770	235,770
2046-2049	409,000	13,750	422,750
Total	$ 1,129,000	$ 176,530	$ 1,305,530

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
2026	$ 790,000	$ 1,020,750	$ 1,810,750
2027	830,000	981,250	1,811,250
2028	870,000	939,750	1,809,750
2029	915,000	896,250	1,811,250
2030	960,000	850,500	1,810,500
2031-2035	5,570,000	3,482,250	9,052,250
2036-2040	7,110,000	1,944,000	9,054,000
2041-2042	3,370,000	341,000	3,711,000
Total	$ 20,415,000	$ 10,455,750	$ 30,870,750

NOTE 9 – LONG-TERM DEBT *(Continued)*

8. 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 $ 369,116. 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
2026	$ 103,149	$ 6,651	$ 109,800
2027	105,551	4,248	109,799
2028	24,602	2,398	27,000
2029	25,774	1,227	27,001
Total	$ 259,076	$ 14,524	$ 273,600

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	$ 110,640	$ 4,985	$ 115,625

NOTE 9 – LONG-TERM DEBT *(Continued)*

9. Subscription-Based Information Technology Agreements (SBITA)

For the year ended June 30, 2025, 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, 2025, the City had 6 active subscriptions. The subscriptions have payments that range from $149,608 to $215,266 and interest rate of 3.59% As of June 30, 2025, the total combined value of the subscription liability is $486,478, and the total combined value of the short-term subscription liability is $346,249. The combined value of the right to use asset, as of June 30, 2025 of $71,161,238 with accumulated amortization of $444,327 the future lease payments are included below:

Fiscal Year	Principal	Interest	Total
2026	$ 346,249	$ 11,737	$ 357,986
2027	94,828	2,389	97,217
2028	24,146	866	25,012
2029	21,255	56	21,311
Total	$ 486,478	$ 15,048	$ 501,526

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, 2025, were as follows:

Governmental Activities:	July 1 2024	Additions	Reductions	June 30 2025	Due in One Yr
Bonds Payable					
2014 Special assessment bond	$ 240,000	$ -	$ 30,000	$ 210,000	$ 20,000
Unamortized bond premium	4,382	-	489	3,893	-
2022 Sales Tax Bond	21,170,000	-	755,000	20,415,000	790,000
Unamortized bond premium	2,075,362	-	115,297	1,960,065	-
Total bonds payable	23,489,744	-	900,786	22,588,958	810,000
Leases payable	360,260	-	101,184	259,076	103,149
Subscription payable	395,846	370,519	279,887	486,478	357,986
Net pension liability	860,554	415,783	-	1,276,337	-
Compensated absences	415,571	156,832	-	572,403	463,646
Gov't activities long-term debt	$ 25,521,975	$ 943,134	$ 1,281,857	$ 25,183,252	$ 1,734,781
Business-Type Activities:					
Bonds payable:					
2009 sewer revenue bond	$ 1,917,000	$ -	$ 548,000	$ 1,369,000	$ 495,000
2013 water quality revenue bond	1,327,000	-	133,000	1,194,000	136,000
2014 water and sewer refunding bond	8,920,000	-	255,000	8,665,000	285,000
Unamortized bond premium	492,546	-	61,568	430,978	-
2018A water and sewer refunding bond	830,000	-	545,000	285,000	285,000
Unamortized bond premium	59,284	-	29,644	29,640	-
2018B water and sewer revenue bond	1,157,000	-	28,000	1,129,000	28,000
Total bonds payable	14,702,830	-	1,600,212	13,102,618	1,229,000
Leases payable	109,710	26,690	27,420	108,980	28,292
Net pension liability	220,323	73,052	-	293,375	-
Compensated absences	100,646	122,241	108,006	114,881	125,131
Business type long-term debt	$ 15,133,509	$ 221,983	$ 1,735,638	$ 13,619,854	$ 1,382,423

NOTE 10 – STATE RETIREMENT PLANS

Description of plans – Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirements 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.*

NOTE 10 – STATE RETIREMENT PLANS *(Continued)*

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

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer rate for 401(k) Plan
Contributory System				
111 - Local Governmental Division Tier 2	N/A	N/A	0.70%	15.190%
Noncontributory				
15 - Local Governmental Division Tier 1	N/A	N/A	16.97%	N/A
Firefighters Retirement				
32 - Other Division B	16.71	N/A	16.71%	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	5.19%	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, 2025, the employer and employee contributions to the System were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 461,210	$ 11
Tier 2 Public Employee System	757,353	34,802
Tier 2 DC Only System	47,728	17
	$ 1,266,291	$ 34,830

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, 2025 the City reported a net pension asset of $0 and a net pension liability of $1,600,024

	(Measurement Date): December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	$ -	$ 1,166,331	0.3677983%	3.5531370%	0.0124846%
Tier 2 Public Employees System	-	433,693	0.1454180%	0.1318875%	0.0135305%
Total Net Pension Asset/Liability	$ -	$ 1,600,024			

NOTE 10 – STATE RETIREMENT PLANS *(Continued)*

The net pension asset and liability were measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability were determined by an actuarial valuation as of January 1, 2024 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, 2025, the City recognized pension expense of $1,544,440

At June 30, 2025 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	$ 882,455	$ 6,819
Changes in assumptions	241,325	11,288
Net difference between projected and actual earnings on the pension plan investments	379,037	2,381,072
Changes in proportion and differences between contributions and proportionate shares of contributions	66,878	-
Contributions subsequent to the measurement date	662,172	-
Total	$ 2,231,867	$ 2,399,179

$66,172 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, 2024. 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
2025	$ 708,358
2026	716,298
2027	(109,442)
2028	14,841
2029	96,996
Thereafter	121,044

NOTE 10 – STATE RETIREMENT PLANS *(Continued)*

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the City recognized pension expense of $1,071,030 for the noncontributory system. At June 30, 2025 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	$ 694,966	$ -
Changes in assumptions	96,477	-
Net difference between projected and actual earnings on the pension plan investments	351,318	-
Changes in proportion and differences between contributions and proportionate shares of contributions	-	13,405
Contributions subsequent to the measurement date	239,797	-
Total	$ 1,382,558	$ 13,405

$239,797 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, 2024.

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
2025	$ 658,624
2026	639,316
2027	(142,553)
2028	(26,031)
2029	-
Thereafter	-

NOTE 10 – STATE RETIREMENT PLANS *(Continued)*

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

For the year ended June 30, 2025, the City recognized pension expense of $473,410. At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related pension plans from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 187,489	$ 2,988
Changes in assumptions	144,848	45
Net difference between projected and actual earnings on the pension plan investments	27,720	-
Changes in proportion and differences between contributions and proportionate shares of contributions	66,878	5,162
Contributions subsequent to the measurement date	422,375	-
Total	$ 849,310	$ 8,195

$422,375 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, 2024.

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
2025	$ 49,734
2026	76,982
2027	33,112
2028	40,872
2029	96,996
Thereafter	121,044

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 investmen 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:

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

NOTE 10 – STATE RETIREMENT PLANS *(Continued)*

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	$ 4,932,623	$ 1,166,331	$ (1,992,369)
Tier 2 Public Employees System	1,295,336	433,693	(236,580)
Total	$ 6,227,959	$ 1,600,024	$ (2,228,949)

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.

NOTE 10 – STATE RETIREMENT PLANS *(Continued)*

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:

	2025	2024	2023
401(k) Plan			
Employer Contributions	$ 387,159	$ 307,261	$ 230,038
Employee Contributions	205,456	147,575	117,415
457 Plan			
Employer Contributions	316,518	311,640	285,708
Employee Contributions	265,803	260,029	230,029
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	69,997	63,620	52,581

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.

NOTE 12 - RISK MANAGEMENT

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

NOTE 13 – CONTINGENT LIABILITIES

The City has entered into agreements with various developers to donate infrastructure that will benefit future development within the city. These developers will be repaid with the impact fees collected from those future developments. Because of the fluctuations in the building market within the City and due to the uncertainty of new developments actually being built, the amounts are not reflected as liabilities on the financial statements. They will be recorded as expenses as the future impact fees are received. The amount of outstanding impact fee reimbursement agreements as of the balance sheet date is $2,764,629.

NOTE 14 – REDEVELOPMENT AGENCY OF EAGLE MOUTAIN CITY

For the year ended June 30, 2025, the following activity occurred in the City's Redevelopment Agency:

Property Tax Increment Received:	
Project Area 1:	
EDA 2012-1	$ -
Project Area 2:	
Parkside	21,775
Project Area 3:	
Sweetwater	2,130,493
Project Area 4	
Pole Canyon -38	3,245
Project Area 5	
Pole Canyon -53	721,380
Project Area 6	
Sweetwater - P2	5,172,109
Project Area 7	
Sweetwater P3	6,976,374
Total Tax increment received by RDA	$ 15,025,376
Property Tax Increment Expended:	
Administrative costs	$ 207,966
Reimbursements to taxing agency	20,686
Site and Improvements	13,253,096
Allocated to Affordable Housing Fund	3,249,986
Total tax increment expended by RDA	$ 16,731,734

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLE

The City implemented Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. The objective of this statement is to better meet the financial statement needs of the users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Upon evaluation of the new standard, we determined that no restatement of the beginning balances necessary.

NOTE 16 – SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through August 11, 2026, the date the financial statements were available to be issued.

NOTE 1 – Changes in assumptions.

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

NOTE 2 – Budgetary Information

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

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REQUIRED SUPPLEMENTAL INFORMATION

EAGLE MOUNTAIN CITY

Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2025
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 liabilty (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System						
	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%
	2025	0.3677983%	1,166,331	2,739,844	42.57%	96.02%
Tier 2 Public Employees Retirement System						
	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%
	2025	0.1454180%	433,693	4,305,820	10.070%	87.44%

EAGLE MOUNTAIN CITY

Required Supplementary Information
Schedule of Contributions
June 30, 2025
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	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%
	2025	461,210	461,210	-	2,757,191	16.73%
Tier 2 Public Employees Systems	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%
	2025	757,353	757,353	-	4,984,401	15.19%
Tier 2 Public Employees DC Only System	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%
	2025	47,728	47,728	-	819,088	5.83%

* 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.

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget to Actual

General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Taxes	$ 21,222,114	$ 21,222,114	$ 22,505,366	$ 1,283,252
Licenses and permits	5,224,500	5,224,500	4,876,707	(347,793)
Intergovernmental	2,607,000	2,607,000	3,279,415	672,415
Charges for services	3,027,643	3,207,885	3,672,246	464,361
Impact Fees	35,700	35,700	113,590	77,890
Contributions	900,000	900,000	1,932,738	1,032,738
Interest	250,000	250,000	487,403	237,403
Miscellaneous	-	45,000	96,283	51,283
Total revenues	33,266,957	33,492,199	36,963,748	3,471,549
EXPENDITURES				
Current:				
General government	6,833,041	7,983,568	7,250,055	733,513
Public safety	7,674,348	7,734,349	7,348,722	385,627
Planning and zoning	1,111,898	1,167,902	1,042,796	125,106
Public works	7,917,180	9,338,190	7,705,687	1,632,503
Community development	7,663,347	8,005,062	7,240,210	764,852
Debt Service	398,923	398,923	398,923	-
Total expenditures	31,598,737	34,627,994	30,986,393	3,641,601
Excess (deficit) of revenues over (under) expenditures	1,668,220	(1,135,795)	5,977,355	7,113,150
OTHER FINANCING SOURCES (USES)				
Subscriptions proceeds	-	-	370,519	370,519
Insurance Proceeds	-	-	81,525	81,525
Transfers out	(2,201,873)	(2,201,873)	(756,155)	1,445,718
Total other financing sources (uses)	(2,201,873)	(2,201,873)	(285,410)	1,916,463
Net change in fund balance	(533,653)	(3,337,668)	5,691,945	9,029,613
Fund balances - beginning	12,425,426	12,425,426	12,425,426	-
Fund balances - ending	$ 11,891,773	$ 9,087,758	$ 18,117,371	$ 9,029,613

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance Detail

Budget to Actual

General Fund

For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Taxes	$ 21,222,114	$ 21,222,114	$ 22,505,366	$ 1,283,252
Licenses and permits	5,224,500	5,224,500	4,876,707	(347,793)
Intergovernmental	2,607,000	2,607,000	3,279,415	672,415
Charges for services	3,027,643	3,207,885	3,672,246	464,361
Impact fees	35,700	35,700	113,590	77,890
Contributions	900,000	900,000	1,932,738	1,032,738
Interest	250,000	250,000	487,403	237,403
Miscellaneous	-	45,000	96,283	51,283
Total revenues	33,266,957	33,492,199	36,963,748	3,471,549
EXPENDITURES				
Current:				
General government:				
Legislative	266,008	320,435	313,532	6,903
Recorders	589,491	586,020	551,654	34,366
Attorney	312,781	312,781	233,715	79,066
Executive	1,077,769	1,295,367	1,186,283	109,084
Finance	1,046,681	1,141,140	1,002,779	138,361
Engineering	1,423,913	1,502,357	1,386,026	116,331
Human Resource	412,859	412,859	389,392	23,467
Information Technology	691,094	1,216,158	1,209,227	6,931
Public Information	389,940	469,342	385,106	84,236
Building Maintenance	622,505	727,109	592,341	134,768
Total general government	6,833,041	7,983,568	7,250,055	733,513
Public safety				
Police	7,674,348	7,734,349	7,348,722	385,627
Planning and zoning	1,111,898	1,167,902	1,042,796	125,106
Public works				
Streets and Roads	4,933,045	5,889,744	4,673,270	1,216,474
Parks	2,984,135	3,448,446	3,032,417	416,029
Total public works	7,917,180	9,338,190	7,705,687	1,632,503
Community development				
Recreation	498,052	498,052	457,686	40,366
Special events	576,737	596,737	570,185	26,552
Building	1,704,418	1,922,097	1,750,086	172,011
Library	830,278	835,544	766,720	68,824
Neighborhood Improvement	362,430	362,430	315,922	46,508
Economic development	3,691,432	3,790,202	3,379,611	410,591
Total community development	7,663,347	8,005,062	7,240,210	764,852
Debt Service				
Principal retirement	381,071	381,071	381,071	-
Interest	17,852	17,852	17,852	-
Total debt services	398,923	398,923	398,923	-
Total expenditures	31,598,737	34,627,994	30,986,393	3,641,601
Excess (deficit) of revenues over (under) expenditures	1,668,220	(1,135,795)	5,977,355	7,113,150
OTHER FINANCING SOURCES (USES)				
Subscriptions proceeds	-	-	370,519	370,519
Insurance Proceeds	-	-	81,525	81,525
Transfers in	-	-	18,701	18,701
Transfers out	(2,201,873)	(2,201,873)	(756,155)	1,445,718
Total other financing sources (uses)	(2,201,873)	(2,201,873)	(285,410)	1,916,463
Net change in fund balance	(533,653)	(3,337,668)	5,691,945	9,029,613
Fund balances - beginning	12,425,426	12,425,426	12,425,426	-
Fund balances - ending	$ 11,891,773	$ 9,087,758	$ 18,117,371	$ 9,029,613

