



2019
PAFR

Pleasant Grove 
Utah's City of Trees

PLEASANT GROVE CITY, UTAH

Table of Contents

To the Citizens of Pleasant Grove.....	1
Pleasant Grove at a Glance	2
City Leaders	3
Key Services of Pleasant Grove.....	4
Significant Events for the Community.....	5
Statement of Net Position.....	6
Statement of Activities.....	7
Where Does General Fund Money Come From?	8
Where Does General Fund Money Go?	9
General Fund, Fund Balance	10
Property Tax Summary	11
Enterprise Funds Summary.....	12
Debt Summary	13
Recognition	14



To the Citizens

We are proud to present the City of Pleasant Grove's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2019. 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 Comprehensive Annual Financial Report (CAFR). The CAFR includes financial statements that were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Hansen, Bradshaw, Malmrose & Erickson, an independent auditing firm. The 2019 CAFR has received an unmodified (clean) opinion. The numbers contained within the CAFR 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 CAFR, 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. The City has accomplished many goals in 2019 the public works department reconstructed 500 North to 1100 North road and waterline. The City made improvements to Discovery Park, Downtown Park, and Valley Vista Trail

We are honored to serve the citizens of Pleasant Grove and hope you enjoy reviewing the 2019 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

Population

Pleasant Grove City's current population is 38,428. The City anticipates a buildout population of 48,000. The City is a suburban community encompassing 9.17 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 10 EMPLOYERS

- doTERRA International, LLC
- Alpine School District
- Horrocks Engineers, INC.
- Niels Fugal Sons Company
- All Pro Security, LLC
- American Land and Leisure
- Culinary Crafts Catering
- Instructure, INC.
- Lincoln Academy
- Pleasant Grove City



City Leaders

Mayor Guy Fugal



City Council Members



Diana Anderson



Eric Jensen



Cyd LeMone



Brent Bullock



Todd Williams

Executive Staff

City Administrator.....	Scott Darrington	Fire Chief.....	Dave Thomas
Assistant to the City Administrator.....	Kyler Ludwig	Library and Arts Director.....	Sheri Britsch
City Attorney	Tina Petersen	Parks Director.....	Deon Giles
City Recorder.....	Kathy Kresser	Police Chief.....	Mike Roberts
Finance Director.....	Denise Roy	Public Works Director.....	Marty Beaumont
Community Development	Daniel Cardenas	Recreation Director.....	Tyler Wilkins

Key Services

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.

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.

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 a full-time dispatch center, 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.

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 Events



Public safety Facilities

The Fire Station was completed and dedicated in December 2018. The Police Station was dedicated in April 2019. The Public Safety Facilities are a tremendous asset to the citizens of Pleasant Grove.

Discovery Park

With the help of residents and City employees the reconstruction of discovery park was completed in June of 2019.



Downtown Park

The Reconstruction of Downtown Park was completed in April of 2019 by the Pleasant Grove City Parks Department.

Statement of Net Position

The City's governmental activities increased by \$6.8 million in total net position which represents a 6.4% increase from the prior year's net position. The City's business-type activities increased \$4.7 million in total net position which represents a 5.8% increase from the prior year's net position. **The City, as a whole, increased total net position by \$11.5 million, which is a 6.17% increase from the prior year.** The full, disclosed Statement of Net Position can be located in the CAFR located at plgrove.org.

PLEASANT GROVE CITY NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current And Other Assets	\$ 38,540,691	\$ 44,535,577	\$ 14,758,126	\$ 14,542,551	\$ 53,298,817	\$ 59,078,128
Capital Assets	119,240,682	98,191,424	100,975,911	97,763,009	220,216,593	195,954,433
Total Assets	157,781,373	142,727,001	115,734,037	112,305,560	273,515,410	255,032,561
Total Deferred Outflows Of Resources	1,907,383	1,969,730	1,570,475	1,676,409	3,477,858	3,646,139
Long-term Debt Outstanding	28,384,347	31,253,315	28,400,344	29,994,816	56,784,691	61,248,131
Other Liabilities	14,891,646	10,774,670	2,688,988	2,297,306	17,580,634	13,071,976
Total Liabilities	43,275,993	42,027,985	31,089,332	32,292,122	74,365,325	74,320,107
Total Deferred Inflows of Resources	4,380,689	5,681,252	114,956	313,199	4,495,645	5,994,451
Net Investment In Capital Assets	89,161,837	73,540,547	72,211,074	67,551,374	161,372,911	141,091,921
Restricted	8,422,870	13,816,437	4,010,421	5,516,761	12,433,291	19,333,198
Unrestricted	14,447,367	9,630,490	9,878,729	8,308,513	24,326,096	17,939,003
Total Net Position	\$ 112,032,074	\$ 96,987,474	\$ 86,100,224	\$ 81,376,648	\$ 198,132,298	\$ 178,364,122

