

# PAFR 2017





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# To the Citizens

**W**e are proud to present the City of Pleasant Grove's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2017. 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 201 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](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. The City has accomplished many goals in 2017, including the following: The City made structural upgrades to the Lions Center, the Public Safety Facilities construction is moving forward with the Fire Station estimated to be done in November 2018 and Police Station and Court Building in February 2019. The Public Works Department completed the following major projects: Storm drain project at Locust Avenue and 300 South, Water projects on Garden Drive, 300 South 400 East/Locust and 300 South and Locust Avenue.

We are honored to serve the citizens of Pleasant Grove and hope you enjoy reviewing the 2016 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 Year 2000**



~ 23,500

**Population Year 2017**



~ 38,756

**65%**

Population Growth  
2000 to 2017

Home of Strawberry Days - The Longest Continually Running Celebration in Utah



**Pleasant Grove was settled in 1850  
and incorporated in 1855**



Median Household Income = **\$64,124**

**Pleasant Grove**



Utah's City of Trees

## Other Numbers of Note

### TOP 10 EMPLOYERS

- 1) doTERRA International, LLC
- 2) Alpine School District
- 3) Horrocks Engineers, Inc
- 4) Lincoln Academy
- 5) Maceys
- 6) Mile High Contracting
- 7) MOZY Decho Software
- 8) Niels Fugal Sons Company
- 9) Pleasant Grove City
- 10) Sundesa, LLC



**25.1** Median Age



**36.8%** residents with at least a Bachelor's degree



**3.6** Average household size



**11** Schools  
Public & Private



**3,655** People per square mile



Total Area **9.17** square miles

# City Leaders

Mayor Guy Fugal



City Council Members



Dianna Andersen



Eric Jensen



Cyd LeMone



Todd Williams



Lynn Walker



## Executive Staff

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



# 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

doTERRA broke ground this year on its third phase of growth. They are building a medical clinic, an office building, a fulfillment center, and expanding their manufacturing facility. doTERRA plans to create 950 jobs in Utah over the next three years.



The Walker Tank & Pump Station is a 1.8 million-gallon secondary water tank that provides water to three pressure zones in our system. The project is nearing completion and will be put into service in the 2018 irrigation season. The landscaping on the site will be completed in spring/summer 2018.



Pleasant Grove city has begun construction on the new Public Safety Facilities. The anticipated completion date of the Fire Department is at the end of October 2018 and the Police Station at the end of February 2019.



# Statement of Net Position

The City's governmental activities' increased by \$3.4 million in total net position which represents a 4.24% increase from the prior year's net position. The City's business-type activities' increased \$5.1 million in total net position which represents a 7.71% increase from the prior year's net position. **The City, as a whole, increased total net position by \$8.5 million, which is a 5.82% increase from the prior year.** The full, disclosed Statement of Net Position can be located in the CAFR located at [plgrove.org](http://plgrove.org).