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Redevelopment Agency
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Taxes	$ 10,562,763	$ 14,017,555	$ 15,025,376	$ 1,007,821
Interest	-	-	392,068	392,068
Total revenues	10,562,763	14,017,555	15,417,444	1,399,889
EXPENDITURES				
Community Development	10,562,763	14,017,555	13,481,748	535,807
Total expenditures	10,562,763	14,017,555	13,481,748	535,807
Excess (deficit) of revenues over (under) expenditures	-	-	1,935,696	1,935,696
OTHER FINANCING SOURCES (USES)				
Operating transfers out	-	3,250,000	(3,249,987)	(6,499,987)
Total other financing sources	-	3,250,000	(3,249,987)	(6,499,987)
Net change in fund balance	-	3,250,000	(1,314,291)	(4,564,291)
Fund balances - beginning	2,304,983	2,304,983	2,304,983	-
Fund balances - ending	$ 2,304,983	$ 5,554,983	$ 990,692	$ (4,564,291)

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Parks Impact Fee
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Interest	$ -	$ -	$ 342,042	$ 342,042
Impact fees	3,136,500	3,136,500	3,472,123	335,623
Total revenues	3,136,500	3,136,500	3,814,165	677,665
EXPENDITURES				
Public works	1,250,000	4,853,918	96,821	4,757,097
Total expenditures	1,250,000	4,853,918	96,821	4,757,097
Excess (deficit) of revenues over (under) expenditures	1,886,500	(1,717,418)	3,717,344	5,434,762
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	1,886,500	(1,717,418)	3,717,344	5,434,762
Fund balances - beginning	2,820,024	2,820,024	4,434,372	1,614,348
Fund balances - ending	$ 4,706,524	$ 1,102,606	$ 8,151,716	$ 7,049,110

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Intergovernmental	$ -	$ -	$ 656,362	$ 656,362
Contributions	-	56,945.00	-	(56,945)
Interest	-	-	2,068,649	2,068,649
Total Revenues	-	56,945.00	2,725,011	2,668,066
EXPENDITURES				
Current:				
Capital outlay	8,131,650	27,221,652	18,331,671	8,889,981
Total expenditures	8,131,650	27,221,652	18,331,671	8,889,981
Excess (deficit) of revenues over (under) expenditures	(8,131,650)	(27,164,707)	(15,606,660)	11,558,047
OTHER FINANCING SOURCES (USES)				
Transfers in	2,040,897	1,983,952	538,234	(1,445,718)
Transfers out	-	(2,671,109)	(18,701)	2,652,408
Total other financing sources (uses)	2,040,897	(687,157)	519,533	1,206,690
Net change in fund balance	(6,090,753)	(27,851,864)	(15,087,127)	12,764,737
Fund balances - beginning	50,256,449	50,256,449	50,256,449	-
Fund balances - ending	$ 44,165,696	$ 22,404,585	$ 35,169,322	$ 12,764,737

COMBINING AND INDIVIDUAL FUND STATEMENTS

GOVERNMENTAL FUNDS, PROPRIETARY, AND INTERNAL SERVICE FUNDS

EAGLE MOUNTAIN CITY

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2025

	Debt Service		Special Revenue			Total Nonmajor Governmental Funds
	General Debt Service Fund	Special Assess. Area -2014	Impact Fee Transportation	Cemetery	Affordable Housing	
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ 325,415	$ 3,052,525	$ 3,377,940
Restricted cash	2,744,061	108,657	2,163,401	-	-	5,016,119
Receivables (net):						
Special assessments	-	179,779	-	-	-	179,779
Total assets	$ 2,744,061	$ 288,436	$ 2,163,401	$ 325,415	$ 3,052,525	$ 8,573,838
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable & accrued liabilities	$ -	$ -	$ -	$ 412	$ -	$ 412
Total liabilities	-	-	-	412	-	412
Deferred inflows of resources:						
Deferred for Special Assessments	-	179,779	-	-	-	179,779
Total deferred inflows of resources:	-	179,779	-	-	-	179,779
Fund Balances:						
Fund balances restricted for:						
Impact fees	-	-	2,163,401	-	-	2,163,401
Assigned for:						
Debt service fund	2,744,061	108,657	-	-	-	2,852,718
Special revenue funds	-	-	-	325,003	3,052,525	3,377,528
Total fund balances	2,744,061	108,657	2,163,401	325,003	3,052,525	8,393,647
Total Liabilities, Deferred inflows of resources, and fund balances	$ 2,744,061	$ 288,436	$ 2,163,401	$ 325,415	$ 3,052,525	$ 8,573,838

EAGLE MOUNTAIN CITY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended June 30, 2025

	Debt Service		Special Revenue			Total Nonmajor Governmental Funds
	General Debt Service Fund	Special Assess. Area -2014	Impact Fee Transportation	Cemetery	Affordable Housing	
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	43,764	-	-	-	43,764
Impact fees	-	-	4,258,082	-	-	4,258,082
Charges for services	-	-	-	57,895	-	57,895
Interest	102,413	3,690	31,502	13,934	-	151,539
Total revenues	102,413	47,454	4,289,584	71,829	-	4,511,280
EXPENDITURES						
Current:						
Public works	-	6,090	293,881	-	-	299,971
Community Development	-	-	-	34,590	197,462	232,052
Debt service:						
Principal retirement	755,000	30,000	-	-	-	785,000
Bond issuance costs	-	-	-	-	-	-
Interest and fiscal charges	1,060,250	14,075	-	-	-	1,074,325
Total expenditures	1,815,250	50,165	293,881	34,590	197,462	2,391,348
Excess revenues over (under) expenditures	(1,712,837)	(2,711)	3,995,703	37,239	(197,462)	2,119,932
Other financing sources (uses)						
Transfers in	2,050,223	-	-	-	3,249,987	5,300,210
Transfers out	-	-	(1,832,302)	-	-	(1,832,302)
Total other financing sources and uses	2,050,223	-	(1,832,302)	-	3,249,987	3,467,908
Excess revenues and other sources over (under) expend. and other uses	337,386	(2,711)	2,163,401	37,239	3,052,525	5,587,840
Fund balances - beginning of year	2,406,675	111,368	-	287,764	-	2,805,807
Fund balances - end of year	$ 2,744,061	$ 108,657	$ 2,163,401	$ 325,003	$ 3,052,525	$ 8,393,647

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, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Special assessments	$ 41,075	$ 41,075	$ 43,764	$ 2,689
Interest	-	-	3,690	3,690
Total revenues	41,075	41,075	47,454	6,379
EXPENDITURES				
Public works	7,000	7,000	6,090	910
Debt service				
Principal	20,000	30,000	30,000	-
Interest and fees	14,075	14,075	14,075	-
Total expenditures	41,075	51,075	50,165	910
Excess (deficit) of revenues over (under) expenditures	-	(10,000)	(2,711)	7,289
OTHER FINANCING SOURCES (USES)				
Total other financing sources	-	-	-	-
Net change in fund balance	-	(10,000)	(2,711)	7,289
Fund balances - beginning	111,368	111,368	111,368	-
Fund balances - ending	$ 111,368	$ 101,368	$ 108,657	$ 7,289

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Transportation Impact Fee
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Interest	$ -	$ -	$ 31,502	$ 31,502
Impact fees	4,125,050	4,125,050	4,258,082	133,032
Total revenues	4,125,050	4,125,050	4,289,584	164,534
EXPENDITURES				
Public works	125,000	352,380	293,881	58,499
Debt service:	-	-	-	-
Total expenditures	125,000	352,380	293,881	58,499
Excess (deficit) of revenues over (under) expenditures	4,000,050	3,772,670	3,995,703	223,033
OTHER FINANCING SOURCES (USES)				
Operating transfers in		-	-	-
Operating transfers out	(1,832,302)	(1,832,302)	(1,832,302)	-
Total other financing sources	(1,832,302)	(1,832,302)	(1,832,302)	-
Net change in fund balance	2,167,748	1,940,368	2,163,401	223,033
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ 2,167,748	$ 1,940,368	$ 2,163,401	$ 223,033

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Cemetery Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Charges for Services	$ 53,500	$ 53,500	$ 57,895	$ 4,395
Interest	-	-	13,934	13,934
Total revenues	53,500	53,500	71,829	18,329
EXPENDITURES				
Community Development	95,709	95,709	34,590	61,119
Total expenditures	95,709	95,709	34,590	61,119
Excess (deficit) of revenues over (under) expenditures	(42,209)	(42,209)	37,239	79,448
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balance	(42,209)	(42,209)	37,239	79,448
Fund balances - beginning	287,764	287,764	287,764	-
Fund balances - ending	$ 245,555	$ 245,555	$ 325,003	$ 79,448

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Totals	
REVENUES				
Interest	$ -	$ -	$ 102,413	$ 102,413
Total revenues	-	-	102,413	102,413
EXPENDITURES				
Debt service				
Principal	958,737	958,737	755,000	203,737
Interest and fees	1,091,486	1,091,486	1,060,250	31,236
Total expenditures	2,050,223	2,050,223	1,815,250	234,973
Excess (deficit) of revenues over (under) expenditures	(2,050,223)	(2,050,223)	(1,712,837)	337,386
OTHER FINANCING SOURCES (USES)				
Transfers In	2,050,223	2,050,223	2,050,223	-
Total other financing sources	2,050,223	2,050,223	2,050,223	-
Net change in fund balance	-	-	337,386	337,386
Fund balances - beginning	2,406,675	2,406,675	2,406,675	-
Fund balances - ending	$ 2,406,675	$ 2,406,675	$ 2,744,061	$ 337,386

EAGLE MOUNTAIN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget to Actual

Affordable Housing Fund

For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Totals	(Negative)
REVENUES				
Charges for Services	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Community Development	-	1,290,000	197,462	1,092,538
Total expenditures	-	1,290,000	197,462	1,092,538
Excess (deficit) of revenues over (under) expenditures	-	(1,290,000)	(197,462)	1,092,538
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	3,250,000	3,249,987	(13)
Total other financing sources	-	3,250,000	3,249,987	(13)
Net change in fund balance	-	1,960,000	3,052,525	1,092,525
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ 1,960,000	$ 3,052,525	$ 1,092,525

EAGLE MOUNTAIN CITY

Combining Statement of Net Position

Internal Service Funds

June 30, 2025

	Fleet	Utility Billing	GIS Services	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,646,611	12,700	$ 535,180	$ 2,194,491
Accounts receivable - net	536	8,509	-	9,045
Due from other funds	-	-	-	-
Total current assets	1,647,147	21,209	535,180	2,203,536
Noncurrent assets:				
Land, equipment, buildings and improvements	6,781,987	13,996	34,582	6,830,565
Less: Accumulated depreciation	(4,610,139)	(13,996)	(34,582)	(4,658,717)
Total noncurrent assets	2,171,848	-	-	2,171,848
Total assets	3,818,995	21,209	535,180	4,375,384
DEFERRED OUT FLOW OF RESOURCES				
Pension related costs	44,988	25,468	30,815	101,271
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	33,155	24,656	12,929	70,740
Due to other funds	-	-	-	-
Compensated absences - current	10,762	2,362	6,149	19,273
Current portion of long-term debt	-	-	-	-
Total current liabilities	43,917	27,018	19,078	90,013
Noncurrent liabilities:				
Compensated absences - net of current	1,110	554	1,070	2,734
Net pension liability	33,913	17,716	23,072	74,701
Total noncurrent liabilities	35,023	18,270	24,142	77,435
Total liabilities	78,940	45,288	43,220	167,448
DEFERRED INFLOWS OF RESOURCES				
Pension related costs	425	246	320	991
Net Position:				
Net investment in capital assets	2,171,848	-	-	2,171,848
Unrestricted	1,612,770	1,143	522,455	2,136,368
Total net Position	$ 3,784,618	$ 1,143	$ 522,455	$ 4,308,216

EAGLE MOUNTAIN CITY

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the Year Ended June 30, 2025

	Fleet	Utility Billing	GIS Services	Total
Operating revenues:				
Charges for services	$ 1,387,627	$ 530,489	$ 309,565	$ 2,227,681
Other operating revenue	23,631	-	-	23,631
Total operating revenues	1,411,258	530,489	309,565	2,251,312
Operating expenses:				
Salaries and wages	310,428	172,032	271,607	754,067
Purchased services	111,566	355,853	2,310	469,729
Materials and supplies	355,894	310	-	356,204
Depreciation and amortization	888,933	-	-	888,933
Miscellaneous	-	2,103	7,745	9,848
Total operating expenses	1,666,821	530,298	281,662	2,478,781
Operating income	(255,563)	191	27,903	(227,469)
Nonoperating revenues (expenses):				
Interest revenue	89,578	81	20,123	109,782
Gain (Loss) on sale of assets	184,073	-	-	184,073
Total nonoperating revenues (expenses)	273,651	81	20,123	293,855
Net income (loss) before contributions and transfers	18,088	272	48,026	66,386
Contributions and transfers				
Total contributions and transfers	-	-	-	-
Change in net Position	18,088	272	48,026	66,386
Total net position - beginning	3,766,530	871	474,429	4,241,830
Total net position - ending	$ 3,784,618	$ 1,143	$ 522,455	$ 4,308,216

EAGLE MOUNTAIN CITY

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2025

	Fleet	Utility Billing	GIS Services	Total
Cash Flows From Operating Activities				
Receipts from customers	$ 1,410,722	$ 522,056	$ 309,565	$ 2,242,343
Payments to employees	(305,055)	(169,979)	(265,808)	(740,842)
Payments to suppliers	(553,325)	(340,164)	(4,446)	(897,935)
Net cash provided (used) by operating activities	552,342	11,913	39,311	603,566
Cash Flows From Noncapital Financing Activities				
Net cash provided (used) by noncapital financing activities	-	-	-	-
Cash Flows From Capital and Related Financing Activities				
Proceeds from the sale of assets	184,073	-	-	184,073
Acquistion of capital assets	(984,179)	-	-	(984,179)
Net cash provided (used) by capital and related financing activities	(800,106)	-	-	(800,106)
Cash Flows From Investing Activities				
Interest and dividends received	89,578	81	20,123	109,782
Net cash provided (used) by investing and related financing activities	89,578	81	20,123	109,782
Net increase (decrease) in cash and cash equivalents	(158,186)	11,994	59,434	(86,758)
Cash and cash equivalents - beginning	1,804,797	706	475,746	2,281,249
Cash and cash equivalents (deficit) - end	$ 1,646,611	$ 12,700	$ 535,180	$ 2,194,491
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	$ (255,563)	$ 191	$ 27,903	$ (227,469)
Adjustments to reconcile operating income to net cash provided (used) by				
Depreciation expense	888,933	-	-	888,933
(Increase)/decrease in accounts receivable	(536)	(8,433)	-	(8,969)
(Increase)/decrease in net pension asset	-	-	-	-
(Increase)/decrease in deferred outflows	(5,820)	(2,449)	(4,001)	(12,270)
Increase/(decrease) in accounts payable	(85,865)	18,102	5,609	(62,154)
Increase/(decrease) in net pension liabilitiy	12,459	5,243	8,566	26,268
Increase/(decrease) in deferred inflows	149	63	102	314
Increase/(decrease.) in compensated absences	(1,415)	(804)	1,132	(1,087)
Total adjustments	807,905	11,722	11,408	831,035
Net cash provided (used) by operating activities	$ 552,342	$ 11,913	$ 39,311	$ 603,566

