

City of Pleasant Grove

2023 PAFR

POPULAR ANNUAL FINANCIAL REPORT

for the fiscal year ended June 30, 2023



TABLE OF CONTENTS

To the Citizens of Pleasant Grove	3
Pleasant Grove at a Glance	4
City Leaders	5
Key Services of Pleasant Grove.....	6
Significant Community Projects	7
Statement of Net Position	8
Statement of Activities	9
General Fund—Revenues	10
General Fund—Expenditures	11
General Fund—Fund Balance.....	12
Property Tax Summary	13
Enterprise Funds Summary	14
Debt Summary	15
Recognition	16



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, 2023. 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 2023 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.

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 2023 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

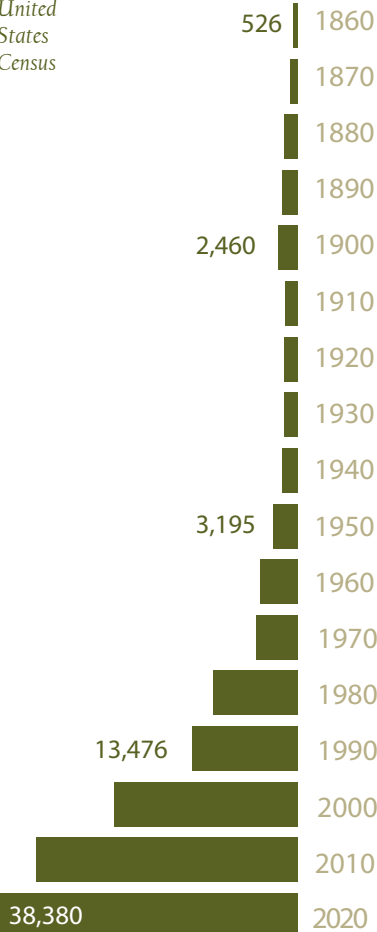


Denise B. Roy
Finance Director

PLEASANT GROVE AT-A-GLANCE

POPULATION GROWTH

Source:
United
States
Census



INCORPORATED

1855

38,241
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

- All Pro Security, LLC
- Alpine Pediatrics
- ARO
- ASEA, LLC
- Close to My Heart
- Culinary Crafts Catering
- Dental Intel, LLC
- doTerra International
- doTerra Manufacturing, LLC
- Evermore Park, LLC
- Horrocks Engineers, Inc.
- Kenect, LLC
- Klas
- Lincoln Academy
- Niels Fugal Sons Company
- PF Staffing Services, LLC
- Pleasant Grove City
- Pleasant Grove High School
- Q Sciences
- Smith's Food and Drug
- Taco Amigo
- Test Out Corporation
- Utah Fertility Center
- Utah Recreation Company
- Walmart



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

Human Resources Manager
David Packard

Library and Arts Director
Sheri Britsch

Parks Director
Deon Giles

Police Chief
Keldon Brown

Public Works Director
Neal Winterton

Recreation Director
Megan Zollinger

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 2022-2023, the City had several significant projects. Some of these projects are listed below.

Pipe Plant Development

The City bonded for \$36M to develop 30 of the 40 acres of the pipe plant property into the following: Cook Family Park, which will include a splash pad, playground, pump track, skate park, expansion of the cemetery, completion of a storm water detention basin, and completions of roads, sidewalks, and parking areas.



Construction of Cook Family Park at the pipe plant property

Public Works

The Public Works Department completed several projects during the FY2023 fiscal year: Boulevard Well drilling, sewer liner and manhole rehabilitation, Peterson detention basin and well scrubbing, 1300 W roadway connection, roadway micro surfacing, Loader sidewalk, 1300 W sewer relocation, Cook Family Park (in progress), Battle Creek Spring modifications, Battle Creek Channel clearing, 900 W roadway overlay, Alice Way waterline, 100 E Center Street widening, City Hall parking lot rehabilitation, 1300 E waterline, storm drain and roadway. Seal coats and crack seals were also completed on several roadways throughout the city.



Battle Creek Springs rehabilitation project

Parks, Recreation Facilities, and Trail Upgrades

The City made improvements or upgrades to the following: G Mountain, Battle Creek Trailhead restroom, library property landscape, Manila monument sign and landscape, swimming pool upgrades, rodeo grounds concessions & restrooms, benches, tables, and trash cans at various parks throughout the city.



G Mountain rehabilitation project

STATEMENT OF NET POSITION

The City's governmental activities increased by \$14.2M in total net position which represents a 10.66% change from the prior year's net position.

The City's business-type activities increased by \$9.04M in total net position which represents a 7.5% increase from the prior year's net position.

