

EAGLE
MOUNTAIN



FISCAL YEAR
ENDED JUNE 30

2015

PAFR

POPULAR ANNUAL
FINANCIAL REPORT
FOR
EAGLE MOUNTAIN CITY
UTAH



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Introduction

We are pleased to present Eagle Mountain City's Fiscal Year 2015 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 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 five 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 2015 fiscal year (July 1, 2014 - June 30, 2015). 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 30,000 residents. The City was incorporated in 1996 with only 250 residents. Eagle Mountain saw rapid growth during the early 2000's and is beginning to see growth increase again after 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. Eagle Mountain is a safe community and provides its residents with many recreational opportunities. The City's master plan includes more than 30 miles of jogging, cycling and horse riding trails. It also is home to a mountain bike park, skate park, and an ATV trail system.

We invite you to “Find yourself in Eagle Mountain.”



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
	Christopher Pengra (2014 - 2018)
City Council	
	Adam Bradley (2014 - 2018)
	Donna Burnham (2012 - 2016)
	Ryan Ireland (2012 - 2016)
	Richard Steinkopf (2012 - 2016)
	Tom Westmoreland (2014 - 2018)

Demographics

Residents	29,003
Race and Ethnicity	
White (Non-Hispanic)	86.8%
Hispanic and Latino	8.6%
Black & African American	0.6%
Asian	0.6%
Hawaiian & Other Pacific Islander	0.6%
American Indian and Alaska Native	0.5%
Gender	
Male	50.5%
Female	49.5%
Median Age	20.3
Median Household Income	\$68,408
Median Home Price	\$189,800
Home Ownership	87.1%
Persons per Household	4.18

Education

High School Graduates	94.8%
Bachelor's Degree or Higher	31.2%
Located in Alpine School District	

Operating Information

		Capital Asset Statistics				
		2011	2012	2013	2014	2015
Police*						
	Patrol Units	15	15	15	15	16
Fire**						
	Fire Hydrants	918	918	958	957	998
	Fire Stations	2	2			
Public Works***						
	Streets (miles)	142	133	134	138	138
	Gas mains (miles)	114	116	128	137	
	Sewer plant capacity (gallons)	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
	Sanitary sewers (miles)	72	72	73	85	89
Parks & Recreation						
	Developed parks (acres)	66	76	79	88	90
	Playgrounds	12	15	15	15	15
	Baseball/softball diamonds	7	7	7	7	7
	Soccer/football fields	4	4	5	5	5
Water						
	Water pipe (miles)	141	141	142	152	157
	Total water storage (gallons)	6,600,000	6,600,000	6,600,000	6,600,000	6,600,000
		Performance Metrics				
		2011	2012	2013	2014	2015
Building						
	Permits issued	259	280	459	559	674
	Inspections conducted	1,698	1,850	2,864	4,155	4,958
Police*						
	Physical arrests	454	384	416	353	498
	Warrants served	66	58	48	39	86
	Traffic violations	1,565	2,062	1,399	1,500	1,821
Fire**						
	Emergency responses	693	694	766	672	831
	Inspections	110	155	150	148	142
Streets						
	Snow removal (miles plowed)	12,185	5,339	10,574	5,896	1,394
	Crack seal (staff hours)	513	1,280	480	720	305
	Asphalt Repairs (sq. ft.)	130,786	10,308	21,768	58,313	88,454
Parks & Recreation						
	Youth sports registrations	2,301	2,747	2,704	3,379	3,402
	Total sports programs (youth/adult)	3/1	3/1	3/5	4/5	4/5
Water						
	New meters installed	147	137	228	354	490
	Water meters replaced	169	169	239	156	646
	Average daily pumped (gallons)	3,785,400	4,272,384	4,142,638	4,285,000	4,036,302
	Average daily consumption (gallons)	4,013,088	3,732,753	4,332,255	4,076,000	3,030,318

* 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

Community Statistics

Principal Employers

Alpine School District.....	415
Eagle Mountain City.....	103
Ridley's Family Market.....	73
Job Match.....	55
Ranches Academy.....	48
Rockwell High School.....	35
Ranches Golf Course.....	30
TM Crushing LLC.....	19
Direct Communications.....	19
Village Pizza.....	19
Maverick	13

