



City of Pleasant Grove

# 2022 PAFR

**POPULAR ANNUAL FINANCIAL REPORT**

for the fiscal year ended June 30, 2022

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# *To the Citizens of Pleasant Grove:*

We are proud to present the City of Pleasant Grove's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2022. This report gives readers a summary of the City's financial standing. The purpose of the PAFR is to illustrate the City's financial information in a clear, concise manner giving all readers, both financial and non-financial, the understanding of where the revenue comes from and where dollars are being spent. Most importantly, it is essential that our citizens understand the key services that the City provides to make Pleasant Grove a safer and more enjoyable place in which to work, live, and play.

The PAFR summarizes the financial activities of the City and is drawn from a more detailed report called the Annual Comprehensive Financial Report (ACFR). The Report includes financial statements that were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by HBME, an independent auditing firm. The 2022 Report has received an unmodified (clean) opinion. The numbers contained within the ACFR were acquired by applying the basis of accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).


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 the City of Pleasant Grove's Report, which is available from the Finance Department or on the City of Pleasant Grove's website at [plgrove.org](http://plgrove.org).

As a municipality, we want to continue awareness, accountability, and transparency of the City's financial information. We anticipate that after reading the PAFR, community members will be reassured that public dollars are being used to build a better, safer, and stronger Pleasant Grove. We are honored to serve the citizens of Pleasant Grove and hope you enjoy reviewing the 2022 PAFR. We welcome any input, questions, and comments you may have regarding this report. You may contact the Finance Division at 801-922-4506.

Sincerely,



J. Scott Darrington  
City Administrator

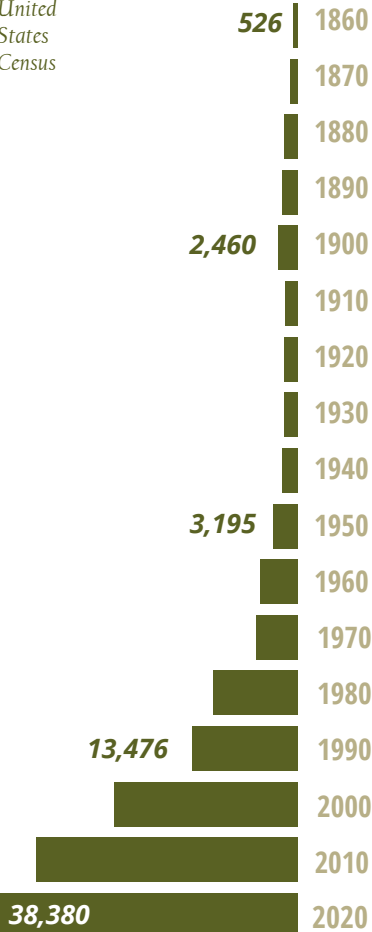


Denise B. Roy  
Finance Director

# PLEASANT GROVE AT-A-GLANCE

## POPULATION GROWTH

Source:  
United  
States  
Census



INCORPORATED

**1855**

**38,570**

POPULATION



**9.17**  
SQ.MILES

## GOVERNMENT

Pleasant Grove City operates under the six member council form of government. Powers under this form of government are vested in a council consisting of six members, one of which is the mayor.

## TOP EMPLOYERS

doTERRA International, LLC  
Alpine School District  
Horrocks Engineers, INC.  
PF Staffing Services, LLC  
All Pro Security, LLC  
Close to My Heart  
ARO  
ASEA, LLC  
Dental Intel, LLC  
Disruptive Advertising  
Lincoln Academy  
Macey's  
Niels Fugal Sons Company  
Smith's Food and Drug  
Stratton & Bratt Landscape, LLC  
TestOut  
Utah Recreation Company  
Utah Fertlity Center



# CITY LEADERS

## MAYOR



Guy Fugal

## CITY COUNCIL



Dianna Anderson



Brent Bullock



Eric Jensen



Cyd LeMone



Todd Williams

## EXECUTIVE STAFF

**City Administrator**  
Scott Darrington

**Assistant to the City Administrator**  
Kyler Brower

**City Attorney**  
Tina Petersen

**City Recorder**  
Kathy Kresser

**Finance Director**  
Denise Roy

**Community Development Director**  
Daniel Cardenas

**Fire Chief**  
Andrew Engemann

**Library and Arts Director**  
Sheri Britsch

**Parks Director**  
Deon Giles

**Police Chief**  
Keldon Brown

**Public Works Director**  
Neal Winterton

**Recreation Director**  
DaSheek Akwenye

# KEY SERVICES OF PLEASANT GROVE

## Community Development

Building and property improvement needs are coordinated with the objectives and requirements of planning, zoning, and engineering. From the review of concept plans to the issuance of occupancy certificates, the objective of the Community Development Department is to provide direction and assistance in achieving quality growth and improvement of the community.

## Fire

The Pleasant Grove Fire Department provides fire and emergency paramedic services to the citizenry. A highly trained staff of full time and part time fire fighter paramedics responds to calls 24 hours a day from a single centrally located fire station.