The City, as a whole, increased total net position by 9.16%, to \$278M from the prior year. The full, disclosed Statement of Net Position can be located in the ACFR at plgrove.org.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current & other assets	\$152,999,327	\$49,058,244	\$34,556,647	\$26,620,572	\$187,555,974	\$75,678,816
Capital assets	\$138,523,988	\$123,177,970	\$126,267,885	\$124,044,449	\$264,791,873	\$247,222,419
Total Assets	\$291,523,315	\$172,236,214	\$160,824,532	\$150,665,021	\$452,347,847	\$322,901,235
Total Deferred Outflows of Resources	\$1,619,137	\$1,189,805	\$421,441	\$357,891	\$2,040,578	\$1,547,696
Long-term debt outstanding	\$87,250,330	\$17,881,537	\$28,729,662	\$28,392,169	\$115,979,992	\$46,273,706
Other liabilities	\$16,558,173	\$11,656,186	\$2,676,708	\$1,185,878	\$19,234,881	\$12,842,064
Total Liabilities	\$103,808,503	\$29,537,723	\$31,406,370	\$29,578,047	\$135,214,873	\$59,115,770
Total Deferred Inflows of Resources	\$41,439,106	\$10,242,766	\$100,412	\$744,462	\$41,539,518	\$10,987,228
Net Investment in capital assets	\$117,411,664	\$110,922,075	\$99,198,605	\$95,037,549	\$216,610,269	\$205,959,624
Restricted	\$22,591,897	\$18,950,197	\$16,191,196	\$9,454,435	\$38,783,093	\$28,404,632
Unrestricted*	\$7,891,282	\$3,773,258	\$14,349,390	\$16,208,419	\$22,240,672	\$19,981,677
Total net position	\$147,894,843	\$133,645,530	\$129,739,191	\$120,700,403	\$277,634,034	\$254,345,933

(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.

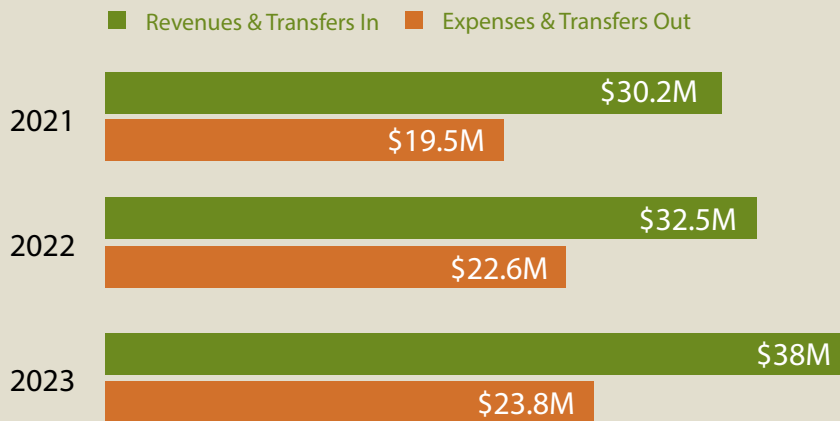
STATEMENT OF ACTIVITIES

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:

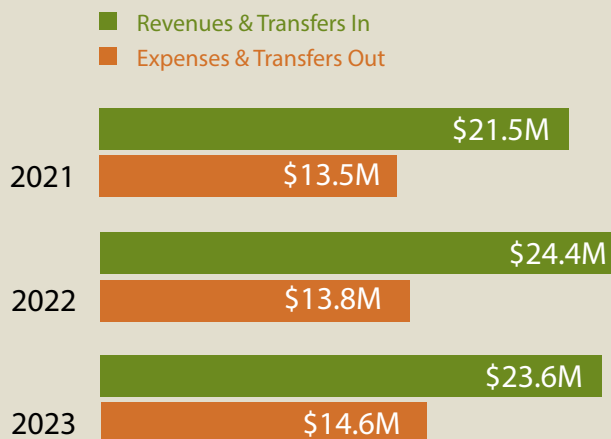
- General Government
- Public Safety
- Public Works
- Parks & Recreation
- Debt Service
- Redevelopment
- Community Services
- Construction
- Dispatch
- Swimming Pool
- Community Center
- Cultural Arts
- Library



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, 2023, 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.

