

FISCAL YEAR ENDED JUNE 30, 2023

Annual Popular Financial Report

APFR

For Eagle Mountain City, UT



- ▶ 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 Environmental Planner Todd Black



Table of Contents

- Introduction.....2
- Vision, Mission, Strategic Goals.....3
- Community Profile.....4
- Quick Facts.....5
- Operating Information.....6
- Community Statistics.....7
- Financial Highlights.....8
- Net Position.....9
- Governmental Funds.....10
- General Fund Revenues.....12
- Property Tax Summary.....14
- Proprietary Funds.....15
- 2023 Highlights.....16
- Looking Forward.....17

Introduction

We are pleased to present Eagle Mountain City’s Fiscal Year 2023 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 more than 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 2023 fiscal year (July 1, 2022 - June 30, 2023). 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 is a safe, growing city with a small town feel that serves families and individuals by creating reliable services and infrastructure, cultivating economic and recreational opportunities, and harmonizing protected space with the flourishing of all life.

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. **Diverse Economic Growth.** Eagle Mountain is home to businesses of all sizes spanning several industries resulting in an expanded tax base, convenient access for all residents to essential goods and services, and growth of employment opportunities for workers at any stage of their careers.
2. **Robust Infrastructure Networks.** Eagle Mountain has expanded its infrastructure capacities to comfortably accommodate the demands of a larger population by improving transportation connections and infrastructure standards alongside state and regional partners, augmenting network capabilities, and implementing maintenance and replacement programs for all infrastructure.
3. **Unique Reputational Evolution.** Eagle Mountain is known and respected for its commitments toward, and achievements in, meeting the expectations of residents through efforts to embrace its family-centric and rural heritage, engaging in creative solutions to address resident needs, and its contributions to the prosperity of the state.
4. **Proactive Generational Planning.** Eagle Mountain is a balanced, intergenerational city that has proactively managed its growth, resulting in quality home-ownership opportunities for residents; a redundant and reliable water supply; and gathering places and amenities that provide for the social, educational, recreational, and health care needs of its residents.
5. **Interactive Environmental Stewardship.** Eagle Mountain has interlaced the preservation of the natural environment; the protection of native wildlife; and the promotion of outdoor recreation through the expansion of permanent, convenient, and interconnected trail networks; conservation of open spaces and natural features; and protection of historic sites significant to our heritage.
6. **Dynamic Service Enhancement.** Eagle Mountain is a full-service community that delivers extraordinary services and amenities to residents by attracting and retaining passionate employees, innovating throughout the organization to increase efficiency and remain fiscally conservative, and developing highly responsive communication channels to improve resident experiences.

Community Profile

Eagle Mountain City is a community of over 61,000 residents (based on new building permits issued). 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	Six-Member Council 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	61,491**
Race and Ethnicity	
White (Non-Hispanic)	84.0%
Hispanic and Latino	11.3%
Black & African American	0.3%
Asian	0.4%
Hawaiian & Other Pacific Islander	0.6%
American Indian and Alaska Native	0.7%
Two or more races	5.7%
Some other race	2.1%
Gender	
Male	50.5%
Female	49.5%
Median Age	21.9
Median Household Income	\$100,837
Median Home Price	\$430,900
Home Ownership	88.3%
Persons per Household (Own)	4.23
Education	
High School Graduates	96.2%
Bachelor's Degree or Higher	36.5%

Sources: US Census Bureau or other data sources providing more current information as available.

