

PAFR 2018



PLEASANT GROVE CITY, UTAH

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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, 2018. 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.

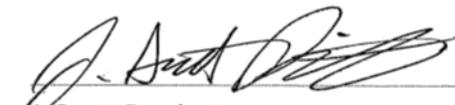
The PAFR summarizes the financial activities of the City and is drawn from a more detailed report called the Comprehensive Annual Financial Report (CAFR). The CAFR includes financial statements that were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Hansen, 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.

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 2018, including the following: Installed an automated irrigation system in Downtown Park; culinary water and road reconstruction of 900 South, Black Hawk Drive, and 700 South. In addition, construction of the new Public Safety Facilities is estimated to be complete during March of 2019.

We are honored to serve the citizens of Pleasant Grove and hope you enjoy reviewing the 2018 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

95% of residents over 25 years old have a high school diploma.



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



Median Household Income = **\$66,881**



TOP 10 EMPLOYERS

- 1) doTERRA International, LLC
- 2) Alpine School District
- 3) Niels Fugal Sons Company
- 4) All Pro Security, LLC
- 5) American Land and Leisure
- 6) Culinary Crafts Catering
- 7) Horrocks Engineers, Inc.
- 8) JD Steel
- 9) Lincoln Academy
- 10) Maceys

Other Numbers of Note



25.5 Median Age



39.5% residents with at least a Bachelor's degree



3.57 Average household size



11 Schools
Public & Private



96.5% Households with a computer



Total Area **9.17** square miles

City Leaders

Mayor Guy Fugal



City Council Members



Diana Anderson



Eric Jensen



Cyd LeMone



Lynn Walker



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 and Recreation Director.....	Deon Giles
City Recorder.....	Kathy Kresser	Police Chief.....	Mike Roberts
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



Construction continues on the new Public Safety Facilities. The Fire Station is estimated to be completed by December 2018. The Police station and Courts Building are scheduled to be complete by March 2019.

Residents passed the Community Arts and Recreation Enhancement (CARE) tax. This tax will generate \$325,000 to \$350,000 and will be used to improve infrastructure around parks and community programs.



City Council passed the Transportation Utility Fee. The Proceeds of this fee will be used to improve the roads in Pleasant Grove. It is estimated this fee will generate \$1,000,000.

Statement of Net Position

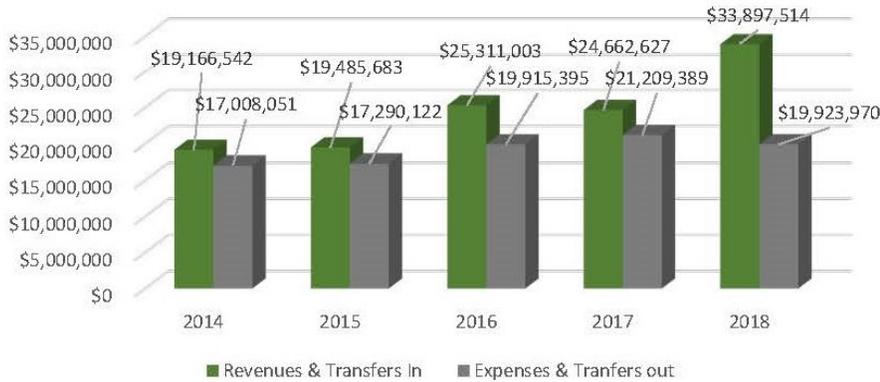
The City's governmental activities' increased by \$13.9 million in total net position which represents a 16.73% increase from the prior year's net position. The City's business-type activities increased \$9.4 million in total net position which represents a 11.62% increase from the prior year's net position. **The City, as a whole, increased total net position by \$23.3 million, which is a 13.10% increase from the prior year.** The full, disclosed Statement of Net Position can be located in the CAFR located at plgrove.org.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 44,535,577	\$ 44,488,480	\$ 14,542,551	\$ 14,731,127	\$ 59,078,128	\$ 59,219,607
Capital assets	98,191,424	87,791,367	97,763,009	89,794,695	\$ 195,954,433	\$ 177,586,062
Total Assets	142,727,001	132,279,847	112,305,560	104,525,822	\$ 255,032,561	\$ 236,805,669
Total Deferred Outflows of Resources	1,969,730	1,912,742	1,676,409	1,765,302	\$ 3,646,139	\$ 3,678,044
Long-term debt outstanding	31,253,315	33,510,357	29,994,816	31,667,708	\$ 61,248,131	\$ 65,178,065
Other liabilities	10,774,670	13,165,334	2,297,306	2,557,038	\$ 13,071,976	\$ 15,722,372
Total Liabilities	42,027,985	46,675,691	32,292,122	34,224,746	\$ 74,320,107	\$ 80,900,437
Total Deferred Inflows of Resources	5,681,252	4,427,948	313,199	148,665	\$ 5,994,451	\$ 4,576,613
Net Investment in capital assets	73,540,547	62,431,792	67,551,374	57,963,948	\$ 141,091,921	\$ 120,395,740
Restricted	13,816,437	13,958,539	5,516,761	5,966,074	\$ 19,333,198	\$ 19,924,613
Unrestricted	9,630,490	6,698,619	8,308,513	7,987,691	\$ 17,939,003	\$ 14,686,310
Total net position	\$ 96,987,494	\$ 83,088,950	\$ 81,376,648	\$ 71,917,713	\$ 178,364,142	\$ 155,006,663

