

FISCAL YEAR ENDED JUNE 30, 2021

*ANNUAL POPULAR
FINANCIAL REPORT*

APFR

FOR EAGLE MOUNTAIN CITY, UT



EAGLE
M O U N T A I N

- ▶ 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 ELAINE FARRIS





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
2021 Highlights.....	16
Looking Forward.....	17

INTRODUCTION

We are pleased to present Eagle Mountain City’s Fiscal Year 2021 Annual Popular Financial Report (APFR). This report and the City’s Annual Comprehensive Financial Report (ACFR) report on the financial health of our organization. An APFR is a summary of the information contained in the ACFR. Whereas the ACFR will have information regarding all City funds, the APFR shows only selected funds and is not meant to replace the ACFR.

Although the numbers used in the APFR 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 ACFR, 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 “Certificate of Achievement in Financial Reporting” award for each of the last ten fiscal years beginning with fiscal year 2010. The ACFR report shows the audited financial statements along with statistical trend data for the City.

This report is intended to be a synopsis of the ACFR, 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 2021 fiscal year (July 1, 2020 - June 30, 2021). 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.

STRATEGIC GOALS

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

COMMUNITY PROFILE

Eagle Mountain City is a community of over 50,000 residents. The City was incorporated just over 25 years ago 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 (2022 - 2026)
City Council	
	Brett Wright (2022 - 2026)
	Carolyn Love (2020 - 2024)
	Colby Curtis (2020 - 2024)
	Jared Grey (2020 - 2024)
	Donna Burnham (2022 - 2026)

Demographics

Residents	52,500 est.
Race and Ethnicity	
White (Non-Hispanic)	85.4%
Hispanic and Latino	10.2%
Black & African American	0.4%
Asian	0.2%
Hawaiian & Other Pacific Islander	0.1%
American Indian and Alaska Native	0.7%
Two or more races	4.2%
Some other race	2.1%
Gender	
Male	51.6%
Female	48.4%
Median Age	19.0
Median Household Income	\$87,094
Median Home Price	\$314,900
Home Ownership	91.6%
Persons per Household (Own)	4.43
Education	
High School Graduates	96.7%
Bachelor's Degree or Higher	35.4%

OPERATING INFORMATION

		Capital Asset Statistics				
		2017	2018	2019	2020	2021
Police*						
	Sworn Officers	16	16	18	19	20
Fire**						
	Fire Hydrants	1,123	1,284	1,424	1,574	-
Public Works***						
	Streets (miles)	154	164	187	199	205
	Sewer plant capacity (gallons)	1,200,000	1,200,000	1,200,000	1,200,000	2,400,000
	Sanitary sewers (miles)†	95	96	115	120	133
Parks & Recreation						
	Developed parks (acres)	124	155	160	176	200
	Playgrounds	23	25	27	43	46
	Baseball/softball diamonds	7	7	7	7	7
	Soccer/football fields	5	5	6	6	10
Water						
	Water pipe (miles)	137	148	170	183	196
	Total water storage (gallons)	9,000,000	9,000,000	9,700,000	13,200,000	13,350,000
		Performance Metrics				
		2017	2018	2019	2020	2021
Building						
	Permits issued	1,437	1,554	1,470	2,038	2,588
	Inspections conducted	8,000	10,813	9,963	12,539	15,378
Police*						
	Physical arrests	492	582	540	336	222
	Warrants served	86	55	53	24	27
	Traffic violations	1,420	1,142	2,212	2,682	2,030
	Officer initiated calls	-	6,597	6,701	6,651	4,767
	Citizen initiated calls	-	7,944	8,754	9,936	11,056
Streets						
	Snow removal (miles plowed)	10,981	3,491	8,763	11,188	5,422
	Crack seal (sq. ft.)	462,000	16,698,305	232,407	0	0
	Asphalt Repairs (sq. ft.)~	365,731	284,060	150,819	180,162	9,126
Parks & Recreation						
	Youth sports registrations	1,011	1,074	1,250	1,265	1,773
	Total sports programs (youth/adult)	1/7	1/7	1/5	1/5	1/5
Water						
	New meters installed	657	763	830	1,284	1,216
	Water meters replaced	318	712	135	481	1,564
	Average daily pumped (gallons)	4,903,000	5,824,838	6,136,501	6,102,658	9,266,630
	Average daily consumption (gallons)	4,858,875	5,122,255	5,409,144	6,630,942	8,355,727

* 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 but no longer reported.