**Eagle Mountain City (based on new building permits issued)

Operating Information

		Capital Asset Statistics		
		2021	2022	2023
Police*				
	Sworn Officers	20	26	28
Fire**				
	Fire Hydrants	1,724	1,905	1,548
Public Works***				
	Streets (miles)	205	220	238
	Sewer plant capacity (gallons)	2,400,000	2,400,000	2,400,000
	Sanitary sewers (miles)†	133	148	158
Parks & Recreation				
	Developed parks (acres)	200	220	227
	Playgrounds	46	49	49
	Baseball/softball diamonds	7	7	7
	Soccer/football fields	10	10	10
Water				
	Water pipe (miles)	196	214	230
	Total water storage (gallons)	13,350,000	13,350,000	13,350,000
Performance Metrics				
Building		2021	2022	2023
	Permits issued	2,672	2,555	1,736
	Inspections conducted	14,147	16,577	10,647
Police*				
	Physical arrests	222	243	193
	Warrants served	27	40	27
	Traffic violations	2,030	3,281	5,367
	Officer initiated calls	4,767	6,820	9,062
	Citizen initiated calls	11,056	10,271	11,064
Streets				
	Snow removal (miles plowed)	5,422	6,083	16,334
	Crack seal (sq. ft.)	0	1,200,000	2,002,748
	Asphalt Repairs (sq. ft.)~	9,126	64,234	319,161
Parks & Recreation				
	Youth sports registrations	1,773	1,260	1,603
	Total sports programs (youth/adult)	1/5	1/5	3/3
Water				
	New meters installed	1,216	1,453	1,098
	Water meters replaced	1,564	250	120
	Average daily pumped (gallons)	9,266,630	8,229,133	8,257,872
	Average daily consumption (gallons)	8,355,727	7,973,780	7,663,539

* 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.....	1086
Tyson Fresh Means Inc.....	684
M.A. Mortenson Construction.....	200
Eagle Mountain City.....	186
Macey’s Eagle Mountain.....	159
Suntec Concrete, Inc.....	150
Ridley’s Family Markets.....	114
E2 Optics, LLC.....	100
Stadion, LLC.....	96
Eagle Mountain McDonald’s.....	72
Gotta Dance Performing Arts Studio.....	38
Wendy’s #13398.....	35

Principal Property Taxpayers

- Stadion LLC
- Tyson Fresh Meats Inc
- AMH Development LLC
- BCP Development Inc
- Building Construction Partners LLC
- Pacificorp
- Richmond American Homes of Utah Inc
- LGI Homes-Utah LLC
- Questar Gas



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, which include Impact Fees Fund to account for fees collected from developers to help pay for infrastructure and Cemetery Fund to account for revenues and expenses directly related to 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:

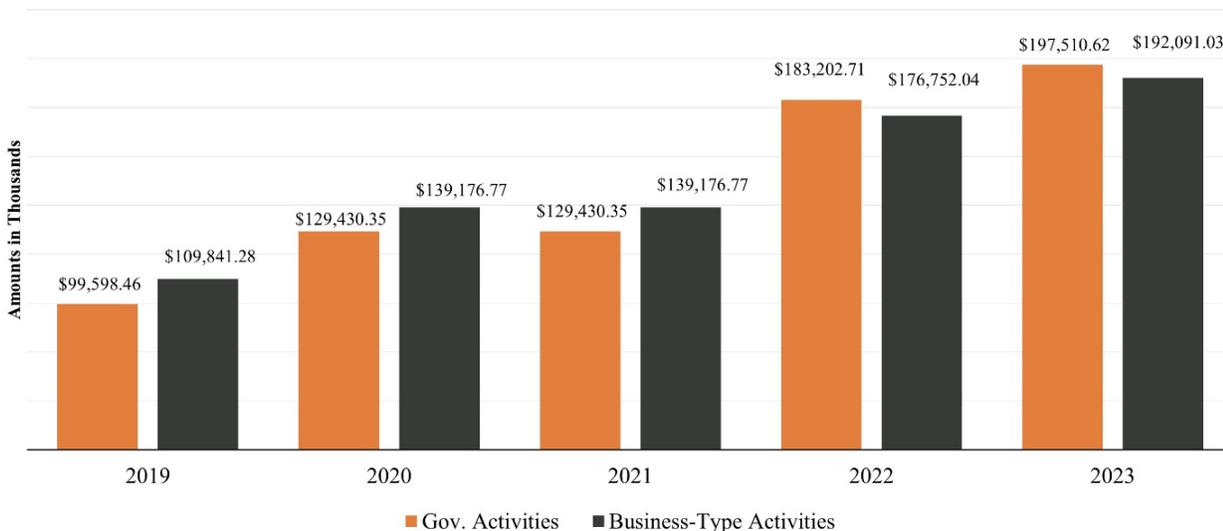
- **Water Fund:** The City's Water Utility provides culinary water services to all of Eagle Mountain City.
- **Sewer Fund:** The City's Sewer Utility operates and maintains the entire sewer system, including the pipes, lift stations and the 1.2 million gallon sewer treatment plant.
- **Solid Waste:** 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 2022 and 2023 and then a historic look back for each year from 2019.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 110,963,900	\$ 86,579,613	\$ 82,509,288	\$ 72,203,082	\$ 169,088,901	\$ 158,782,695
Capital Assets	154,494,404	139,368,610	150,579,517	141,134,253	305,073,921	280,502,863
Other Non-Current Assets	(2,254,032)	(2,034,174)	2,254,032	2,034,174		
Total Assets	263,204,272	223,914,049	235,342,837	215,371,509	498,547,109	439,285,558
DEFERRED OUTFLOWS						
					-	-
LIABILITIES						
Current Liabilities	26,743,717	24,849,596	27,501,554	2,424,949	54,245,271	27,274,545
Non-Current Liabilities	27,033,678	27,626,159	16,631,558	18,206,961	43,665,236	45,833,120
Total Liabilities	53,777,395	52,475,755	44,133,112	20,631,910	97,910,507	73,107,665
DEFERRED INFLOWS						
					-	-
NET POSITION						
Net Investment in Capital Assets	145,394,692	137,057,292	134,784,885	123,643,242	280,179,577	260,700,534
Restricted	26,860,274	34,272,798	28,388,006	29,398,301	55,248,280	63,671,099
Unrestricted	25,255,655	11,872,620	28,918,138	23,710,494	54,173,793	35,583,114
Total Net Position	\$ 197,510,621	\$ 183,202,710	\$ 192,091,029	\$ 176,752,037	\$ 389,601,650	\$ 359,954,747