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STATISTICAL SECTION

FINANCIAL TRENDS

Pages 94-99 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)

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities											
	Invested in capital assets*	$ 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	$ 206,772,788
	Restricted	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	30,134,913
	Unrestricted	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	22,892,929
Total governmental activities		72,911,746	84,892,269	87,906,722	99,598,462	129,430,346	154,080,608	183,202,710	197,510,621	227,779,933	259,800,630
Business-type activities											
	Invested in capital assets*	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	173,908,677
	Restricted	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	31,090,034
	Unrestricted	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	54,048,416
Total business-type activities net position		58,900,622	65,765,730	88,107,667	109,841,280	139,176,765	147,339,788	175,947,294	191,246,223	224,873,337	259,047,127
Primary government											
	Invested in capital assets*	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	380,681,465
	Restricted	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	61,224,947
	Unrestricted	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	76,941,345
Total primary government net position		$ 131,812,368	$ 150,657,999	$ 176,014,390	$ 209,439,742	$ 268,607,111	$ 301,420,396	$ 359,954,747	$ 389,601,650	$ 452,653,270	$ 518,847,757

Source: Eagle Mountain City

*Net of Related Debt

EAGLE MOUNTAIN CITY

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Government activities:										
General government	$ 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	$ 7,684,047
Public safety	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	7,349,854
Highways & public works	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	12,122,174
Community development	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	20,908,283
Planning	380,673	508,154	468,853	475,935	432,853	439,936	426,098	885,935	1,002,446	1,166,635
Interest on long-term debt	166,707	68,597	62,215	54,343	49,203	178,385	249,625	617,768	1,052,408	972,621
Total governmental activities expense	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	50,203,614
Business-type activities										
Water utility	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	20,884,719
Sewer utility	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	10,008,118
Electric utility	95,183	61,235	-	-	-	-	-	-	-	-
Gas utility	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	2,134,261
Non Major Business	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	2,935,674
Total business-type activities expense	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	35,962,772
Total primary government expenses	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	86,166,386
Program Revenues										
Governmental activities										
Charges for services:	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	8,166,957
Operating grants and contributions	52,235	24,429	20,065	32,444	1,457,357	3,805,907	2,115,144	2,400,624	2,629,988	3,256,911
Capital grants and contributuions	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	29,746,627
Total governmental activities programs revenues	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	41,170,495
Business-type activities:										
Charges for services:	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	33,626,937
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	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	36,509,625
Total business-type activities program revenues	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	70,136,562
Total primary governmental program revenues	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	111,307,057

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	$ 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)	$ (9,033,119)
Business-type activities	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	34,173,790
Total Primary government net expense	6,441,832	13,384,397	18,617,456	25,304,028	49,588,789	30,657,993	41,182,903	1,977,096	27,103,714	25,140,671
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	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	18,041,752
General sales & use tax	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	12,327,836
Franchise tax	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	7,161,002
Other	-	-	-	-	-	-	-	-	257,172	81,525
Interest earnings	82,267	204,058	394,194	858,582	503,107	226,399	(181,963)	2,682,242	5,042,253	3,441,701
Contribution of assets from Utility Funds	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	80,184	2,684,721	(7,112,500)	1,395,382	6,392,896		-	-	-	-
Total Governmental activities	5,225,937	8,630,247	(373,566)	9,516,709	15,971,475	12,081,490	17,351,448	27,669,808	35,947,907	41,053,816
Other Business-type activities:										
Gain (loss) on disposition of capital assets	-	-		-	-	-	-	-	-	-
Contribution of assets from Utility Funds	-	-		-	-	-	-	-	-	-
Transfers	(80,184)	(2,684,721)	7,112,500	(1,395,382)	(6,392,896)		-	-	-	-
Total Other Business-type activities	(80,184)	(2,684,721)	7,112,500	(1,395,382)	(6,392,896)	-	-	-	-	-
Change in Net Position										
Governmental activities	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	32,020,697
Business-type activities	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	34,173,790
Total primary government	$ 11,587,585	$ 19,329,923	$ 25,356,390	$ 33,425,355	$ 59,167,368	$ 42,739,483	$ 58,534,351	$ 29,646,904	$ 63,051,621	$ 66,194,487

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Restricted	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,281,839	$ 1,113,912	$ 149,652	$ 4,223,919
Assigned						$ 1,859,802		3,738,826	1,479,494	2,107,781
Unassigned	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	11,785,671
Total general fund	$ 3,070,888	$ 2,959,323	$ 2,862,311	$ 3,489,448	$ 3,649,092	$ 15,814,487	$ 14,723,961	$ 13,407,790	$ 12,425,426	$ 18,117,371
All Other Governmental Funds										
Restricted	$ 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	$ 28,447,873
Assigned	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	
Special Revenue Funds							5,588,380	1,393,988	5,110,790	4,368,220
Capital Projects Funds							25,003,301			17,036,566
Nonmajor										2,852,718
Unassigned reported in										
Total all other governmental funds	$ 2,778,829	$ 4,767,343	$ 5,205,398	$ 4,809,035	$ 18,945,300	$ 18,796,939	$ 51,293,113	$ 55,725,473	$ 59,801,611	$ 52,705,377

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	$ 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	$ 37,530,742
Licenses, fees, and permits	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	4,876,707
Intergovernmental	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	3,935,777
Charges for services	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	3,730,141
Special assessments	1,922,459	307,641	258,551	225,728	170,868	228,219	195,754	73,832	34,389	43,764
Investment earnings								2,682,242	5,042,253	3,441,701
Contributions	-	-	-	-	1,316,880	-	1,604,159	2,289,659	1,097,237	1,932,738
Impact fees	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	7,843,795
Miscellaneous	767,731	666,876	1,310,833	2,304,165	1,496,089	268,299	257,647	8,885	12,406	96,283
Total Revenues	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	63,431,648
Expenditures										
Current:										
General Government	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	7,250,055
Community Development	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	20,954,010
Public Works	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	8,102,479
Public Safety	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	7,348,722
Planning and Zoning	415,180	487,486	492,349	469,353	447,889	517,105	630,500	1,281,849	1,053,553	1,042,796
Finance & Admin. Services										
Tax Increment Distributions										
Debt service										
Principal Retirement	1,817,000	180,000	155,000	140,000	220,000	551,766	390,957	1,515,953	2,486,729	1,166,071
Bond Issuance Costs	-	-								
Interest and Fiscal Charges	180,379	70,618	64,152	54,588	49,238	155,128	83,321	812,915	1,190,976	1,092,177
Capital Outlay	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	18,331,671
Total expenditures	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	65,287,981
Excess of revenues over (under) expenditure	706,708	(623,491)	(2,767,058)	11,422,319	11,422,319	11,422,319	2,653,129	2,653,129	(514,688)	(1,856,333)

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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	370,519
Insurance Proceeds									257,172	81,525
Lease Proceeds								463,060		
Proceeds from Asset Disposals						336,983	430,000			
Loss on Grant Noncompliance										
Debt Proceeds										
Contributions				$ 2,614,261						
Transfer in	$ 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	5,857,145
Transfers out	(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)	(5,857,145)
Total other financing sources (uses)	80,184	2,684,721	3,108,101	4,009,643	8,392,896	594,715	20,886,400	463,060	3,608,462	452,044
Net change in fund balances	$ 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	$ (1,404,289)
Debt service as a percentage of noncapital expenditures	19.87%	2.11%	1.62%	1.27%	1.70%	3.91%	2.13%	7.25%	7.72%	5.05%

Source: Eagle Mountain City

REVENUE CAPACITY

Pages 100-107 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
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	525,153,848	5,984,539,284	0.0524%	9,143,467,574
2025	4,019,580,605	2,198,638,317	5,598,000	1,079,817	526,642,760	104,416,778	637,737,355	6,855,956,277	0.0561%	10,089,836,772

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)

	City Direct Rates		Overlapping Rates						
Fiscal Year	Basic Rates	Total Direct Rates	Utah County	Central Utah Water Conservancy District	Alpine School District	Unified Fire Service Area	State Assessing & Collecting	Local Assessing & Collecting	Total Tax Rate
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
2025	0.561	0.561	0.652	0.400	6.115	1.403	0.015	0.109	9.255

Source: State of Utah Certified Tax Rates

EAGLE MOUNTAIN CITY

Principal Property Tax Payers
Fiscal Years 2016 and 2025

	TAX YEAR 2025			2016		
TAXPAYER	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
STADION LLC	$ 423,038,491	1	6.16%			
BCP DEVELOPMENT INC	88,190,175	2	1.28%			
TYSON FRESH MEATS INC	75,668,900	3	1.10%			
AMH DEVELOPMENT LLC	52,654,635	4	0.77%			
LENNAR HOMES OF UTAH LLC	39,583,060	5	0.58%			
PACIFICORP	38,770,986	6	0.56%			
UTLCO EAGLE MTN TWO LLC	29,011,000	7	0.42%			
STAKER & PARSON COMPANIES INC	22,992,572	8	0.33%			
QUESTAR GAS	22,400,608	9	0.33%			
HH TOWNS LLC	21,911,340	10	0.32%			
	$ 814,221,767					
PACIFICORP				$ 23,096,961	1	1.18%
KERN RIVER GAS TRANS CO				11,820,983	2	0.60%
DIRECT COMMUNICATIONS				9,883,873	3	0.51%
QUESTAR GAS				7,938,782	4	0.41%
CJM LIMITED PARTNERSHIP				5,603,300	5	0.29%
RPP LLC				3,778,000	6	0.19%
TM CRUSHING LLC				1,853,521	7	0.09%
PONY EXPRESS LAND DEVELOPMENT INC				1,607,600	8	0.08%
IRON EAGLE DEVELOPMENT INC				1,550,000	9	0.08%
STAR WEST EAGLE MTN PROPERTIES LLC				1,416,500	10	0.07%
				$ 68,549,520		

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
2015	987,417	931,878	93.6%	55,103	986,981	99.96%
2016	1,074,593	1,014,350	94.4%	59,935	1,074,286	99.97%
2017	1,191,899	1,136,921	94.4%	54,664	1,191,586	99.97%
2018	1,298,033	1,243,503	95.4%	54,196	1,297,698	99.97%
2019	1,445,423	1,382,506	95.8%	61,483	1,443,989	99.90%
2020	1,605,635	1,524,338	94.9%	77,952	1,602,289	99.79%
2021	1,884,241	1,762,534	94.9%	117,190	1,879,724	99.76%
2022	2,265,309	2,198,618	97.1%	53,932	2,252,550	99.44%
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%
2025	3,786,484	3,650,064	96.4%	102,282	3,752,346	99.10%

Source: Utah County Treasurer

EAGLE MOUNTAIN CITY

Taxable Sales by Category

Last Ten Fiscal Years

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Retail/Grocery	$ 298,627	$ 339,642	$ 459,179	$ 805,850	$ 915,568	$ 1,491,103	$ 2,034,122	$ 2,562,993	$ 2,211,058	$2,287,108
Utility/Communication	224,107	234,343	251,546	249,275	301,374	350,002	427,433	504,370	835,172	$957,221
Auto dealers & supplies	15,978	18,382	33,117	19,056	19,834	90,864	83,826	88,018	47,200	$54,032
Eating & drinking establishments	24,765	32,893	41,225	43,161	69,321	73,994	73,591	75,798	200,326	$212,954
Home furnishings and appliances	5,719	2,735	2,864	8,973	25,734	57,553	67,428	77,542	49,057	$116,830
Medical	3,815	6,680	7,954	10,006	13,643	13,933	16,135	18,233	24,576	$25,497
Service stations	53,990	68,693	82,865	102,120	120,252	133,273	147,940	281,086	189,632	$211,307
All other outlets	58,993	143,245	267,400	360,314	968,480	1,593,605	1,413,008	1,695,610	1,524,666	$2,667,807
Utah State Tax- Motor Vehicle	67,971	85,646	98,436	116,599	119,611	214,420	283,552	348,769	244,117	$237,597
Totals	$ 753,965	$ 932,259	$ 1,244,586	$ 1,715,355	$ 2,553,818	$ 4,018,746	$ 4,547,035	$ 5,652,420	$ 5,325,805	$ 6,770,353

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
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%
2025	1.00%	0.25%	1.25%	4.85%

Source: Utah State Tax Commission

EAGLE MOUNTAIN CITY

Sales Tax Revenue Payers by Industry
Fiscal Years 2016 and 2025

	Fiscal Year 2016				Fiscal Year 2025			
	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Tax Liability	Percentage of Total
Retail/Grocery	763	51.31%	$ 298,627	39.6%	761	6.7%	$ 2,287,108	33.78%
Utility/Communication	89	5.99%	224,107	29.7%	85	0.7%	957,221	14.14%
Auto Dealers & Supplies	40	2.69%	15,978	2.1%	65	0.6%	54,032	0.80%
Eating/Drinking Establishments	20	1.34%	24,765	3.3%	29	0.3%	212,954	3.15%
Home Furnishings & Appliances	45	3.03%	5,719	0.8%	43	0.4%	116,830	1.73%
Medical	31	2.08%	3,815	0.5%	55	0.5%	25,497	0.38%
Service Stations	5	0.34%	53,990	7.2%	6	0.1%	211,307	3.12%
All Other Outlets	493	33.15%	58,993	7.8%	10312	90.6%	2,667,807	39.40%
Utah State Tax- Motor Vehicle	1	0.07%	67,971	9.0%	22	0.2%	237597	3.51%
Total	1487	100.0%	$ 753,965	100.0%	11378	100.0%	$ 6,770,353	100.0%

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY

Charges for Water Fees

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water Sales	$ 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	$ 11,465,712
Secondary Water										
Other	470,701	1,512	1,361	4,138	5,330	2,101	7,539	28,280	8,736	5,259
Totals	$ 3,692,798	$ 3,804,111	$ 4,168,585	$ 4,545,937	$ 5,212,188	$ 6,475,205	$ 6,616,446	$ 8,087,709	$ 9,096,318	$ 11,470,971

Source: Eagle Mountain City

DEBT CAPACITY

Pages 108-112 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)

	Governmental Activities					Business-type Activities				
Fiscal Year	Transportation Loan (UDOT)	Sales Tax Revenue Bond 2022	Special Assessment bond 2013-1	Leases	Subscription Liabilities	Water and Sewer Revenue Bonds	Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2016	-	-	1,418	224	-	22,119		26,804	5.84%	861
2017	-	-	1,238	113	-	21,741		24,738	4.70%	726
2018	-	-	1,082	-	-	20,787		24,008	4.27%	641
2019	-	-	935	-	-	21,107		22,968	3.63%	713
2020	2,000	-	715	169	-	20,195		23,079	3.19%	626
2021	1,645	-	595	295	-	18,841		21,376	2.09%	411
2022	1,460	22,915	415	213	-	17,264	139	42,406	3.39%	725
2023	1,221	21,885	285	501	-	15,630	125	39,647	2.26%	622
2024	-	21,170	240	360	396	14,151	111	36,428	1.85%	538
2025	-	20,415	210	259	486	12,642	109	34,121	1.45%	461

Source: Eagle Mountain City

EAGLE MOUNTAIN CITY

Direct and Overlapping Governmental Activities Debt
June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes			
Utah County	None	7.5%	$ -
Alpine School District	415,000,000	11.3%	47,015,260
Central Utah Water Cons. Dist.	529,818,820	2.1%	11,022,763
Unified Fire Service Area	54,675,000	16.9%	9,264,903
Subtotal, overlapping debt			67,302,926
City direct debt	21,370,554	100%	21,370,554
Total direct and overlapping debt			$ 88,673,480

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

Please Note: Direct and Overlapping Governmental Activities Debt includes the City's outstanding governmental activities debt as well as the proportionate share of debt outstanding for other taxing entities whose boundaries overlap Eagle Mountain City. These obligations are not direct debts of Eagle Mountain City but represent debt supported by revenues, including property taxes, paid by taxpayers within those jurisdictions. The City's share of overlapping debt is calculated by applying the ratio of Eagle Mountain City's taxable assessed valuation to the total taxable assessed valuation of each overlapping governmental entity. Assessed valuation data is obtained from Utah County and the Utah State Tax Commission.