*** 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.

COMMUNITY STATISTICS

Principal Employers

Alpine School District.....	1018
Tyson Fresh Means Inc.....	463
Eagle Mountain City.....	165
E2 Optics, LLC.....	130
Suntec Concrete, Inc.....	130
Ridley’s Family Markets.....	114
JobMatch.....	76
Stadion, LLC.....	66
Western Partitions, Inc.....	65
Gotta Dance Performing Arts Studio.....	36
Dairy Queen Chill & Grill DB.....	37
TM Crushing LLC.....	27

Principal Property Taxpayers

- Kern River Gas Transmission Company
- Direct Communications
- Pacificorp
- Vestin Mortgage
- Star West Eagle Mountain Property
- Wagstaff Investments LLC
- Irie Investments LLC
- Meadows Ranch Holdings LLC
- Maverik Inc



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 APFR 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:

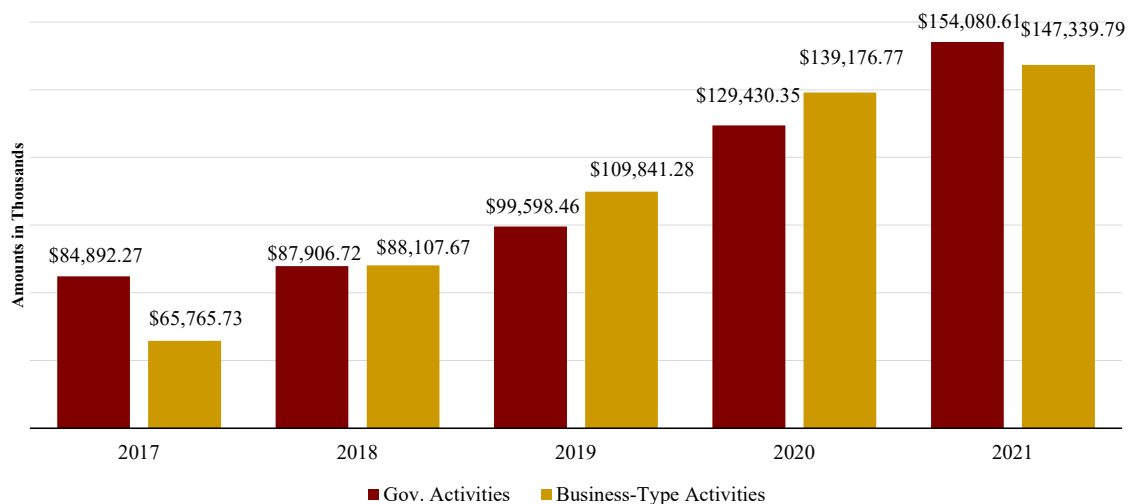
- **Water Fund:** The City's Water Utility provides culinary water services to all of Eagle Mountain City.
- **Sewer Fund:** The City's Sewer Utility operates and maintains the entire sewer system, including the pipes, lift stations and the 1.2 million gallon sewer treatment plant.
- **Electric Fund:** 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 2020 and 2021 and then a historic look back for each year from 2017.