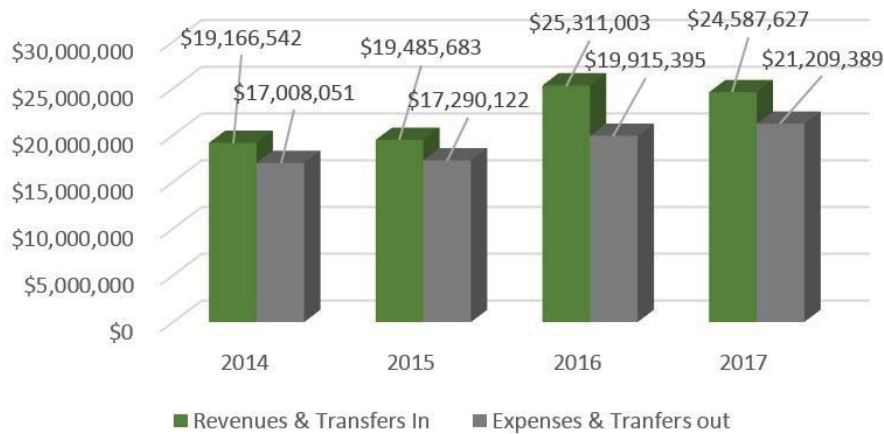
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
	Current and other assets	\$ 44,488,480	\$ 32,268,049	\$ 14,731,127	\$ 15,115,279	\$ 59,219,607
Capital assets	87,791,367	85,697,136	89,794,695	86,074,267	177,586,062	171,771,403
<b>Total Assets</b>	<b>132,279,847</b>	<b>117,965,185</b>	<b>104,525,822</b>	<b>101,189,546</b>	<b>236,805,669</b>	<b>219,154,731</b>
Total Deferred Outflows of Resources	1,912,742	1,517,388	1,765,302	1,803,396	3,678,044	3,320,784
Long-term debt outstanding	33,510,357	26,297,452	31,667,708	33,402,126	65,178,065	59,699,578
Other liabilities	13,165,334	9,932,045	2,557,038	2,691,986	15,722,372	12,624,031
<b>Total Liabilities</b>	<b>46,675,691</b>	<b>36,229,497</b>	<b>34,224,746</b>	<b>36,094,112</b>	<b>80,900,437</b>	<b>72,323,609</b>
Total Deferred Inflows of Resources	4,427,948	3,542,364	148,665	128,544	4,576,613	3,670,908
Net Investment in capital assets	62,431,792	51,329,612	57,963,948	51,387,117	120,395,740	101,223,250
Restricted	13,958,539	5,053,020	5,966,074	5,537,895	19,924,613	10,590,915
Unrestricted	6,698,619	23,328,080	7,987,691	9,845,274	14,686,310	34,666,833
<b>Total net position</b>	<b>\$ 83,088,950</b>	<b>\$ 79,710,712</b>	<b>\$ 71,917,713</b>	<b>\$ 66,770,286</b>	<b>\$ 155,006,663</b>	<b>\$ 146,480,998</b>

**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.

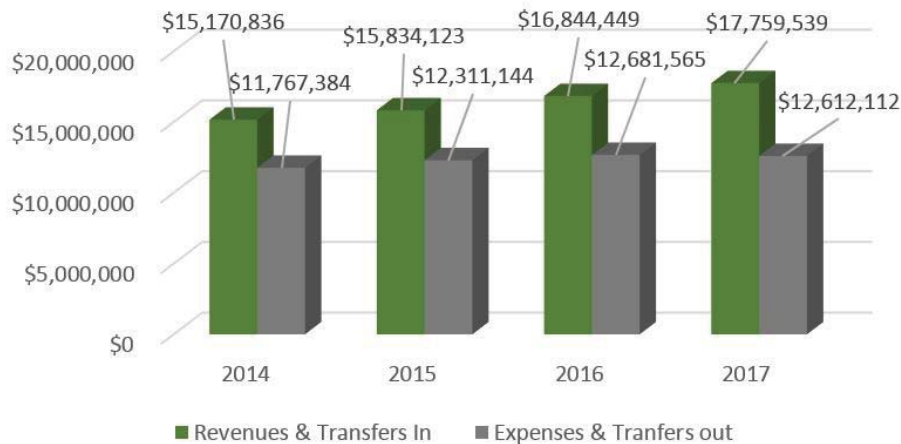


# Statement of Activities

## 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 shown in the graphs above, the Governmental activities shows a slight decrease in revenues and a slight increases in expenses. The significant changes a decreases in operating and capital grant contribution and an increase in infrastructure spending in Streets and Parks. Business-type activities revenue increased short of \$1 million alongside a slight decrease in expenses.

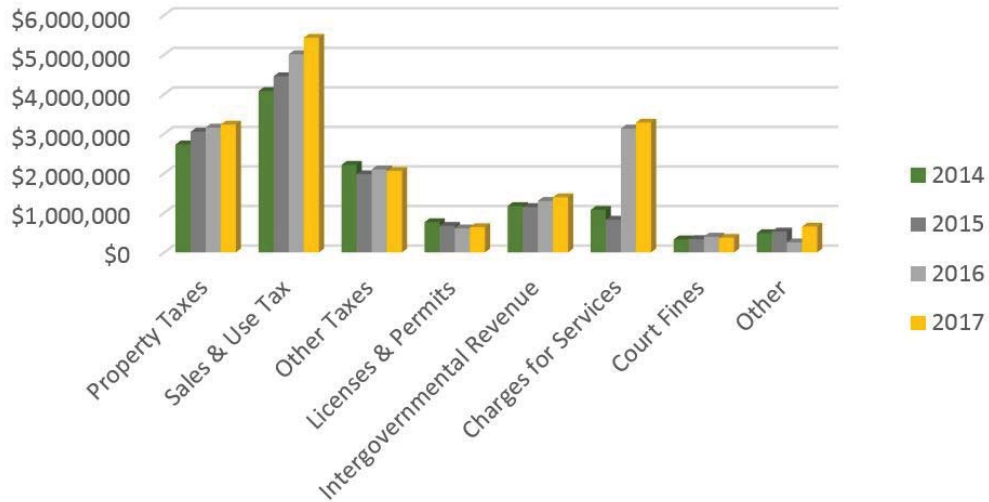
**This summary excludes bond proceeds and transfers related to bond issuances.**

