

FISCAL YEAR ENDED JUNE 30, 2020

POPULAR ANNUAL FINANCIAL
REPORT

PAFR

FOR EAGLE MOUNTAIN CITY, UT



EAGLE
MOUNTAIN

- ▶ CITY PROFILE
- ▶ QUICK FACTS
- ▶ FINANCIAL HIGHLIGHTS
- ▶ GENERAL FUND REVENUES
- ▶ GENERAL FUND EXPENDITURES
- ▶ LOOKING FORWARD

SEE TABLE OF CONTENTS FOR FULL
LIST OF CONTENTS



PHOTO BY EAGLE MOUNTAIN RESIDENT TIFFANY PELTON



TABLE OF CONTENTS

Introduction.....	2
Vision, Mission, Objectives.....	3
Community Profile.....	4
Quick Facts.....	5
Operating Information.....	6
Community Statistics.....	7
Financial Highlights.....	8
Net Position.....	9
Governmental Funds.....	10
General Fund.....	12
Property Tax Summary.....	14
Proprietary Funds.....	15
FY 2020 Highlights.....	16
Looking Forward.....	17

INTRODUCTION

We are pleased to present Eagle Mountain City’s Fiscal Year 2020 Popular Annual Financial Report (PAFR). This report and the City’s Comprehensive Annual Financial Report (CAFR) report on the financial health of our organization. A PAFR is a summary of the information contained in the CAFR. Whereas the CAFR will have information regarding all City funds, the PAFR shows only selected funds and is not meant to replace the CAFR.

Although the numbers used in the PAFR come from an audited source, we have presented them in a condensed, easy to understand, non-GAAP format. GAAP reports deal with the presentation of segregated funds as well as full disclosure of all material financial and non-financial events in notes to the financial statements, while non-GAAP reports do not contain such notes. Citizens who wish to review audited GAAP basis financial statements can refer to Eagle Mountain City’s CAFR, which contains more detailed information and is available from the Finance Department or on the City’s website at emcity.org.

Eagle Mountain City has received the Government Finance Officers Association’s CAFR award, the “Certificate of Achievement in Financial Reporting” for each of the last ten fiscal years beginning with fiscal year 2010. The CAFR report shows the audited financial statements along with statistical trend data for the City.

This report is intended to be a synopsis of the CAFR, but it is also a glimpse on some of our primary achievements this year and our challenges for the future. It is based on audited financial documents and is a summary of our financial outcomes during the 2020 fiscal year (July 1, 2019 - June 30, 2020). We are pleased to present this report to help Eagle Mountain City residents better understand how the City operates financially.



VISION, MISSION, OBJECTIVES

VISION

Eagle Mountain City is committed to being Utah's most Dynamic and Desirable City.

MISSION

The mission of Eagle Mountain City is to provide quality services, facilities, and opportunities that create, sustain, and enhance a safe, livable, and dynamic community for its residents, businesses, and visitors.

CITY OBJECTIVES

1. Provide Quality Services
2. Improve Customer Service & Public Image
3. Provide Transparency & Accountability for City Funds
4. Promote Economic Development
5. Foster Community Involvement
6. Prioritize Safety for City Employees

COMMUNITY PROFILE

Eagle Mountain City is a community of about 45,000 residents. The City was incorporated in 1996 with only 250 residents. Eagle Mountain saw rapid growth during the early 2000's and has continued to see significant growth following the 2008 recession. A recent report published by the Utah Foundation projected that Eagle Mountain's population will expand to nearly 120,000 by the year 2050.

Eagle Mountain is situated west of Utah Lake in Utah County and is conveniently located near the population centers of Salt Lake City and Provo. At over 50 square miles, Eagle Mountain is one of the largest cities in the state geographically. The City is within 40 miles of three of Utah's largest universities—Brigham Young University, the University of Utah and Utah Valley University. The famous Pony Express Trail runs through the City and is the source of the name for the City's annual festival, Pony Express Days.

Eagle Mountain was recognized in 2013 as the youngest city in America by CNN Money and continues to maintain a very young population. Eagle Mountain is a safe community and provides its residents with many recreational opportunities. The City's master plan includes more than 50 miles of jogging, cycling and horse riding trails. It also is home to a large all-abilities regional park, mountain bike park, skate park, and an ATV trail system spanning more than 85 miles.



QUICK FACTS

City Info

Eagle Mountain Incorporated	December 3, 1996
Became a city	May 31, 2001
Total land area	50.41 square miles

Government

Form of Government	Strong Mayor
	Tom Westmoreland (2018 - 2022)
City Council	
	Melissa Clark (2018 - 2022)
	Carolyn Love (2020 - 2024)
	Colby Curtis (2020 - 2024)
	Jared Grey (2020 - 2024)
	Donna Burnham (2018 - 2022)

Demographics

Residents	45,700 est.
Race and Ethnicity	
White (Non-Hispanic)	84.9%
Hispanic and Latino	11.1%
Black & African American	0.5%
Asian	0.7%
Hawaiian & Other Pacific Islander	0.2%
American Indian and Alaska Native	0.1%
Gender	
Male	49.7%
Female	50.3%
Median Age	20.3
Median Household Income	\$77,935
Median Home Price	\$254,600
Home Ownership	86.8%
Persons per Household (Own)	4.25
Persons per Household (Own)	4.34