EAGLE MOUNTAIN CITY

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

Legal Debt Margin Calculation for FY 2025

Assessed value	$6,868,352,366
Debt limit (12% of the assessed value)	824,202,284
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	824,202,284

	Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 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	$ 824,202,284
Total net debt applicable to limit											
Legal debt margin	83,804	96,938	109,972	133,246	155,074	188,820	234,523,291	483,422,229	622,859,012	719,550,418	824,202,284
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)			
				Debt Service				Debt Service		
Fiscal Year	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Special Assessment	Principal	Interest	Coverage
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	-	-	-	-
2025	23,064	23,203	(139)	1,523	436	(0.07)				

Source: Eagle Mountain City

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

	2022 Sales Tax Revenue Bond				SAA 2014-1			
		Debt Service				Debt Service		
Fiscal Year	Sales Tax Revenue	Principal	Interest	Coverage	Special Assessments	Principal	Interest	Coverage
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	1,094	6.02	212	45	16	3.48
2025	12,327	755	1,058	6.80	179	785	1,074	0.10

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*
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
2025	66,557	2,109,657,229	31,697	3.6

Source: Eagle Mountain City, Utah State Tax Commission

EAGLE MOUNTAIN CITY

Principal Employers

Fiscal Years 2016 and 2025

2025				2016			
Employer	Employees	Rank	Percentage of Total City Employment	Employer	Employees	Rank	Percentage of Total City Employment
Alpine School District	1094	1	32.95%	Alpine School District	555	1	52.31%
Tyson Fresh Meats, Inc.	805	2	24.25%	Ridley's Family Market	114	2	10.74%
Eagle Mountain City	183	3	5.51%	Eagle Mountain City	97	3	9.14%
Macey's Eagle Mountain	159	4	4.79%	Job Match	55	4	5.18%
M.A. Mortenson Companies	150	5	4.52%	Questar Gas	52	5	4.90%
Southland Industries	146	6	4.40%	Ranches Academy	48	6	4.52%
Ridley's Family Markets	118	7	3.55%	Rockwell High School	45	7	4.24%
John Hancock Charter School	113	8	3.40%	Ranches Golf Course	30	8	2.83%
SUNTEC CONCRETE INC	100	9	3.01%	TM Crushing LLC	27	9	2.54%
Eagle Mountain McDonalds 39605	75	10	2.26%	Direct Communications	19	10	1.79%
Stadion, LLC	70	11	2.11%	Village Pizza	19	11	1.79%
Ranches Academy	50	12	1.51%			N/A	N/A
Gotta Dance Performing Arts Studio	45	13	1.36%			N/A	N/A
DDO-Utah, LLC (DBA) Taco Bell #	35	14	1.05%			N/A	N/A
Pioneer Drug LLC DBA "Cedar Valle	31	15	0.93%			N/A	N/A
Wendy's (Phoenix Partners LLC)	30	16	0.90%			N/A	N/A
Savory MB Stores, LLC (DBA) Mob	30	17	0.90%			N/A	N/A
Chipotle Mexican Grill #4319	30	18	0.90%			N/A	N/A
Dutch Bros., LLC	29	19	0.87%			N/A	N/A
A to Z Building Blocks	27	20	0.81%			N/A	N/A
Total City Employment	3,320		100.00%	Total City Employment	1,061		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 115-117 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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government											
Administration	5.5	4	5.41	5.41	5.41	5.41	5.50	6.00	6.60	8.60	7.4
Finance	4	4	3.6	3.6	3.6	3.6	4.0	4.00	4.50	4.50	8.72
Planning	4	4	4	4.5	4.5	5.5	7.0	10.50	8.55	10.55	8.93
Building	5.75	5	5.25	6.26	9.02	10.02	10.00	10.00	11.20	11.20	12.2
Recorder	3	3	3	3	3.5	3.5	5.5	4.75	4.50	5.50	4.75
Facilities	1.5	3	2.1	2.75	4.25	4.75	7.00	5.75	5.13	4.13	4.13
Public Information	1.25	2	2.4	2.18	2.18	3.18	2.00	2.00	3.25	2.63	2.63
Human Resources	1	1	1	1	1	1	1	1.00	1.00	1.00	2
Attorney	0	0	0	0	0	0	0	0	1.00	1.00	1.31
Other	2.15	1.5	7.38	7.78	7.78	7.78	0	0	3.00	3.95	3.98
Police											
Crossing Guards	5.25	5	4.52	4.52	4.52	5.50	6.50	5.00	3.82	4.82	5.81
Fire											
Firefighters and officer	0	0	0	0	0	0	0	0	0	0	0
Parks and recreation	7.2	7.5	9.33	12.66	14.55	15.55	15.50	15.00	21.31	22.38	18.88
Library	5.5	6	6.33	6.33	6.50	7.00	7.50	7.25	10.25	10.25	10.13
Other public works											
Management	0	0	0	0	0	0	0	0	0	0	0
Engineering	5	5	4.33	4.33	5.83	6.83	7.00	10.00	8.50	9.50	11.5
Streets	4.5	7.5	6.01	5.91	7.41	8.41	12.00	11.25	8.97	8.47	11.87
Water	5.5	7	5.93	7.47	9.09	10.09	10.50	10.25	12.63	15.25	15.44
Wastewater	4	4.5	5.3	5.83	5.83	5.83	8.00	8.00	9.00	9.00	9.94
Utility Billing	4	3	3.5	3.5	3.9	3.9	3.5	2.50	3.88	3.88	3.24
Other	3.38	3	4.63	4.58	5.24	5.24	0	0	2.25	0.09	4.12
Stormwater	0	0	0	0	0	0	0	0	4	4.63	9.63
GIS	0	0	0	0	0	0	0	0	2	3.00	3.5
Fleet	0	0	0	0	0	0	0	0	2	2.25	3.25
Energy	0	0	0	0	0	0	0	0	0	0	0
Total	72.48	76	84.02	91.61	104.09	113.09	112.5	113.25	137.45	146.57	163.36

EAGLE MOUNTAIN CITY

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program: General government	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Building										
Building permits issued	1,086	1,437	1,554	1,470	2,038	2,672	2,553	1,736	2,175	1,885
Building inspections conducted	6,382	8,000	10,813	9,963	12,539	14,147	16,577	10,647	12,576	12,220
Police[1]										
Physical arrest	481	492	582	540	336	222	243	193	576	278
Warrants served	154	86	55	53	24	27	40	27	27	70
Traffic violations	2,148	1,420	1,142	2,212	2,682	2,030	3,281	5,367	5,886	8,580
Officer initiated calls			6,597	6,701	6,651	4,767	6,820	9,062	8,261	9,287
Citizen initiated calls			7,944	8,754	9,936	11,056	10,271	11,064	12,872	13,118
Fire[2]										
Emergency responses										
Inspections										
Streets										
Miles plowed - snow removal	11,522	10,981	3,491	8,763	11,188	5,422	6,083	16,334	10,426	6,185
Crack seal (sq. ft.)[3]	147	462,000	16,698,305	232,407	0	0	1,200,000	2,002,748	0	3,697,866
Asphalt Repairs (sq. ft.)	75,782	365,731	284,060	150,819	180,162	9,126	64,234	319,161	22,996	14,754
Parks and recreation										
Youth City sports registrations	2,448	1,011	1,074	1,250	1,265	1,773	1,260	1,603	1,660	1,699
Total recreational sports (youth/adult	3/5	1/7	1/7	1/5	1/5	1/5	1/5	3/3	3/3	4/3
Water										
New meters installed	446	657	763	830	1,284	1,216	1,453	1,098	1,083	1,163
Water meters replaced	436	318	712	135	481	1,564	250	120	487	319
Average daily pumped (gallons)	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	11,660,574
Avg daily consumption (gallons)	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	9,676,373

Source: Eagle Mountain City

Notes:

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

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

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

EAGLE MOUNTAIN CITY

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police[1]												
	Sworn Officers	16	16	16	16	18	19	20	26	28	29	33
Fire[2]												
	Fire Hydrants	998	1,116	1,123	1,284	1,424	1,574	1,724	1,905	1,548	2,012	2353
	Fire Stations											
Other public works												
	Streets (miles)	143	151.97	154.14	164.34	186.95	199	205	220	238	247.5	256.2
	Gas mains (miles)[3]											
	Sewer plant capacity (gallons)	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	2,400,000
	Sanitary sewers (miles)[4]	89.49	83.95	94.6	95.95	115	120.82	133.71	147.75	157.8	180.94	208.6
Parks and recreation												
	Total developed park (acres)	90	100	124	155	160	176	200	220	227	243	243
	Playgrounds	15	17	23	25	27	43	46	49	49	52	52
	Baseball/softball diamonds	7	7	7	7	7	7	7	7	7	7	7
	Soccer/football fields	5	5	5	5	6	6	10	10	10	10	10
Water												
	Water pipe (miles)[4]	156.65	125.59	136.59	148	170	183.08	196.02	214.18	230.42	262.38	278.77
	Total water storage (gallons)	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	14,100,000

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
CERTIFIED PUBLIC ACCOUNTANTS
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ESTABLISHED 1974

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Eagle Mountain City (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated August 11, 2026.

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.

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. We consider the deficiency described in the accompanying Schedule of Findings as item 2025-1 to be a significant deficiency.

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
August 11, 2026

EAGLE MOUNTAIN CITY
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

2025 -1 Reconciliations

Condition: While performing our auditing procedures over the financial statements we noted that certain account reconciliations were not performed on a timely basis. Capital assets were not reconciled in a timely manner.

Criteria: Internal controls require proper recording of capital assets and reconciling those assets to the depreciation schedule and general ledger.

Cause: The cause was due to untimely turnover in the finance department, which created delays in proper recording and reconciling those accounts to the depreciation schedule, because of understaffing and on the job training of the new employees, and the complexity of maintaining those assets through worksheets rather than the use of an asset management software.

Effect: The staffing issues created delays in providing required information to prepare the financial statements.

Recommendation: We recommend that the city put procedures in place to ensure that capital assets of the City are timely reconciled to the general ledger and the depreciation schedules. We further recommend additional staffing if necessary to ensure the procedures are done in a timely manner. We further recommend that the City integrate to a asset management system.

Management's Response: We concur with the auditors' recommendations and will implement internal control procedures to ensure that Capital assets are properly captured on the depreciation schedule and reconciled to the general ledger on a timely basis.

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A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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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 & Members of the City Council
Eagle Mountain City
Eagle Mountain, Utah

REPORT ON COMPLIANCE WITH STATE REQUIREMENTS

Opinion on Each State Compliance Requirement

We have audited Eagle Mountain City's ("the City") compliance with the applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

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

In our opinion, the City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

Basis for Opinion on Each State Requirement

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide), issued by the Office of the Utah State Auditor. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated August 11, 2026 as items 25-1 & 25-2. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in our letter to management dated August 11, 2026 as items 25-1 & 25-2. the City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

REPORT ON 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 to 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

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 Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Gilbert & Stewart

GILBERT & STEWART
Certified Public Accountants
Provo, UT
August 11, 2026

EAGLE MOUNTAIN CITY

CORRESPONDENCE WITH THOSE CHARGED WITH GOVERNANCE

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August 11, 2026

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, 2025. 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 14, 2025. 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 August 11, 2026.

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:

25-1 Fund Balance

Finding: Utah State law prohibits the City from maintaining an unrestricted fund balance in the General Fund of more than 35% of General Fund revenues. During our testing we noted that the City's General Fund unrestricted balance exceeded the allowable amount.

Recommendation: It is recommended that City periodically reviews the fund balance of the General Fund to determine if adjustments need to be made in the budgeting process to maintain an appropriate unrestricted fund balance.

City's Response: The City will make the necessary changes to ensure that the General Fund unrestricted fund balance is in compliance with State law.

25-2 Cash Management

Finding: Utah State law requires the City to file a semi-annual Deposit and Investment (D&I) Report with the Utah Money Management Council. During our testing we noted that the City included inaccurate amounts on the 6-30-2025 D&I report.

Recommendation: It is recommended that City adds an extra level of review before the D&I report is submitted to ensure accurate amounts are included.

City's Response: The City will make the necessary changes to ensure that accurate amounts are reported on the D&I report.

Utah State Legal Compliance Findings – Prior Year:

24-1 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.

Current Status: 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 any questions concerning the above items, we will be happy to discuss them with you.

Sincerely,

Gilbert & Stewart

GILBERT & STEWART
Certified Public Accountants

EAGLE MOUNTAIN CITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FY ENDED JUNE 30, 2025

Eagle Mountain, Utah 84005

APPENDIX B

EXCERPTS OF CERTAIN PROVISIONS OF THE GENERAL INDENTURE

The following extracts briefly outline certain provisions contained in the Indenture and are not to be considered as a full statement thereof. Reference is made to the Indenture for full details of all the terms thereof, of the Series 2026 Bonds, the security provisions appertaining thereof, and the application of the Net Revenues and the definition of any terms used but not defined in this Official Statement.