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and other assets	\$ 56,508,403	\$ 44,567,784	\$ 52,121,450	\$ 49,011,823	\$ 96,689,234	\$ 93,579,607
Capital Assets	120,764,687	108,408,054	123,605,813	120,904,812	244,370,500	229,312,866
Other Non-Current Assets	(1,769,138)	(1,380,744)	1,769,138	1,380,744		
Total Assets	175,503,952	151,595,094	177,496,401	171,297,379	353,000,353	322,892,473
DEFERRED OUTFLOWS						
					-	-
LIABILITIES						
Current Liabilities	16,215,466	16,380,929	11,028,200	11,560,587	27,243,666	27,941,516
Non-Current Liabilities	2,946,108	3,976,381	19,765,657	21,470,002	22,711,765	25,446,383
Total Liabilities	19,161,574	20,357,310	30,793,857	33,030,589	49,955,431	53,387,899
DEFERRED INFLOWS						
					-	-
NET POSITION						
Net Investment in Capital Assets	119,838,195	105,517,474	104,644,731	101,889,316	224,482,926	207,406,790
Restricted	5,950,178	5,629,857	23,710,217	20,270,583	29,660,395	25,900,440
Unrestricted	28,292,235	18,283,015	18,984,840	17,016,866	47,277,075	35,299,881
Total Net Position	\$ 154,080,608	\$ 129,430,346	\$ 147,339,788	\$ 139,176,765	\$ 301,420,396	\$ 268,607,111

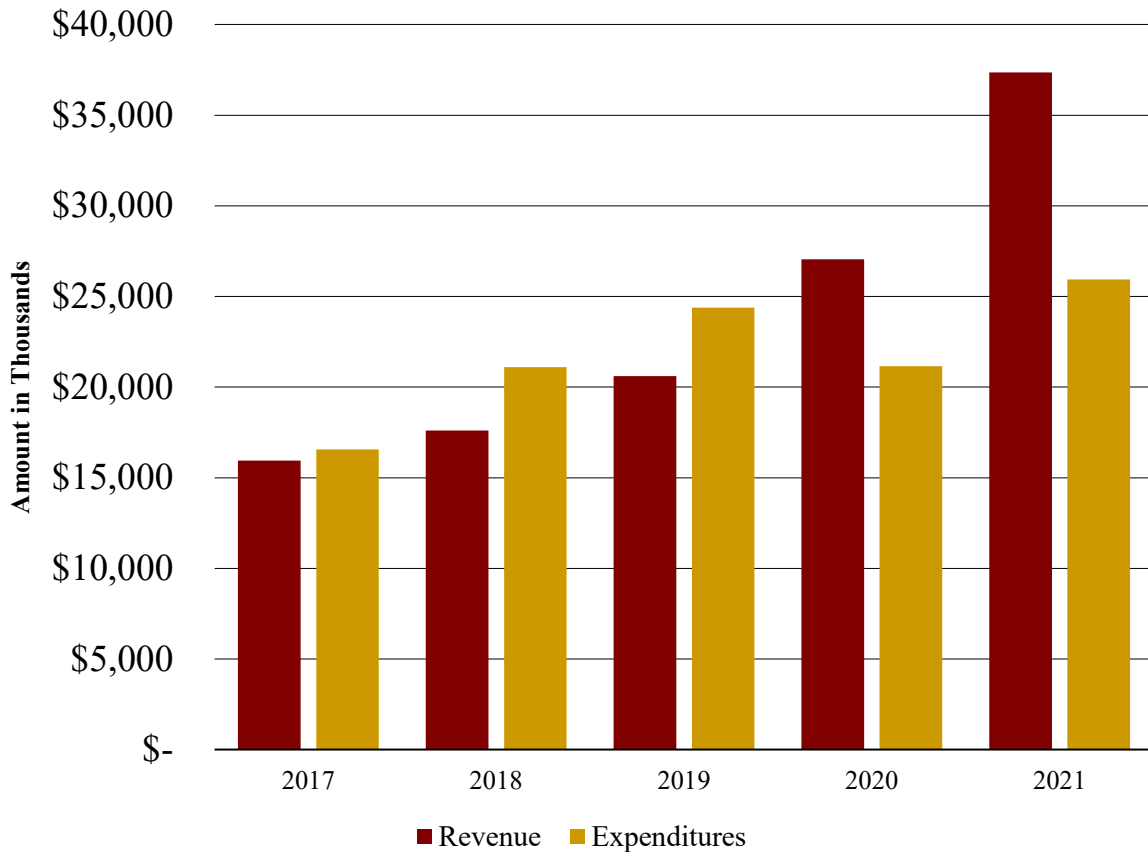


GOVERNMENTAL FUNDS

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 2021 revenues and expenditures for the Governmental Funds, followed by the five year history for revenues and expenditures.