GENERAL FUND—REVENUES

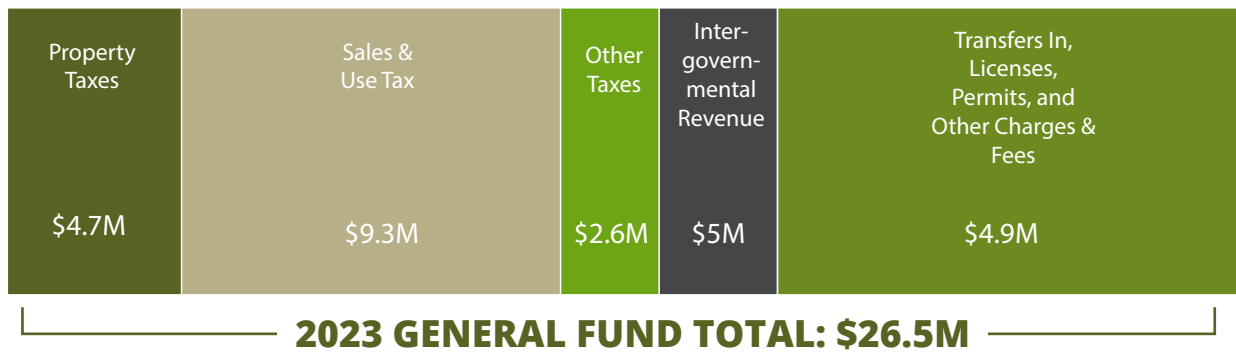
WHAT IS THE GENERAL FUND?

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.

The General Fund is comprised of the following departments:

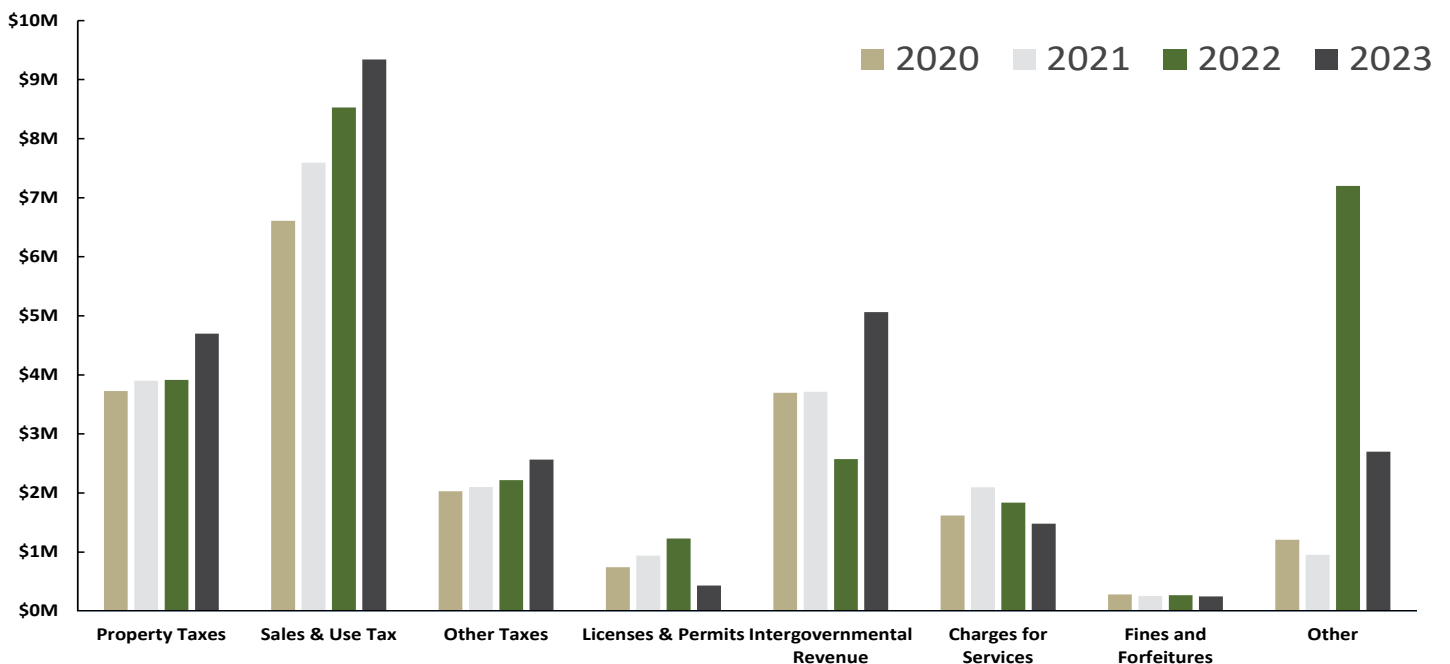
- General City Departments
- Risk Management
- Class C Roads
- Dental
- Cemetery

WHERE DOES THE GENERAL FUND MONEY COME FROM?