## Parks & Recreation

The Parks & Recreation Department, including Aquatics, Beautification and Shade Tree Commission, Cemetery, Custodial Services, Facilities, Parks, Recreation, Seniors, Community Service Projects and Trails, provides various services, programs and outdoor areas that educate, inform, enrich, entertain, beautify and move the citizens of Pleasant Grove. The Recreation Center is a 77,000 square foot facility that is home to a wide variety of wholesome interactive recreational programs, classes and activities.

## Police

The Police Department has the responsibility of enforcing all state and local laws, and is charged with providing emergency response to the citizens of Pleasant Grove. Police officers are available 24 hours a day, seven days a week, through Utah Valley Dispatch, and respond to calls for service, crime prevention, criminal activity investigation, suspect apprehension, traffic collision investigation, City Code violation enforcement, and animal services provision. Additionally, the department provides a number of services which consist of crime prevention/ awareness programs, Honorary Colonels, NOVA, school resource officers, K9, SWAT, Major Crimes Task Force, Sex Crimes Task Force, Joint Criminal Apprehension Team, Child Abduction Response Team, and Internet Crimes Against Children.

## Library & Arts

The Library and Arts Department is comprised of many boards and commissions. This department provides opportunities for the citizens to participate in local plays for adults and children, sing with a children's choir, play with a concert orchestra, enjoy listening to Concerts in the Park, tour and learn about the rich history of Pleasant Grove, take advantage of a vibrant library and its many children and adult programs, and celebrate Strawberry Days and other city events.

## Public Works

Public Works installs, operates, maintains, and is responsible for the safety of the city infrastructure—streets, storm drain, sewer, culinary and secondary water. Public Works is divided into three main divisions consisting of Streets, Sewer & Water, and Storm Drain.



# SIGNIFICANT COMMUNITY PROJECTS

## Capital Projects

The City's staff, following specific directives of the City Council and Mayor, have been involved in a variety of projects throughout the year. These projects reflect the City's commitment to ensuring that the citizens of Pleasant Grove are able to live and work in a desirable environment. During the fiscal year of 2021-2022, the City had several significant projects. Some of these projects are listed below.

## Parks, Recreation Facilities, and Trail Upgrades

The City made improvements or upgrades to the following: Veterans Memorial sidewalk, Discovery Park tennis/pickleball courts, Anderson Park improvements, cemetery expansion, pool improvements, City-wide parking lot renovations, Community Center restroom addition, and permanent outdoor lighting at the community center and clock tower.



## Public Works

The Public Works Department completed several projects during the FY2022 fiscal year: street rehabilitation of Mohican Street area and 1100 North, 1100 North water line, 600 North detention basin, Manila Pond pump station, 400 East sidewalk, Murdock Drive detention basin, and the Boulevard well (in progress). Seal cost and crack seal on numerous roadways throughout the city.



## Pipe Plant Development

The City's plan currently is to bond for approximately \$30,000,000 to develop 30 of the 40 acres into the following: Kindness Park, which includes splash pad and playground, expansion of the cemetery, completion of storm water detention basin, and completion of roads, sidewalks, and parking areas. Demolition and tree removal have begun on the project.



# STATEMENT OF NET POSITION

The City's governmental activities increased by \$9.8 million in total net position which represents an 7.94% from the prior year's net position.

The City's business-type activities increases \$10.6 million in total net position which represents 9.64% increase from the prior year's net position.

**The City, as a whole, increased total net position by 8.74%, to \$254 million from the prior year.** The full, disclosed Statement of Net Position can be located in the ACFR at [plgrove.org](http://plgrove.org).

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current & other assets	\$49,058,244	\$47,300,047	\$26,620,572	\$21,437,880	\$75,678,816	\$68,737,927
Capital assets	123,177,970	119,428,930	124,044,449	119,360,953	247,222,419	238,789,883
<b>Total Assets</b>	<b>\$172,236,214</b>	<b>\$166,728,977</b>	<b>\$150,665,021</b>	<b>\$140,798,833</b>	<b>\$322,901,235</b>	<b>\$307,527,810</b>
<b>Total Deferred Outflows of Resources</b>	<b>\$1,189,805</b>	<b>\$947,104</b>	<b>\$357,891</b>	<b>\$323,126</b>	<b>\$1,547,696</b>	<b>\$1,270,230</b>
Long-term debt outstanding	\$17,881,537	\$25,574,926	\$28,392,169	\$29,322,877	\$46,273,706	\$54,897,803
Other liabilities	\$11,656,186	\$10,677,858	\$1,185,878	\$1,321,273	\$12,842,064	\$11,999,131
<b>Total Liabilities</b>	<b>\$29,537,723</b>	<b>\$36,252,784</b>	<b>\$29,578,047</b>	<b>\$30,644,150</b>	<b>\$59,115,770</b>	<b>\$66,896,934</b>
<b>Total Deferred Inflows of Resources</b>	<b>\$10,242,766</b>	<b>\$7,609,323</b>	<b>\$744,462</b>	<b>\$390,257</b>	<b>\$10,987,228</b>	<b>\$7,999,580</b>
Net Investment in capital assets	\$110,922,075	\$93,393,570	\$95,037,549	\$90,284,906	\$205,959,624	\$183,678,476
Restricted	\$18,950,197	\$13,184,893	\$9,454,435	\$5,510,601	\$28,404,632	\$18,695,494
Unrestricted*	\$3,773,258	\$17,235,511	\$16,208,419	\$14,292,045	\$19,981,677	\$31,527,556
<b>Total net position</b>	<b>\$133,645,530</b>	<b>\$123,813,974</b>	<b>\$120,700,403</b>	<b>\$110,087,552</b>	<b>\$254,345,933</b>	<b>\$233,901,526</b>