	General Fund	General Fund Capital Projects	Special Revenue Impact Fee Parks	Non-Major Governmental Funds	Total Governmental Funds
Revenues	\$ 27,759,154	\$ 64,292	\$ 4,567,904	\$ 4,971,447	\$ 32,794,893
Expenditures	16,540,314	7,149,156	143,257	2,107,751	25,797,221
Excess revenue over (under) expenditures	\$ 11,218,840	\$ (7,084,864)	\$ 4,424,647	\$ 2,863,696	\$ 6,997,672



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

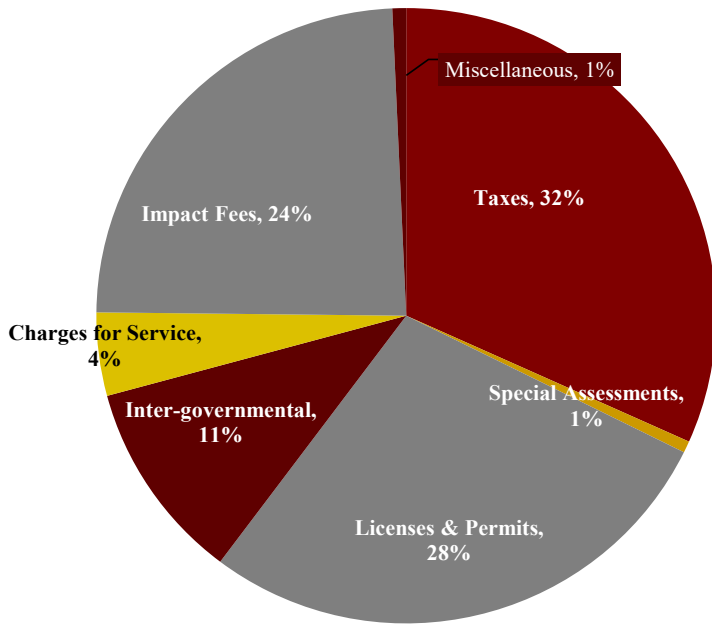
The following table demonstrates the total revenue and expenditures for all Governmental Funds for the past five fiscal years.

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	2017	2018	2019	2020	2021
Taxes	\$ 5,734,815	\$ 6,344,105	\$ 7,258,837	\$ 9,073,784	\$ 11,847,831
Special Assessments	307,641	258,551	225,728	170,868	228,219
Licenses & Permits	2,895,474	3,454,239	4,745,362	5,939,075	10,434,703
Intergovernmental	1,336,283	1,520,620	1,479,142	2,217,260	3,944,005
Charges for Services	1,686,659	1,304,991	1,347,173	1,476,898	1,632,420
Impact Fees	3,308,604	3,402,318	3,250,639	5,356,167	9,007,320
Miscellaneous	666,876	1,310,833	2,304,165	1,496,089	268,299
Total	\$ 15,936,352	\$ 17,595,657	\$ 20,611,046	\$ 25,730,141	\$ 37,362,797
EXPENDITURES					
Current:					
General Government	3,027,034	3,294,126	3,421,616	3,455,632	4,147,767
Public Safety	2,332,378	2,550,530	2,688,014	3,024,814	3,918,627
Public Works	4,799,868	5,087,135	6,683,232	6,732,075	7,015,979
Planning & Zoning	487,486	492,349	469,353	447,889	517,105
Community Development	1,217,788	2,122,126	2,026,336	2,199,085	2,502,292
Debt Service:					
Principal Retirement	180,000	155,000	140,000	220,000	551,766
Bond Issuance Costs					
Interest & Fiscal Charges	70,618	64,152	54,588	49,238	155,128
Capital Outlay	4,444,671	6,597,297	8,906,776	5,015,276	7,131,814
Total	\$ 16,559,843	\$ 20,362,715	\$ 24,389,915	\$ 21,144,009	\$ 25,940,478
Excess revenues over (under) expenditures	\$ (623,491)	\$ (2,767,058)	\$ (3,778,869)	\$ 4,586,132	\$ 11,422,319
OTHER FINANCING SOURCES					
Sale of capital assets					336,983
Proceeds from capital lease					257,732
Proceeds from issuance of long-term debt				2,000,000	
Contributions			2,614,261	1,316,880	-
Bond Proceeds					
Transfers In	6,527,733	6,091,881	6,050,244	12,578,357	351,840
Transfers Out	(3,843,012)	(2,983,780)	(4,654,862)	(6,185,461)	(351,840)
Total	\$ 2,684,721	\$ 3,108,101	\$ 4,009,643	\$ 9,709,776	\$ 594,715
Net Change in Fund Balance	2,061,230	341,043	230,774	3,112,150	12,017,034
Fund Balance - Beg of Year	5,849,729	7,726,666	8,067,709	3,545,342	22,594,392
Restatement of net position (see Note 17)	(184,293)				
Fund Balance - End of Year	\$ 7,910,959	\$ 8,067,709	\$ 8,298,483	\$ 6,657,492	\$ 34,611,426