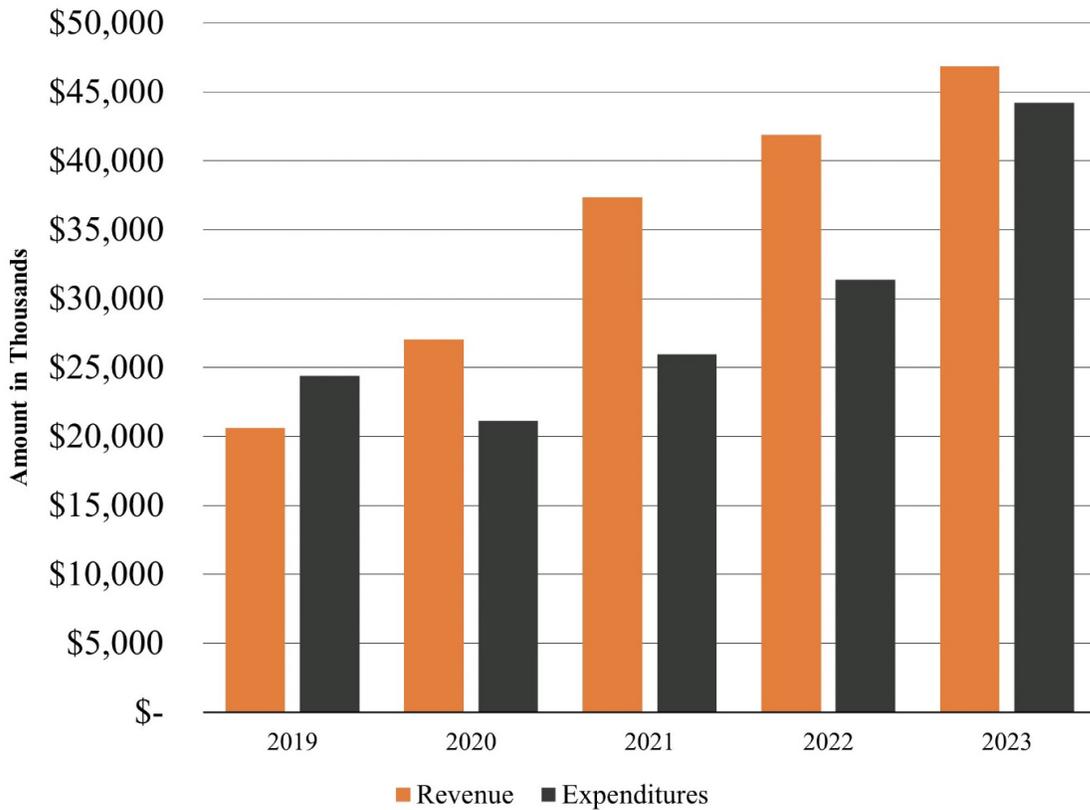


Governmental Funds

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 2023 revenues and expenditures for the Governmental Funds, followed by the five year history for revenues and expenditures.

	General Fund	Special Revenue Redevelopment Agency	General Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
Revenues	\$ 28,167,572	\$ 7,646,362	\$ 7,793,154	\$ 3,262,423	\$ 46,869,511
Expenditures	25,168,668	6,989,322	9,839,972	2,218,420	44,216,382
Excess revenue over (under) expenditures	\$ 2,998,904	\$ 657,040	\$ (2,046,818)	\$ 1,044,003	\$ 2,653,129



Information gathered from the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental funds on page 26 of CAFR. Excludes "Other Financing Sources."

Governmental Funds

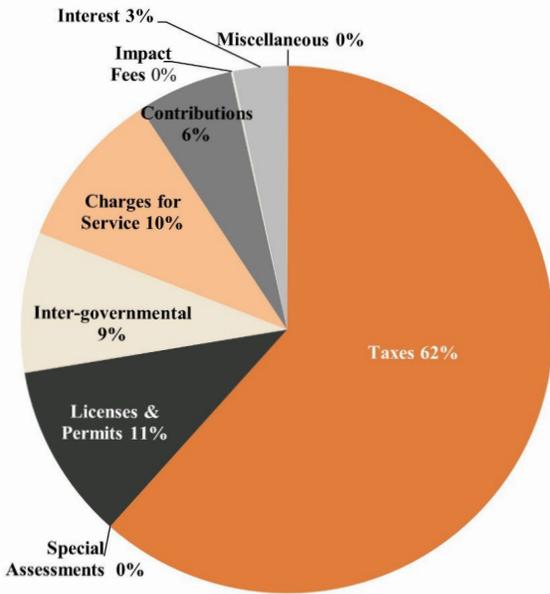
The following table demonstrates the total revenue and expenditures for all Governmental Funds for the past five fiscal years.