The full, disclosed Statement of Activities can be located in our CAFR located at

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

# Where Does the General Fund Money Come From?

**GENERAL FUND  
Total Revenues & Transfers In**

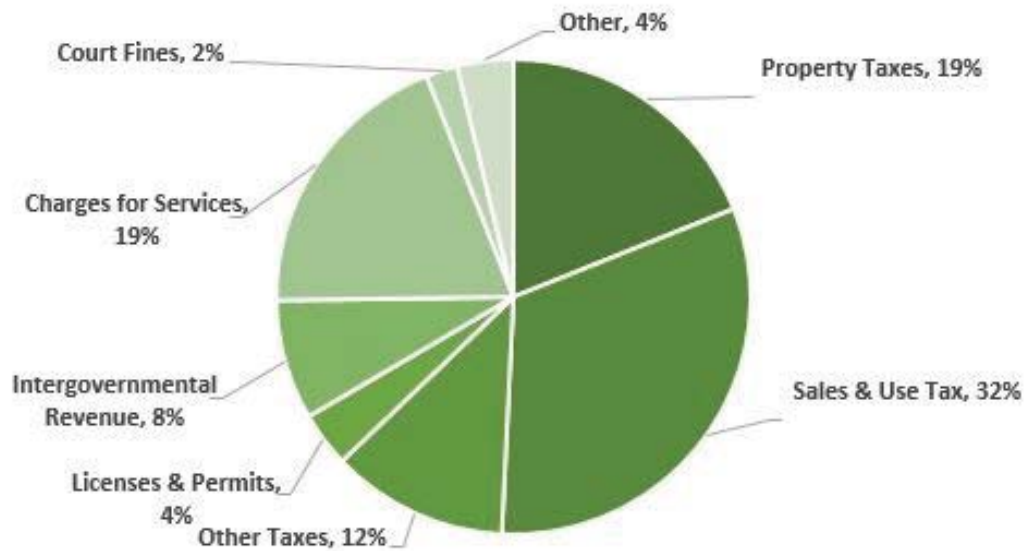


The General Fund is the general operating fund of the City and supports day-to-day operations. By law, the City shall only have one general fund. For data on all city funds, please view the CAFR at [plgrove.org](http://plgrove.org). The General Fund is comprised of the following departments:

- \*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.