Principal Property Taxpayers

Kern River Gas Transmission Company
PacifiCorp
Direct Communications
Two A LLC
Vestin Mortgage Inc
Star West Eagle Mountain Property
Marsh Woodruff LC
Ceder Development Partners LLC
Verizon Wireless



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:

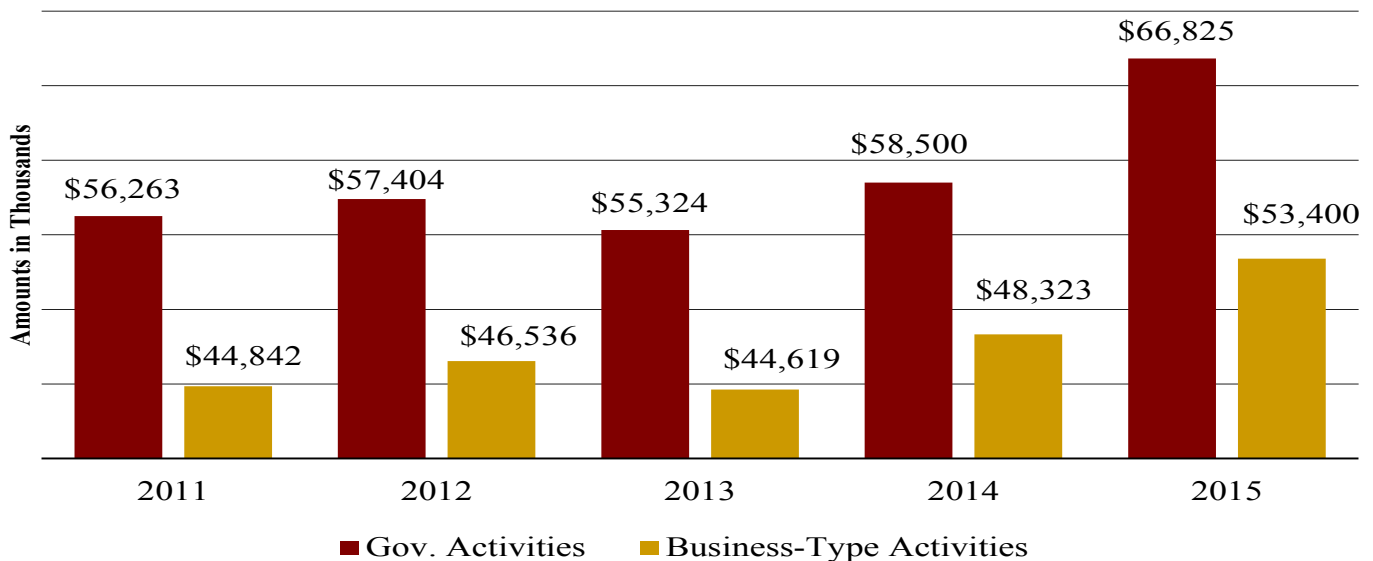
- Water Fund: The City's Water Utility provides culinary water services to all of Eagle Mountain City.
- Sewer Fund: The City's Sewer Utility operates and maintains the entire sewer system, including the pipes, lift stations and the 1.2 million gallon sewer treatment plant.
- Electric Fund: The City operated a municipal power company, providing power to all residential and commercial customers. The City sold the Electric Utility to Rocky Mountain Power in March of 2015.
- Gas Fund: The City operated a municipal natural gas company, providing this service to all residential and commercial customers. The City sold the Gas Utility to Questar 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.
- Business Incubator: The City operates a business incubator, providing office space for local businesses. This is funded from proceeds of the sale of the golf course.
- Golf Course: Although the City no longer owns the golf course, minor revenues are still received from it due to the lease a cell tower on the property.