GENERAL FUND REVENUES

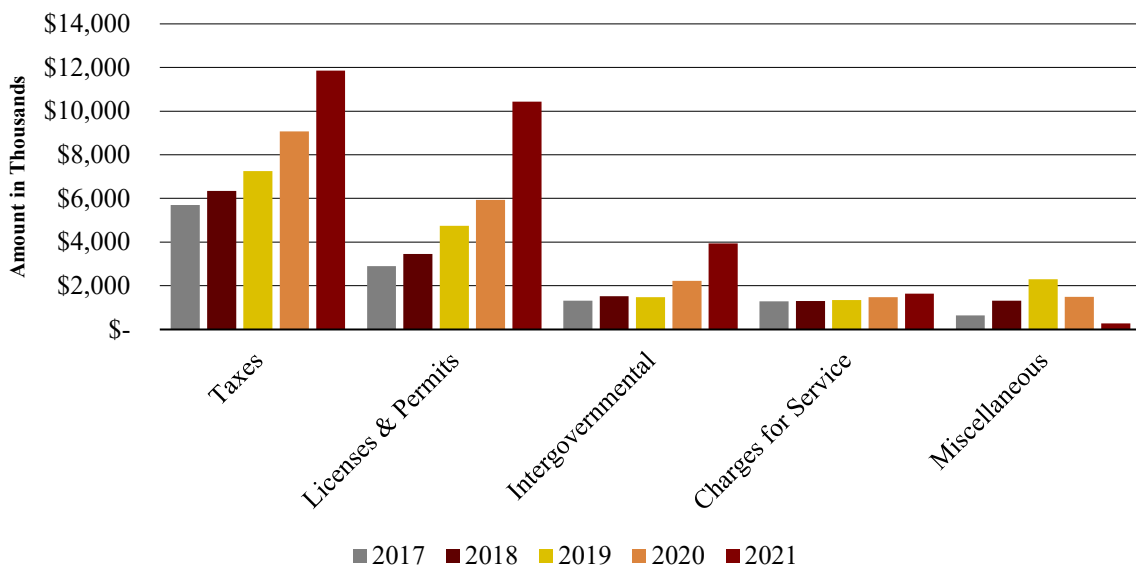
The main revenue sources for the General Fund are the property, sales, and franchise taxes collected from residents and businesses. Other sources of revenue include the fees charged for building a home or an entire subdivision, funds from other government sources, charges for sports participation, and more. Most City revenue sources saw an increase from Fiscal Year 2020, which is a result of increased growth, a recovering economy, with a minor dip in demand for special services.



Taxes	11,847,831
Special Assessments	228,219
Licenses & Permits	10,434,703
Intergovernmental	3,944,005
Charges for Service	1,632,420
Impact Fees	9,007,320
Miscellaneous	268,299
Total	20,611,046

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."