HOW HAS THE GENERAL FUND CHANGED?

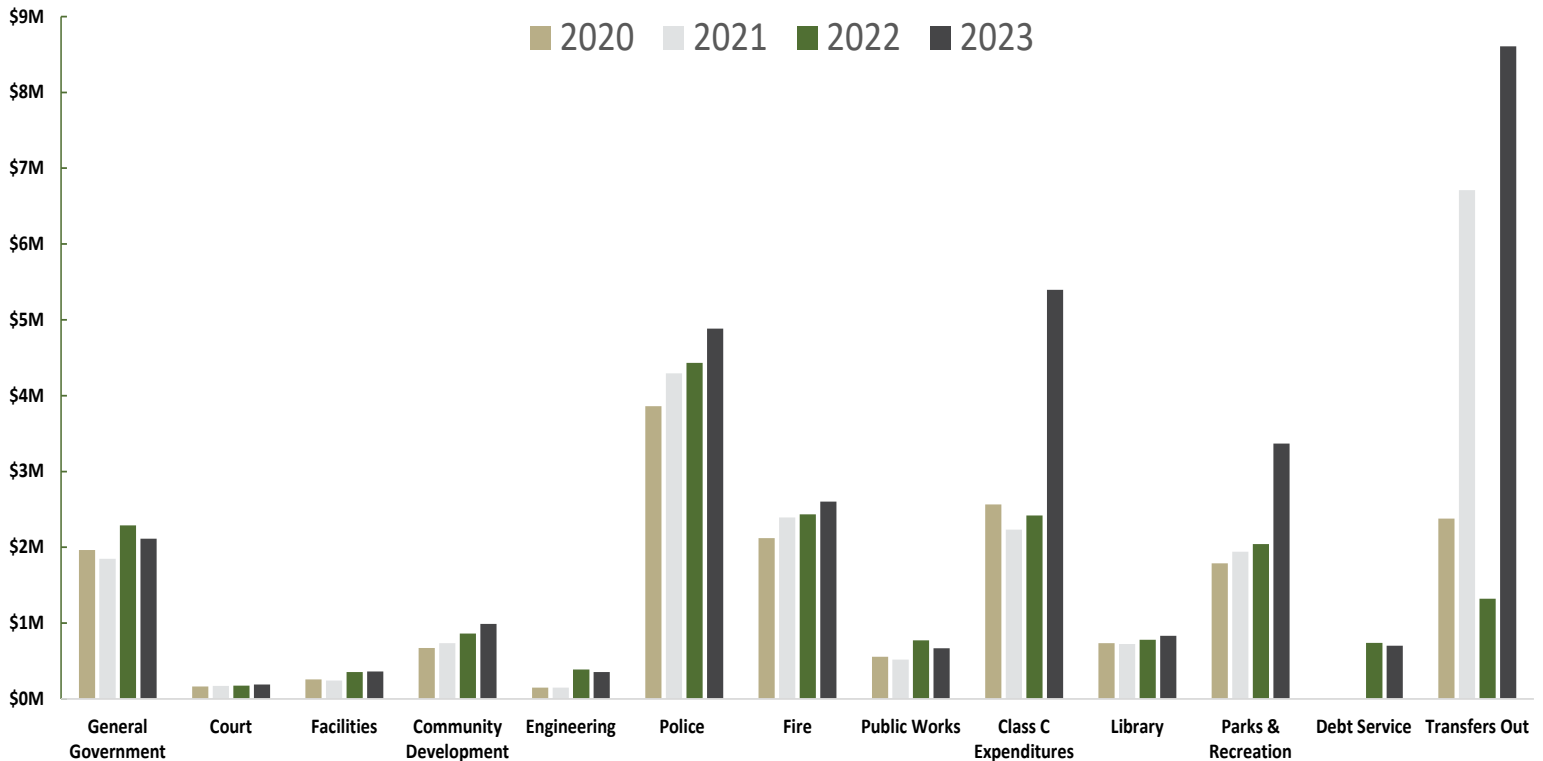
As shown below, sales tax continues to increase, which is a good indicator that Pleasant Grove’s economy is continuing to grow as development continues. The Council raised property taxes in FY2023 to support additional public safety staff and roads.



GENERAL FUND—EXPENDITURES

WHERE DOES THE GENERAL FUND MONEY GO?