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	2019	2020	2021	2022	2023
Taxes	\$ 7,258,837	\$ 9,073,784	\$ 11,847,831	\$ 17,529,450	\$ 24,973,656
Special Assessments	225,728	170,868	228,219	195,754	73,832
Licenses & Permits	4,745,362	5,939,075	10,434,703	6,384,743	3,039,285
Intergovernmental	1,479,142	2,217,260	3,944,005	6,978,211	8,108,720
Charges for Services	1,347,173	1,476,898	1,632,420	2,203,867	2,807,758
Contributions					2,289,659
Impact Fees	3,250,639	5,356,167	9,007,320	6,748,741	2,885,474
Interest					2,682,242
Miscellaneous	2,304,165	1,496,089	268,299	257,647	8,885
Total	\$ 20,611,046	\$ 25,730,141	\$ 37,362,797	\$ 40,298,413	\$ 46,869,511
EXPENDITURES					
Current:					
General Government	3,421,616	3,455,632	4,147,767	4,543,769	7,086,339
Public Safety	2,688,014	3,024,814	3,918,627	4,690,939	5,475,190
Public Works	6,683,232	6,732,075	7,015,979	6,017,292	6,740,280
Planning & Zoning	469,353	447,889	517,105	630,500	1,281,849
Community Development	2,026,336	2,199,085	2,502,292	6,422,547	11,525,090
Debt Service:					
Principal Retirement	140,000	220,000	551,766	390,957	1,515,953
Bond Issuance Costs					
Interest & Fiscal Charges	54,588	49,238	155,128	83,321	812,915
Capital Outlay	8,906,776	5,015,276	7,131,814	8,603,999	9,778,766
Total	\$ 24,389,915	\$ 21,144,009	\$ 25,940,478	\$ 31,383,324	\$ 44,216,382
Excess revenues over (under) expenditures	\$ (3,778,869)	\$ 4,586,132	\$ 11,422,319	\$ 8,915,089	\$ 2,653,129
OTHER FINANCING SOURCES					
Sale of capital assets			336,983	430,000	
Proceeds from capital lease			257,732	25,220,958	463,060
Bond issuance costs				(220,958)	
Proceeds from issuance of long-term debt		2,000,000			
Contributions	2,614,261	1,316,880		1,604,159	
Transfers In	6,050,244	12,578,357	351,840	20,280,048	7,455,877
Transfers Out	(4,654,862)	(6,185,461)	(351,840)	(24,823,648)	(7,455,877)
Total	\$ 4,009,643	\$ 9,709,776	\$ 594,715	\$ 22,490,559	\$ 463,060
Net Change in Fund Balance	230,774	3,112,150	12,017,034	31,405,648	3,116,189
Fund Balance - Beg of Year	8,067,709	3,545,342	22,594,392	34,611,426	66,017,074
Restatement of net position (see Note 17)					
Fund Balance - End of Year	\$ 8,298,483	\$ 6,657,492	\$ 34,611,426	\$ 66,017,074	\$ 69,133,263

General Fund Revenues

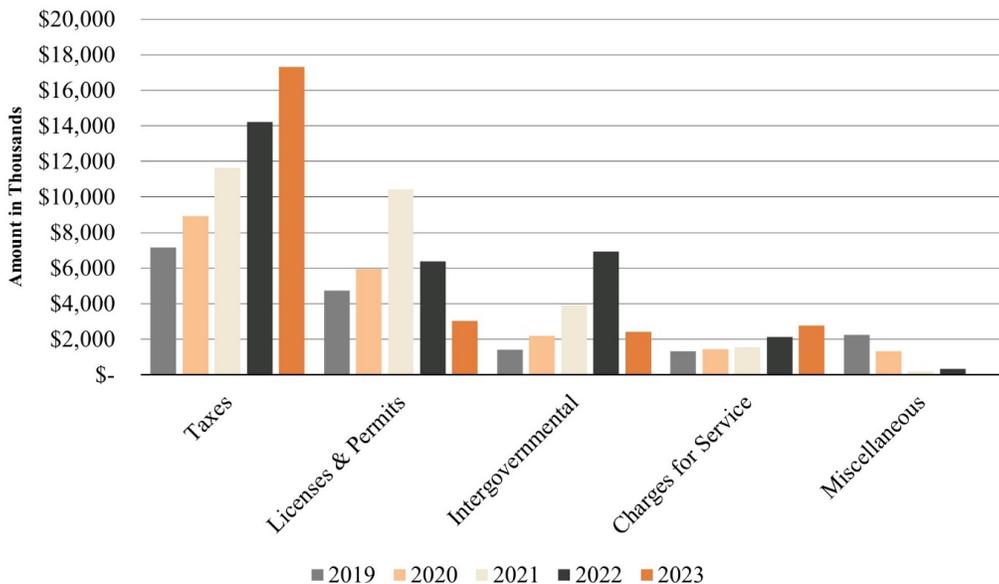
The main revenue sources for the General Fund are the property, sales, and franchise taxes collected from residents and businesses. Other sources of revenue include the fees charged for building a home or an entire subdivision, funds from other government sources, charges for sports participation, and more. Most City revenue sources saw an increase from Fiscal Year 2022, which is a result of increased growth, a recovering economy, with a minor dip in demand for special services.