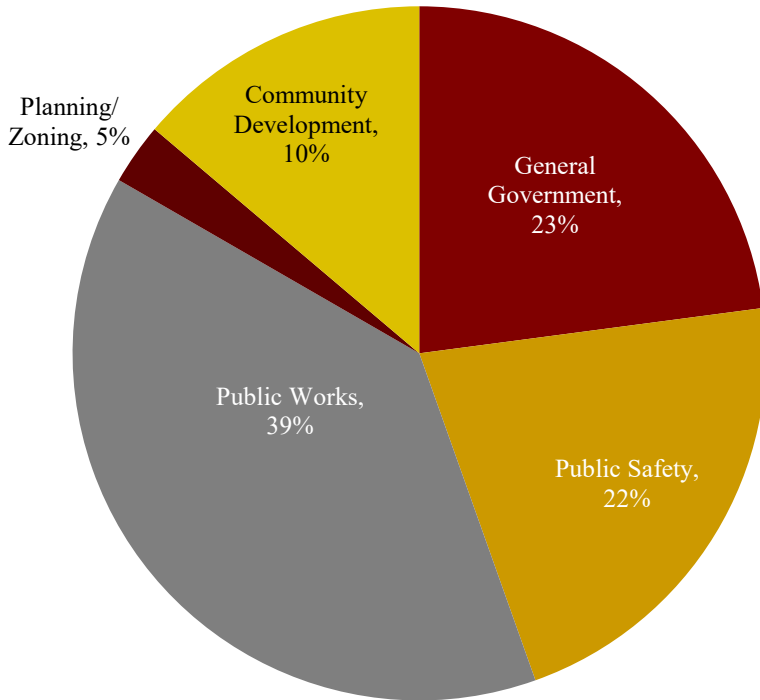
General Fund revenues saw a 45% growth since FY 2020, which largely came from new growth. This shows that the City is growing and is in a strong financial position, while maintaining a low burden to residents.



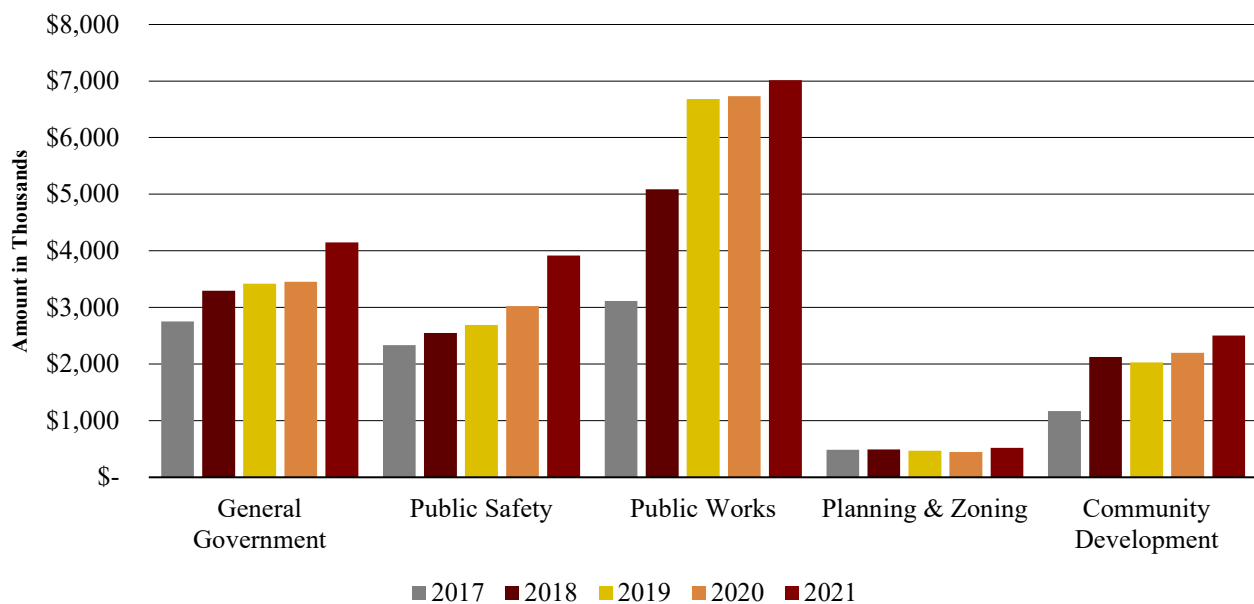
GENERAL FUND EXPENDITURES

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	4,147,767
Public Safety	3,918,627
Public Works	7,015,979
Planning/Zoning	517,105
Community Development	2,502,292
Total	18,101,770



General Fund expenditures saw a 14% increase since FY 2020. 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.