Definitions

"Accreted Amount" means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds, as established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds.

"Acquisition/Construction Fund" means the Eagle Mountain City, Utah Water and Sewer Revenue Acquisition/Construction Fund created in the Indenture to be held by the Trustee.

"Act" means, collectively, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, each to the extent applicable.

"Additional Bonds" means all Bonds issued under the Indenture other than the Initial Bonds.

"Administrative Costs" means all Security Instrument Costs, Reserve Instrument Costs and Rebatable Arbitrage.

"Aggregate Annual Debt Service Requirement" means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof.

"Authorized Amount" means, with respect to a Commercial Paper Program, the maximum principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

"Authorized Representatives" means the Mayor, City Recorder, or any other officer of the Issuer so designated in writing by the Issuer to the Trustee.

"Balloon Bonds" means Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one Year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Owner thereof may be redeemed, during any Year.

"Bond Anticipation Notes" means notes issued under the Indenture in anticipation of the issuance of a Series of Bonds.

"Bond Fund" means the Eagle Mountain City, Utah Water and Sewer Revenue Bond Fund created in the Indenture to be held by the Trustee.

"Bond Fund Year" means the 12-month period beginning July 1 of each year and ending on the next succeeding June 30, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding June 30.

"Bondholder," "Bondowner," "Registered Owner," or "Owner" means the registered owner of any Bonds authorized by the Indenture according to the registration books of the Issuer maintained by the Registrar.

"Bonds" means bonds, notes, commercial paper, or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture, including the Initial Bonds and any Additional Bonds.

"Business Day" means any day (i) (a) on which banking business is transacted, but not including any day on which banks are authorized to be closed in New York City or in the city in which the Trustee has its Principal Corporate Trust Office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (b) on which the New York Stock Exchange is open; or (ii) as otherwise provided in a Supplemental Indenture.

"Capital Appreciation Bonds" means Bonds so designated the interest on which (i) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds, and (ii) is payable upon maturity or prior redemption of such Bonds.

"City Recorder" means the City Recorder of the Issuer or any successor to the duties of such office and any deputy to the City Recorder.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commercial Paper Program" means a program of issuing commercial paper obligations with maturities of not more than 270 days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to the Indenture and are outstanding up to an Authorized Amount.

"Construction Bonds" means Additional Bonds issued pursuant to the Indenture to finance all or part of the Cost of a Project.

"Cost" or "Costs" or "Cost of Completion," or any phrase of similar import, in connection with a Project or with the refunding of any Bonds or other obligations, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project or with the refunding of any Bonds or other obligations, including, without limiting the generality of the foregoing:

(a) amounts payable to contractors and costs incident to the award of contracts;

(b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits and licenses obtained by the Issuer or others;

(c) engineering, architectural, legal, planning, underwriting, accounting, and other professional and advisory fees;

(d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) printing, engraving, and other expenses of financing, fees of financial rating services, and costs of issuing any Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));

(f) costs, fees, and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(g) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

(h) amounts required to repay temporary loans or Bond Anticipation Notes incurred to finance the costs of a Project;

(i) cost of site improvements performed by the Issuer in anticipation of a Project;

(j) moneys necessary to fund the funds created under the Indenture;

(k) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as the Indenture provides, of any discount on bonds or other securities, and of any reserves for the payment of the Principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;

(l) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(m) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(n) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, "Cost" includes, without limiting the generality of the foregoing, advertising and other expenses related to the redemption of such Bonds or other obligations to be redeemed and the redemption price of such Bonds or other obligations (and the accrued interest payable on redemption to the extent not otherwise provided for).

"Cross-over Date" means with respect to Cross-over Refunding Bonds the date on which the Principal of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

"Cross-over Refunded Bonds" means Bonds or other obligations refunded by Cross-over Refunding Bonds. "Cross-over Refunding Bonds" means Bonds issued for the purpose of refunding Cross-over Refunded Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of the Act, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

"Current Interest Bonds" means all Bonds other than Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

"Debt Service" means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (i) all interest payable during such Bond Fund Year on such Series of Bonds plus (ii) the Principal Installments payable during such Bond Fund Year on (a) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (b) such Repayment Obligations then outstanding;

provided, however, for purposes of Special Provisions for the Issuance of Construction Bonds as provided in the Indenture, when calculating interest payable during such Bond Fund Year for:

(a) any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations as shall be established for this purpose in the opinion of the

Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(b) any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(c) any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the market rate in a manner similar to that described in (a) above, unless another method of estimation is more appropriate, in the opinion of the Issuer's financial advisor, underwriter or similar agent with the approval of each Rating Agency, for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(d) any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(e) Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations; and

(f) Balloon Bonds, it shall be assumed that Principal and interest amortized on a level debt service basis over a twenty (20)-year period at the interest rate as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise), provided that the full amount of Balloon Bonds shall be included in the calculation if the calculation is made within twelve (12) months of the actual maturity of such Balloon Bonds and no credit facility exists;

and further provided, that there shall be excluded from Debt Service (i) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (ii) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of the Act, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, and (iii) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations.

"Debt Service Reserve Fund" means the Eagle Mountain City, Utah, Revenue Debt Service Reserve Fund created in the Indenture.

"Debt Service Reserve Requirement" means with respect to each Series of Bonds issued pursuant to the Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (i) 10% of the proceeds of such Series of Bonds determined on the basis of original Principal amount (unless original issue premium or original issue discount exceeds 2% of original Principal, then determined on the basis of initial purchase price to the public), (ii) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and

(iii) 125% of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Additional Refunding Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series issued pursuant to the Indenture (the "Prior Bonds"), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Additional Refunding Bonds and the portion of such Additional Refunding Bonds that is allocable to the refunding of such Series of Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by a Reserve Instrument as provided in the Indenture or, if provided in the related Supplemental Indenture, may be accumulated over time. Each account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of the Act, in connection with the issuance of Refunding Bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"Event of Default" means any occurrence or event specified in and defined by the Indenture. "Fitch" means Fitch Ratings.

"Governing Body" means the legislative body of the Issuer.

"Government Obligations" means solely one or more of the following:

(a) State and Local Government Series issued by the United States Treasury ("SLGS");

(b) United States Treasury bills, notes and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as "REFCORP strips").

"Indenture" means the General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

"Initial Bonds" means the first Series of Bonds issued under the Indenture.

"Interest Payment Date" means the stated payment date of an installment of interest on the Bonds.

"Interest Rate Swap" means an agreement between the Issuer or the Trustee and a Swap Counterparty related to a Series of Bonds whereby a variable rate cash flow (which may be subject to any interest rate cap) on a Principal or notional amount is exchanged for a fixed rate of return on an equal Principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

"Issuer" means Eagle Mountain City, Utah, and its successors.

"Mayor" means the duly elected mayor of the Issuer or any successor to the duties of such office. Such term shall also include the deputy mayor except as the deputy mayor's powers may be limited by written declaration of the duly elected mayor.

"Moody's" means Moody's Investors Service, Inc.

"Net Revenues" means the Revenues after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

"Other Available Moneys" means for any Year the amount designated by the Issuer for transfer from the Rate Stabilization Fund to the Revenue Fund, provided that such amount shall not exceed 25% of the Aggregate Annual Debt Service Requirement for such Year.

"Operation and Maintenance Expenses" means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the Issuer or paid to any other entity pursuant to contract or otherwise, necessary to keep the System in efficient operating condition, including cost of audits required by the Indenture, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance hereinafter required, Administrative Costs and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to Issuer funds and interest expense for interfund loans from Issuer funds, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

"Outstanding" or "Bonds Outstanding" means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under the Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to the Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered under the Indenture, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

"Paired Obligations" means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates of which, when taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

"Paying Agent" means the Trustee, appointed as the initial paying agent for the Bonds pursuant to the Indenture, and any additional or successor paying agent appointed pursuant to the Indenture.

"Pledged Bonds" means any Bonds that have been (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

"Principal" means, (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest); and (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

"Principal Corporate Trust Office" means, with respect to the Trustee, the office of the Trustee at 170 South Main Street, Suite 200, Salt Lake City, Utah, or such other or additional offices as may be specified by the Trustee.

"Principal Installment" means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal of the Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount

equal to such unsatisfied balance of such Sinking Fund Installment and (ii) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

"Project" means the acquisition, construction, expansion, and/or renovation of the System, including the acquisition of improvements and equipment (with an expected life beyond a current fiscal year) for use in the System.

"Put Bond" means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a "Put Bond."

"Qualified Engineer" means any registered or licensed engineer or architect or firm of such engineers or architects and engineers generally recognized to be qualified in engineering or architectural matters relating to construction and maintenance of municipal water and sewer systems, appointed and paid by the Issuer, who shall not have any substantial interest, direct or indirect (other than employment), with the Issuer, but who may be regularly retained to make annual or other periodic reports of the Issuer. "Qualified Engineer" may include any registered or licensed engineer or architect employed by the Issuer.

"Qualified Investments" means any of the following securities:

(a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer's Home Administration; the Federal Housing Administration; the Maritime Administration: General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA's);

(c) Money market funds rated "AAAm" or "AAAm-G" or better by S&P and/or the equivalent rating or better of Moody's (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, P-1 by Moody's or A-1+ by S&P, and which matures not more than two hundred seventy (270) days after the date of purchase;

(e) Bonds, notes or other evidences of indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three (3) years;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short-term certificates of deposit on the date or purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than three hundred sixty (360) days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(g) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer's Investment Fund; and

(h) Any other investments or securities permitted for investment of public moneys under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

"Rate Stabilization Fund" means the Eagle Mountain City Water and Sewer Revenue Rate Stabilization Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

"Rating Agency" means Fitch, Moody's or S&P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued under the Indenture at the request of the Issuer. If any such rating agency ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

"Rating Category" or "Rating Categories" mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Rebatable Arbitrage" means with respect to any Series of Bonds where the interest thereon is intended to be excludable from gross income for federal income tax purposes, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

"Rebate Calculation Date" means, with respect to any Series of Bonds where the interest thereon is intended to be excludable from gross income for federal income tax purposes, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

"Rebate Fund" means the Eagle Mountain City, Utah Water and Sewer Revenue Rebate Fund created in the Indenture to be held by the Trustee.

"Register" means the record of ownership of the Bonds maintained by the Registrar.

"Registrar" means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the registrar for the Bonds pursuant to the Indenture, and any additional or successor registrar appointed pursuant to the Indenture.

"Regular Record Date" means unless otherwise provided by Supplemental Indenture for a Series of Bonds, the fifteenth day immediately preceding each Interest Payment Date.

"Regulations," and all references thereto shall mean and include applicable final, proposed and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

"Remarketing Agent" means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

"Repair and Replacement Fund" means the Eagle Mountain City, Utah Water and Sewer Revenue Repair and Replacement Fund created in the Indenture to be held by the Issuer.

"Repair and Replacement Reserve Requirement" means the amount or amounts from time to time required under each Supplemental Indenture to be on deposit in the Repair and Replacement Fund.

"Repayment Obligations" means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

"Reserve Instrument" means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term "Reserve Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

"Reserve Instrument Agreement" means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

"Reserve Instrument Costs" means all fees, premiums, expenses, and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses, and costs constituting Reserve Instrument Costs.

"Reserve Instrument Coverage" means, as of any date of calculation, the aggregate amount available to be paid to the Trustee under all Reserve Instruments.

"Reserve Instrument Fund" means the Eagle Mountain City, Utah Water and Sewer Revenue Reserve Instrument Fund created in the Indenture to be held by the Trustee.

"Reserve Instrument Limit" means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of Principal of the applicable Series of Bonds.

"Reserve Instrument Provider" means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company, or other institution issuing a Reserve Instrument.

"Reserve Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

"Revenue Fund" means the Eagle Mountain City, Utah Water and Sewer Revenue Fund created in the Indenture to be held by the Issuer.

"Revenues" means all revenues, fees (including impact fees to the extent such impact fees can legally be used for the purposes financed under the Indenture), income, rents and receipts received or earned by the Issuer from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), together with all interest earned by and profits derived from the sale of investments in the related funds thereof.

"S&P" means S&P Global Ratings.

"Security Instrument" means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term "Security Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a "Security Instrument" for purposes of the Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

"Security Instrument Agreement" means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

"Security Instrument Costs" means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses, and costs constituting Security Instrument Costs.

"Security Instrument Issuer" means any bank or other financial institution, insurance company, surety company, or other institution issuing a Security Instrument.

"Security Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

"Series" means all of the Bonds identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"Sinking Fund Account" means the Eagle Mountain City, Utah Water and Sewer Revenue Sinking Fund Account of the Bond Fund created in the Indenture to be held by the Trustee.

"Sinking Fund Installment" means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year for the retirement of Term Bonds as specified in the Supplemental Indenture authorizing said Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with the Indenture.

"State" means the State of Utah.

"Supplemental Indenture" means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the Indenture.

"Swap Counterparty" means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

"Swap Payments" means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Issuer. Swap Payments do not include any Termination Payments.

"Swap Receipts" means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable for the account of the Issuer by the Swap Counterparty. Swap Receipts do not include amounts received with respect to the early termination or modification of an Interest Rate Swap.

"System" means, collectively, (i) the Issuer's water facilities, including both culinary and irrigation facilities; and (ii) the Issuer's sewer facilities; together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses and rights of way of the Issuer and all other works, property, structures, equipment of the Issuer and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with, or related to said System.

"Term Bonds" means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

"Termination Payments" means the amount payable to the Swap Counterparty by the Issuer with respect to the early termination or modification of an Interest Rate Swap. Termination Payments may only be payable from and secured by Revenues after payment of all amounts then due pursuant to the Indenture.

"Trustee" means U.S. Bank Trust Company, National Association, 170 South Main Street, Suite 200, Salt Lake City, Utah 84101, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

"Utah Code" means Utah Code Annotated 1953, as amended.

"Variable Rate Bonds" means, as of any date of calculation, Bonds, the interest on which for any future period of time, is to be calculated at a rate which is not susceptible to a precise determination.

"Year" means any twelve-consecutive-month period.

The Bonds

Limited Obligation

The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created under the Indenture and held by the Trustee (except the Rebate Fund) or the income from the temporary investment thereof). The Bonds shall be a valid claim of the Registered Owners thereof only against the Net Revenues and other moneys in funds and accounts held by the Trustee under the Indenture (except the Rebate Fund) and the Issuer pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Net Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized in the Indenture or by Supplemental Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

Indenture to Constitute Contract

In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued under the Indenture by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant to the Indenture, the Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in the Indenture and the covenants and agreements in the Indenture set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance, delivery, maturity or expiration, shall be of equal rank without preference, priority or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by the Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Covenant against Creating or Permitting Liens

Except for the pledge of Net Revenues to secure payment of the Bonds and Repayment Obligations under the Indenture, the Net Revenues are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained in the Indenture shall prevent the Issuer from issuing, if and to the extent permitted by the Indenture and applicable law, indebtedness having a lien on Net Revenues subordinate to that of the Bonds and Repayment Obligations.