**GENERAL FUND REVENUES 2017**

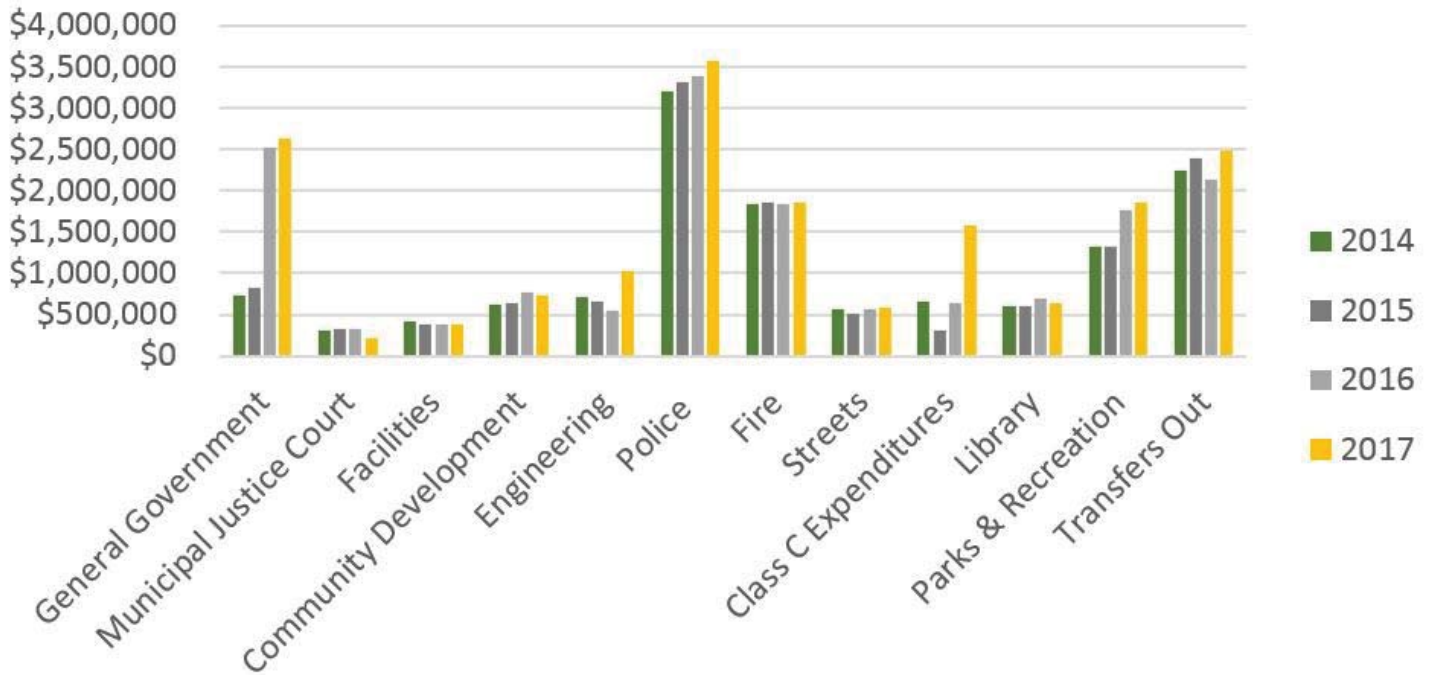


The largest source of revenue for the General Fund is sales tax (32%) followed by property tax (19%).

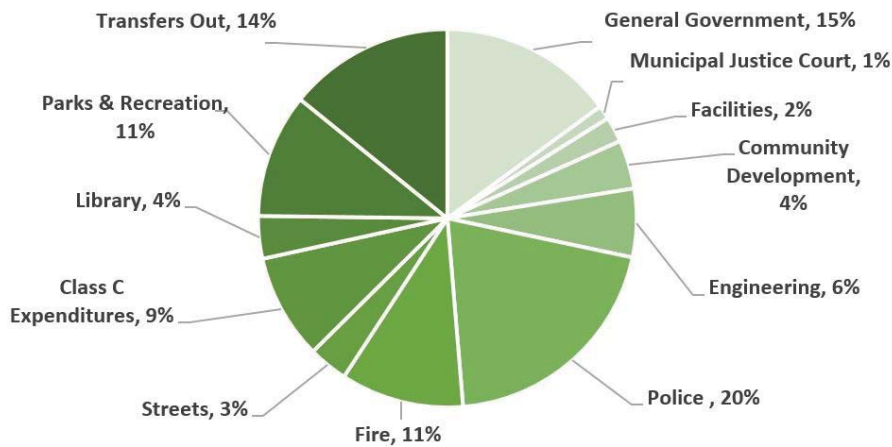


# Where Does The General Fund Money Go?

## GENERAL FUND Total Expenditures & Transfers Out



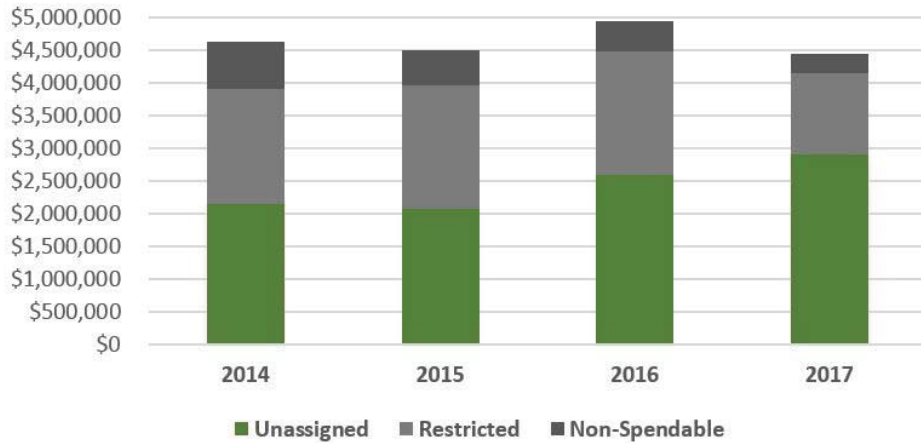
## GENERAL FUND EXPENDITURES 2017



The General Fund's largest department continues to be the Police Department (20%) followed by Fire Department (11%), and Parks & Recreation (11%)