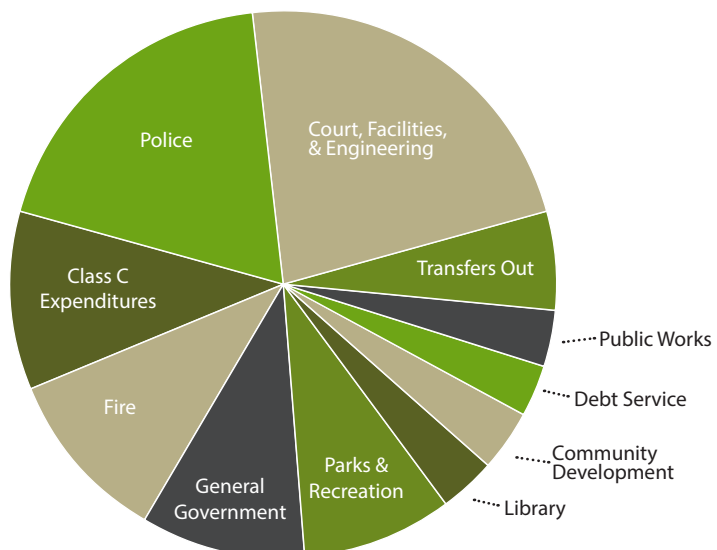
In 2023, General Fund expenditures were \$31M compared to \$19M in fiscal year 2022. The majority of the General Fund expenses increased slightly, and Class C expenditures were significantly greater than the prior year. Transfers out also increased substantially due to added capital improvement projects.



GENERAL FUND EXPENDITURES 2023

The General Fund's largest expenditures were:

- Police (23%)
- Class C Roads (13%)
- 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.

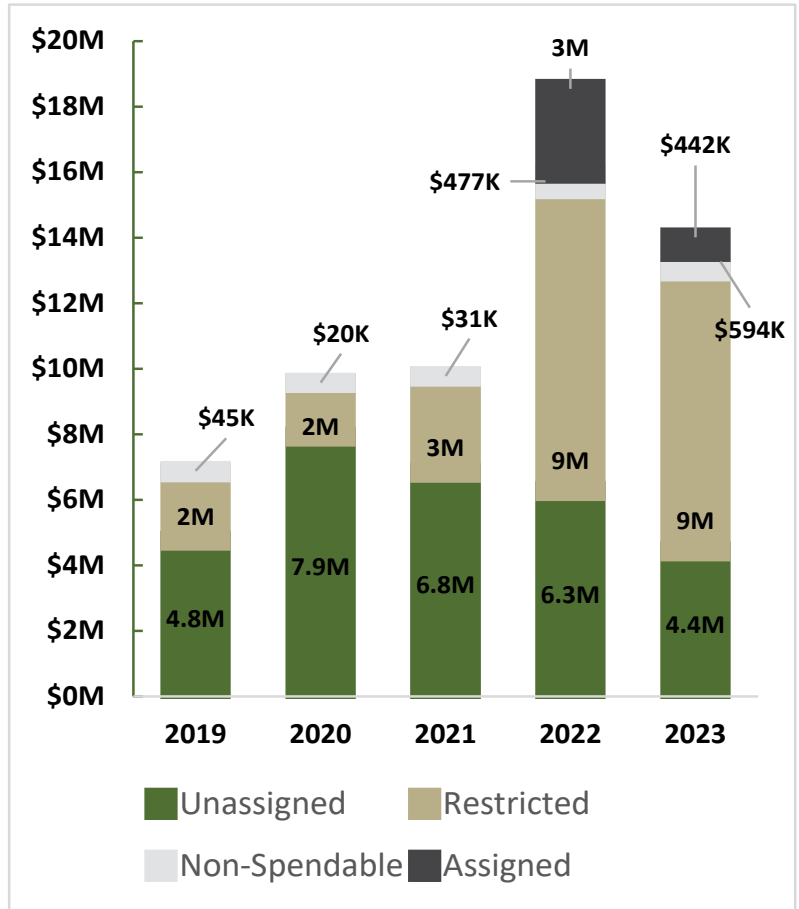
UNASSIGNED GENERAL FUND BALANCE

The graph on the right depicts the ratio of the fund balance to revenues. This ratio is determined by dividing the amount of unassigned, and assigned fund balance by the General Fund revenue.