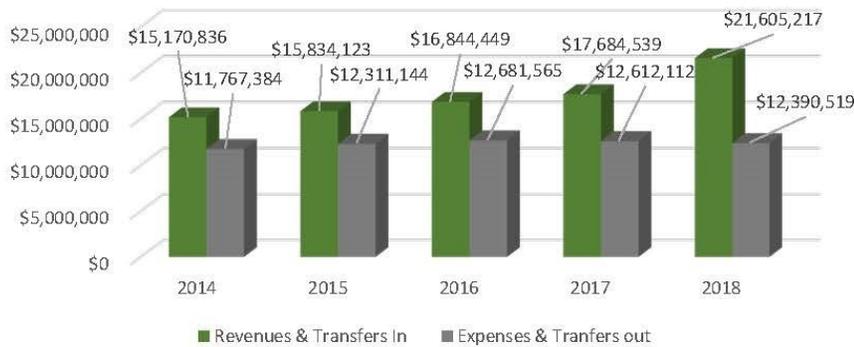
Unrestricted net position represents the available funds the City has at a point in time to pay for emergencies, shortfalls or other unexpected needs in both the Governmental and Business-Type Activities. Unrestricted net position allows management to track the City's financial position over time.

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

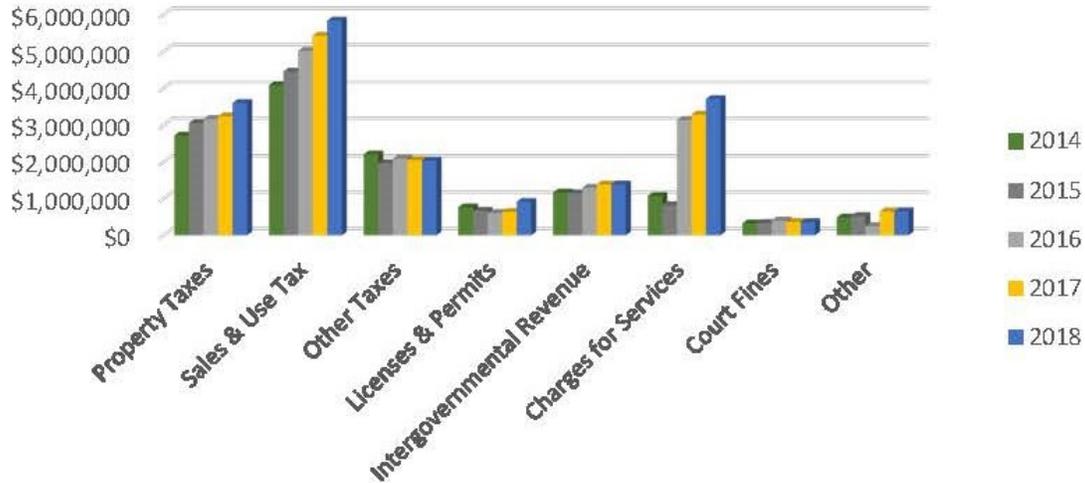
As shown in the graphs above, the Governmental activities shows a large increase in revenue. The significant changes in governmental and business activities revenues is primarily due to increases in capital grants and contributions.