Additional Bonds

Special Provisions for the Issuance of Additional Construction Bonds

(a) One or more Series of Additional Bonds may be authenticated and delivered upon original issuance from time to time in such principal amounts for each such Series as may be determined by the Issuer for the purpose

of paying or providing for the payment of all or a portion of (1) the Cost of Construction of a Project, (2) principal and redemption price of and interest on Bond Anticipation Notes, or (3) any combination of (1) and (2). Each such Series shall be in such principal amount which, when taken together with moneys previously used, moneys then legally available, or moneys to be obtained in the future for such Project, will provide the Issuer with sufficient funds to pay the estimated Cost of Construction of such Project, as shall be set forth in the written certificate of the Issuer furnished pursuant to paragraph (c) below.

(b) Each Supplemental Indenture authorizing the issuance of a Series of Construction Bonds:

(i) Shall specify the Project for which the proceeds of such Series of Bonds will be applied; and

(ii) May require the Issuer to deposit a specified amount of money from the proceeds of the sale of such Series of Bonds or from other legally available sources into the applicable Project account sufficient to pay when due all or a portion of the interest on such Series of Bonds accrued and to accrue to the estimated completion date of the Project as set forth in the Written Certificate of the Issuer delivered pursuant to paragraph (c) below, plus interest to accrue on such Series of Bonds after the estimated completion date for up to one Year (or such different period as may then be permitted by law).

(c) Each Series of Construction Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the other documents required by the Indenture) of a written certificate of the Issuer, dated as of the date of such delivery, that contains the following:

(i) The then estimated completion date and the then estimated Cost of Construction of the Project being financed by such Series of Bonds;

(ii) A statement that, upon the authentication and delivery of the Bonds of such Series, no Event of Default has occurred and is then continuing under the Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture;

(iii) (A) the estimated Net Revenues (plus any Other Available Moneys) of the Issuer for the then-current Bond Fund Year and each of the three succeeding Bond Fund Years, (B) the Aggregate Debt Service and the total Repayment Obligations with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Construction Bonds for each of these Bond Fund Years, and (C) a statement that such estimated Net Revenues (plus any Other Available Moneys) are not less than 125% of the Aggregate Annual Debt Service Requirement on all Bonds to be Outstanding for said Bond Fund Years.

(d) Notwithstanding any other provision of the Indenture, the provisions of (c)(iii) above shall not apply:

(i) to any Series of Construction Bonds, all of the proceeds of which are to be applied to pay the Cost of Construction of a Project necessary, as expressed in an Engineer's Certificate delivered to the Trustee, to keep the System or any component thereof in good operating condition or to prevent a loss of Revenues, or to comply with requirements of any governmental agency having jurisdiction over the Issuer or the System; or

(ii) to any Series of Bonds issued to pay the Cost of Construction necessary to complete any Project for which Construction Bonds have previously been issued, provided that the Trustee shall have received:

(A) An engineer's certificate to the effect that (i) the nature and purpose of such Project has not materially changed since the initial written certificate of the Issuer was filed pursuant to paragraph (c) above , and (ii) the then estimated Costs of Construction of the Project as contained in the written certificate of the Issuer delivered pursuant to paragraph (c) above exceeds the sum of the Costs of Construction already paid plus moneys available in the Acquisition/Construction Fund

established for the Project (including unspent proceeds of Bonds previously issued for such purpose) plus other legally available moneys in the Revenue Fund; and

(B) A written certificate of the Issuer to the effect that (i) all of the proceeds (including investment earnings) of Construction Bonds (or Bond Anticipation Notes) previously issued to finance such Project have been or will be used to pay Costs of Construction of the Project; (ii) the issuance of such Series of Bonds is necessary to provide funds to pay Costs of Construction necessary for the Project; and (iii) the principal amount of such Series of Bonds does not exceed twenty-five percent of the principal amount of all Construction Bonds previously issued to finance such Project.

(e) The proceeds, including accrued interest, of each Series of Construction Bonds shall be deposited simultaneously with the delivery of such Bonds in the Acquisition/Construction Fund and, to the extent permitted by law and the provisions of the Indenture, in any other funds or such other funds or accounts as may be established by the Supplemental Indenture, in such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds.

(f) There may also be deposited from any legally available source, to the extent permitted by law and the provisions of the Supplemental Indenture, in the funds or such other funds or accounts as may be established by the Supplemental Indenture, such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Construction Bonds.

Special Provisions for the Issuance of Refunding Bonds

(a) One or more Series of Refunding Bonds may be issued in such principal amount which, when taken together with other legally available moneys, will provide the Issuer with moneys sufficient to accomplish the refunding of all or a part of the Outstanding Bonds of one or more Series, including in each case the payment of all expenses in connection with such refunding.

(b) Each Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds shall specify the Bonds to be refunded.

(c) Each Series of Refunding Bonds (other than Cross-over Refunding Bonds) shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the other documents required by the Indenture) of the following documents or moneys or securities, all of such documents dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) A written certificate of the Issuer certifying: (A) that the issuance of such Series of Refunding Bonds complies with the requirements of the Indenture, and (B) (1) the estimated Net Revenues (plus any Other Available Moneys) of the Issuer for the then-current Bond Fund Year and each of the three succeeding Bond Fund Years, (2) the Aggregate Debt Service and the total Repayment Obligations with respect to all Series of Bonds to be Outstanding after the issuance of the proposed Series of Construction Bonds for each of these Bond Fund Years, and (3) that such estimated Net Revenues (plus any Other Available Moneys) are not less than 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds Outstanding for said Year;

provided, however, that such Revenue coverage test set forth above shall not apply to Refunding Bonds issued for the purpose of refunding Bonds originally issued under the Indenture, to the extent that (i) the Average Aggregate Annual Debt Service for such Refunding Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith and (ii) the maximum Aggregate Annual Debt Service Requirement for such Refunding Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of any redemption of the Bonds to be refunded on the redemption date or dates specified in such instructions;

(iii) If, within the next succeeding 90 days, the Bonds to be refunded do not mature, are not redeemable or are not to be redeemed, irrevocable instructions to the Trustee satisfactory to it, to mail the notice required by the Indenture to the Owners of the Bonds being refunded; and

(iv) Either (A) moneys in an amount sufficient to effect payment of the principal or the applicable redemption price of the Bonds to be refunded, together with accrued interest to the maturity or redemption date, as the case may be, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for the Bonds to be refunded, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the Indenture, which Government Obligations and moneys shall be held in trust and used only as provided in the Indenture.

(d) Each Series of Cross-over Refunding Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required elsewhere in the Indenture) of the following documents or moneys or securities, all of such documents dated as of the date of such delivery (unless the Trustee shall accept any of such documents bearing a prior date):

(i) a written certificate of the Issuer stating that the issuance of such Series of Cross-over Refunding Bonds complies with the requirements of the Indenture;

(ii) instructions to the Trustee, satisfactory to it, to give due notice of any redemption of the Cross-over Refunded Bonds on the Cross-over Date or on such other redemption date or dates, and subject to such conditions, as shall be specified in such instructions;

(iii) if the Cross-over Refunded Bonds are not by their terms subject to redemption within the 90 days next succeeding the Cross-over Date, instructions to the Trustee, satisfactory to it, to mail the notice provided for in the Indenture to the Owners of the Cross-over Refunded Bonds on such date or dates as shall be specified in such instructions;

(iv) either (A) moneys in an amount sufficient to effect payment of the interest on the Cross-over Refunding Bonds to the Cross-over Date and the principal or the applicable redemption price of the Cross-over Refunded Bonds on the Cross-over Date (or other redemption date of the Cross-over Refunded Bonds), which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate trust account, or (B) Qualified Investments in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of the Supplemental Indenture authorizing the issuance of the Cross-over Refunding Bonds; and

(v) there shall be filed with the Trustee a written certificate of an independent public accountant demonstrating the sufficiency of the moneys and investments in the escrow to pay the interest on the Cross-over Refunding Bonds to the Cross-over Date and the principal or redemption price, as applicable, of the Cross-over Refunded Bonds on the Cross-over Date (or other redemption date of the Cross-over Refunded Bonds).

Any Supplemental Indenture providing for the issuance of Cross-over Refunding Bonds may establish conditions to the occurrence of the Cross-over Date and provide that the Cross-over Date will not occur if such conditions are not satisfied, in which case the Cross-over Refunding Bonds will be redeemed on the Cross-over Date from the proceeds thereof, escrowed interest and other moneys available therefor. Each such Supplemental Indenture shall, in addition to all other requirements of this Section, provide that (i) until the occurrence of the Cross-over Date none of the principal or redemption price of and interest on the Cross-over Refunding Bonds shall be payable from or secured by the pledge of the Indenture, but shall be payable from the proceeds of the Cross-over Refunding Bonds, escrowed interest, and such other sources as may be provided in such Supplemental Indenture; and (ii) upon the occurrence of the Cross-over Date, the Cross-over Refunding Bonds shall be secured by the lien of the Indenture on a parity with all other Series of Bonds Outstanding.

(e) A Series of Refunding Bonds may be combined with a Series of Construction Bonds.

Conditions for Issuance of Bond Anticipation Notes

(a) One or more Series of Bond Anticipation Notes may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by the Issuer for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of any Project, or the refunding of Bond Anticipation Notes, or a combination of such purposes.

(b) (i) Each Supplemental Indenture authorizing the issuance of a Series of Bond Anticipation Notes (i) shall specify the Project to which the proceeds of such Series of Bond Anticipation Notes will be applied; and (ii) may provide for the deposit of a specified amount of money from the proceeds of the sale of such Series of Bond Anticipation Notes into a Project account in the Acquisition/Construction Fund to pay when due all or a portion of the interest on such Series of Bond Anticipation Notes accrued and to accrue to the estimated completion date set forth in the written certificate of the Issuer delivered with respect to such Series of Bond Anticipation Notes pursuant to paragraph (c) below, plus interest to accrue on such Series of Bond Anticipation Notes after the estimated completion date for up to one Year (or such different period as may then be permitted by law).

(ii) The payment of the interest on Bond Anticipation Notes shall be on a parity with the lien and charge created in the Indenture for the payment of the Bonds. The payment of the Principal on Bond Anticipation Notes shall be payable solely from the proceeds of Bonds or amounts on deposit in a fund which is subordinate to the Bond Fund and the Supplemental Indenture pursuant to which any Series of Bond Anticipation Notes is issued shall so provide. Each Bond Anticipation Note shall state on its face that the payment of principal thereof is so subordinated.

(iii) No Bond Anticipation Note shall mature later than five years from its date, including all refundings thereof by Bond Anticipation Notes (whether such refundings occur by reason of exchanges of Bond Anticipation Notes or by reason of payment of such Bond Anticipation Notes from refunding Bond Anticipation Notes, or otherwise).

(c) Each Series of Bond Anticipation Notes shall be authorized and delivered by the Trustee only upon receipt by the Trustee (in addition to the other documents required by the Indenture) a written certificate of the Issuer, dated as of the date of such delivery, that contains the following:

(i) The then estimated completion date and the then estimated Cost of Construction of the Project being financed by such Series of Bond Anticipation Notes;

(ii) A statement that, upon the authentication and delivery of the Bond Anticipation Notes of such Series, no Event of Default has occurred and is then continuing under the Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture; and

(iii) A statement that the issuance of such Series of Bond Anticipation Notes complies with the requirements of the Indenture.

Use of Funds

Use of Acquisition/Construction Fund

(a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Acquisition/Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Acquisition/Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form attached to the Indenture, stating that the Trustee shall disburse

sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth in the Indenture is justly due and owing and constitutes a Cost of a Project based upon audited, itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Acquisition/Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the application of any payments from the Acquisition/Construction Fund or to inquire into the purposes for which disbursements are being made from the Acquisition/Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Acquisition/Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this section, any balance remaining in the applicable account in the Acquisition/Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund to redeem the Series of Bonds issued to finance such Project or to be used for such other purpose or purposes as approved by bond counsel.

(g) The Trustee may, to the extent there are no other monies held under the Indenture, use any moneys in the Acquisition/Construction Fund to pay Principal and interest on the Bonds at any time upon the occurrence of an Event of Default.

Application of Revenues

(a) Unless otherwise provided in the Indenture, all Revenues shall be deposited in the Revenue Fund and shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(b) As a first charge and lien on the Revenues, the Issuer shall cause to be paid from the Revenue Fund from time to time as the Issuer shall determine, all Operation and Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.

(c) So long as any Bonds are Outstanding, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, i.e., from the Net Revenues, the Issuer shall, at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for and deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the Issuer need not transfer moneys to the Trustee to pay interest on the Bonds); plus

(ii) the Principal and premium, if any, falling due on the next succeeding Interest Payment Date established for the Bonds; plus

(iii) the Sinking Fund Installment, if any, falling due on the next succeeding Interest Payment Date. the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the Principal of, premium, if any, and interest on the Bonds promptly on each such Interest Payment Date as the same become due and payable.

(d) As a third charge and lien on the Net Revenues (on a parity basis), the Issuer shall make the following transfers to the Trustee on or before the fifteenth day of each month of each year:

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the account(s) in the Debt Service Reserve Fund any amounts required by the Indenture and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided in the Indenture and in any Supplemental Indenture and (B) if moneys shall have been withdrawn from an account in the Debt Service Reserve Fund or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, moneys sufficient in amount to restore such account(s) within one Year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based on the amount to be transferred pursuant to subsection (d)(ii) below) of remaining Net Revenues if less than the full amount necessary; and

(ii) Equally and ratably to the account(s) of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect, such amount or a ratable portion (based on the amount to be transferred pursuant to subsection (d)(i) above) if less than the full amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Net Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one Year from any draw date under the Reserve Instrument.

(e) As a fourth charge and lien on the Net Revenues, the Issuer shall deposit in the Repair and Replacement Fund any amount required by the Indenture and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding from time to time, the Issuer shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues of the System after payments required by sections (b), (c) and (d) above have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. This provision is not intended to limit, and shall not limit, the right of the Issuer to deposit additional moneys in the Repair and Replacement Fund from time to time as the Issuer may determine.

(f) The foregoing provisions set forth in sections (b), (c), (d), and (e) may be revised by a Supplemental Indenture for any Series Bonds having other than semiannual Interest Payment Dates.