Education

High School Graduates	96.2%
Bachelor's Degree or Higher	33.0%

OPERATING INFORMATION

		Capital Asset Statistics				
		2016	2017	2018	2019	2019
Police*						
	Sworn Officers	16	16	16	18	19
Fire**						
	Fire Hydrants	1,116	1,123	1,284	1,424	1,574
Public Works***						
	Streets (miles)	152	154	164	187	199
	Sewer plant capacity (gallons)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
	Sanitary sewers (miles)†	84	95	96	115	121
Parks & Recreation						
	Developed parks (acres)	100	124	155	160	176
	Playgrounds	17	23	25	27	43
	Baseball/softball diamonds	7	7	7	7	7
	Soccer/football fields	5	5	5	6	6
Water†						
	Water pipe (miles)	125	137	148	170	183
	Total water storage (gallons)	6,600,000	9,000,000	9,000,000	9,700,000	13,200,000
		Operating Indicators				
Building		2016	2017	2018	2019	2019
	Permits issued	1,086	1,437	1,554	1,470	2,038
	Inspections conducted	6,382	8,000	10,813	9,963	12,539
Police*						
	Physical arrests	481	492	582	540	336
	Warrants served	154	86	55	53	24
	Traffic violations	2,148	1,420	1,142	2,212	2,682
	Officer initiated calls	-	-	6,597	6,701	6,651
	Citizen initiated calls	-	-	7,944	8,754	9,936
Streets						
	Snow removal (miles plowed)	11,522	10,981	3,491	8,763	11,188
	Crack seal (sq. ft.)	147	462,000	#####	232,407	0
	Asphalt Repairs (sq. ft.)~	75,782	365,731	284,060	150,819	180,162
Parks & Recreation						
	Youth sports registrations	2,448	1,011	1,074	1,250	1,265
	Total sports programs (youth/adult)	3/5	1/7	1/7	1/5	1/5
Water						
	New meters installed	446	657	763	830	1,284
	Water meters replaced	436	318	712	135	481
	Average daily pumped (gallons)	4,820,000	4,903,000	5,824,838	6,136,501	6,102,658
	Average daily consumption (gallons)	4,366,025	4,858,875	5,122,255	5,409,144	6,630,942

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

** 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.

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

† Efforts to significantly increase the use of GIS for data collection discovered a significant difference in data points related to water and sewer lines. GIS data will be used going forward.

~ 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.

COMMUNITY STATISTICS

Principal Employers

Alpine School District.....	890
Eagle Mountain City.....	145
E2 Optics, LLC.....	130
Suntec Concrete.....	130
Ridleys Family Markets.....	114
Moretenson Construction.....	80
Job Match, LLC.....	76
Western Partitions, Inc.....	65
Ranches Academy.....	49
Rockwell High School.....	40
Gotta Dance Performing Arts Studio.....	36

Principal Property Taxpayers

- Stadion LLC
- Patterson
- PacifiCorp
- AMH
- Pony Express Land Development
- Dominion Energy
- Rockcress Development Inc
- Ivory Homes LTD
- Direct Communications
- Porter Ranch Town Homes LLC



FINANCIAL HIGHLIGHTS

The following pages contain basic financial information for Eagle Mountain City's most recently completed fiscal year, but also historical data from the past five fiscal years. The PAFR will summarize financial information for the following:

Governmental Funds

- **General Fund:** The City's basic operating fund for many City operations
- **Special Revenue Funds:** Intended to report specific revenue sources that are limited to a specific purpose
- **Impact Fees:** These are fees collected from developers to help pay for the increased impact their developments will have on existing City infrastructure. These can be used to expand the capacity of City infrastructure such as roads or the sewer system.
- **Cemetery Fund:** This fund is used to account for the revenue and expenditures that are directly tied to the operation of the City's cemetery.
- **Debt Service:** Although most City debt is directly tied to the operation of a few of the City's utilities, the City does have several special assessment areas that operate to help pay for a specific project in an area of the City. The taxpayers in that area are assessed a fee to pay for those projects.
- **Capital Projects:** Any capital projects that have restricted funding attached to it is accounted for in this special fund.

Proprietary Funds

These funds are used to account for all City operations that are financed by revenues generated by the operations themselves. They are also referred to as Enterprise Funds or Business-like Funds, due to the fact that they operate more like a private business. The City has the following Proprietary Funds:

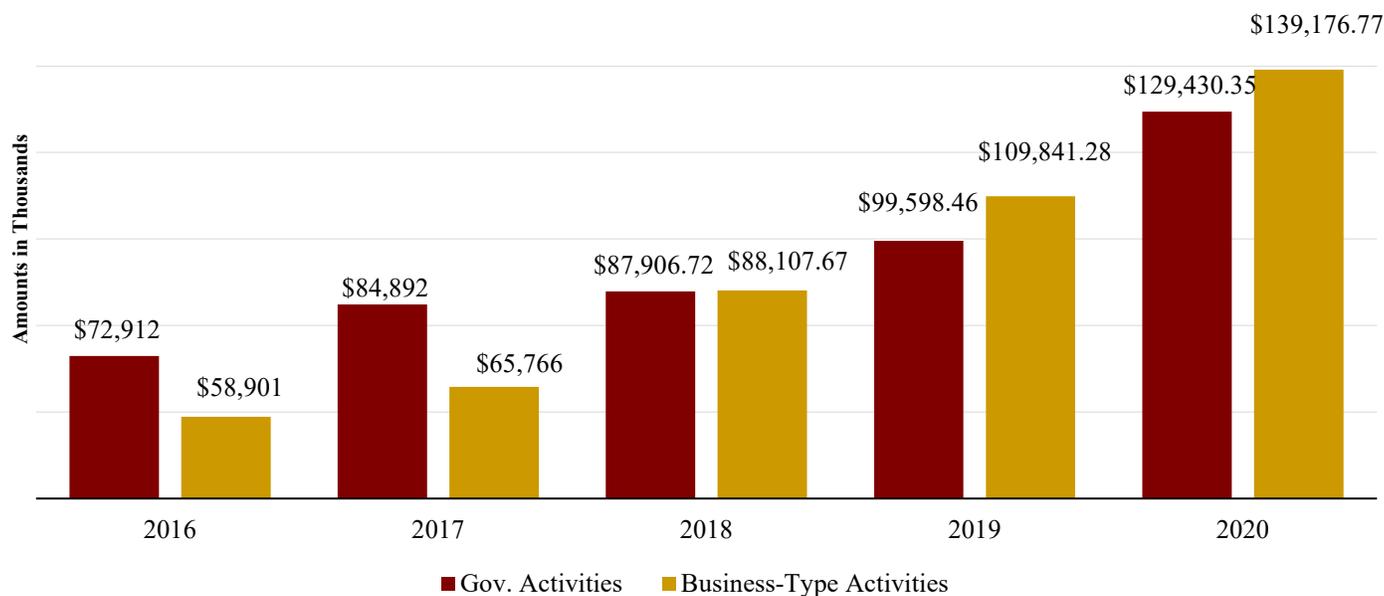
- **Water Fund:** The City's Water Utility provides culinary water services to all of Eagle Mountain City.
- **Sewer Fund:** The City's Sewer Utility operates and maintains the entire sewer system, including the pipes, lift stations and the 1.2 million gallon sewer treatment plant.
- **Electric Fund:** The City sold the Electric Utility to Rocky Mountain Power in March of 2015.
- **Gas Fund:** The City sold the Gas Utility to Questar Gas (now Dominion Energy) in March of 2015.
- **Solid Waste:** The City contracts with ACE Disposal for solid waste service, but collects the monthly fees on behalf of the company.
- **Storm Drain.** The City's Storm Drain Utility operates and maintains the entire storm drain system.

NET POSITION

A City’s net position is a good indicator of its long-term financial health. Net position is calculated by adding up all of the city’s assets (Cash, investments, land, buildings, infrastructure, etc.) and then subtracting out all of the city’s liabilities (Accounts payable, bond interest, etc.). Current assets and liabilities can be turned into cash within the year or are due within a year. Non-Current assets and liabilities either can’t be turned into cash easily or are not due within the year.

The two charts below show the net position for Eagle Mountain City in Fiscal Year’s 2019 and 2020 and then a historic look back for each year from 2016.

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Current and other assets	\$ 44,567,784	\$ 26,886,634	\$ 49,011,823	\$ 41,750,544	\$ 93,579,607	\$ 68,637,178
Capital Assets	108,408,054	89,908,085	120,904,812	98,488,814	229,312,866	188,396,899
Other Non-Current Assets	(1,380,744)	(1,169,137)	1,380,744	1,872,045		
Total Assets	151,595,094	115,625,582	171,297,379	142,111,403	322,892,473	257,736,985
DEFERRED OUTFLOWS	491,158	839,867	932,945	1,085,753	1,424,103	1,925,620
LIABILITIES						
Current Liabilities	16,380,929	12,522,186	11,560,587	10,663,821	27,941,516	23,186,007
Non-Current Liabilities	3,976,381	2,760,901	21,374,807	22,665,130	25,351,188	25,426,031
Total Liabilities	20,357,310	15,283,087	32,935,394	33,328,950	53,292,704	48,612,037
DEFERRED INFLOWS	2,298,597	2,066,277	118,165	187,402	2,416,762	2,253,679
NET POSITION						
Net Investment in Capital Assets	105,517,474	88,966,275	101,889,316	78,428,437	207,406,790	167,394,712
Restricted	5,629,857	2,712,487	20,270,583	12,311,560	25,900,440	15,024,047
Unrestricted	18,283,015	7,919,700	17,016,866	19,101,283	35,299,881	27,020,983
Total Net Position	\$ 129,430,346	\$ 99,598,462	\$ 139,176,765	\$ 109,841,280	\$ 268,607,111	\$ 209,439,742