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 2014 and 2015 and then a historic look back for each year from 2011.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current Assets	\$ 10,092,405	\$ 13,133,876	\$ 19,338,295	\$ 16,509,412	\$ 29,430,700	\$ 29,643,288
Capital Assets	62,617,003	52,545,617	58,283,939	82,530,386	120,900,942	135,076,003
Other Non-Current Assets	(349,705)	11,777	902,445	705,186	552,740	716,963
Total Assets	72,359,703	65,691,270	78,524,679	99,744,984	150,884,382	165,436,254
DEFERRED OUTFLOWS						
	250,827	-	1,194,225	1,867,161	1,445,052	1,867,161
LIABILITIES						
Current Liabilities	1,656,976	1,479,003	738,030	2,264,611	2,395,006	3,743,614
Non-Current Liabilities	4,991,864	4,824,012	25,546,076	51,024,118	30,537,940	55,848,130
Total Liabilities	6,648,840	6,303,015	26,284,106	53,288,729	32,932,946	59,591,744
DEFERRED INFLOWS						
	1,137,080	888,409	34,625	-	1,171,705	888,409
NET POSITION						
Net Investment in Capital Assets	59,048,455	47,939,072	32,767,922	32,487,480	91,816,377	80,426,552
Restricted	1,081,833	668,962	1,239,952	2,712,824	2,321,785	3,381,786
Unrestricted	6,694,321	9,891,812	19,392,299	13,123,112	26,086,621	23,014,924
Total Net Position	\$ 66,824,609	\$ 58,499,846	\$ 53,400,173	\$ 48,323,416	\$ 120,224,783	\$ 106,823,262



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 2015 revenues and expenditures for the Governmental Funds, followed by the five year history for revenues and expenditures.

	General Fund	Debt Service 2000-1	Non-Major Governmental Funds	Total Governmental Funds
Revenues	\$ 8,651,304	\$ 511,593	\$ 1,873,925	\$ 11,036,822
Expenditures	7,640,277	871,612	3,985,587	12,497,476
Excess revenue over (under) expenditures	\$ 1,011,027	\$ (360,019)	\$ (2,111,662)	\$ (1,460,654)



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.

The table also shows the fund balance for these funds, which is the “rainy-day” money we have.

REVENUES	2011	2012	2013	2014	2015
Taxes	\$ 3,725,354	\$ 3,983,273	\$ 4,260,060	\$ 4,128,574	\$ 4,438,660
Special Assessments	833,525	650,680	398,497	867,149	422,258
Licenses & Permits	582,467	705,536	1,124,774	1,552,860	1,662,088
Intergovernmental	1,470,391	1,148,673	1,047,984	778,765	821,777
Charges for Services	3,221,891	3,361,767	3,428,521	1,882,121	1,855,281
Impact Fees	372,702	434,374	877,598	1,495,226	1,523,058
Miscellaneous	549,381	138,951	158,836	120,980	313,700
Total	\$ 10,755,711	\$ 10,423,254	\$ 11,296,270	\$ 10,825,675	\$ 11,036,822

EXPENDITURES

Current:

General Government	3,030,497	3,001,105	3,109,776	2,703,466	2,617,687
Public Safety	3,312,336	3,246,420	2,806,751	2,065,929	2,367,014
Public Works	1,452,650	1,249,543	1,863,423	3,412,266	3,136,684
Planning & Zoning	270,376	432,894	348,991	317,400	386,939
Community Development	1,423,667	1,037,651	1,266,531	1,027,595	1,106,656

Debt Service:

Principal Retirement	1,133,000	1,092,000	854,000	3,651,000	940,000
Bond Issuance Costs	-	-	-	123,286	-
Interest & Fiscal Charges	511,161	416,682	313,772	226,440	277,744

Capital Outlay

	1,363,216	476,999	144,662	375,859	1,664,752
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Total	\$ 12,496,903	\$ 10,953,294	\$ 10,707,906	\$ 13,903,241	\$ 12,497,476
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Excess revenues over

(under) expenditures	\$ (1,741,192)	\$ (530,040)	\$ 588,364	\$ (3,077,566)	\$ (1,460,654)
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OTHER FINANCING SOURCES

Proceeds from Asset Disposals	-	-	-	-	497,516
Loss on Grant Noncompliance	-	-	-	-	(412,000)
Contributions	-	-	30,000	-	-
Bond Proceeds	-	-	-	4,616,245	-
Transfers In	478,504	400,426	608,584	660,676	2,154,692
Transfers Out	(478,504)	(400,426)	(608,584)	(628,620)	(2,081,434)