**(Total Assets + Total Deferred Outflows) - (Total Liabilities - Total Deferred Inflows) = Net Position**

**\*Unrestricted net position** represents the available funds the City has at a point in time to pay for emergencies, shortfalls or other unexpected needs in both the Governmental and Business-Type Activities. Unrestricted net position allows management to track the City's financial position over time.



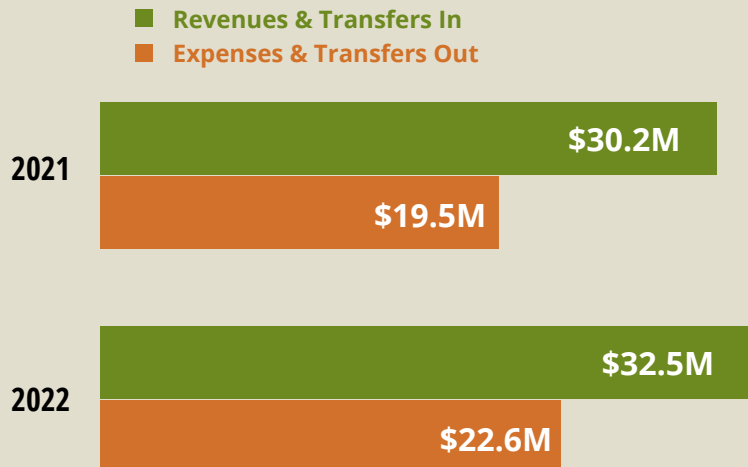
# STATEMENT OF ACTIVITIES

The expenses of the City government are divided into two categories: Governmental Activities and Business-type Activities.

## GOVERNMENTAL ACTIVITIES

Governmental activities are general government activities and are financed primarily through taxes, intergovernmental revenues, and other nonexchange revenues. Pleasant Grove's governmental activities are:

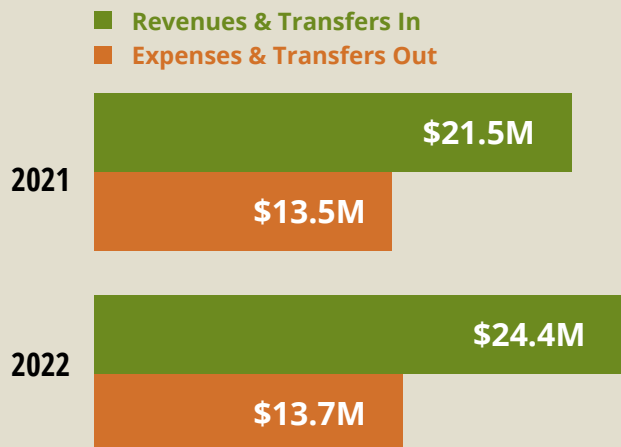
- General Government
- Public Safety
- Public Works
- Parks & Recreation
- Debt Service
- Redevelopment
- Community Services
- Construction
- Dispatch
- Swimming Pool
- Community Center
- Cultural Arts
- Library



## BUSINESS-TYPE ACTIVITIES

Business-type activities are financed in whole or in part by fees charged to external users for goods or services. Pleasant Grove's business-type activities are:

- Water
- Sewer
- Storm Drain
- Sanitation
- MWDPG



As of June 30, 2022, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for the governmental and business-type activities separately.

The full, disclosed Statement of Activities can be found in our ACFR located at [plgrove.org](http://plgrove.org).

# GENERAL FUND—REVENUES

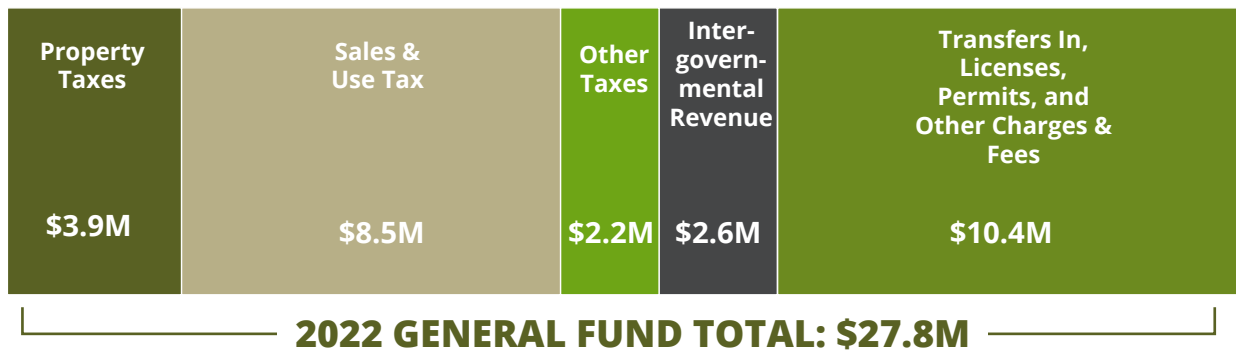
## WHAT IS THE GENERAL FUND?