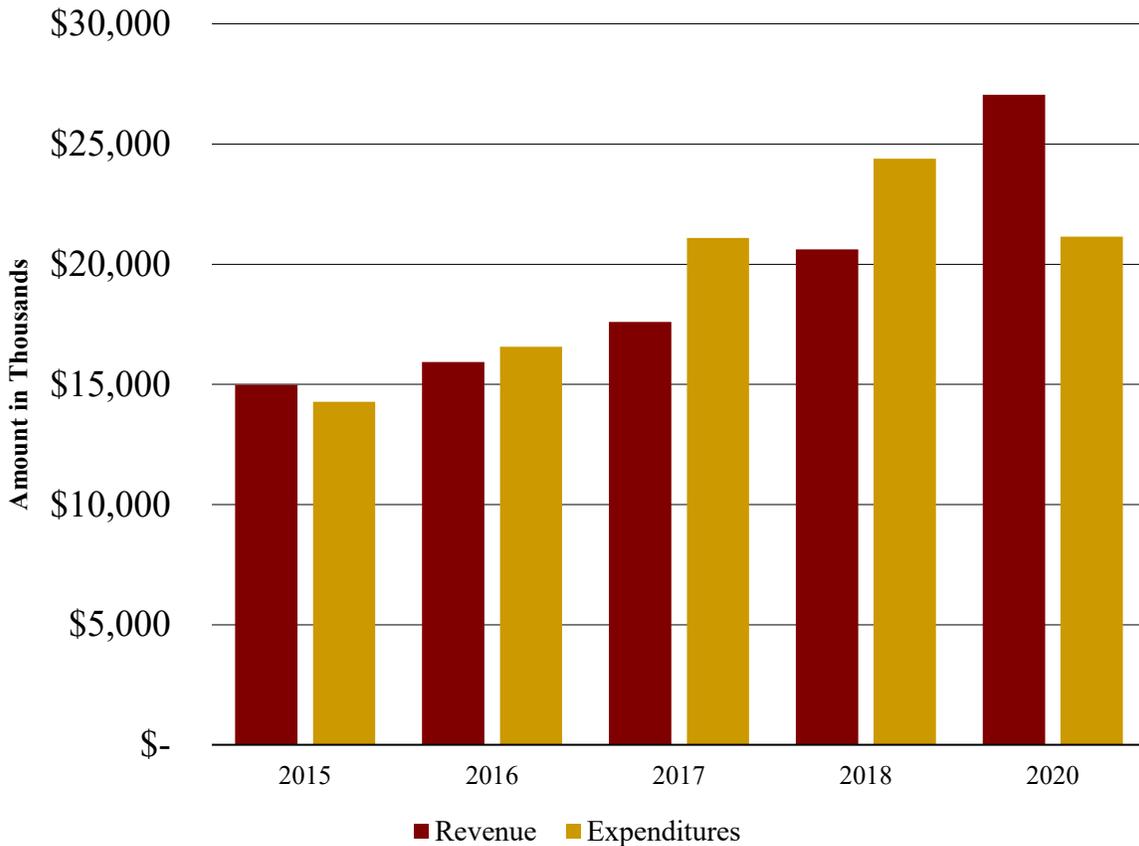


GOVERNMENTAL FUNDS

Governmental Funds are those funds that are used for the general government operations. For Eagle Mountain City, the largest of these funds is the General Fund (discussed in greater detail later). Other Governmental Funds include the Special Revenue Funds, Capital Projects and some Debt Service Funds.

The following table shows the Fiscal Year 2020 revenues and expenditures for the Governmental Funds, followed by the five year history for revenues and expenditures.

	General Fund	General Fund Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues	\$ 19,831,001	\$ 1,461,692	\$ 5,754,328	\$ 27,047,021
Expenditures	13,671,357	5,015,935	2,456,717	21,144,009
Excess revenue over (under) expenditures	\$ 6,159,644	\$ (3,554,243)	\$ 3,297,611	\$ 5,903,012



Information gathered from the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental funds on page 25 of CAFR. Excludes "Other Financing Sources."

GOVERNMENTAL FUNDS

The following table demonstrates the total revenue and expenditures for all Governmental Funds for the past five fiscal years.

This table shows the additional financing sources that have occurred during the previous year. These sources are not directly tied to the operation of the Governmental Funds, which is why they are accounted for separately. These include: Transfers in or out, contributions, and bond proceeds.

REVENUES	2016	2017	2018	2019	2020
Taxes	\$ 5,060,489	\$ 5,734,815	\$ 6,344,105	\$ 7,258,837	\$ 9,073,784
Special Assessments	1,922,459	307,641	258,551	225,728	170,868
Licenses & Permits	2,214,940	2,895,474	3,454,239	4,745,362	5,939,075
Intergovernmental	948,648	1,336,283	1,520,620	1,479,142	2,217,260
Charges for Services	2,039,483	1,686,659	1,304,991	1,347,173	1,476,898
Contributions	-	-	-	-	1,316,880
Impact Fees	2,024,613	3,308,604	3,402,318	3,250,639	5,356,167
Miscellaneous	767,731	666,876	1,310,833	2,304,165	1,496,089
Total	\$ 14,978,363	\$ 15,936,352	\$ 17,595,657	\$ 20,611,046	\$ 27,047,021

EXPENDITURES

Current:

General Government	3,222,850	3,027,034	3,294,126	3,421,616	3,455,632
Public Safety	2,286,418	2,332,378	2,550,530	2,688,014	3,024,814
Public Works	2,880,937	4,799,868	5,087,135	6,683,232	6,732,075
Planning & Zoning	415,180	487,486	492,349	469,353	447,889
Community Development	1,245,069	1,217,788	2,122,126	2,026,336	2,199,085

Debt Service:

Principal Retirement	1,817,000	180,000	155,000	140,000	220,000
Bond Issuance Costs	-	-	-	-	-
Interest & Fiscal Charges	180,379	70,618	64,152	54,588	49,238

Capital Outlay

	2,223,822	4,444,671	6,597,297	8,906,776	5,015,276
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Total	\$ 14,271,655	\$ 16,559,843	\$ 20,362,715	\$ 24,389,915	\$ 21,144,009
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Excess revenues over

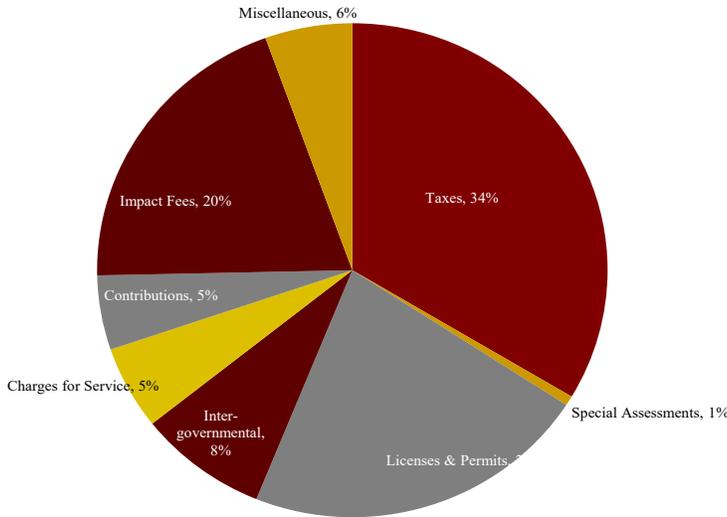
(under) expenditures	\$ 706,708	\$ (623,491)	\$ (2,767,058)	\$ (3,778,869)	\$ 5,903,012
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OTHER FINANCING SOURCES

Proceeds from Asset Disposals					2000000
Transfers In	1,802,835	6,527,733	6,091,881	6,050,244	12,578,357
Transfers Out	(1,722,651)	(3,843,012)	(2,983,780)	(4,654,862)	(6,185,461)
Total	\$ 80,184	\$ 2,684,721	\$ 3,108,101	\$ 4,009,643	\$ 8,392,896
Net Change in Fund Balance	786,892	2,061,230	341,043	230,774	14,295,908
Fund Balance - Beg of Year	5,062,835	5,849,729	7,726,666	8,067,709	8,298,484
Restatement of net position (see Note 17)		-184,293			
Fund Balance - End of Year	\$ 5,849,727	\$ 7,910,959	\$ 8,067,709	\$ 8,298,483	\$ 22,594,392

GENERAL FUND REVENUES

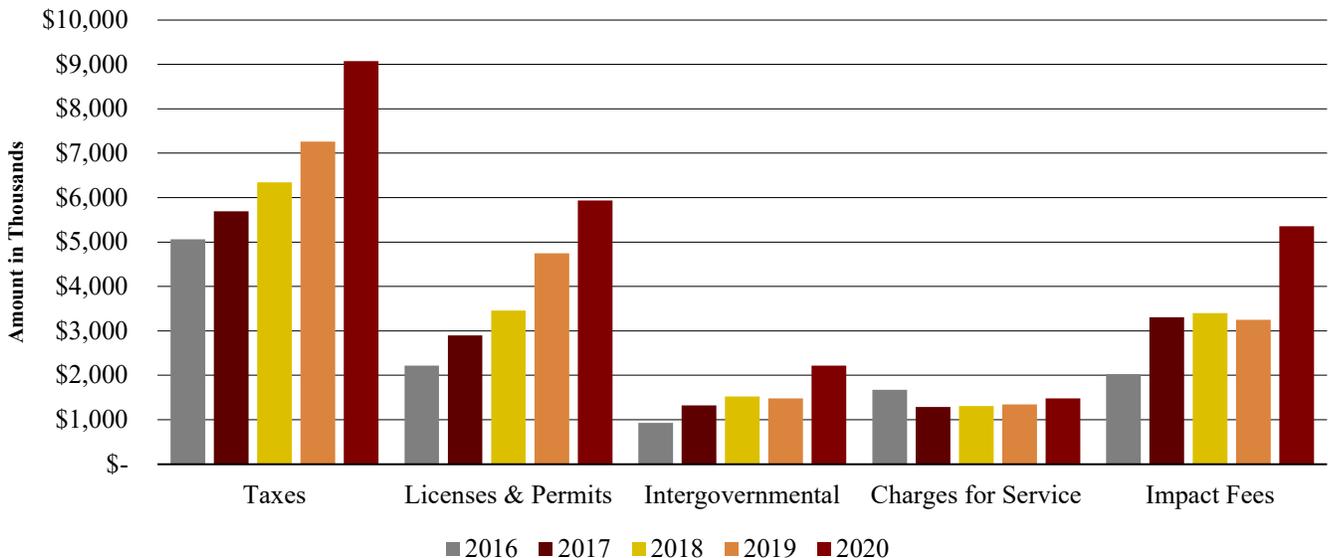
The main revenue sources for the General Fund are the property, sales, and franchise taxes collected from residents and businesses. Other sources of revenue include the fees charged for building a home or an entire subdivision, funds from other government sources, charges for sports participation, and more. Most City revenue sources saw an increase from Fiscal Year 2019, which is a result of increased growth, a recovering economy, with a minor dip in demand for special ser-