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?

**GENERAL FUND
Total Revenues & Transfers In**

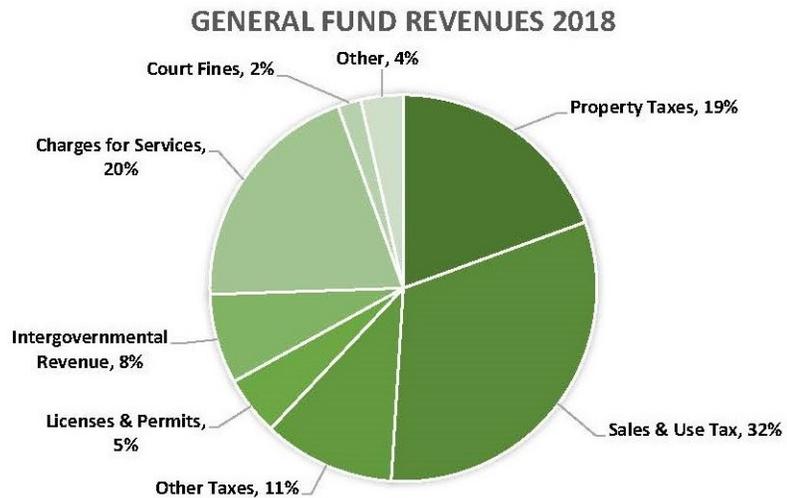


The General Fund is the general operating fund of the City and supports day-to-day operations. By law, the City shall only have one general fund. For data on all city funds, please view the CAFR at plgrove.org. The General Fund is comprised of the following departments:

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

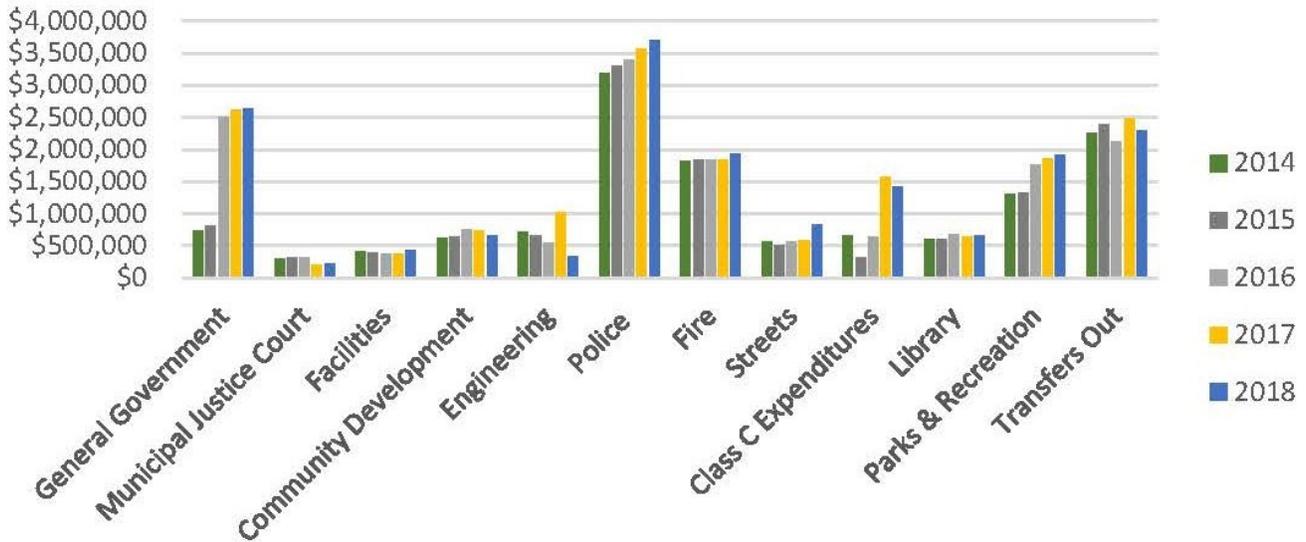
As shown above, **sales tax continues to increase**, which is a good indicator Pleasant Grove’s economy is continuing to grow as development continues.