Total	\$ -	\$ -	\$ 30,000	\$ 4,648,301	\$ 158,774
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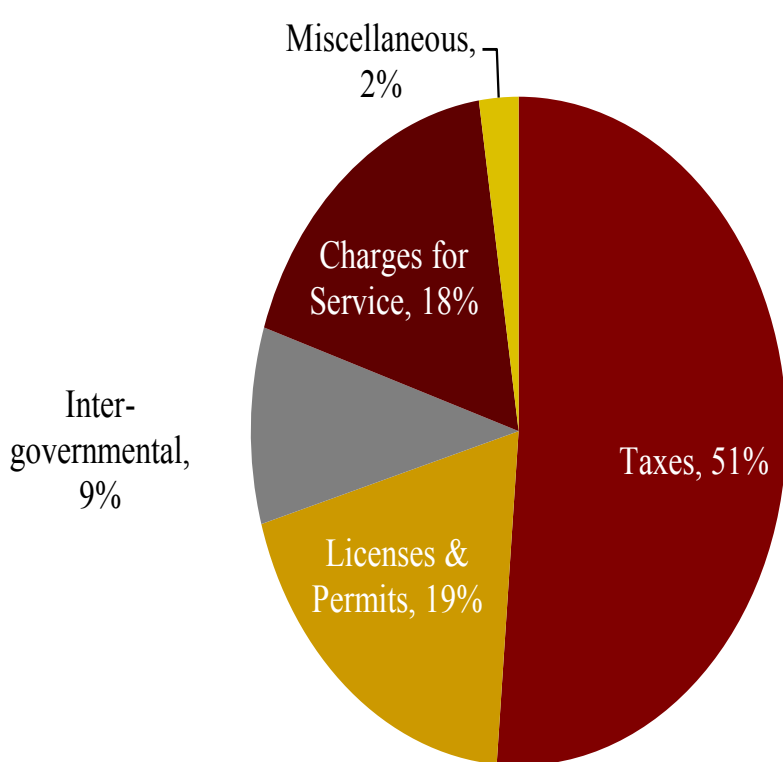
Net Change in Fund Balance	(1,741,192)	(530,040)	618,364	1,570,735	(1,301,880)
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Fund Balance - Beg of Year	6,446,876	4,705,684	4,175,644	4,793,983	6,364,718
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Fund Balance - End of Year	\$ 4,705,684	\$ 4,175,644	\$ 4,793,983	\$ 6,364,718	\$ 5,062,838
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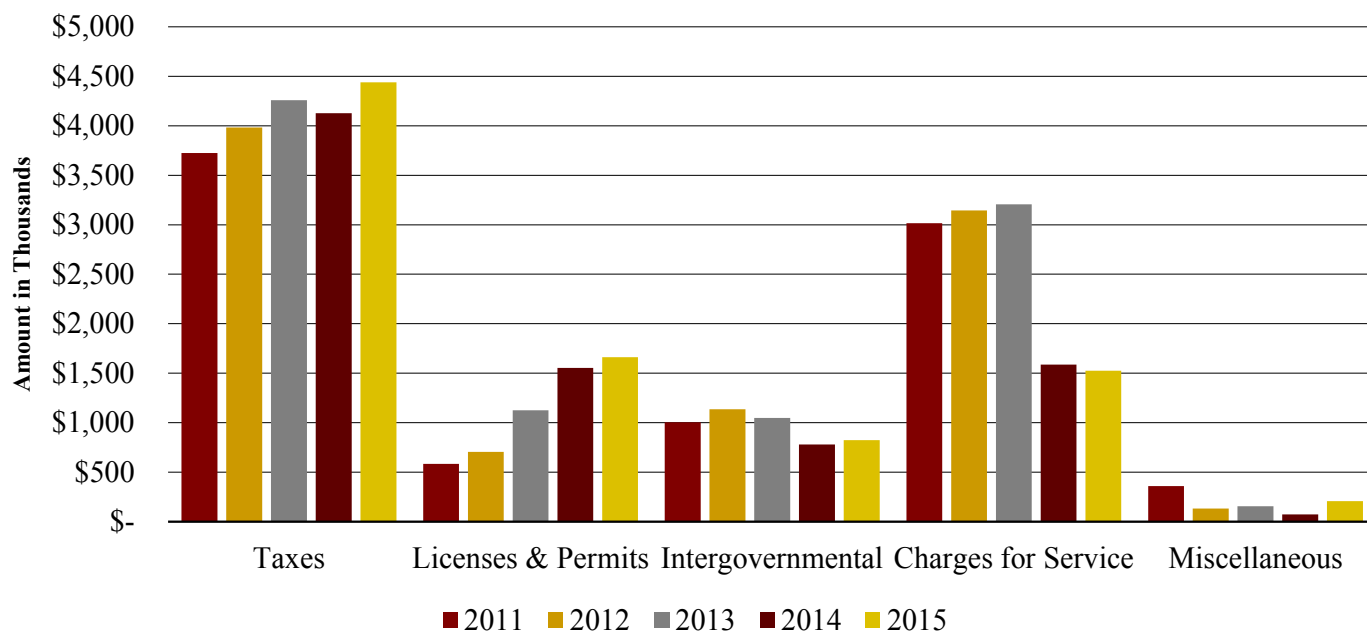
General Fund Revenues