The General Fund is the general operating fund of the City and supports day-to-day operations. By law, the City shall only have one general fund. For data on all city funds, please view the ACFR at [plgrove.org](http://plgrove.org).

The General Fund is comprised of the following departments:

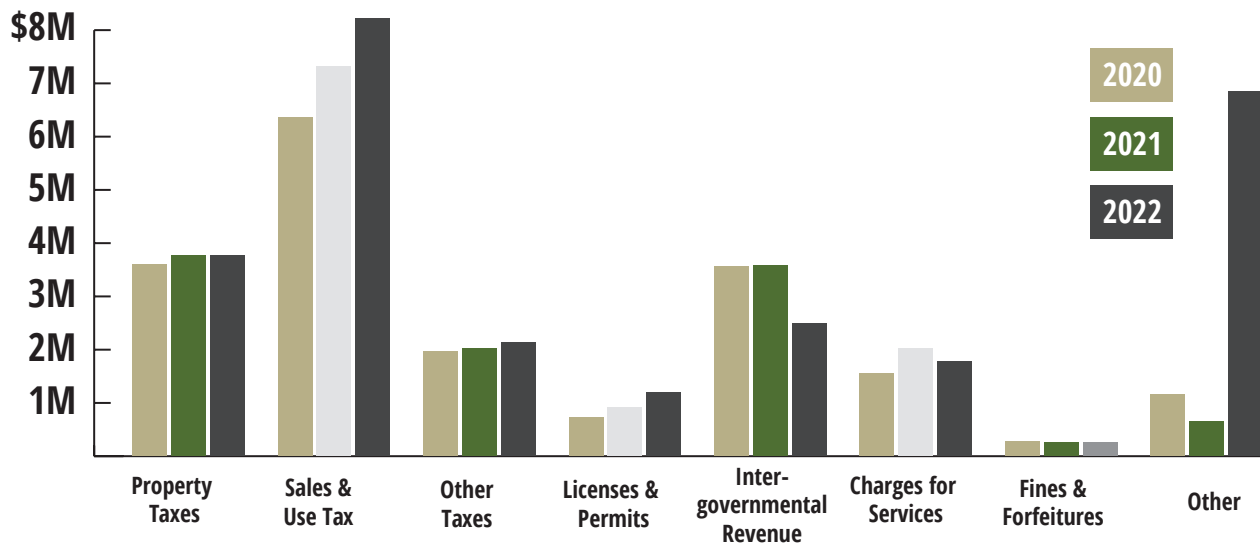
- General City Departments
- Risk Management
- Class C Roads
- Dental
- Cemetery

## WHERE DOES THE GENERAL FUND MONEY COME FROM?



## HOW HAS THE GENERAL FUND CHANGED?

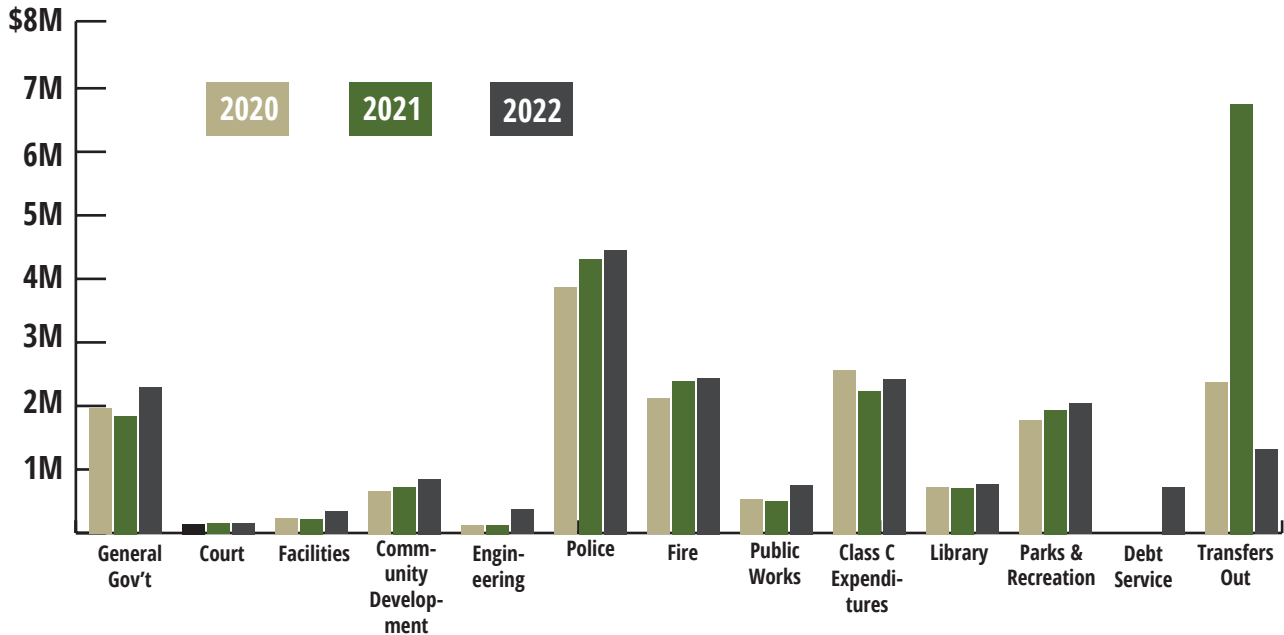
As shown below, sales tax continues to increase, which is a good indicator that Pleasant Grove's economy is continuing to grow as development continues. The "Other" category increased substantially based on bond proceeds in the amount of \$6.5 million for excise tax bond issued.