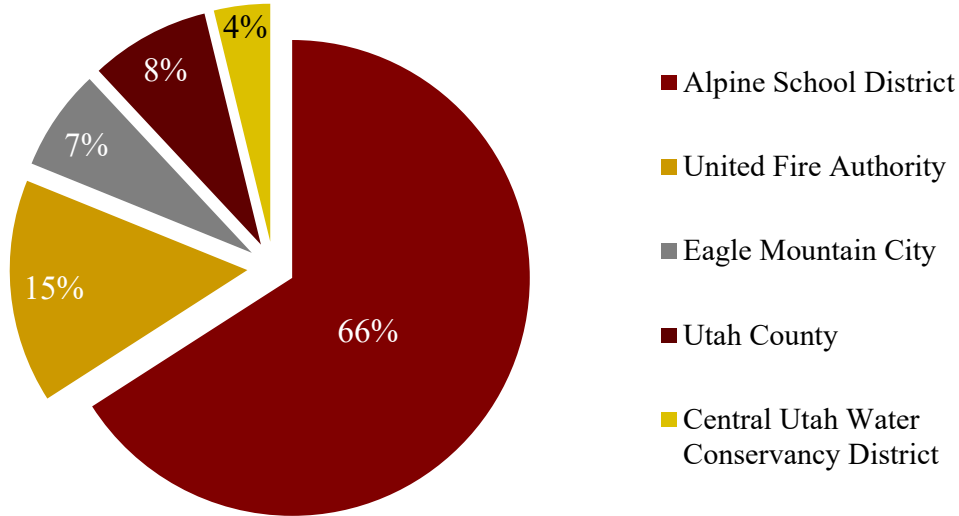
This chart shows what an Eagle Mountain City household would pay in property tax on a \$320,000 home.

The average household pays \$127.42 per year to the City in property tax, which is only 35 cents a day. For that 35 cents a day, residents get police services, safe roads, parks, sports and recreation programs, planning services, and much more.

\$ 320,000 Appraised value
 \$ 176,000 Taxable value

Alpine School District	\$	1,215.10
United Fire Authority	\$	280.19
Eagle Mountain City	\$	127.42
Utah County	\$	150.13
Central Utah Water Conservancy District	\$	70.40
Total Property Tax Bill	\$	<u>1,843.25</u>

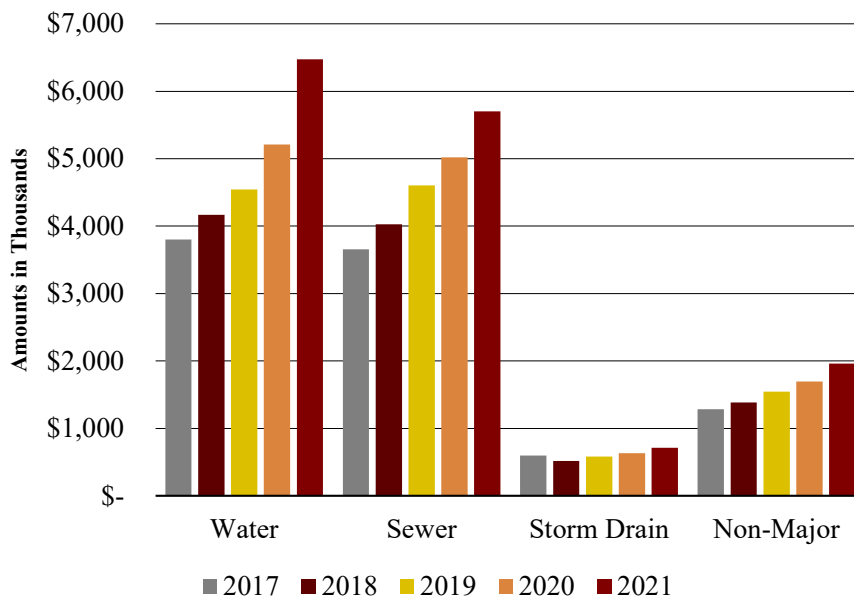
What can you get for 35 cents a day?