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. Nearly all City revenue sources saw an increase from Fiscal Year 2014, which is a result of increased growth, a recovering economy, with a minor dip in demand for special services.



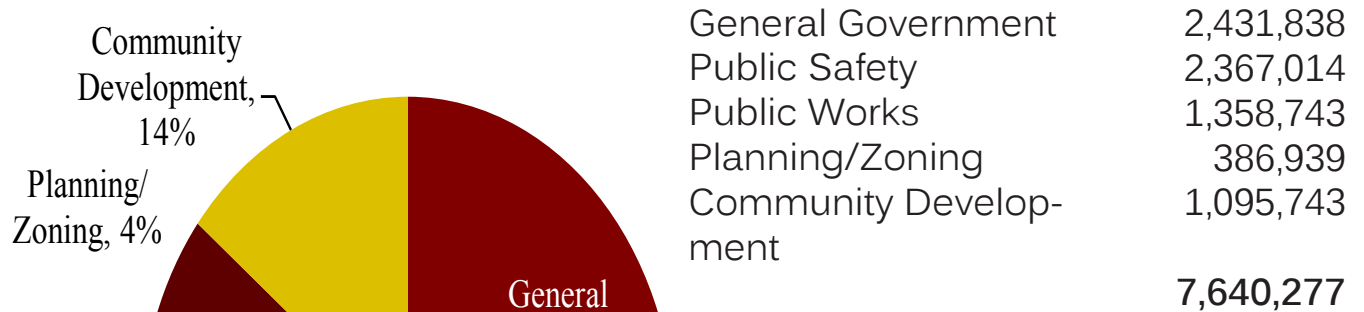
Taxes	4,438,660
Licenses & Permits	1,662,088
Intergovernmental	821,777
Charges for Service	1,523,402
Miscellaneous	205,377
Total	8,651,304

General Fund revenues saw a 7% growth since 2014, 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.