# GENERAL FUND—EXPENDITURES

## WHERE DOES THE GENERAL FUND MONEY GO?

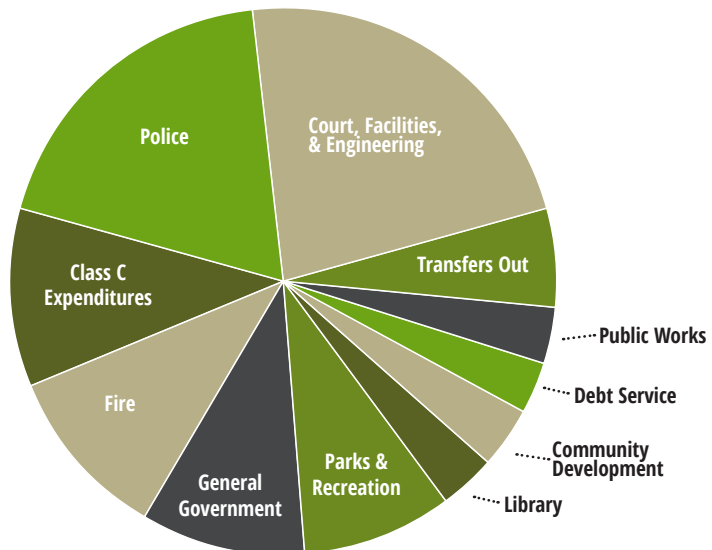
In 2022, General Fund expenditures were \$19 million compared to \$22 million in fiscal year 2021. General Government, Police, Fire, Parks and Recreation, and Class C Expenditures were greater than the prior year and transfers out were substantially less.



## GENERAL FUND EXPENDITURES 2022

The General Fund's largest expenditures were:

- Police (13%)
- Class C Roads (17%)
- Fire (13%)



# GENERAL FUND—FUND BALANCE

## FUND BALANCE

Fund balance is the difference between the General Fund's assets and liabilities. It is the net worth of the City.

The unassigned fund balance is an indication of the amount of available resources the City has at a point in time to fund emergencies, shortfalls, or other unexpected needs.

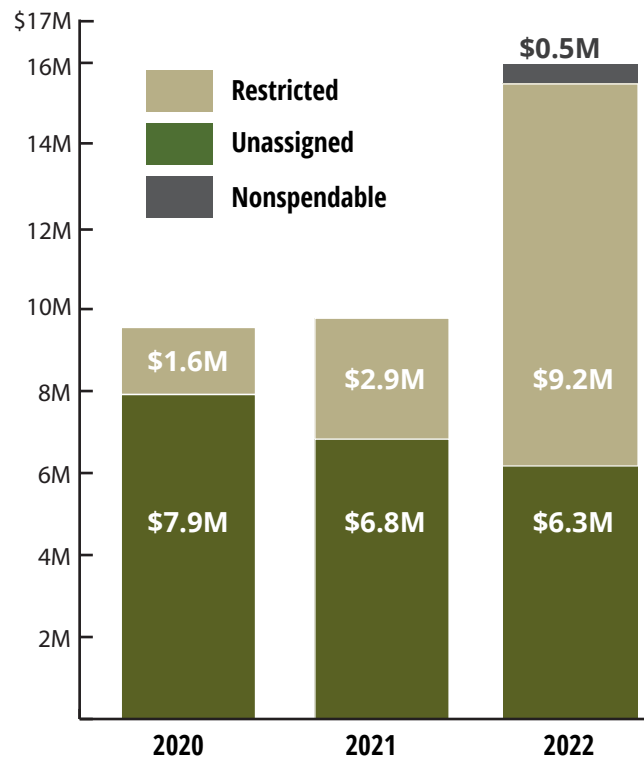
## UNASSIGNED GENERAL FUND BALANCE

The graph on the right depicts the ratio of the fund balance to budgeted revenues. This ratio is determined by dividing the amount of unassigned fund balance by the budgeted general fund revenue.

The State requires cities to have an unassigned fund balance ratio at a minimum of 5% and a maximum of 35%.