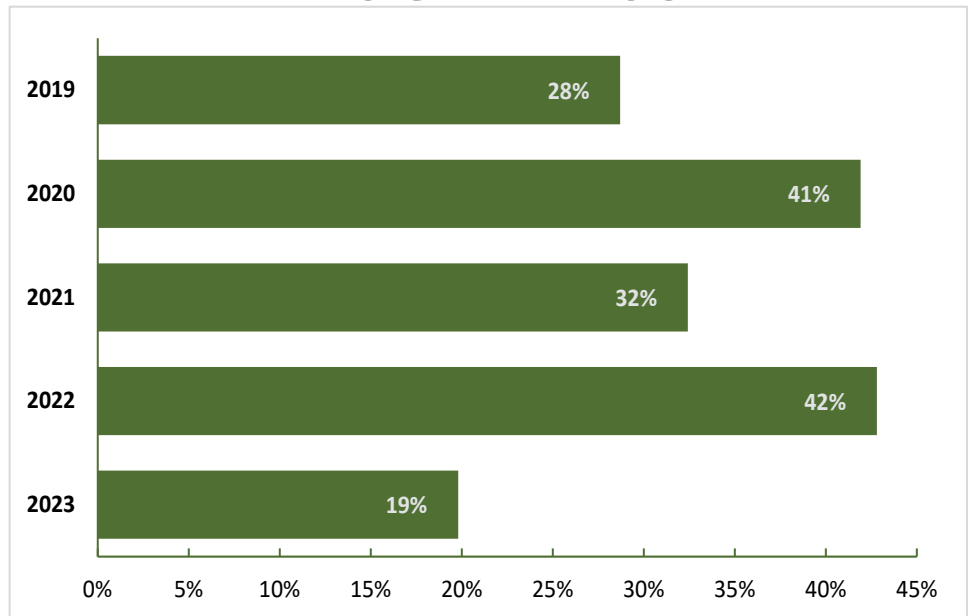
The State requires cities to have an unassigned fund balance ratio at a minimum of 5% and a maximum of 35%.

Fiscal year 2023 has been another year of strong economic growth and commercial development for the City. 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.