Taxes	9,073,784
Special Assessments	170,868
Licenses & Permits	5,939,075
Intergovernmental	2,217,260
Charges for Service	1,476,898
Contributions	1,316,880
Impact Fees	5,356,167
Miscellaneous	1,496,089
Total	27,047,021

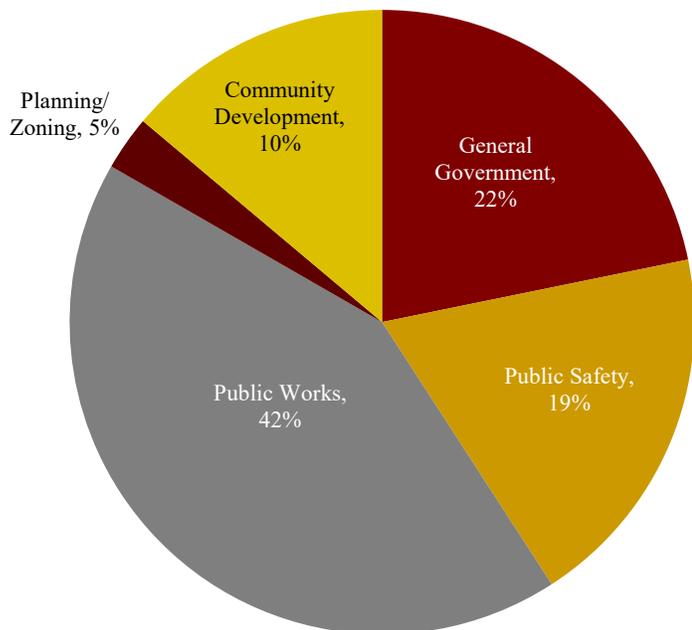
Information gathered from the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental funds on page 25 of CAFR. Excludes "Other Financing Sources."

General Fund revenues saw a 31% growth since FY 2019, which largely came from new growth. This shows that the City is growing and is in a strong financial position, while maintaining a low burden to residents.



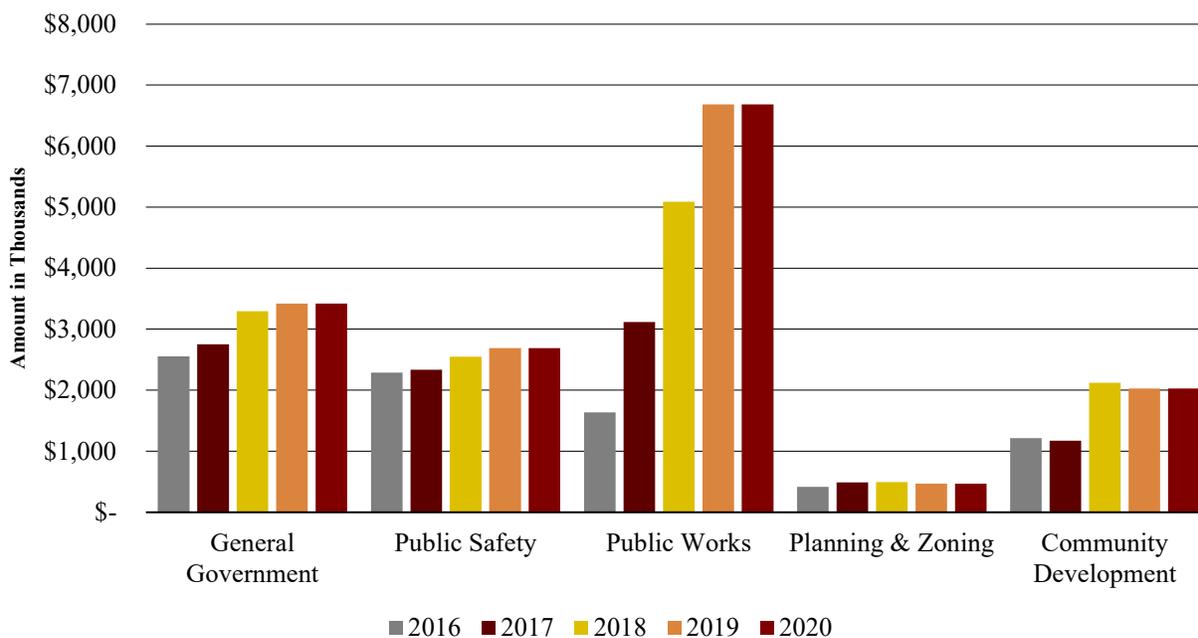
GENERAL FUND EXPENDITURES

The City's General Fund provides many of the basic services that residents enjoy. A large portion is devoted to general government operations such as the Administration, Planning, and Finance Departments or the Recorder's Office. Public safety services provided by a contract with the Utah County Sheriff's Office takes up the next largest portion. Other services provided by the General Fund include road maintenance, snow plowing, parks and recreation, and more.



General Government	3,455,632
Public Safety	3,024,814
Public Works	6,732,075
Planning/Zoning	447,889
Community Development	2,199,085
Total	15,859,495

General Fund expenditures saw a 4% growth since FY 2019. This is largely due to increased Public Safety costs and Capital Outlays.