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

GOVERNMENTAL ACTIVITIES Revenues & Expenses



BUSINESS-TYPE ACTIVITIES Revenues & Expenses



GOVERNMENTAL ACTIVITIES

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

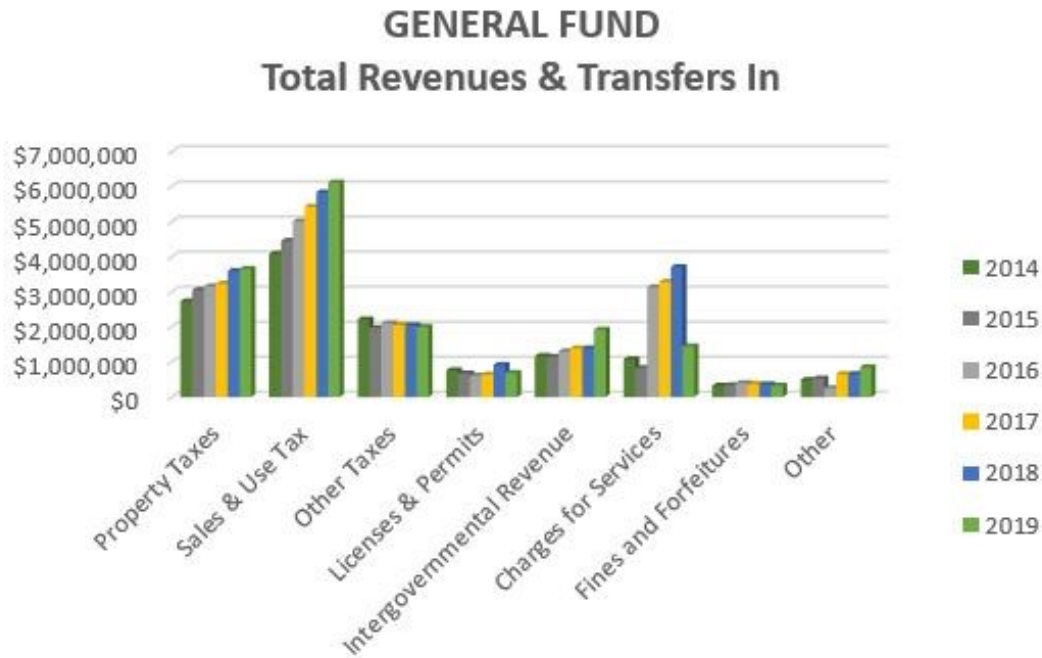
BUSINESS-TYPE ACTIVITIES

- Water
- Sewer
- Storm Drain
- Sanitation

As of June 30, 2019, 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 governmental and business-type activities separately.

This summary excludes bond proceeds and transfers related to bond issuances. The full, disclosed Statement of Activities can be located in our CAFR located at plgrove.org.

Where Does the General Fund Money Come From?