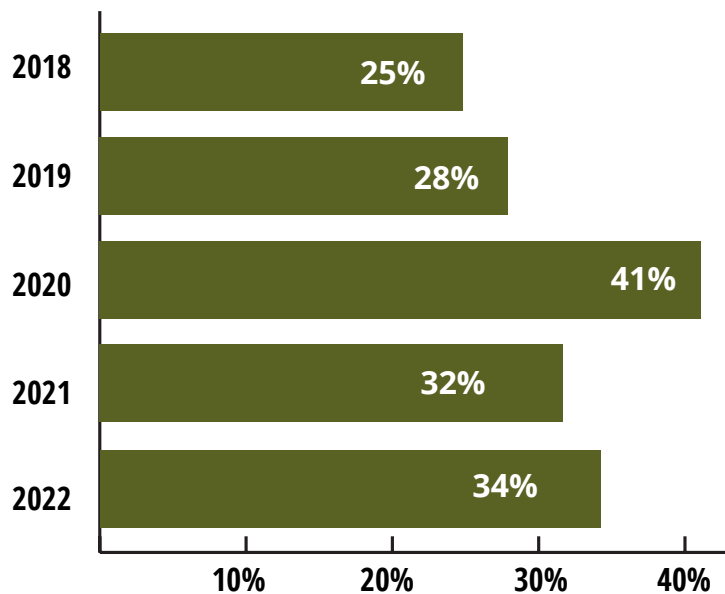
Fiscal year 2022 has been another year of strong economic growth and commercial development for the City, with the COVID-19 health pandemic not having a substantial effect on the City and its operations. Pleasant Grove City continues to attract the attention of commercial business and retailers resulting in a strong and growing sales tax base. The sales tax is becoming more diversified, although the City's sales tax revenue is still primarily generated by the general retail sector. As discussed above, the City's sales tax revenues and building-related fees continued to increase during this time. The City was notified during fiscal year 2021 that they will be receiving monies from The American Rescue Plan Act of 2021 in the amount of \$4,527,858. As of July 15, 2022, the City had received \$4,527,858. The City has designated that these funds be used for a storm drain infrastructure project, Outfall to the Lake and funds reside in the Storm Drain Fund.

## FUND BALANCE



## Ratio of Fund Balance to Budgeted Revenues

(State Requires Ratio to be 5%–35%)