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

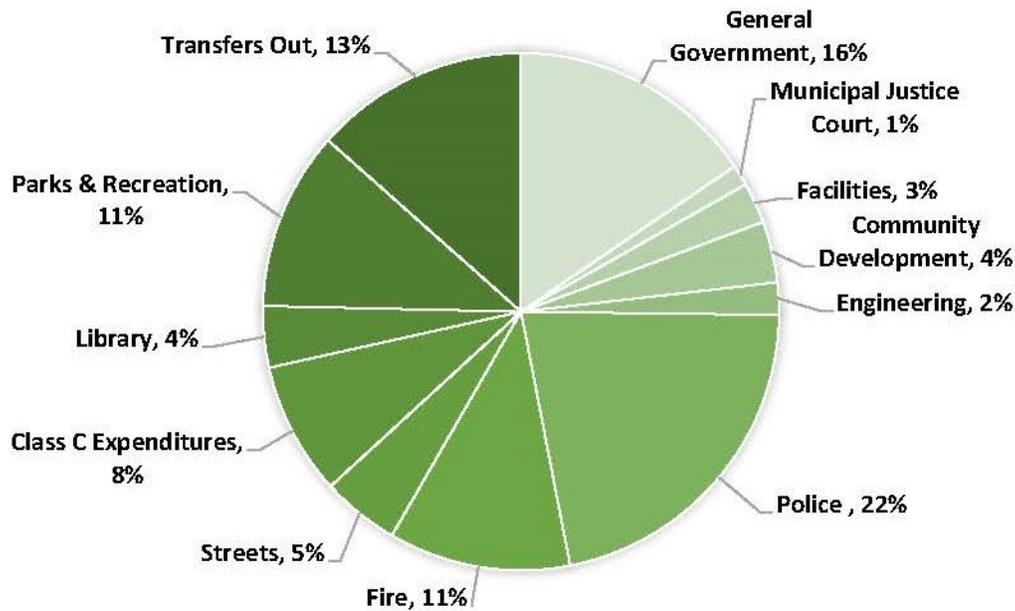


Where Does The General Fund Money Go?