Taxes	17,327,881
Special Assessments	
Licenses & Permits	3,039,285
Intergovernmental	2,424,600
Charges for Service	2,755,628
Contributions	1,646,802
Impact Fees	39,262
Interest	925,229
Miscellaneous	8,885
	28,167,572

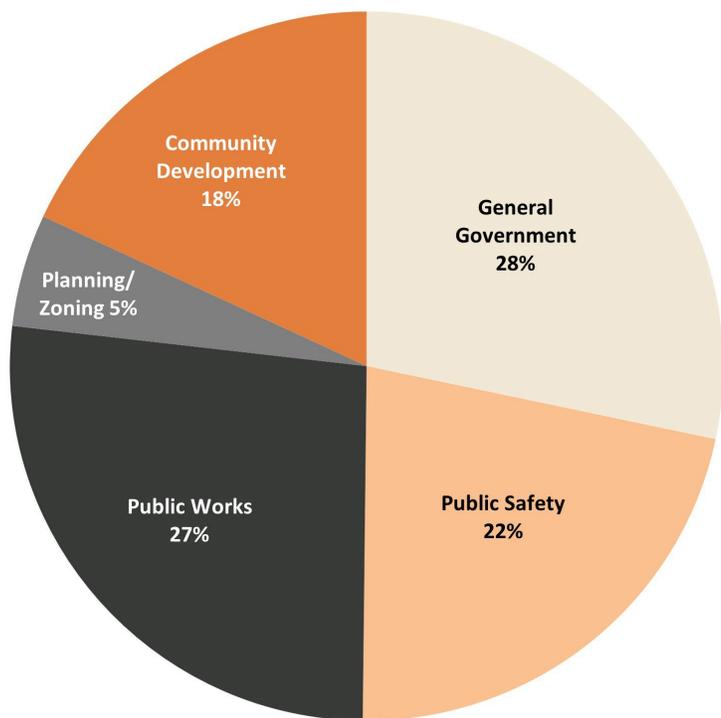
Information gathered from the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental funds on page 25 of ACFR. Excludes "Other Financing Sources."

General Fund revenues saw a 9% decrease since FY 2022, which is due the economy still recovering from the pandemic. Despite a lower building permits issued, the City continues to experience growth.