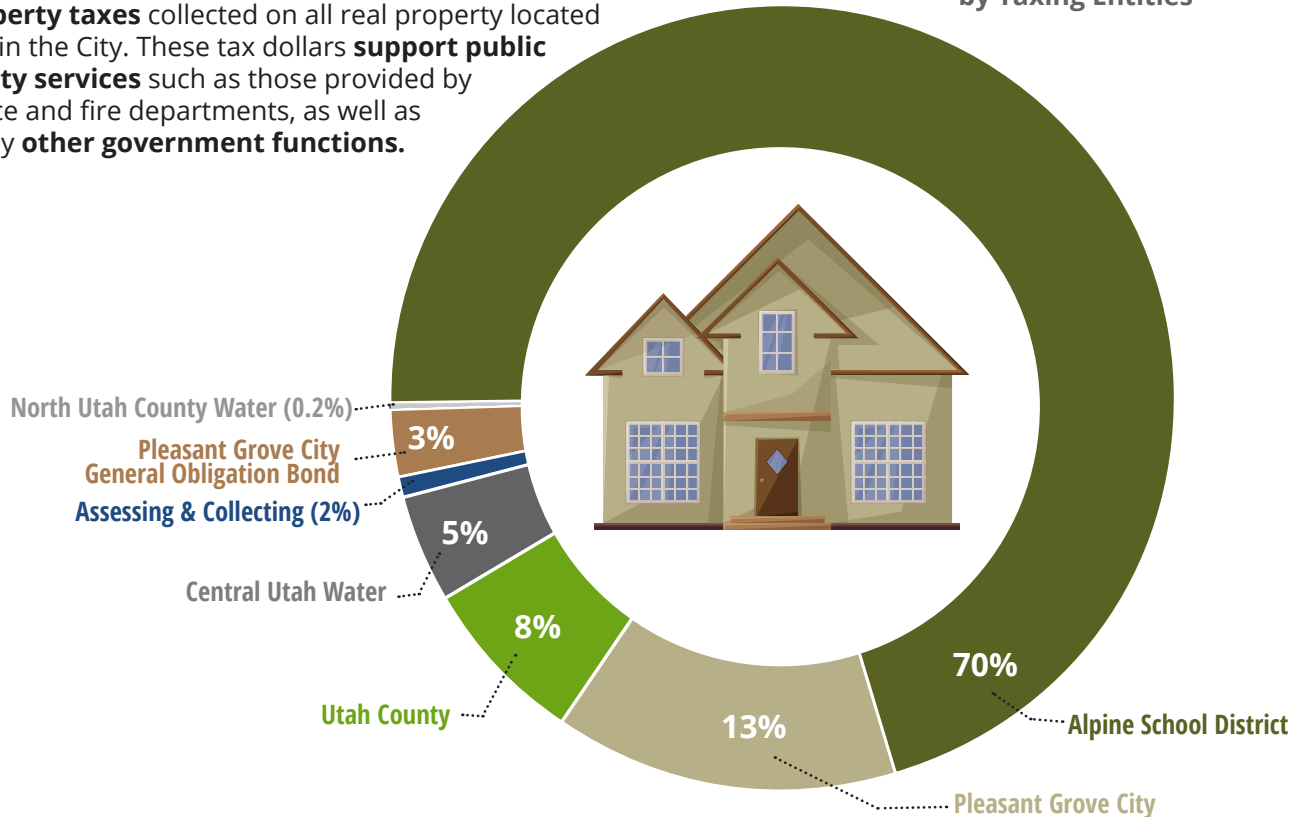


# PROPERTY TAX

## PROPERTY TAX

The city of Pleasant Grove receives a portion of the **property taxes** collected on all real property located within the City. These tax dollars **support public safety services** such as those provided by police and fire departments, as well as many **other government functions**.

PROPERTY TAX:  
Percentage Received  
by Taxing Entities



## PROPERTY TAX ASSESSED

The chart at the right shows the amount of tax dollars received by each tax entity, based on an example residential property with a market value of \$552,000.

Of all residential property tax assessed, **15.84%** goes to Pleasant Grove

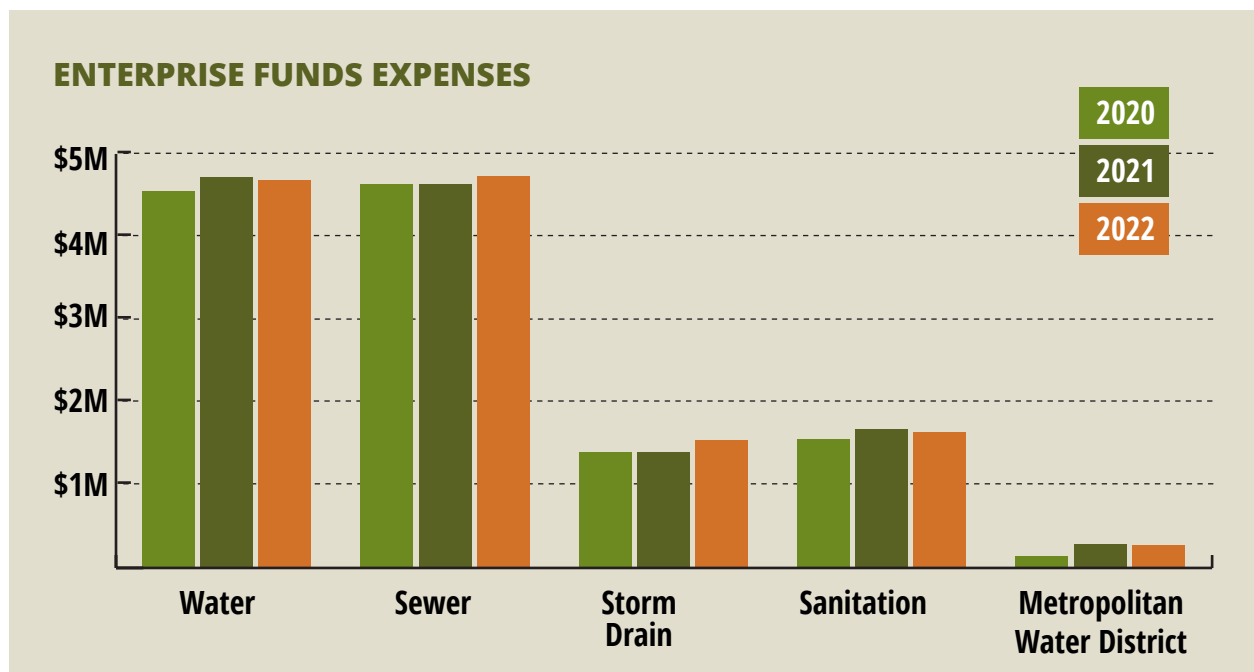
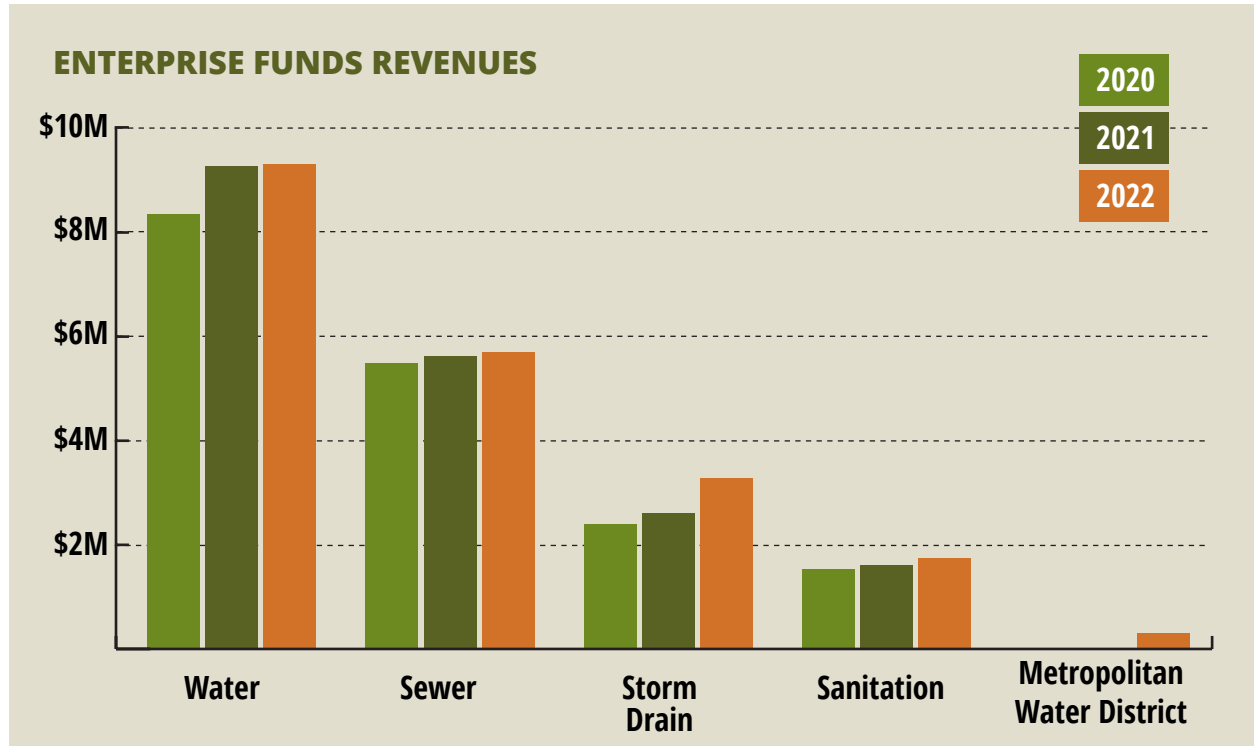
### \$552,000 Market Value Residential Property