# General Fund

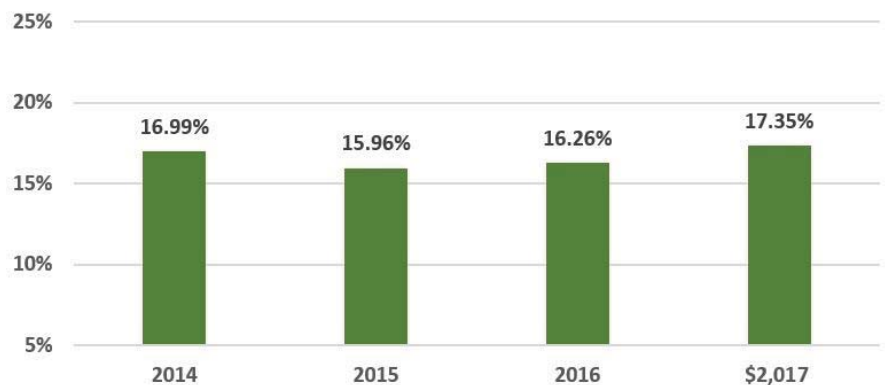
**GENERAL FUND  
Fund Balance**



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.

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

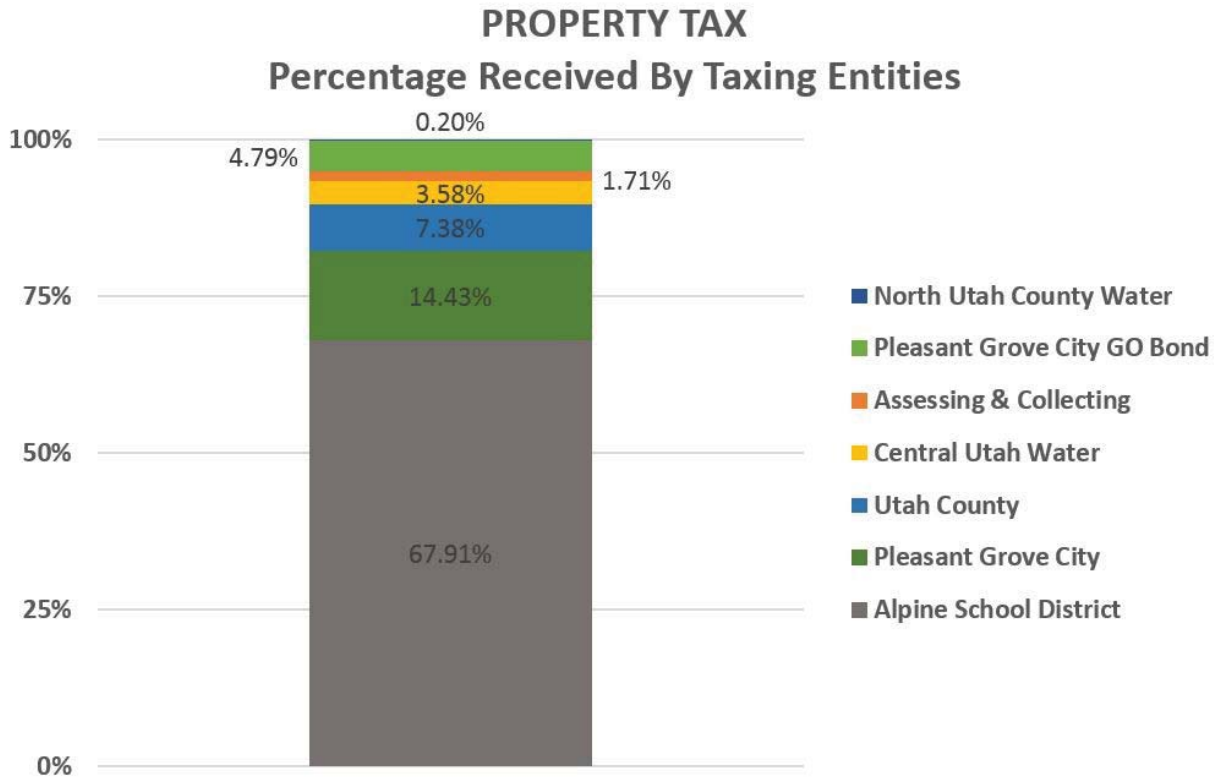
The ratio depicted is determined by dividing the amount of unassigned fund balance by the budgeted general fund revenue. The State requires cities to have an unassigned fund balance ratio at a minimum of 5% and a maximum of 25%.