GENERAL FUND Total Expenditures & Transfers Out



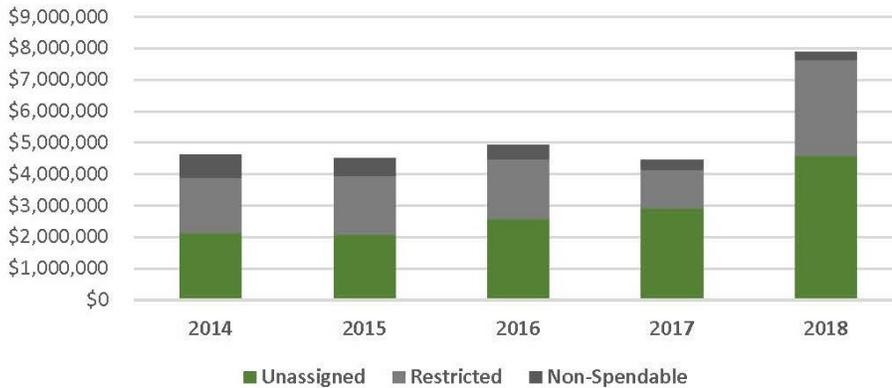
GENERAL FUND EXPENDITURES 2018



The General Fund's largest department continues to be the Police Department (22%) followed by Fire Department (11%), and Parks & Recreation (11%)

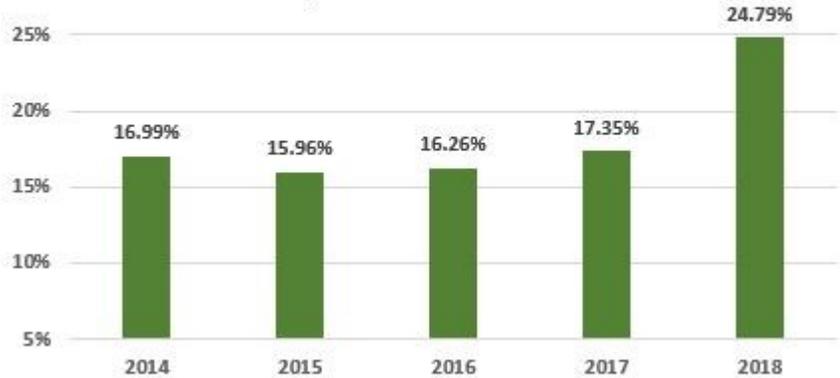
General Fund

**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%**

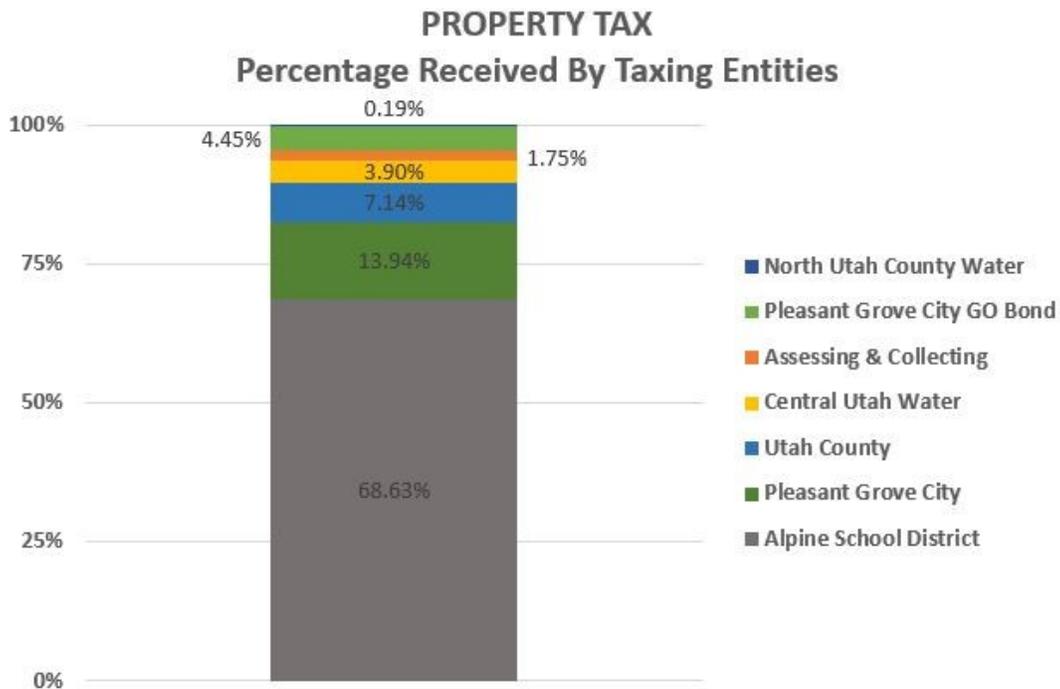


The ratio depicted is determined by dividing the amount of unassigned fund balance by the budgeted general fund revenue. The State requires cities to have an unassigned fund balance ratio at a minimum of 5% and a maximum of 25%.