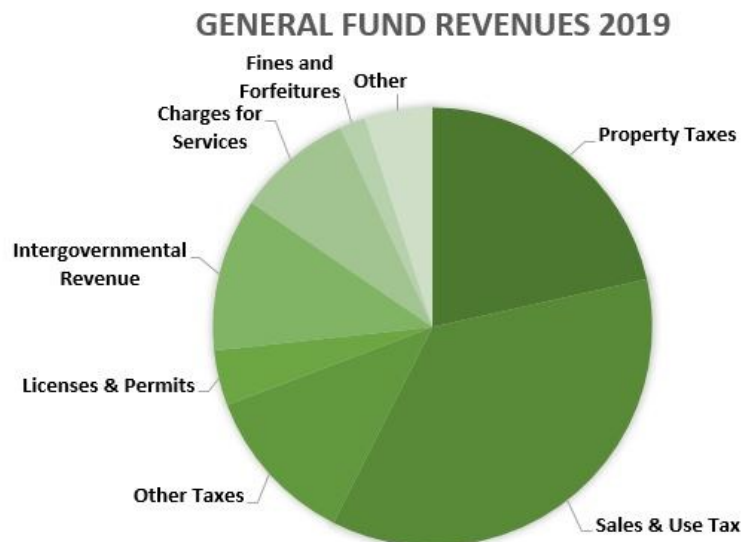


The General Fund is the general operating fund of the City and supports day-to-day operations. By law, the City shall only have one general fund. For data on all city funds, please view the CAFR at plgrove.org. The General Fund is comprised of the following departments:

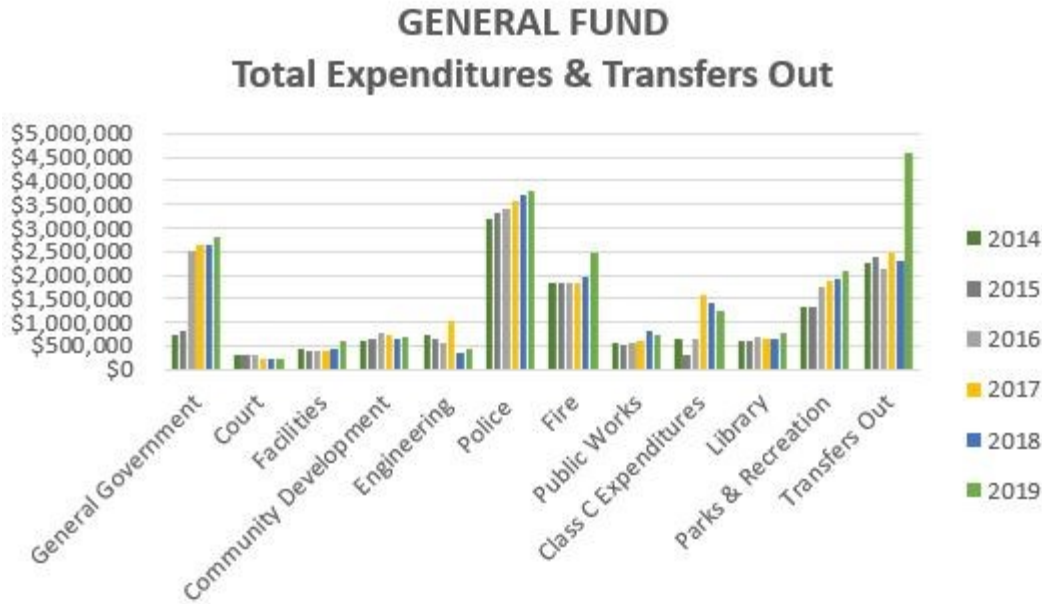
*General City Departments *Risk Management *Class C Roads *Dental *Cemetery

As shown above, **sales tax continues to increase**, which is a good indicator Pleasant Grove’s economy is continuing to grow as development continues.

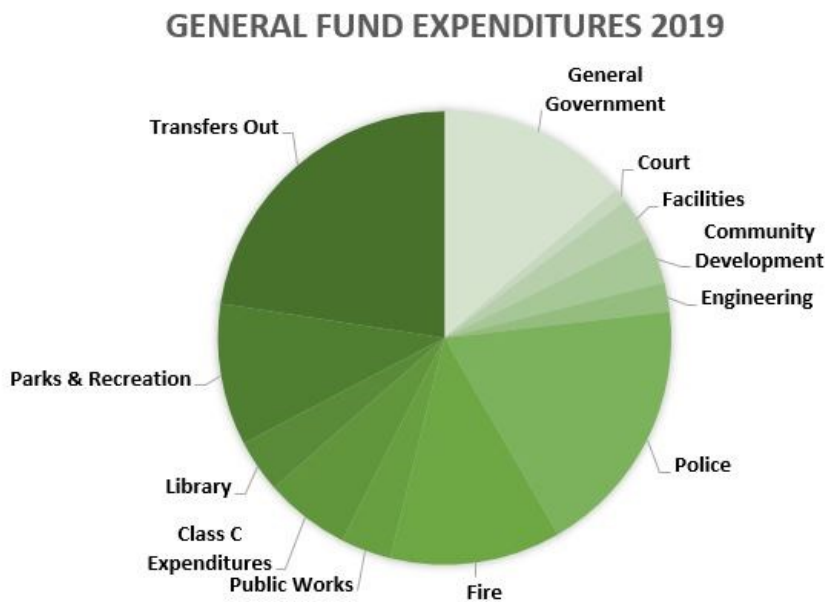
The largest source of revenue for the General Fund is sales tax (33%) followed by property tax (20%).