# 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**.



**19.22% of residential property tax assessed goes to Pleasant Grove**

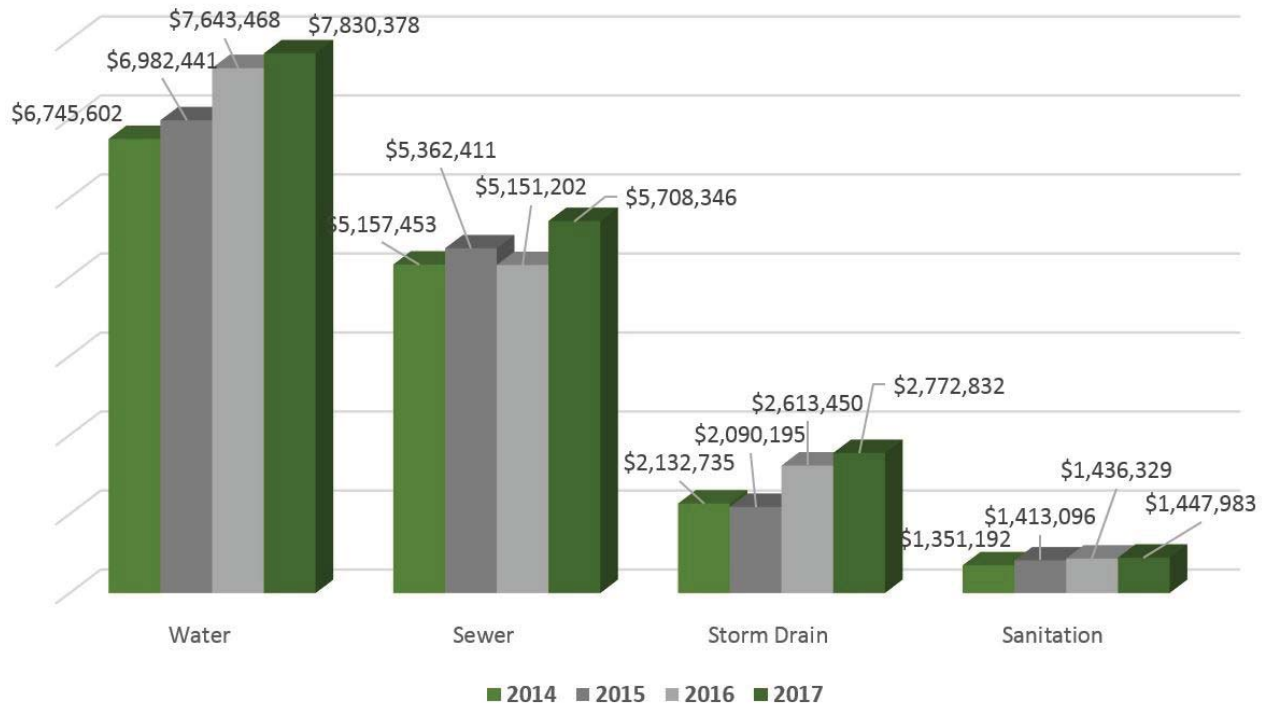
**PROPERTY TAX ASSESSED**  
**\$225,000 Market Value Residential Property**

Taxing Entity	% of Total	Amount
Alpine School District	67.91%	\$985.46
Pleasant Grove City	14.43%	\$209.41
Utah County	7.38%	\$107.11
Central Utah Water	3.58%	\$51.98
Assessing & Collecting	1.71%	\$24.75
Pleasant Grove City GO Bond	4.79%	\$69.58
North Utah County Water	0.20%	\$2.89
<b>Total Property Tax Assessed</b>	<b>100.0%</b>	<b>\$1,451.18</b>