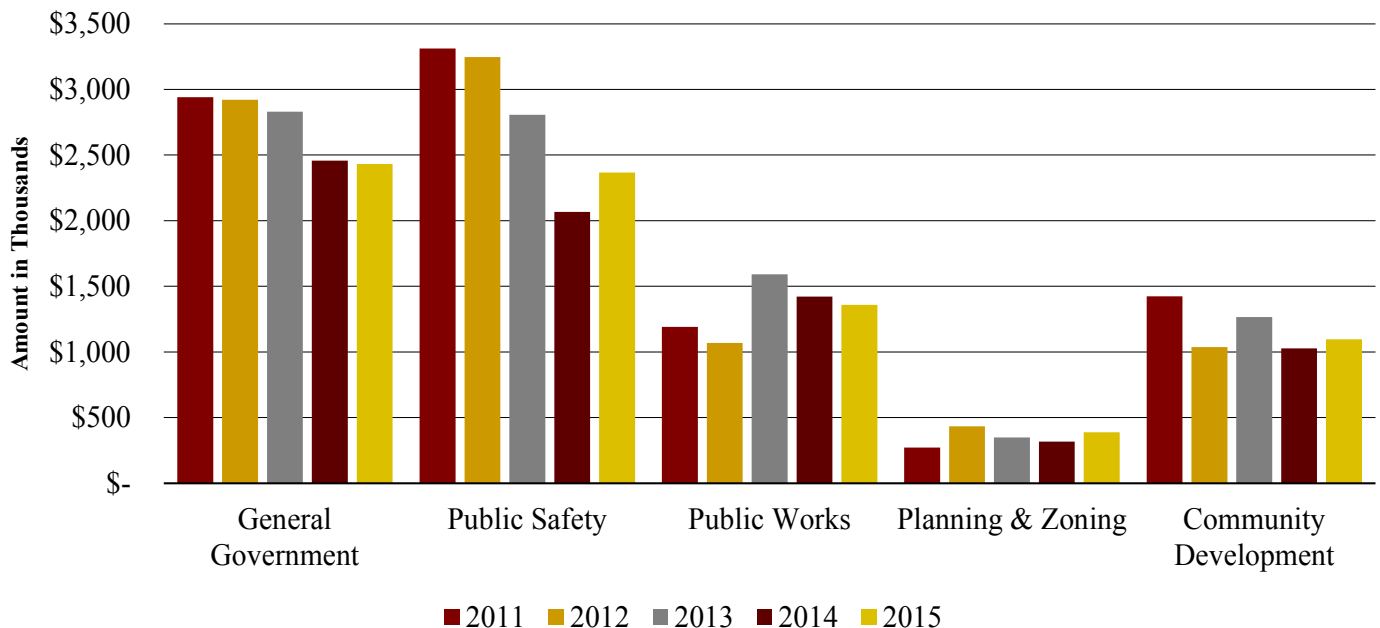


General Fund Expenditures

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 Fund expenditures saw a 5% growth since 2014. This is largely due to increased Public Safety costs and increases in costs associated with Community Development and Planning/Zoning.



Property Tax Summary

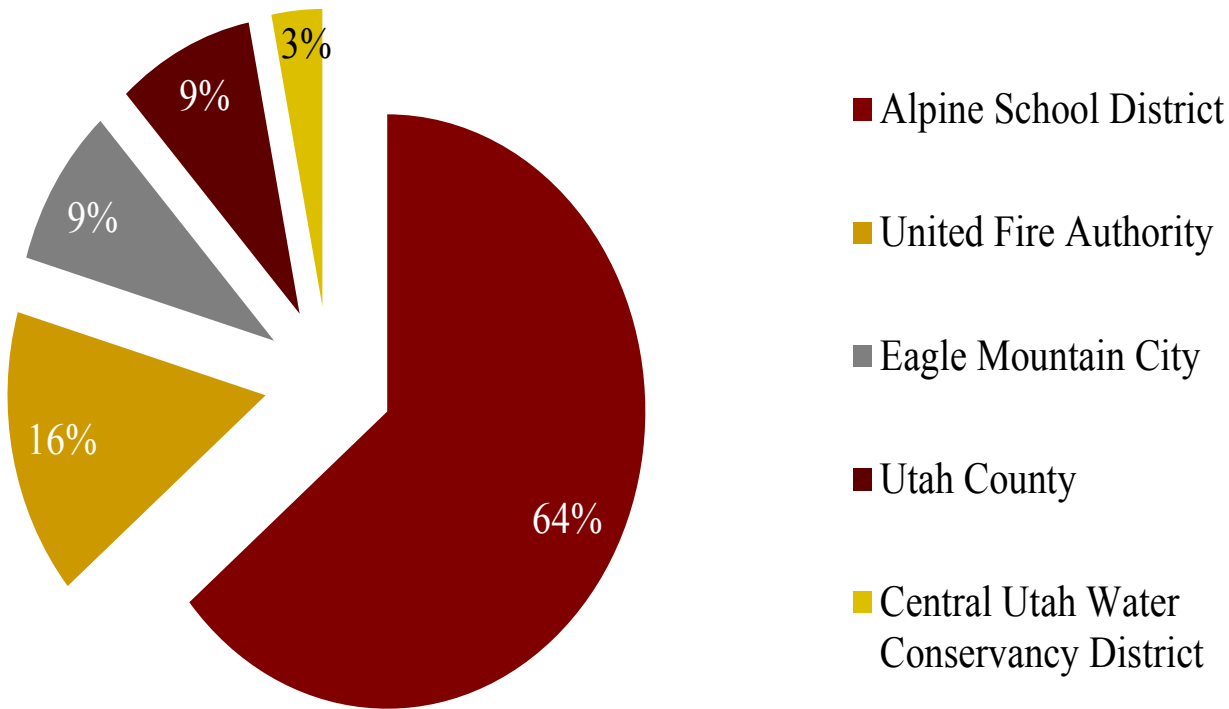
Eagle Mountain City receives a portion of the property taxes collected on all real property located within the City. Those dollars support critical government functions such as public safety and road maintenance, and other services such as parks and recreation, the library, and more.