Where Does The General Fund Money Go?



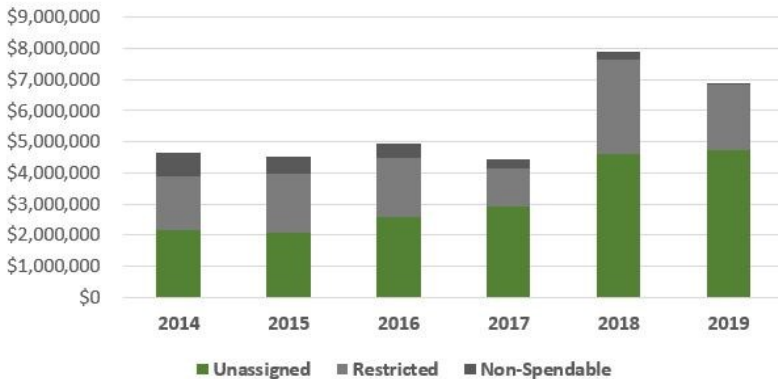
In 2019 there were 21.8 million dollars worth of expenditures. A transfer to the Capital Projects Fund of 3.1 million is the primary reason for the spike in transfers out in 2019. (See 2019 CAFR for more information)



The General Fund's largest department continues to be the Police Department (22%) followed by Fire Department (15%), and Parks & Recreation (12%)

General Fund

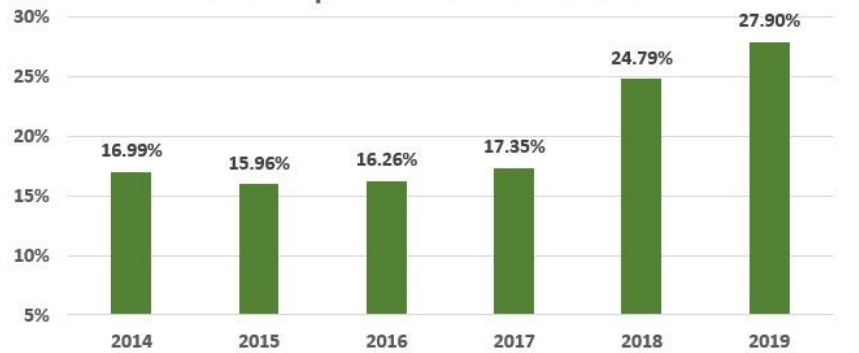
**GENERAL FUND
Fund Balance**



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.

The ratio depicted 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 25%.