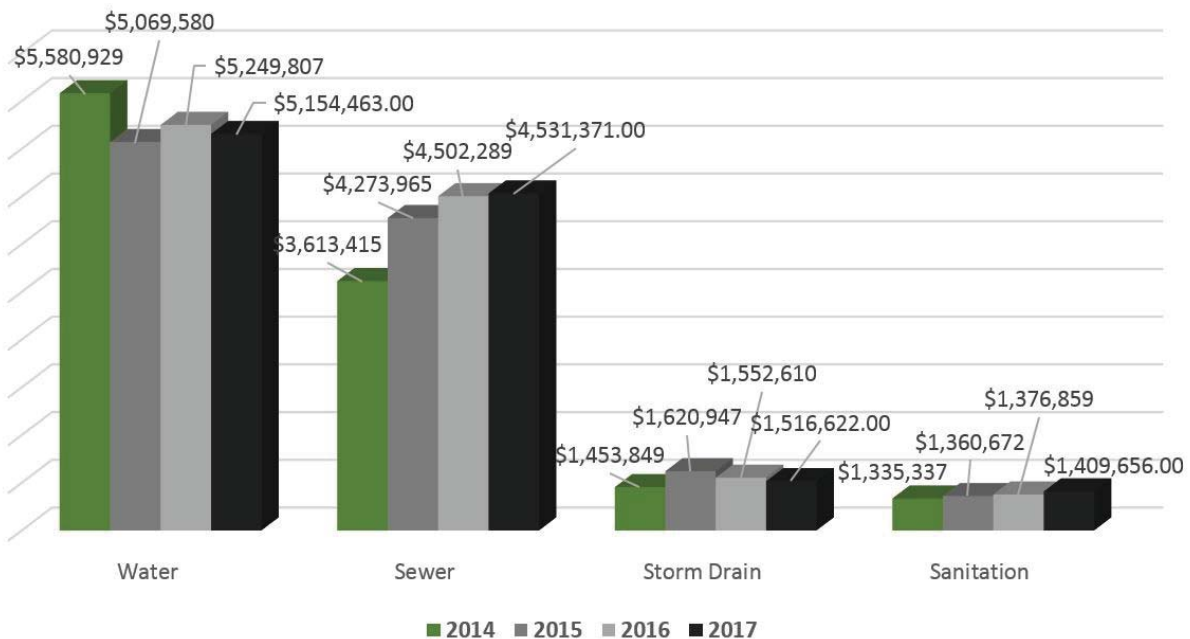
# Enterprise Funds

**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](http://plgrove.org).

## ENTERPRISE FUNDS REVENUES



## ENTERPRISE FUNDS EXPENSES





# Debt Summary

At fiscal year end, the City had \$72.5 million in outstanding long-term debt, which represents a **8.2% 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:

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

Debt Activity	Balance July 1, 2016	Additions	Reductions	Balance June 30, 2017
General Obligation	\$ 3,925,000	12,810,000	\$ (3,750,000)	\$ 12,985,000
Excise Tax Revenue	1,235,000		(705,000)	530,000
Tax Increment Revenue	16,154,000		(640,000)	15,514,000
Sales Tax Revenue	3,150,000		(415,000)	2,735,000
Water Revenue	21,030,000	-	(1,010,000)	20,020,000
Storm Water Revenue	11,525,000		(370,000)	11,155,000
Unamortized Premiums	1,222,909	443,692	(133,197)	1,533,404
Post-Employment Benefits	43,834		(16,985)	26,849
Compensated Absences	817,648	\$ 427,444	(423,493)	821,599
Capital/Operating Leases	2,248,470	-	(512,336)	1,736,134
Note Payable- Utah County	2,622,302		(748,671)	1,873,631
Net Pension Liability	3,075,434	521,704		3,597,138
2010 Provo Reservoir Water Users	10,401		(322)	10,079
	<b>\$ 67,059,998</b>	<b>\$14,202,840</b>	<b>\$ (8,725,004)</b>	<b>\$ 72,537,834</b>

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

**Strawberry Days**

**longest continually running celebration in Utah!**



**#4 Safest City  
in Utah**

by safewise 

**Tree City USA  
by Arbor Day  
Foundation  
22 Years Running**



# Contact Us

General 801.785.5045 Finance 801.922.4506