(g) The Net Revenues remaining after the foregoing deposits and transfers and not required to be used for remedying any deficiencies in payments previously made into the funds hereinabove established, may be used at any time for any of the following: (i) redemption of Bonds; (ii) refinancing, refunding, or advance refunding of any Bonds; (iii) deposit to the Rate Stabilization Fund; (iv) any other lawful purpose.

Use of Bond Fund

The Issuer may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

(i) accrued interest received upon the issuance of any Series of Bonds;

(ii) all moneys payable by the Issuer as specified in the Indenture;

(iii) any amount in the Acquisition/Construction Fund to the extent required by or directed pursuant to paragraph (f) in "Use of Acquisition/Construction Fund" upon completion of a Project;

(iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as described under the heading "Use of Debt Service Reserve Fund," and

(v) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as provided in "Events of Defaults; Remedies" and as provided in this "Use of Bond Fund" section and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;

(ii) on or before each Interest Payment Date, the amount required to pay the Principal Installment due on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said Principal and interest.

(c) After payment in full of the Principal of and interest on (1) all Bonds issued under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding); (2) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms; and (3) the fees, charges and expenses

of the Trustee, the Paying Agent and any other amounts required to be paid under the Indenture or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement; all amounts remaining in the Bond Fund shall be paid to the Issuer.

Use of Sinking Fund Account

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant to the Indenture, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the Principal of such Term Bonds.

Use of Debt Service Reserve Fund

Except as otherwise provided in this section and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall either be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof, (ii) deposited from available Net Revenues over the period of time specified, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained in the Indenture under this section, the Issuer is required, pursuant to the Indenture and the provisions of any Supplemental Indenture, to make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event moneys on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instrument applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instrument, to the maximum extent authorized by such Reserve Instrument, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in the Indenture.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds is Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once each year.

Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

The Issuer may, upon obtaining approving opinion of bond counsel to the effect that such transaction will not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Use of Reserve Instrument Fund

There shall be paid into the Reserve Instrument Fund the amounts required by the Indenture and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

Use of Repair and Replacement Fund

All moneys in the Repair and Replacement Fund may be drawn on and used by the Issuer for the purpose of (a) paying the cost of unusual or extraordinary maintenance or repairs of the System; (b) paying the costs of any renewals, renovation, improvements, expansion or replacements to the System; and (c) paying the cost of any replacement of buildings, lines, equipment and other related facilities, to the extent the same are not paid as part of the ordinary and normal expense of the operation of the System.

Moneys shall be deposited at least annually from available Net Revenues in such amounts as may be required from time to time by each Supplemental Indenture until the Repair and Replacement Fund has an amount equivalent to the Repair and Replacement Reserve Requirement. Any deficiencies below the Repair and Replacement Reserve Requirement shall be made up from Net Revenues of the System available for such purposes. Moneys at any time on deposit in the Repair and Replacement Fund in excess of the amount required to be maintained therein, at any time, be maintained in the Repair and Replacement Fund or be used by the Issuer for any lawful purpose.

Use of Rate Stabilization Fund

The Rate Stabilization Fund may be funded by the Issuer from Revenues of the System transferred from the Revenue Fund as provided in the Indenture. The Issuer may, from time to time, designate all or a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Moneys (as described in the definition thereof). Except for amounts designated as provided in the immediately preceding sentence (for the Bond Fund Year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the Issuer for any lawful purpose and to the extent that amounts on deposit in the Revenue Fund are insufficient in any Bond Fund Year to fund all obligations set forth in the Indenture during that Bond Fund Year, the Issuer covenants to transfer moneys from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency.

Investment of Funds

Any moneys in the Bond Fund, the Acquisition/Construction Fund, the Reserve Instrument Fund, the Rebate Fund, the Debt Service Reserve Fund shall, at the discretion and authorization of the Issuer, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund, the Reserve Instrument Fund, and Debt Service Reserve Fund may only be invested in Qualified Investments having a maturity date of one Year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Acquisition/Construction Fund, the Bond Fund, the Reserve Instrument Fund and the Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as provided in the Indenture. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with "Use of Debt Service Reserve Fund."

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

The Trustee may, to the extent permitted by law, make any and all investments permitted by the provisions of the Indenture through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the comptroller of the currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee under the Indenture.

The Issuer may invest the amounts on deposit in the Revenue Fund, the Repair and Replacement Fund, and the Rate Stabilization Fund as permitted by applicable law.

In the event the Issuer shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds, or any Series thereof, being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the excludability of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Issuer may require in writing the Trustee to take such steps as it may be advised by such counsel are necessary so to restrict or limit the yield on such investment, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

Trust Funds

All moneys and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions of the Indenture. Except as provided otherwise in the Indenture, unless and until disbursed pursuant to the terms of the Indenture, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the Principal of, premium, if any, and interest on the Bonds, all Repayment Obligations, and the fees and expenses of the Trustee payable under the Indenture.

Method of Valuation and Frequency of Valuation

In computing the amount in any fund or account, Qualified Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

Covenants

General Covenants

The Issuer hereby covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture, Security Instrument Issuer and Reserve Instrument Provider as follows:

(a) While any of the Principal of and interest on the Bonds are outstanding and unpaid, or any Repayment Obligations are outstanding, any resolution or other enactment of the Governing Body of the Issuer, applying the Net Revenues for the payment of the Bonds and the Repayment Obligations shall be irrevocable until the Bonds and/or any Repayment Obligations have been paid in full as to both Principal and interest, and is not subject to

amendment in any manner which would impair the rights of the holders of those Bonds or the Repayment Obligations which would in any way jeopardize the timely payment of Principal or interest when due. Furthermore, the rates including connection fees, for all services supplied by the System to the Issuer and to its inhabitants and to all customers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of not less than 115% of the Aggregate Annual Debt Service Requirement for such Year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture, provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. The Issuer agrees that should its annual financial statement made in accordance with the provisions of paragraph (d) below disclose that during the period covered by such financial statement the Net Revenues were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer make recommendations as to the revision of the rates, charges and fees and that the Issuer on the basis of such recommendations will revise the schedule of rates, charges and fees insofar as is practicable and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues as required in the Indenture.

(b) The Issuer will maintain the System in good condition and operate the same in an efficient manner.

(c) Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider shall have a right, in addition to all other rights afforded it by the laws of the State, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge or collect reasonable rates for services supplied by the System sufficient to meet all requirements of the Indenture and of any applicable Security Instrument Agreement and Reserve Instrument Agreement.

(d) So long as any Principal and interest payments of the Bonds are Outstanding, or any Repayment Obligations are outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System. Except as otherwise provided in the Indenture, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Net Revenues and the System, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider.

(e) There shall be no free water or sewer service, and such rates shall be charged against all users of the System, including the Issuer.

All expenses incurred in compiling the information required by this Section shall be regarded and paid as an Operation and Maintenance Expense.

First Lien Bonds; Equality of Liens

The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Net Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a first lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Net Revenues, or (iii) Funds established by the Indenture, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Payment of Principal and Interest

The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued under the Indenture, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning of the Indenture. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Net Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof), which Net Revenues are specifically pledged and assigned to the payment thereof in the manner and to the extent specified in the Indenture, and nothing in the Bonds, the Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Expeditious Construction

The Issuer shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Management of System

The Issuer, in order to assure the efficient management and operation of the System and to assure each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

Use of Legally Available Moneys

Notwithstanding any other provisions of the Indenture, nothing in the Indenture shall be construed to prevent the Issuer from (i) paying all or any part of the Operation and Maintenance Expenses from any moneys available to the Issuer for such purpose, (ii) depositing any moneys available to the Issuer for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the Principal of any Bonds issued under provisions of the Indenture or for the redemption of any such Bonds or for the payment of any Security Instrument Repayment Obligations, or (iii) depositing any moneys available to the Issuer for such purpose in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Payment of Taxes and Other Charges

The Issuer covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon the System or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon the System or any part thereof or upon any Revenues thereof, except for the lien and charge thereon created under the Indenture and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the parity lien thereon of Additional Bonds issued from time to time under the Indenture and under Supplemental Indentures to the Indenture), and that all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon the Revenues thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; provided, however, that nothing in this Section shall require any such lien or charge to be paid or discharged or provision made therefor so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Insurance

The Issuer, in its operation of the System, will self-insure or carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an

Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Bond Fund.

Covenant Not to Sell

The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all Principal of and interest on the Bonds, and all Repayment Obligations, have been paid in full, except as follows:

(a) The Issuer may sell any portion of said property (i) which shall have been replaced by other property of at least equal value, (ii) which shall cease to be necessary for the efficient operation of the System and the disposition of which will not, as determined by the governing body of the Issuer, result in a material reduction in Net Revenues in any Year; or (iii) the value, as determined by the governing body of the Issuer, of the property to be sold, leased, abandoned, mortgaged, or otherwise disposed of (together with any other property similarly disposed of within the Year preceding the proposed disposition) does not exceed 5% of the value of the System assets, as determined by the governing body of the Issuer, provided, however, that in the event of any sale as aforesaid, the proceeds of such sale not needed to acquire other System property shall be paid into the Bond Fund.

(b) The Issuer may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right does not impede the operation of the System; and any payment received by the Issuer under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues.

Billing Procedure

The Issuer shall submit a monthly billing for services rendered to persons who are liable for the payment of charges for such services, and shall require that each such bill be paid in full as a unit, and refuse to permit payment of a portion without payment of the remainder. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer agrees that if any bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all water service to the user concerned to be cut off immediately.

Events of Default; Remedies

Events of Default

Each of the following events is an "Event of Default" under the Indenture:

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the Principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund under the Indenture or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations under the Indenture; or

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or

(e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(i) if the Issuer shall fail to perform any other of the covenants, conditions, agreements and provisions contained in the Bonds, or in the Indenture or any Supplemental Indenture of the Indenture on the part of the Issuer to be performed, other than as set forth above in this Section, and such failure shall continue for 30 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding under the Indenture; or

(j) any event specified in a Supplemental Indenture as constituting an Event of Default.

Remedies; Rights of Registered Owners

Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to the Indenture, may pursue any available remedy by suit at law or in equity to enforce the payment of the Principal of, premium, if any, and interest on any Outstanding Bonds or to enforce any obligations of the Issuer under the Indenture.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Right of Registered Owners to Direct Proceedings

Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of not less than 50% in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds then Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Section shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

(a) To the payment of the Principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and the principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(b) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

Remedies Vested in Trustee

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Outstanding Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Rights and Remedies of Registered Owners

Except as provided in the last sentence of this Section, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified or it is deemed to have notice, nor unless also Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are declared by the Indenture in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing contained in the Indenture shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued under the Indenture held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Termination of Proceedings

In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Registered Owner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default

Subject to "THE TRUSTEE—Notice," the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default under the Indenture and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

The Trustee

Notice

The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default under the Indenture, except an Event of Default described in paragraphs (a) and (b) under the heading "EVENTS OF DEFAULT; REMEDIES—Events of Default," unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

Indemnity

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request, order or direction of any of the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers, pursuant to the provisions of the Indenture, unless such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred therein or thereby.

Fees, Charges and Expenses of Trustee

The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee under the Indenture and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as provided in the Indenture. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this Section will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Notice to Registered Owners if Event of Default Occurs

If an Event of Default occurs of which the Trustee is required to take notice or if notice of an Event of Default be given to the Trustee as provided in the Indenture, then the Trustee shall give written notice thereof by certified mail to all Security Instrument Issuers, Reserve Instrument Providers, or to Registered Owners of all Bonds then Outstanding shown on the Register kept by the Registrar for the Bonds.

Removal of the Trustee

The Trustee may be removed at any time, by an instrument or concurrent instruments (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of not less than 50% in aggregate Principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth in the Indenture.

Appointment of Successor Trustee; Temporary Trustee

In case the Trustee under the Indenture shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting under the Indenture, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer (or, if an Event of Default exists, by the Registered Owners of not less than 50% in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by an Authorized Representative under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners). Every successor Trustee appointed pursuant to the provisions of this Section or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than $50,000,000.

Annual Accounting

The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee under the Indenture during the accounting period and the balance in any funds or accounts created by the Indenture as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and to each Security Instrument Provider and Reserve Instrument Provider requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding to the designee of said Owners specified in said written request at the address designated in the Indenture. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports concerning the transactions described in the Indenture that were delivered by the Trustee during the Bond Fund Year just ended.

Trustee's Right to Own and Deal in Bonds

The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by the Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under the Indenture.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers

The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners, Reserve Instrument Providers or Security Instrument Issuers, enter into an indenture or indentures supplemental to the Indenture, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) To provide for the issuance of Initial Bonds, Construction Bonds, Refunding Bonds, and Bond Anticipation Notes in accordance with the Indenture;

(b) To cure any ambiguity or formal defect or omission herein;

(c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon them and which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without their consent;

(d) To subject to the Indenture or other revenues, properties, collateral or security;

(e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, or any successor provisions of law;

(f) To make any change which shall not materially adversely affect the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuer or any Reserve Instrument Provider, requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

(g) To make any change necessary (i) to establish or maintain the excludability from gross income for federal income tax purposes of interest payable on the Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service thereof or of regulations proposed or promulgated thereunder, or (ii) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the funds established under the Indenture to the United States of America;

(h) If the Bonds affected by any change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(i) If the Bonds affected by any change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project, (2) an opinion of bond counsel to the effect that such amendment will not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Bonds (if applicable) or validity of the Bonds and (3) a certificate of the Issuer to the effect that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture; and

(k) To correct any references contained herein to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references herein are correct.

Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners

Exclusive of Supplemental Indentures covered above and subject to the terms and provisions contained in this Section, and not otherwise, the Registered Owners of not less than 66 2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any other Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of the Indenture or of any Supplemental Indenture; provided, however, that nothing in this Section shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any fund established under the Indenture applicable to any Bonds without the consent of the Registered Owners of Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of the Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of Bonds then Outstanding which would be affected by the action to be taken. In addition, no Supplemental Indenture to the Indenture shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in the section above, neither the Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

Discharge of Indenture

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the Principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions of the Indenture, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then the presents and the estate and rights granted by the Indenture shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the Principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of the Indenture when payment of the Principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to Principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Direct Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding Paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the Principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture);

(b) directing the Trustee to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to the provisions of the Indenture; and

(c) if the Bonds to be redeemed will not be redeemed within ninety days of such deposit, directing the Trustee to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by the Indenture has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the Principal or redemption price, if applicable, on said Bonds as specified in Subparagraph (a) above.

Any moneys so deposited with the Trustee as provided in the Indenture may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as set forth in the Indenture, and all income from all Direct Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Trustee shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Trustee and invested in Direct Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay Principal and interest on the Bonds when due and payable.

No such deposit under the Indenture shall be made or accepted under the Indenture and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of the Code or the Regulations proposed or promulgated thereunder.

Notwithstanding any provision of any other Article of the Indenture which may be contrary to the provisions of the Indenture, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Direct Obligations have been so set aside in trust.