This chart shows what an Eagle Mountain City resident would pay in property tax on a \$200,000 home.

The average resident pays \$122.98 per year to the City in property tax, which is only 34 cents a day. For that 34 cents a day, residents get police services, safe roads, parks, sports and recreation programs, planning services, and much more.

What can you get for 34 cents a day?

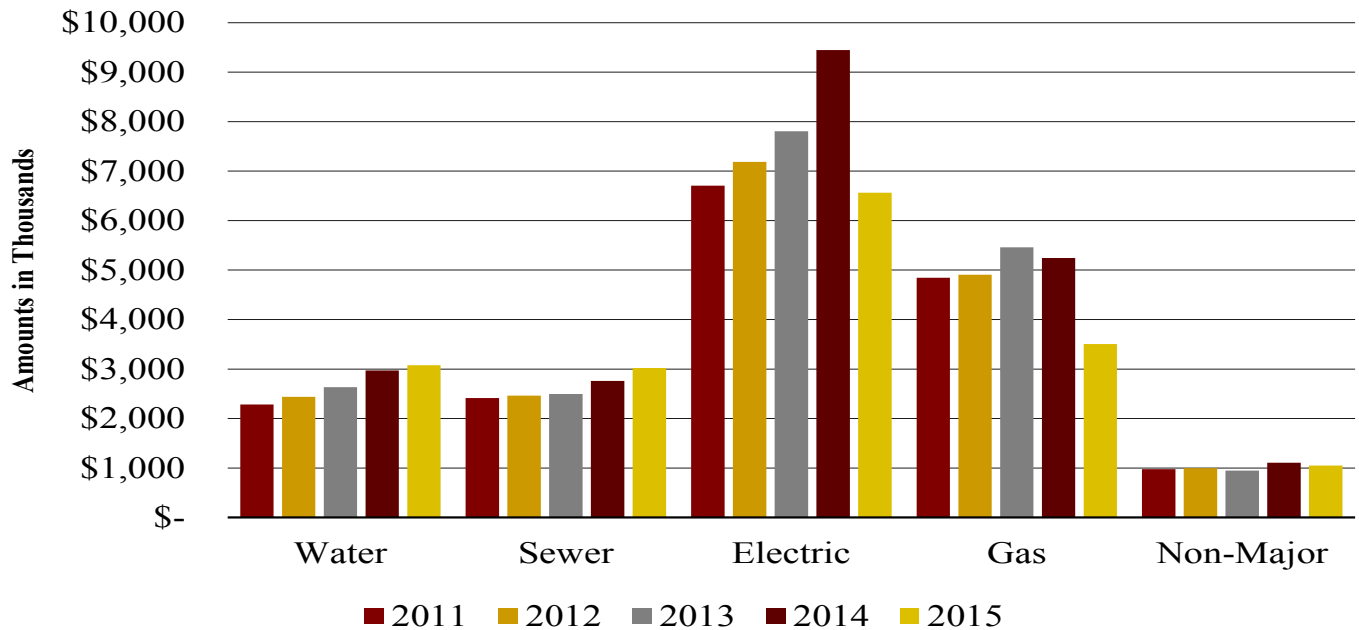
	\$ 200,000	Appraised value
	\$ 110,000	Taxable value
Alpine School District	\$ 899.47	
United Fire Authority	219.67	
Eagle Mountain City	122.98	
Utah County	120.78	
Central Utah Water Conservancy District	44.55	
Total Property Tax Bill	\$ 1,407.45	