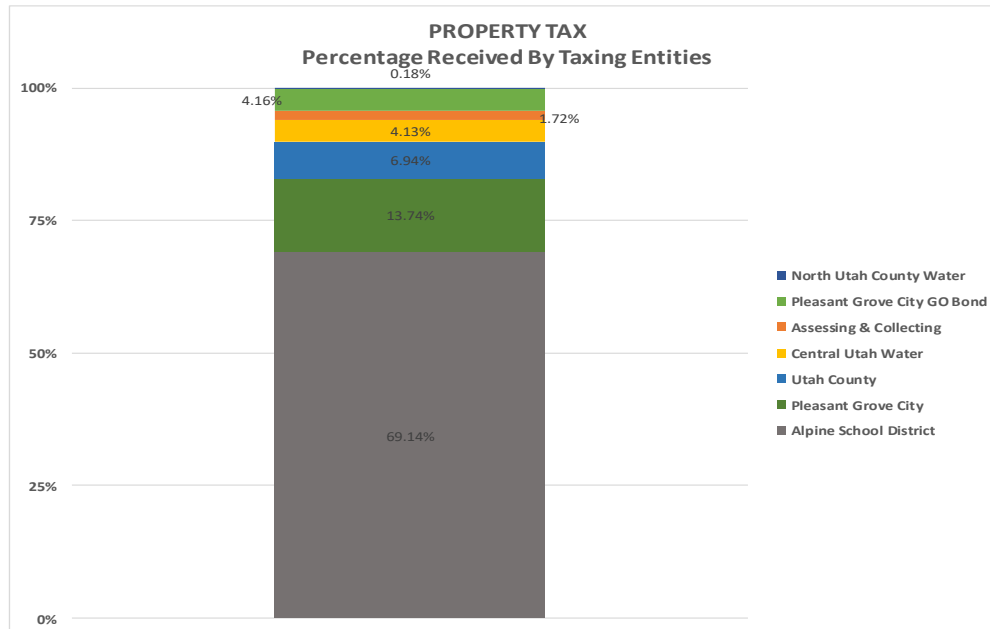
**UNASSIGNED GENERAL FUND BALANCE
Ratio of Fund Balance to Budgeted Revenues
State Requires Ratio to be 5% - 25%**



The City adopted the FY2020 with the intent of using \$1,025,750 of General Fund Balance for one-time capital improvement projects. After the expenditures of these funds in FY2020 the fund balance will be under the 25% fund balance threshold established by the State of Utah.

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**.



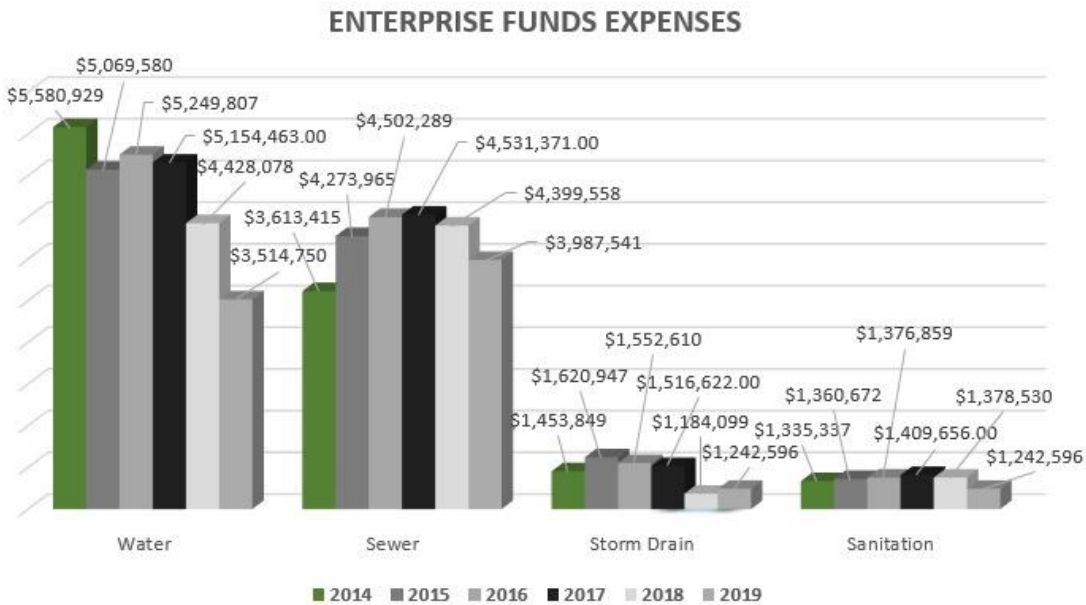
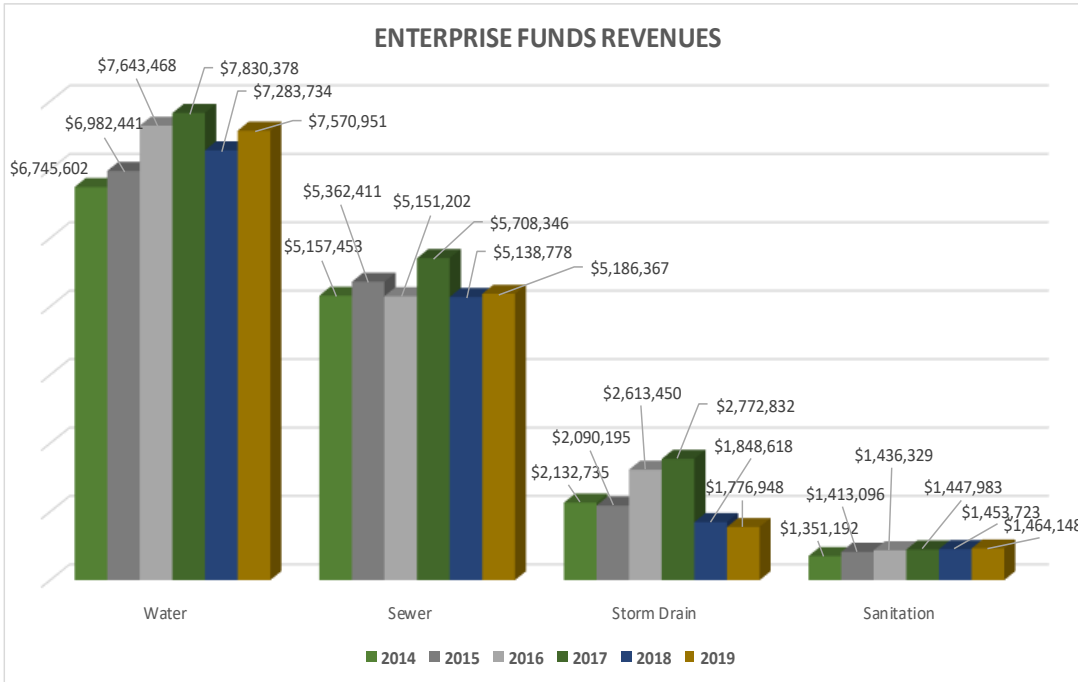
PROPERTY TAX ASSESSED \$225,000 Market Value Residential Property