FUND BALANCE



RATIO OF FUND BALANCE TO BUDGETED REVENUES

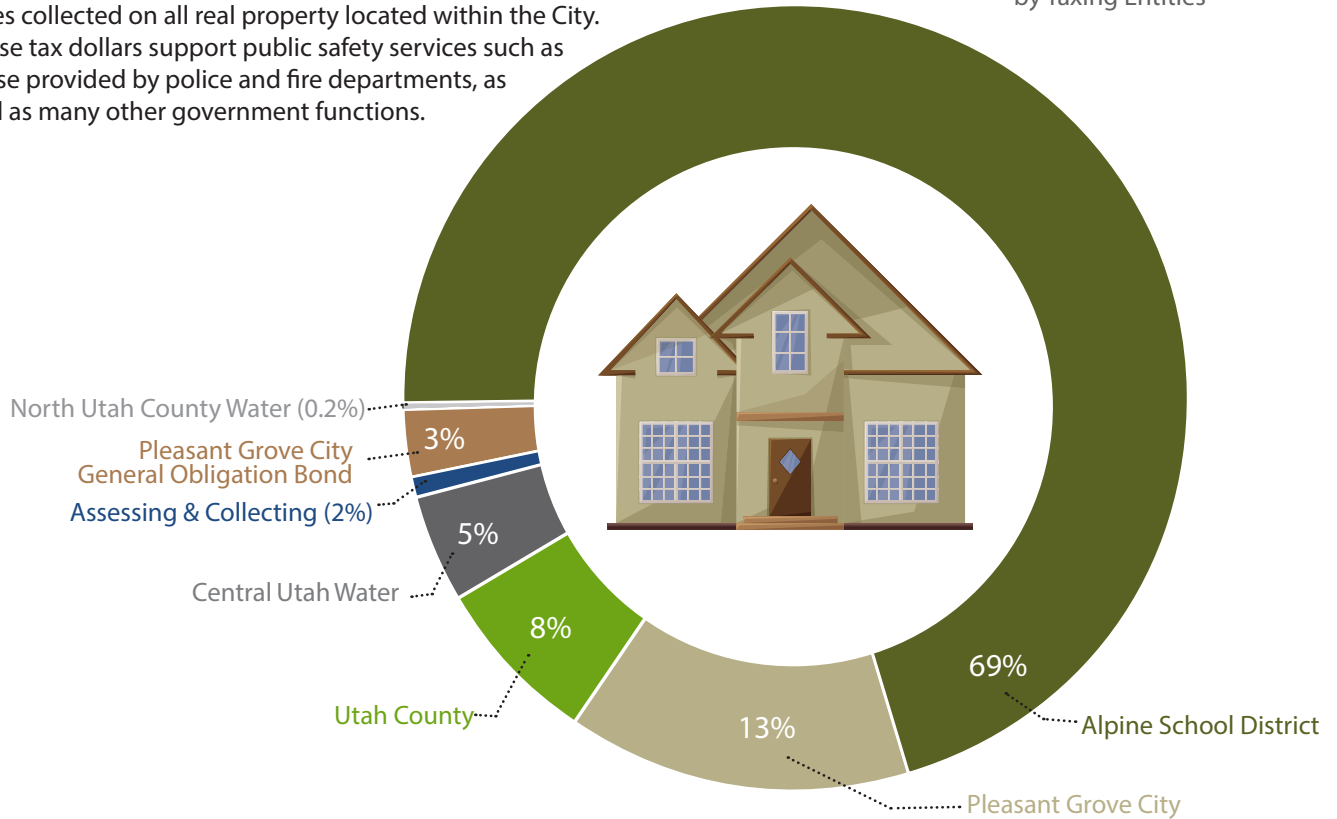


PROPERTY TAX

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 \$542,000.

Of all residential property tax assessed, 16.06% goes to Pleasant Grove

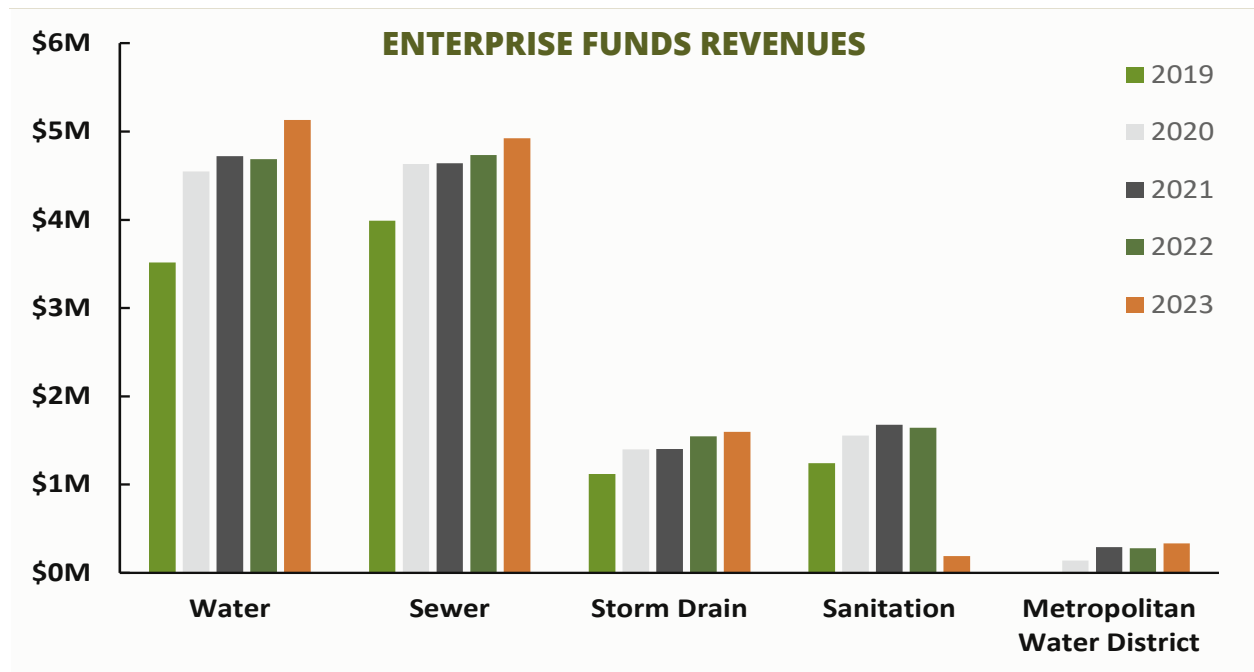
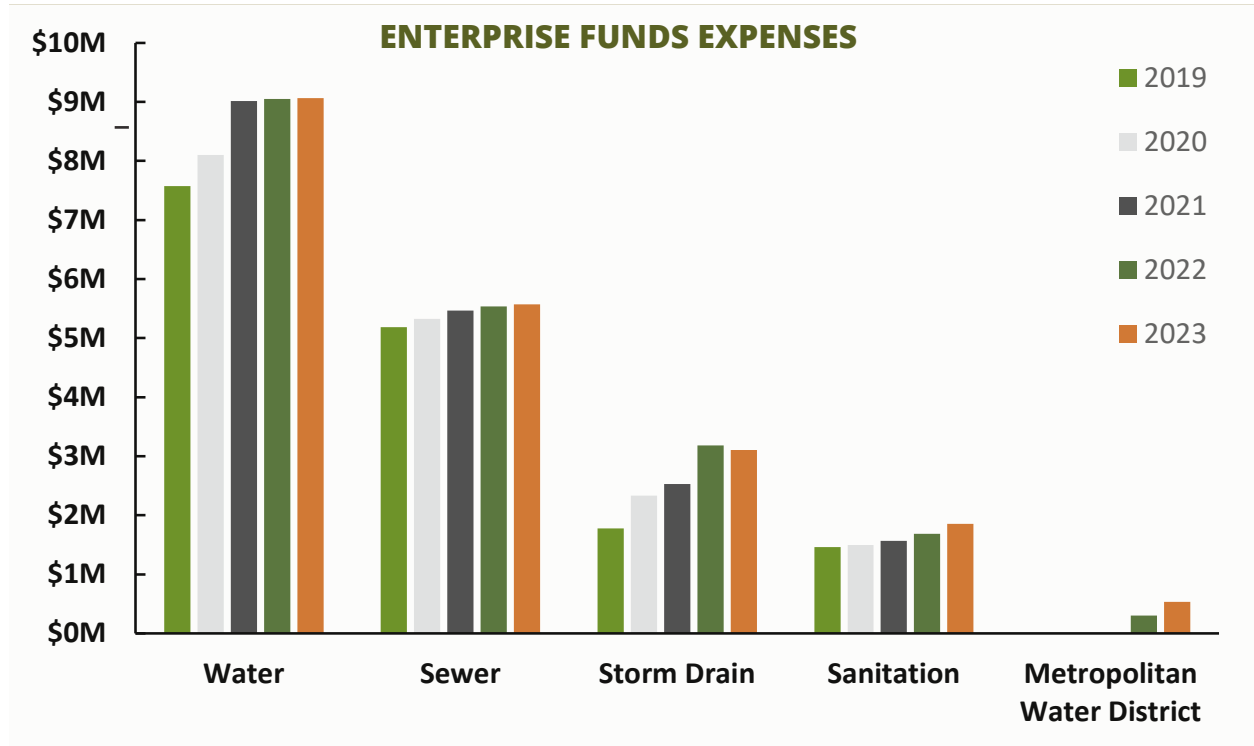
\$542,000 Market Value Residential Property