PROPERTY TAX SUMMARY

Eagle Mountain City receives a portion of the property taxes collected on all real property located within the City. Those dollars support critical government functions such as public safety and road maintenance, and other services such as parks and recreation, the library, and more.

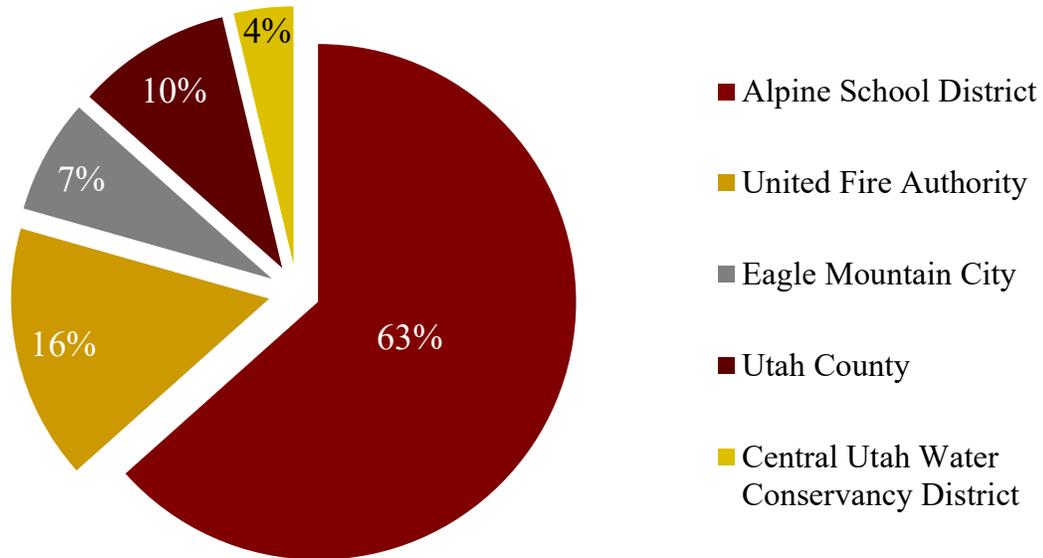
This chart shows what an Eagle Mountain City household would pay in property tax on a \$240,000 home.

The average household pays \$101.51 per year to the City in property tax, which is only 28 cents a day. For that 28 cents a day, residents get police services, safe roads, parks, sports and recreation programs, planning services, and much more.

\$ 240,000 Appraised value
 \$ 132,000 Taxable value

Alpine School District	\$	897.60
United Fire Authority	\$	226.38
Eagle Mountain City	\$	101.51
Utah County	\$	137.41
Central Utah Water Conservancy District	\$	52.80
Total Property Tax Bill	\$	<u>1,415.70</u>

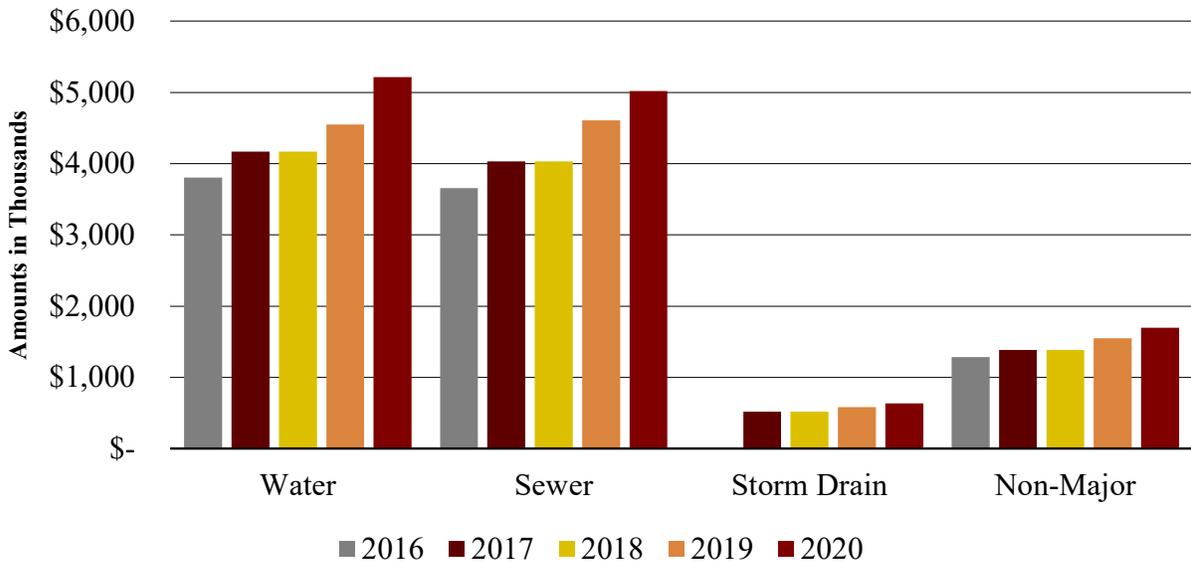
What can you get for 28 cents a day?