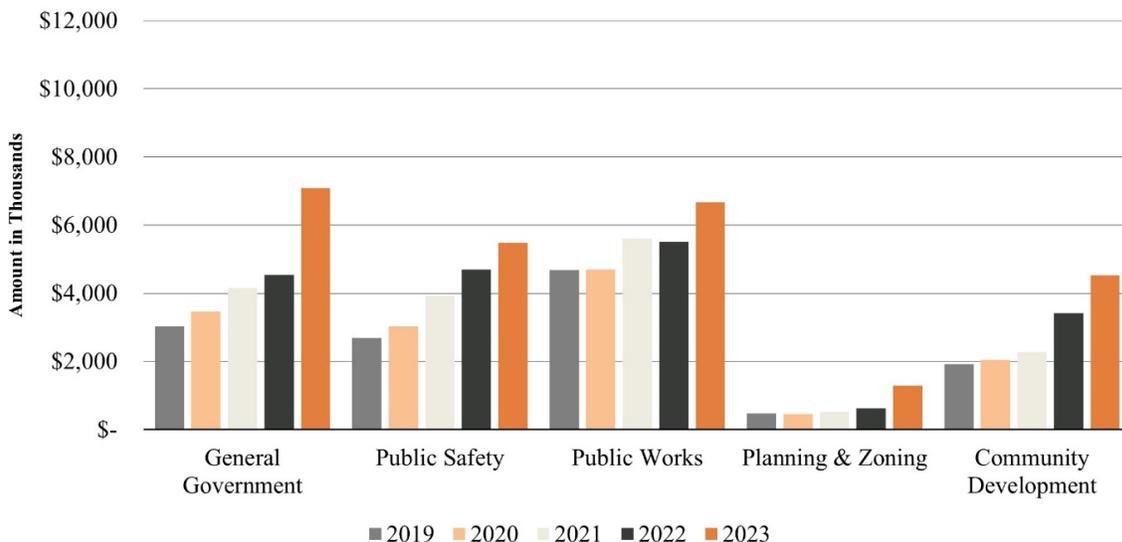
General Fund Expenditures

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	7,086,339
Public Safety	5,475,190
Public Works	6,669,450
Planning/Zoning	1,281,849
Community Development	4,523,540
Total	25,168,668

General Fund expenditures saw a 34% increase since FY 2022. This is largely due to increased Public Works 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.

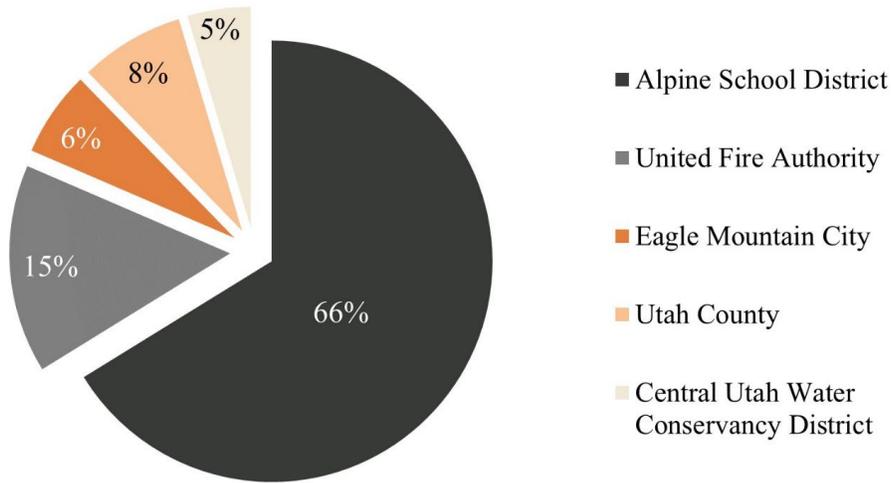
This chart shows what an Eagle Mountain City household would pay in property tax on a \$450,000 home.

The average household pays \$133.90 per year to the City in property tax, which is only 37 cents a day. For that 37 cents a day, residents get police services, safe roads, parks, sports and recreation programs, planning services, and much more.

\$ 450,000 Appraised value
 \$ 247,500 Taxable value

Alpine School District	\$	1,416.69
United Fire Authority	\$	326.70
Eagle Mountain City	\$	133.90
Utah County	\$	163.60
Central Utah Water Conservancy District	\$	99.00
Total Property Tax Bill	\$	<u>2,139.89</u>

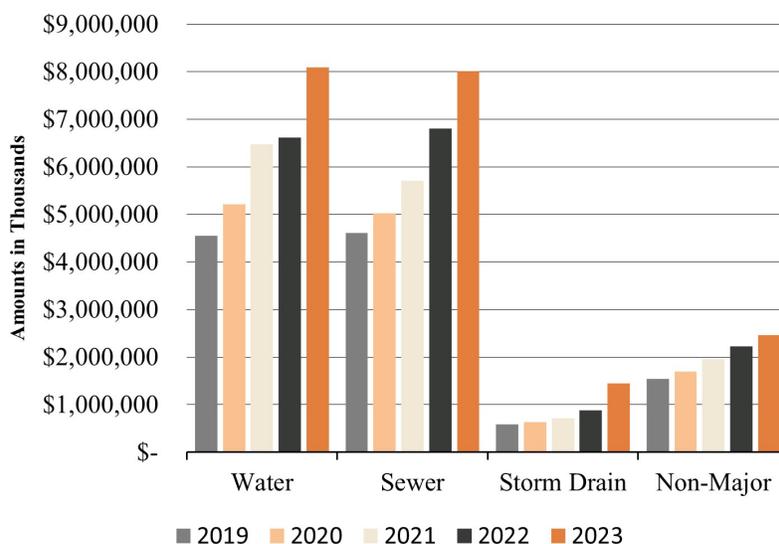
What can you get for 37 cents a day?