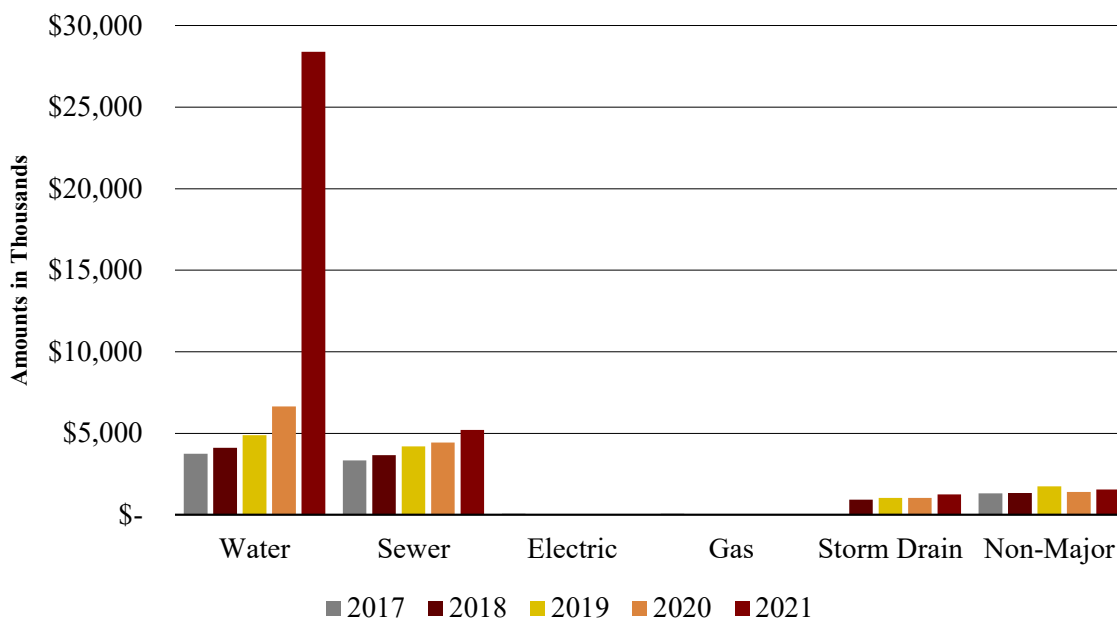
PROPRIETARY FUNDS

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



Water expenditures for 2021 appear very high due to CWP Water Share purchases being reclassified. Additional explanation can be found on Note 12 of the 2021 ACFR (page 65)

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 2021 HIGHLIGHTS

During the 2020-2021 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 1,609 new construction residential building permits, an increase of 139 over FY2020. 2,672 building permits were processed overall.
- Pony Express Pkwy was widened from Mid-Valley Rr. area down to Eagle Mountain Blvd. and construction began on Airport Rd.
- The Cory Wride Regional Park Phase 2 project was completed, Woodhaven Park opened, and Smith Ranch Regional Park planning started.
- The Utility Billing offices were renovated and dedicated Customer Service personnel were designated and reassigned under the Administrative Services Director.
- Third year recognized as a Tree City USA city by the Arbor Day Foundation.
- Google announced plans to purchase land in Eagle Mountain City with the intent to begin construction on a new large data center in the near future.
- Eagle Mountain held a number of successful events including the Pony Express Days, Christmas Village, Halloween Town, ShopFest Utah, and more.
- 22 new commercial businesses and 122 home-based businesses were opened during FY 2019.

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 2022, 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 MOUNTAIN

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EAGLE MOUNTAIN CITY
ANNUAL POPULAR FINANCIAL REPORT
FY ENDED JUNE 30, 2021



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