Taxing Entity	% of Total	Amount
Alpine School District	69.58%	\$1,737.81
Pleasant Grove City	12.80%	\$319.69
Utah County	8.04%	\$200.68
Central Utah Water	4.86%	\$121.44
Assessing & Collecting	1.53%	\$38.25
Pleasant Grove City GO Bond	3.04%	\$75.90
North Utah County Water	0.15%	\$3.64
<b>Total Property Tax Assessed</b>	<b>100.0%</b>	<b>\$2,497.41</b>

# ENTERPRISE FUNDS

## ENTERPRISE FUNDS

**Enterprise funds** are used to account for those City operations that are financed and operated in a manner **similar to private business**. Readers interested in more details should read the Annual Comprehensive Financial Report (ACFR) available at [plgrove.org](http://plgrove.org).



# DEBT SUMMARY

## DEBT SUMMARY

At fiscal year end, the City had \$48.3 million in outstanding long-term debt, which represents a **15.73% decrease** from the prior year. This summary does not include all of the liabilities incurred by Pleasant Grove City. The City employed a variety of financing techniques for capital improvements, as described below:

**Notes Payable:** Notes are issued in anticipation of general obligations bonds and may be issued up to a maximum maturity of 20 years from the date of the issuance of the original notes (except for notes in anticipation of special assessments).

**General Obligation Bonds:** Repayment of General Obligation Bonds is guaranteed by the “full faith and credit” of the City.

**Revenue Bonds:** Revenue bonds are secured by the issuer pledging specific revenues either from the projects being financed and/or other dedicated revenue sources such as franchise fees of utility service revenue.

### LONG-TERM DEBT SUMMARY Governmental and Business-Type Activities

Debt Activity	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
General Obligation	\$10,761,000		\$(601,000)	\$10,160,000
Tax Increment Revenue	12,560,000		(12,560,000)	-
Excise Tax Revenue	-	6,500,000	(615,000)	5,885,000
Sales Tax Revenue	965,000		(475,000)	490,000
Water Revenue	18,566,000	1,200,000	(1,368,000)	18,398,000
Storm Water Revenue	8,480,000		(470,000)	8,010,000
Unamortized Premiums	2,227,278		(161,368)	2,065,910
Compensated Absences	1,084,124	670,924	(713,776)	1,041,272
Purchase Agreements*	826,038	1,236,962	(511,635)	1,551,365
Note Payable	1,062,549		(391,996)	670,553
Net Pension Liability	752,056		(752,056)	-
<b>Total:</b>	<b>\$57,284,045</b>	<b>\$9,607,886</b>	<b>\$(18,619,831)</b>	<b>\$48,272,100</b>

\*Purchase agreements have been used as a mechanism to obtain vehicles, copiers, computers, and fitness equipment

## RECOGNITION

Congratulations to the Parks Department for earning the Tree City USA award from the Arbor Day Foundation for the 27th year in a row.

Pleasant Grove was ranked 6th in Safe City Recognition in 2022. The PGPD also received the Bronze Award from Lexipol for Excellence in Law Enforcement Policy.

## PHOTOGRAPHY

Thanks to Pleasant Grove resident **Drew Armstrong** for generously allowing us to use many of his photos in this publication.

## CONTACT US

Pleasant Grove City: 801-785-5045

Finance Department: 801-992-4506

[www.plgrove.org](http://www.plgrove.org)