Taxing Entity	% of Total	Amount
Alpine School District	69.14%	\$1,267.45
Pleasant Grove City	13.74%	\$251.83
Utah County	6.94%	\$127.14
Central Utah Water	4.13%	\$75.68
Assessing & Collecting	1.72%	\$31.60
Pleasant Grove City GO Bond	4.16%	\$76.25
North Utah County Water	0.18%	\$3.22
Total Property Tax Assessed	100.0%	\$1,833.16

17.90% of residential property tax assessed goes to Pleasant Grove

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 Comprehensive Annual Financial Report (CAFR) available at plgrove.org.



Debt Summary

At fiscal year end, the City had 65.5 million in outstanding long-term debt, which represents a **2.5% 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:

LONG-TERM DEBT SUMMARY Governmental and Business-Type Activities

Debt Activity	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019
General Obligation	\$ 12,475,000		\$ (559,000)	\$ 11,916,000
Tax Increment Revenue	14,837,000		(717,000)	14,120,000
Sales Tax Revenue	2,310,000		(435,000)	1,875,000
Water Revenue	18,931,000	350,000	(1,135,000)	18,146,000
Storm Water Revenue	10,780,000		(385,000)	10,395,000
Unamortized Premiums	1,424,427		(107,339)	1,317,088
Post-Employment Benefits	9,864		(9,864)	-
Compensated Absences	815,339	661,145	(629,376)	847,108
Capital/Operating Leases	1,523,138	345,000	(707,149)	1,160,989
Note Payable	1,610,103		(89,405)	1,520,698
Net Pension Liability	2,489,240	1,745,479		4,234,719
	\$ 67,205,111	\$ 3,101,624	\$ (4,774,133)	\$ 65,532,602

Operating and capital leases have been used as a mechanism to obtain vehicles, copiers, computers, and fitness

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.

Recognition



The City earned the Tree City USA Award from the Arbor Day Foundation for the 24th year in a row.



Thanks to the hard work of the Pleasant Grove City Police Department, Pleasant Grove was named the 6th safest city in Utah.



Pleasant Grove City Library was recognized by the state as a Quality Library.

Contact Us

General 801.785.5045 Finance 801.922.4506