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**.



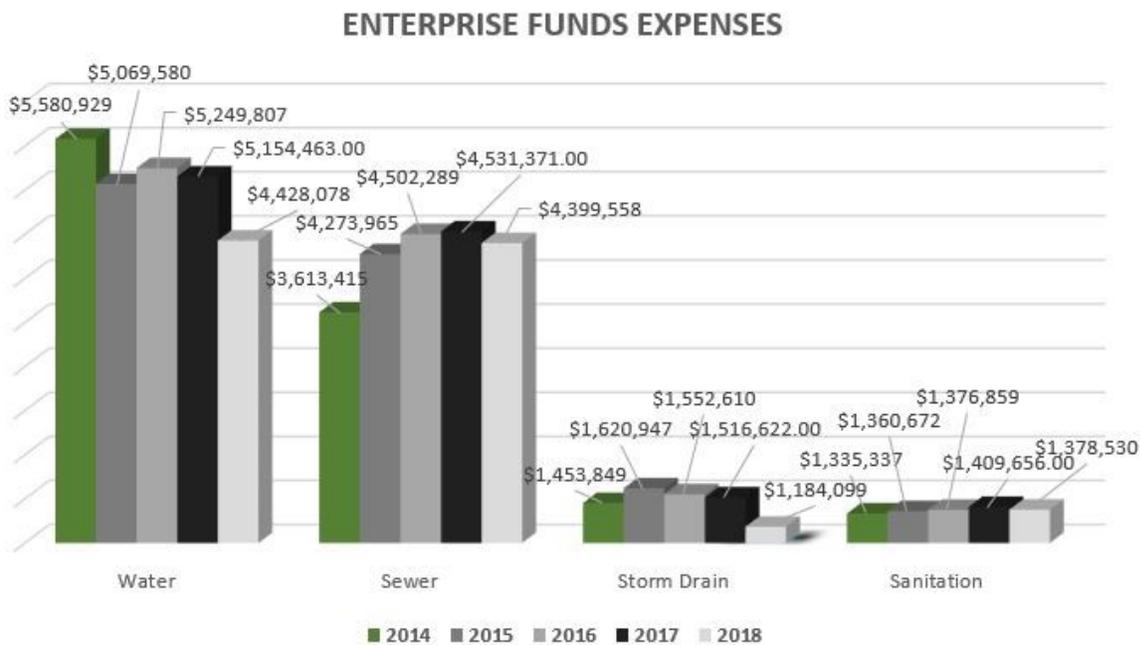
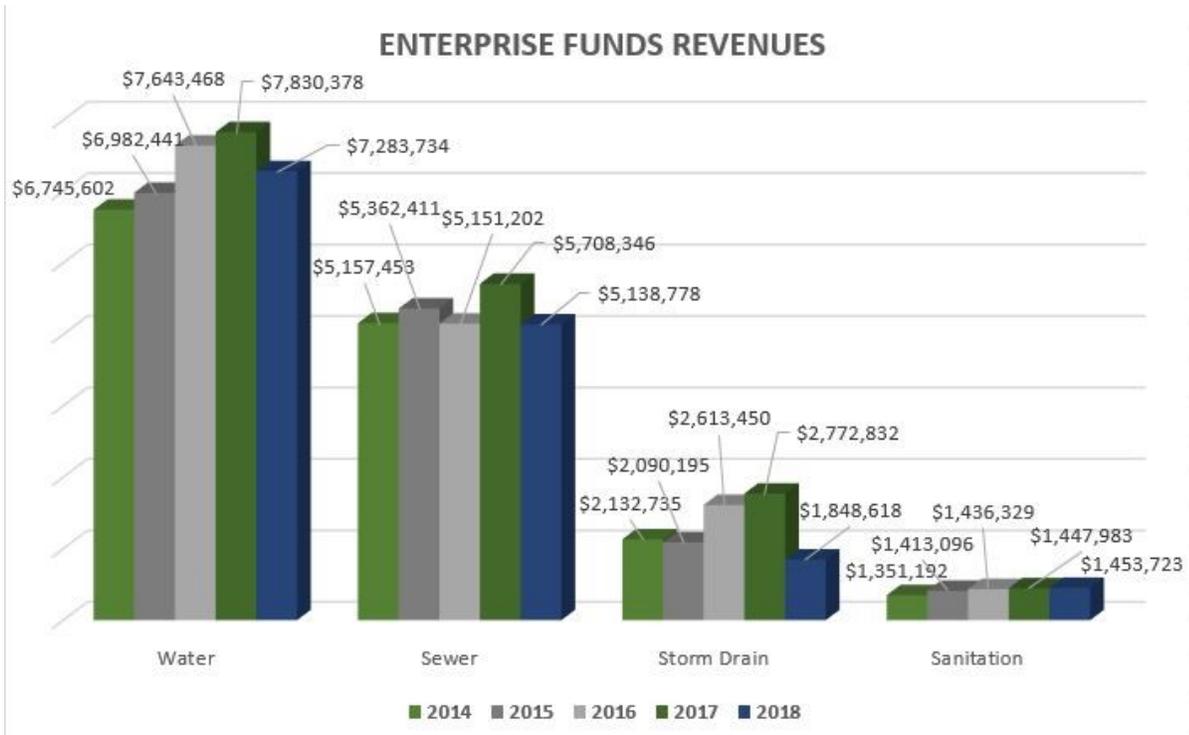
PROPERTY TAX ASSESSED
\$225,000 Market Value Residential Property