Anything in the Indenture to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Registered Owner of each Bond affected thereby.

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND UTAH COUNTY

THE CITY

Population

Year	Population	Percent Change
2025	66,557	8.5%
2024	61,362	5.5
2023	58,190	6.5
2022	54,651	10.3
2021	49,530	13.5
2020 Census	43,623	–
2010 Census	21,415	–

Note: The 2010 and 2020 Census amounts are as of April 1 of such year; the annual population estimates are as of July 1 of the year given.
(Source: U.S. Census Bureau.)

Construction Activity

	2025	2024	2023	2022	2021
New Dwelling Units	1,119	1,556	850	1,069	1,674
New Residential Value ($000)	$487,416.5	$406,220.1	$244,482.9	$273,001.7	$427,702.7
New Nonresidential Value ($000)	40,312.8	19,023.8	143,709.6	31,866.1	133,157.0
Additions/Alterations/Repairs Residential & Nonresidential Value ($000)	2,082.2	1,582.5	9,495.6	3,177.5	2,800.5
Total Construction ($000)	529,811.5	426,826.5	397,688.2	308,045.3	563,660.2

(Source: Ivory-Boyer Construction Database, Kem C. Gardner Policy Institute, University of Utah.)

UTAH COUNTY

General

Utah County (the "County") is situated in the north central portion of the State. Incorporated in 1850, the County is bordered on the north by Salt Lake County and encompasses approximately 2,000 square miles of land.

County and State Population

Year	County	% Change	State	% Change
2025	759,859	1.9%	3,538,904	1.0%
2024	745,668	2.7	3,502,983	1.6
2023	726,088	3.0	3,449,259	1.6
2022	705,241	2.7	3,393,928	1.6
2021	686,576	4.1	3,339,874	2.1
2020 Census	659,399	3.6	3,271,616	2.0
2019	636,235	2.4	3,205,958	1.7
2018	621,520	2.4	3,153,550	1.7
2017	606,742	2.8	3,101,042	1.9
2016	590,288	3.1	3,041,868	2.0
2015	572,667	2.1	2,981,835	1.5
2014	560,649	1.7	2,936,879	1.4
2010 Census	516,564	–	2,763,885	–

(Source: U.S. Census Bureau estimates as of July 1 for years 2014-2019 and 2021-2025, and 2010 and 2020 Census counts are as of April 1.)

Rate of Unemployment – Annual Average

Year	County	State	United States
2025	3.6%	3.6%	4.3%
2024	3.4	3.3	4.0
2023	2.7	2.7	3.6
2022	2.2	2.4	3.6
2021	2.4	2.8	5.3

(Source: Utah Department of Workforce Services and the U.S. Department of Labor.)

Economic Indicators in the County

LABOR FORCE [1]	2025	2024	2023	2022	2021
Labor Force (annual average)	366,098	363,535	357,471	348,342	334,355
Employed (annual average)	352,471	351,235	347,763	340,515	326,266
Unemployed (annual average)	13,357	12,300	9,708	7,827	8,089
Average Employment (Non-Farm Jobs)	317,580	311,577	306,985	302,222	288,842
% Change Prior Year	1.93	1.50	1.58	4.63	7.45
Average Employment by Sector:					
Agriculture, Forestry, Fishing & Hunting	1,247	1,245	1,130	1,172	1,265
Mining	328	301	274	271	256
Utilities	910	883	840	709	659
Construction	30,902	30,400	29,953	29,726	27,015
Manufacturing	23,806	23,734	23,462	22,937	21,044
Wholesale Trade	6,705	7,147	7,418	7,988	7,838
Retail Trade	32,776	33,824	34,211	34,278	35,993
Transportation & Warehousing	7,034	6,997	6,590	6,486	6,530
Information	13,791	13,187	13,717	15,834	15,073
Finance & Insurance	8,481	8,576	9,440	9,407	9,371
Real Estate and Rental & Leasing	4,002	3,887	3,854	3,583	3,499
Professional, Scientific & Technical Services	26,558	25,763	26,152	26,231	23,555
Management of Companies & Enterprises	3,018	2,925	2,886	2,621	1,919
Administrative, Support, Waste Management, & Remediation	18,334	17,443	16,785	17,683	17,932
Education Services	50,045	48,032	46,879	45,056	43,693
Health Care & Social Assistance	42,048	40,607	38,122	36,066	34,536
Arts, Entertainment, & Recreation	7,376	7,193	6,789	6,195	5,309
Accommodation & Food Services	24,304	24,331	24,036	22,360	20,354
Other Services & Unclassified Establishments	8,367	7,874	7,551	7,063	6,541
Public Administration	7,547	7,229	6,897	6,558	6,460
Total Establishments	23,127	22,573	21,839	21,388	22,372
Total Wages ($Millions)	19,626.4	18,706.4	17,721.4	17,122.9	15,498.6

INCOME AND WAGES	2025	2024	2023	2022	2021
Total Personal Income ($000) [2]	n/a	44,572,939	41,642,432	38,241,420	35,802,130
Median Household Income [1]	n/a	100,611	100,617	95,085	86,597
Per Capita Income [2]	n/a	59,651	57,409	54,261	52,187
Average Monthly Nonfarm Wage [1]	5,150	5,003	4,811	4,721	4,471
SALES & CONSTRUCTION					
Gross Taxable Sales ($000,000) [3]	19,561.1	18,317.9	17,588.5	17,342.5	15,630.7
New Dwelling Units [4]	6,733	6,646	6,045	8,555	12,430
Total Construction Value ($000) [4]	4,064,521.1	2,953,493.9	2,807,534.3	3,432,509.0	4,056,859.5
New Residential Value ($000) [4]	2,129,502.4	1,970,316.1	1,724,314.8	2,239,401.0	2,890,112.7
New Nonresidential Value ($000)[4]	1,634,706.5	720,835.5	774,357.9	878,139.2	833,194.9

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated February 2026; (3) Utah State Tax Commission; (4) University of Utah Ivory-Boyer Construction Database; total includes additions and repairs.)

Major Employers in the County

Company	Industry	Employment Range
Brigham Young University	Higher Education	20,000+
Alpine School District	Public Education	7,000-9,999
Intermountain Health Care	Hospitals	7,000-9,999
Utah Valley University	Higher Education	5,000-6,999
Nebo School District	Public Education	4,000-4,999
Walmart Associates	General Merchandise Retailers	3,000-3,999
State of Utah	State Government	3,000-3,999
NRG Energy	Specialty Trade Contractors	2,000-2,999
Adobe Systems	Prof., Scientific & Technical Services	1,000-1,999
Central Utah Medical Clinic	Ambulatory Health Care Services	1,000-1,999
Provo City School District	Public Education	1,000-1,999
Chrysalis Utah	Social Assistance	1,000-1,999
Provo City	Local Government	1,000-1,999
Utah County Government	Local Government	1,000-1,999
Doterra International	Sporting Goods, Hobby & Misc Retailers	1,000-1,999
Costco Wholesale	General Merchandise Retailers	1,000-1,999
Smith's	Grocery Stores	1,000-1,999
Bamboo HR	Prof., Scientific & Technical Services	1,000-1,999
RBD Acquisition Sub	Janitorial Services	1,000-1,999
Lehi City	Local Government	1,000-1,999
Nestle USA	Food Mfg.	1,000-1,999
City of Orem	Local Government	500-999
Qualtrics	Prof., Scientific & Technical Services	500-999
Texas Instruments	Computer & Electronic Product Mfg.	500-999
Arm Security	Security Systems Services	500-999
Weave Communications	Prof., Scientific & Technical Services	500-999
Target	General Merchandise Retailers	500-999
Tyson Fresh Meats	Food Mfg.	500-999
US Synthetic	Nonmetallic Mineral Product Mfg.	500-999
Associated Retail Operations	Management of Companies & Enterprises	500-999
Entrata	Computing, Data Processing & Hosting	500-999
Thanksgiving Point Institute	Museums, Historical Sites & Similar	500-999
US Postal Service	Postal Service	500-999
Wasatch Mental Health Services	Social Assistance	500-999
The Home Depot	Building Material & Garden Suppliers	500-999
Alpine Building	Construction of Buildings	500-999
Young Living Holdings	Sporting Goods, Hobby & Misc Retailers	500-999
Timpanogos Regional Medical Service	Hospitals	500-999
Sundance Mountain Resort	Accommodation	500-999
Spanish Fork City	Local Government	500-999
Springville City	Local Government	500-999
Amazon.com	Couriers & Messengers	500-999
Liveview Technologies	Publishing Industries	500-999
Ancestry.com	Publishing Industries	500-999
American Fork City	Local Government	500-999
Elite Manufacturing & Packaging	Chemical Mfg.	500-999
Xactware Solutions	Prof., Scientific & Technical Services	500-999
Awardco	Prof., Scientific & Technical Services	500-999
Rocky Mountain ATV	Motor Vehicle & Parts Dealers	500-999
Maverik	Gasoline Stations & Fuel Dealers	500-999
Costa Vida Holdings	Restaurants	500-999
Vasa Fitness	Amusement, Gambling & Recreation	500-999
Sizzling Platter	Restaurants	500-999
UHS of Provo Canyon	Nursing and Residential Care Facilities	500-999

(Source: Utah Department of Workforce Services; last updated October 2026.)

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking"), is executed and delivered by Eagle Mountain City, Utah (the "City"), in connection with the issuance by the City of its Water and Sewer Revenue Bonds, Series 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds are being issued pursuant to a General Indenture of Trust dated as of July 1, 2007 (the "General Indenture") as heretofore supplemented, and as further supplemented by a Seventh Supplemental Indenture of Trust dated as of November 1, 2026 (the "Seventh Supplemental Indenture" and together with the General Indenture, the "Indenture") each between the City and U.S. Bank Trust Company, National Association, as trustee. The City hereby acknowledges that it is an "obligated person" within the meaning of the hereinafter defined Rule. In connection with the aforementioned transactions, the City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Series 2026 Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report of the City" means the Annual Report of the City provided by the City pursuant to, and as described in Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Series 2026 Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean the City, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500, and the website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

"Official Statement" shall mean the Official Statement of the City dated [_____], 2026, relating to the Series 2026 Bonds.

"Participating Underwriter" shall mean, collectively, Stifel, Nicolaus & Company, Incorporated, KeyBanc Capital Markets Inc., and Raymond James & Associates, as the original underwriters of the Series 2026 Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than two hundred twenty (220) days immediately following the end of each fiscal year of the City (presently June 30), commencing with the fiscal year ended June 30, 2026, provide to the MSRB in electronic format an Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) business days prior to said date, the City shall provide the Annual Report of the City to the Dissemination Agent. In each case, the Annual Report of the City may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(f).

(b) If by fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent shall contact the City to determine if the City is in compliance with Section 3(a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the City has been provided to the MSRB by the dates required in subsections (a) and (b), the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the website address to which the MSRB directs the annual reports to be submitted; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. The Annual Report of the City shall contain or incorporate by reference the following:

(i) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accountants. If the City's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the City and audited financial statements will be provided when and if available.

(ii) An update of the financial and operating information in the Official Statement relating to the City of the type contained in the tables under the headings: "THE SYSTEM—General," "–The Water System," "–The Sewer System," "–Capacity and Demand," "–Impact Fees," "–Historical and Pro Forma Debt Service Coverage" [*but only as to historical results*], "–Management's Discussion and Analysis of Revenues," and "DEBT STRUCTURE OF THE CITY—Outstanding Municipal Debt of the City."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City, as appropriate or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City, as appropriate, shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds in a timely manner but not more than ten (10) Business Days after the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds;

(vi) Defeasances;

(vii) Tender offers;

(viii) Bankruptcy, insolvency, receivership or similar proceedings;

(ix) Rating changes; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

(i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

(ii) Appointment of a successor or additional trustee or the change of the name of a trustee;

(iii) Non-payment related defaults;

(iv) Modifications to the rights of the owners of the Series 2026 Bonds;

(v) Series 2026 Bond calls;

(vi) Release, substitution or sale of property securing repayment of the Series 2026 Bonds; or

(vii) Incurrence of a Financial Obligation of the City or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect holders of the Series 2026 Bonds.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Trustee or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City has determined that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the City determines that the Listed Event would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB.

Section 6. Termination of Reporting Obligation. The obligations of the City under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds. If such termination occurs prior to the final maturity of the Series 2026 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the City shall be the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City and the Dissemination Agent, if any, may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, without the consent of the holders of the Series 2026 Bonds, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver does not, in and of itself, cause the agreement herein to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Series 2026 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an "event of default" under the Indenture, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the City) shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2026 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated as of _____, 2026.

EAGLE MOUNTAIN CITY, UTAH

(SEAL)

By:_____
Mayor

ATTEST:

By: _____
City Recorder

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2026 Bonds, Gilmore & Bell, P.C., Bond Counsel to the City, proposes to issue its approving opinion in substantially the following form:

Re: $[_____] Eagle Mountain City, Utah Water and Sewer Revenue Bonds, Series 2026

We have acted as bond counsel to Eagle Mountain City, Utah (the "Issuer") in connection with the issuance by the Issuer of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and other applicable provisions of law; (ii) resolutions of the Issuer adopted on February 17, 2026 and March 5, 2026; and (iii) a General Indenture of Trust dated as of July 1, 2007 (the "General Indenture"), as heretofore supplemented, and as further supplemented by a Seventh Supplemental Indenture of Trust dated as of November 1, 2026 (the "Seventh Supplemental Indenture" and together with the General Indenture, the "Indenture"), each by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Under the Indenture, the Issuer has pledged certain revenues (the "Net Revenues") for the payment of principal of, premium (if any), and interest on the Bonds when due.

Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Indenture.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the Indenture, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Issuer is a political subdivision and body politic duly organized and validly existing under the laws of the State of Utah (the "State"), with the power to execute the Indenture, perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer.

3. The Indenture creates a valid lien on the Net Revenues and other funds pledged by the Indenture for the security of the Bonds on a parity with other bonds, if any, issued or to be issued under the Indenture.

4. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Net Revenues and the other funds provided therefor in the Indenture. The Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory provision, limitation, or restriction.

5. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from State of Utah individual income taxes.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, except as may be set forth in our supplemental opinion of even date herewith, (b) the attachment, perfection, or priority of the lien on Revenues or other funds created by the Indenture, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,

APPENDIX F

PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds are to be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate is to be issued for each maturity of the Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by S&P Global Ratings. The DTC Rules applicable to its Direct Participants are on file with the Securities and Exchange Commission. Neither the City nor the Underwriters make any representation about such information. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which are to receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain

that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2026 Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct or Indirect Participants to Beneficial Owners are to be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC nor its nominee, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the City. Under such circumstances, in the event that a successor depository is not obtained, Series 2026 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

SPECIMEN

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500 (8/24)

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