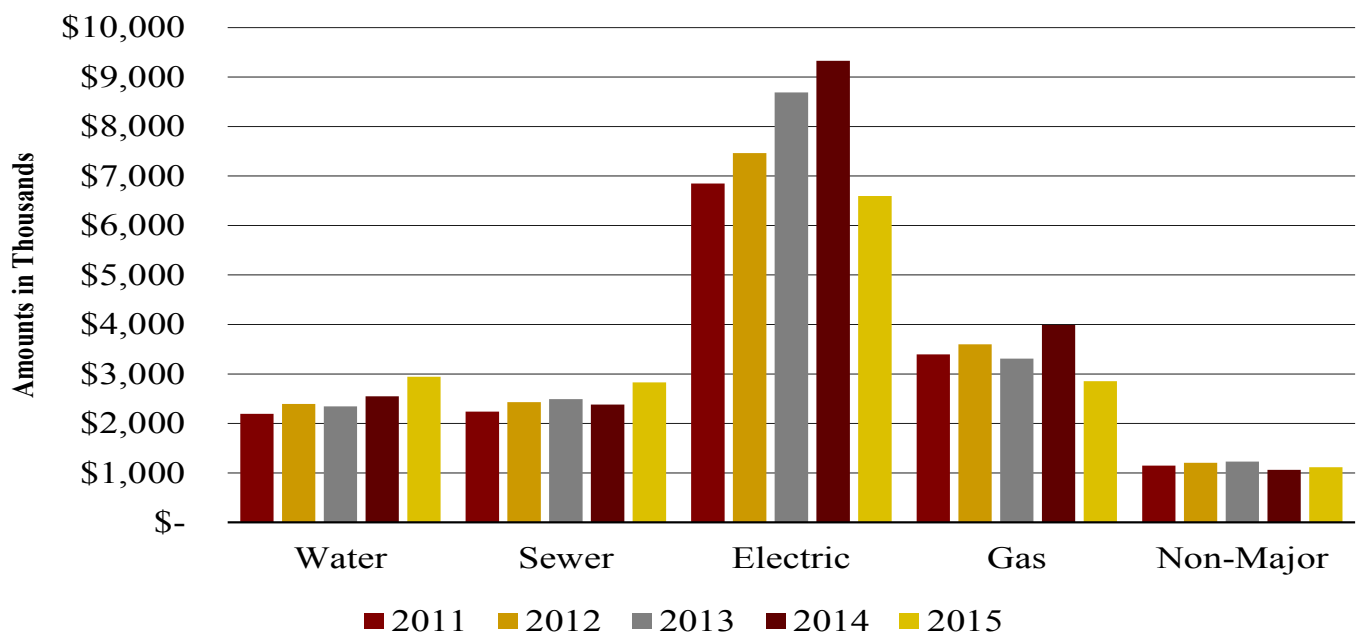
Proprietary Funds

The City's Proprietary Funds provide a variety of municipal services to the residents. Currently, the City operates a Water Utility and Sewer Utility. In March of 2015, the City sold its Gas and Electric Utilities so it no longer operates those, but they are still reported in the CAFR and this report. In addition to the four major Proprietary Funds, the City also operates three "non-major" Proprietary Funds: Solid Waste, Business Incubator, and Golf Course.

Five Year Proprietary Funds Revenues



Five Year Proprietary Funds Expenditures



FY 2015 Highlights

During the 2014-2015 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:

- City sold gas and electric utilities to Questar and Rocky Mountain Power for a total of \$32.4 million
- With proceeds of utility sale, City paid off over \$26 million in debt, reducing the total debt burden by over half
- Processed 674 new building permits, an increase of 115 over FY2014, with 409 residential permits (38 more than last year)
- Completed new fitness park (Wren's Roost) in City Center
- Streets Department paved 115,187 square feet of roads, waterways, and trails, taking advantage of equipment purchased in FY2014
- City earned fifth consecutive Certificate of Achievement for Excellence in Financial Reporting Award
- City earned eighth consecutive Distinguished Budget Award
- Library earned Utah state certification for tenth consecutive year
- Special Events Department had highest event attendance in City's history
- Refinanced Water & Sewer bond to take advantage of lower interest rates
- Seven new commercial businesses opened

Looking Forward

As we close the books on Fiscal Year 2015, 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 2016, 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 a large investment in Cory B. Wride Memorial Park. A number of commercial 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 beginning to experience 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 MOUNTAIN

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Eagle Mountain City, UT
Popular Annual Financial Report
Fiscal Year Ending June 30, 2015



EAGLE
M O U N T A I N