18.39% of residential property tax assessed goes to Pleasant Grove

Taxing Entity	% of Total	Amount
Alpine School District	68.63%	\$870.33
Pleasant Grove City	13.94%	\$176.72
Utah County	7.14%	\$90.59
Central Utah Water	3.90%	\$49.50
Assessing & Collecting	1.75%	\$22.15
Pleasant Grove City GO Bond	4.45%	\$56.43
North Utah County Water	0.19%	\$2.35
Total Property Tax Assessed	100.0%	\$1,268.07

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 \$66.9 million in outstanding long-term debt, which represents a **7.7% 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, 2017	Additions	Reductions	Balance June 30, 2018
General Obligation	\$ 12,985,000		\$ (510,000)	\$ 12,475,000
Excise Tax Revenue	530,000		(530,000)	-
Tax Increment Revenue	15,514,000		(677,000)	14,837,000
Sales Tax Revenue	2,735,000		(425,000)	2,310,000
Water Revenue	20,020,000		(1,089,000)	18,931,000
Storm Water Revenue	11,155,000		(375,000)	10,780,000
Unamortized Premiums	1,533,404		(108,977)	1,424,427
Post-Employment Benefits	26,849		(16,985)	9,864
Compensated Absences	821,599	\$ 478,341	(484,601)	815,339
Capital/Operating Leases	1,736,134	410,000	(622,996)	1,523,138
Note Payable- Utah County	1,873,631		(510,347)	1,363,284
Net Pension Liability	3,597,138		(1,107,898)	2,489,240
2010 Provo Reservoir Water Users	10,079		-	10,079
	\$ 72,537,834	\$ 888,341	\$ (6,457,804)	\$ 66,968,371

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

PLEASANT GROVE

Strawberry Days

JUNE 15-22 2019



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



Contact Us

General 801.785.5045 Finance 801.922.4506