Taxing Entity	% of Total	Amount
Alpine School District	69.02%	\$1,644.92
Pleasant Grove City	13.02%	\$310.32
Utah County	8.21%	\$195.55
Central Utah Water	5.00%	\$119.24
Assessing & Collecting	1.56%	\$37.26
Pleasant Grove City GO Bond	3.04%	\$72.44
North Utah County Water	0.15%	\$3.58
Total Property Tax Assessed	100.0%	\$2,383.31

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.



DEBT SUMMARY

DEBT SUMMARY

At fiscal year end, the City had \$119 million in outstanding long-term debt, which represents a 148% increase 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.

The City issued debt in the form of a 2022A Lease Revenue Bond related to the “The Ruth Theater” project, a 2023 Sales Tax Bond for development of the Cook Family Park at the pipe plant property, and a 2023 Water Revenue Bond for a pressurized irrigation metering project.

LONG-TERM DEBT SUMMARY Governmental and Business-Type Activities

Debt Activity	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
General Obligation	\$10,160,000		\$(622,000)	\$9,538,000
Lease Revenue		\$35,000,000		\$35,000,000
Excise Tax Revenue	\$5,885,000		\$(620,000)	\$5,265,000
Sales Tax Revenue	\$343,000	\$36,000,000	\$(343,000)	\$36,000,000
Water Revenue	\$18,398,000	\$2,500,000	\$(1,406,000)	\$19,492,000
Storm Water Revenue	\$8,010,000		\$(485,000)	\$7,525,000
Unamortized Premiums	\$2,065,910		\$(149,389)	\$1,916,521
Compensated Absences	\$1,041,272	\$716,871	\$(577,788)	\$1,180,355
Purchase Agreements*	\$1,551,365	\$335,674	\$(469,746)	\$1,417,293
Note Payable	\$670,553		\$(130,588)	\$539,965
Net Pension Liability		\$1,450,791		\$1,450,791
Total:	\$48,125,100	\$76,003,336	\$(4,803,511)	\$119,324,925

*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 28th year in a row.
- Pleasant Grove was ranked 7th in Safe City Recognition in 2023.
- GFOA Triple Crown Award - The Government Finance Officers Association (GFOA) Triple Crown is an award program that recognizes governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award. The Triple Crown is awarded to governments that have demonstrated a commitment to transparency and financial accountability by producing high-quality financial reports and budgets that meet the highest standards of government accounting and financial reporting.
- AA General Obligation Bond Rating
- AA Storm Water Revenue Bond Rating
- AA Water Revenue Bond Rating

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