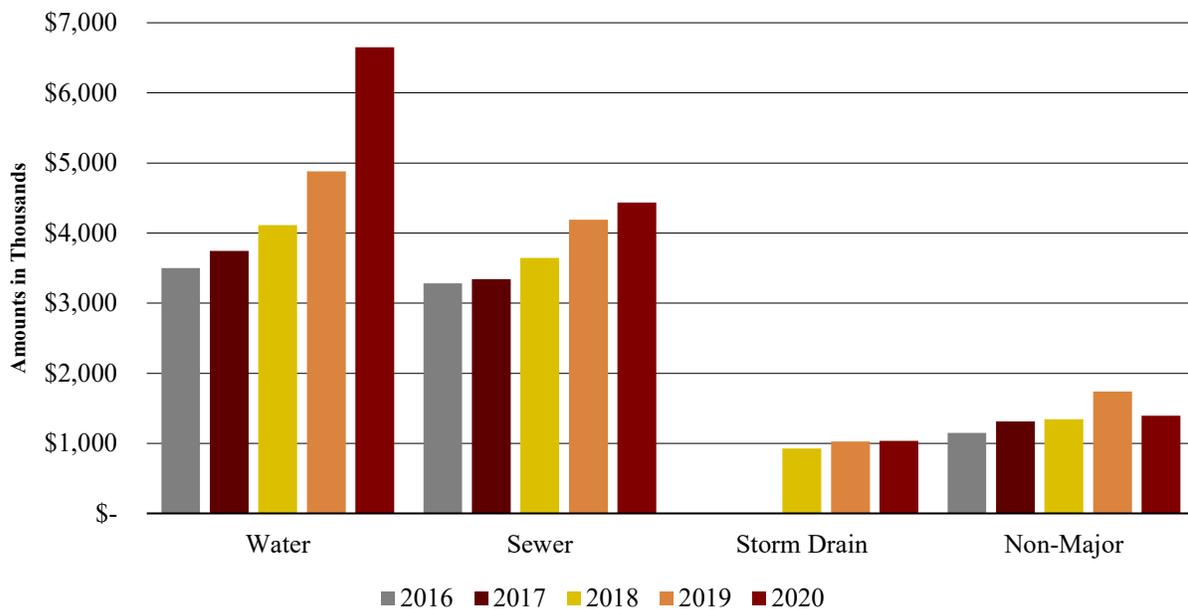
PROPRIETARY FUNDS

The City's Proprietary Funds provide a variety of municipal services to the residents. Currently, the City operates Water, Sewer, and Storm Drain Utilities. In March of 2015, the City sold its Gas and Electric Utilities, which it no longer operates, but are still reported in the CAFR and this report. In addition to the four major Proprietary Funds, the City also operates one "non-major" Proprietary Fund:

Five Year Proprietary Funds Operating Revenues



Five Year Proprietary Funds Operating Expenditures



Information gathered from the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Proprietary funds on page 28 of CAFR. Excludes "Non-operating Revenue (expense) and other financing sources.

FY 2020 HIGHLIGHTS

During the 2019-2020 fiscal year, Eagle Mountain City saw increased economic growth, increased building, and high-quality services provided to the residents of the City. Among the accomplishments and highlights for the City were the following:

- Processed a record-breaking 2,038 new building permits, a significant increase of 568 over FY2019. Of those, 1290 are residential construction.
- Overcame a challenging fire season with the largest number of wildland fires in recent history and an overall increase of 300 calls.
- Human Resources implemented a new Payroll/HR system including an Employee Portal for enhances employee support.
- Several new businesses opened or announced including the City's second grocery store and a major retail center.
- Construction began for the new Silverlake Woodhaven Community Park and phase 2 of Cory Wride Memorial Park.
- Added 950 square feet of meeting space to Library and remodelled Utility Billing area of City Hall to accomodate more office space.
- City withstood significant impacts of the COVID-19 pandemic through creative problem solving including:
 - Using several methods of communication to keep residents informed.
 - Conducting all public meetings electronically.
 - Turning vehicles into mobile offices.
 - Partnered with Facebook and the Chamber of Commerce to award \$200,000 in grants to small businesses.

LOOKING FORWARD

As we close the books on Fiscal Year 2020, Eagle Mountain City is looking forward to the future and the opportunities and challenges each new year brings. Included in Eagle Mountain City's 5-Year Plan for the future are four main categories: Transportation, Commercial Development, Parks & Trails, and Employee Recruitment. As we look to Fiscal Year 2021, each of these four areas will play a large role in how the City operates. The City is seeking opportunities to increase the inventory and diversity of its parks and trails systems, including additional investment into Cory B. Wride Memorial Park. A number of commercial and industrial locations have either already opened for business, or will open, bringing jobs and increased economic activity to Eagle Mountain City.

Past financial decisions, including the decision to sell the City's gas and electric utilities, have placed the City in a strong financial position. The City is looking to take advantage of this position to improve City services and expand our capacity to provide our residents with the best facilities and services possible.

Eagle Mountain is experiencing levels of growth not seen since the Great Recession, and is preparing for much more growth. This will stretch the City's infrastructure and staff, but the City is planning and preparing to deal with this increase.

The City has positioned itself well to enjoy the benefits of future expansion, especially in residential and commercial development, and will continue to seek to become the most dynamic and desirable city.





EAGLE
M O U N T A I N

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EAGLE MOUNTAIN CITY
POPULAR ANNUAL FINANCIAL REPORT
FY ENDED JUNE 30, 2020



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