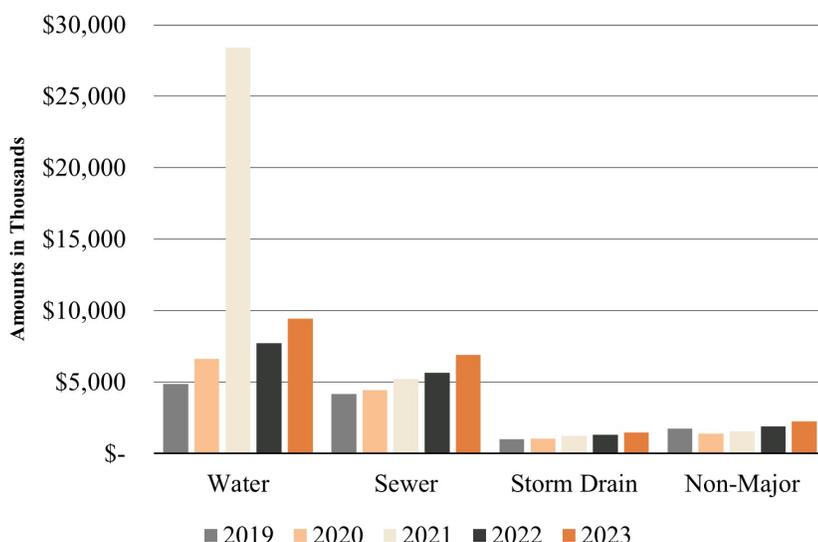
Proprietary Funds

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 ACFR and this report. In addition to the three 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 29 of CAFR. Excludes “Non-operating Revenue (expense) and other financing sources.

FY 2023 Highlights

During the 2022-2023 fiscal year, Eagle Mountain City saw increased economic development, rapid growth in population, and high-quality services provided to the residents of the City. Among the accomplishments and highlights for the City were the following:

- Processed 538 new construction residential building permits. 1,736 building permits were processed overall.
- Construction completed on Old Airport Road and Eagle Mountain Blvd. was widened from Pony Express Parkway to the north end of the Sage Park residential area.
- Unified Fire Authority completed the construction for a new Fire Station (Station 253) by Cory Wride Memorial Park and a new Station 251.
- City Offices were renovated at the City Hall for the Recorder's and Sheriff's offices.
- Fifth year recognized as a Tree City USA city by the Arbor Day Foundation.
- QTS announced and intends to build a datacenter, equating the project to about 2 billion dollars in investment with 2.5 million square feet of space. Tract is planning to build a datacenter project with about 60+ billion dollars potential in investment in 600 acres of land.
- Eagle Mountain held several successful events including the Pony Express Days, Christmas Village, Halloween Town, and more.
- 40 new commercial permits were processed. Several commercial businesses opened throughout the City.

Looking Forward

As we close the books on Fiscal Year 2023, 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 2024, each of these four areas will play a large role in how the City operates. The City is evaluating the expansion of several city services and facilities. 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.

Although growth has slowed recently due to nationwide economic turmoil, Eagle Mountain City anticipates high growth to return soon. 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.





Prepared by:

Finance & Executive Departments

Kimberly Ruesche, Administrative Services Director

Alejandro Palacios, Finance Manager

Tara Freeman, City Treasurer

Evan Berrett, Assistant to the City Administrator

Terrence Dela Pena, Finance/Management Analyst

EAGLE MOUNTAIN CITY
ANNUAL POPULAR FINANCIAL REPORT
FY ENDED JUNE 30, 2023



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