

# PAFR 2016



**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

**W**e are proud to present the City of Pleasant Grove's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2016. 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.

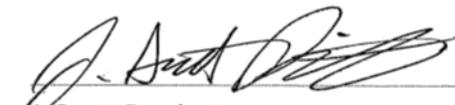
The PAFR summarizes the financial activities of the City and is drawn from a more detailed report called the Comprehensive Annual Financial Report (CAFR). The CAFR includes financial statements that were prepared in conformance with Generally Accepted Accounting Principles (GAAP) and audited by Hansen, Bradshaw, Malmrose & Erickson, an independent auditing firm. The 2016 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 2016, including the following: Valley Vista Trails — a 6-mile, single track multi-use trail system, City-wide utility infrastructure projects, and a citizen-passed General Obligation bond in the amount of \$9.5 million to construct Public Safety facilities. All of these positive achievements have helped to increase growth and success in our City. We look forward to the future and growth of the City. The City's main commercial corridor, the Interchange Area, continues to see significant changes. The City anticipates additional office space to be constructed along with retail, hotel, residential, and other tax-generating properties. This area still contains substantial acreage of undeveloped land with easy access to State Street, Pleasant Grove Boulevard, North County Boulevard and Interstate 15.

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 2016**



~ 38,052

**61%**

Population Growth  
2000 to 2016

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



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



Median Household Income = **\$65,659**

Pleasant Grove



Utah's City of Trees

## Other Numbers of Note

### TOP 10 EMPLOYERS

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



Median Age **25.2**



**38.3%** residents with at least a Bachelor's degree



**3.6** Average household size



**12** Schools  
Public & Private



**4,150** People per square mile



Total Area **9.17** square miles

# City Leaders

## Mayor Mike Daniels



## City Council Members



Dianna Andersen



Eric Jensen



Cyd LeMone



Ben Stanley



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
Community Development Director.....	Ken Young	Public Works Director.....	Marty Beaumont
Finance Director.....	Denise Roy		

# 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.

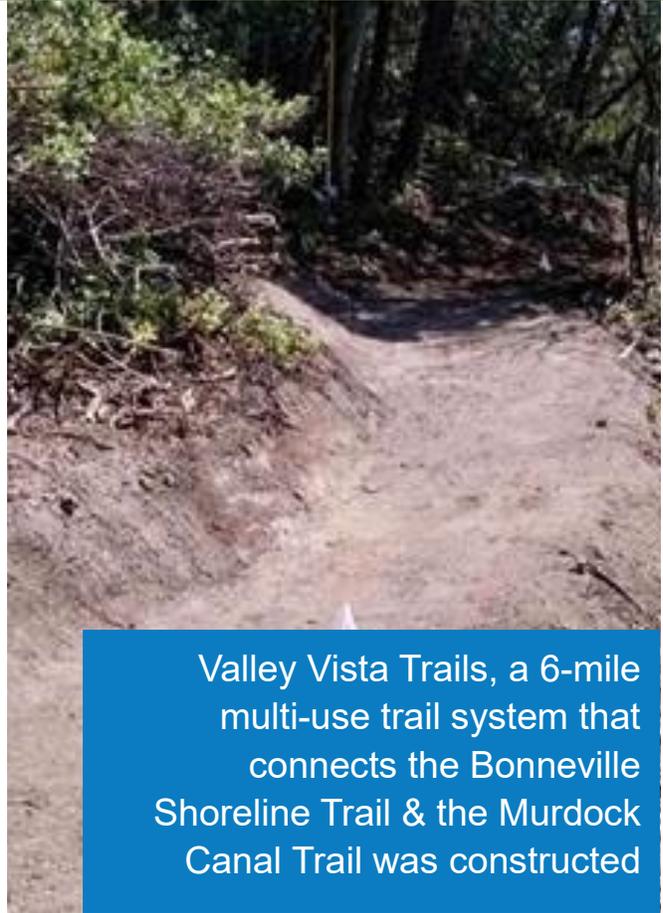
**Police**—The Police Department has the responsibility of enforcing all state and local laws, and is charged with providing emergency response to the citizens of Pleasant Grove. Police officers are available 24 hours a day, seven days a week, through a full-time dispatch center, and respond to calls 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

Pleasant Grove City residents passed a General Obligation Bond for the amount of \$9.5 Million to construct new public safety facilities, including a new fire station & police station



Valley Vista Trails, a 6-mile multi-use trail system that connects the Bonneville Shoreline Trail & the Murdock Canal Trail was constructed

The Grove Tower, a 6-story Class A office building adjacent to BMW received site plan approval and is expected to break ground in spring 2017



# Statement of Net Position

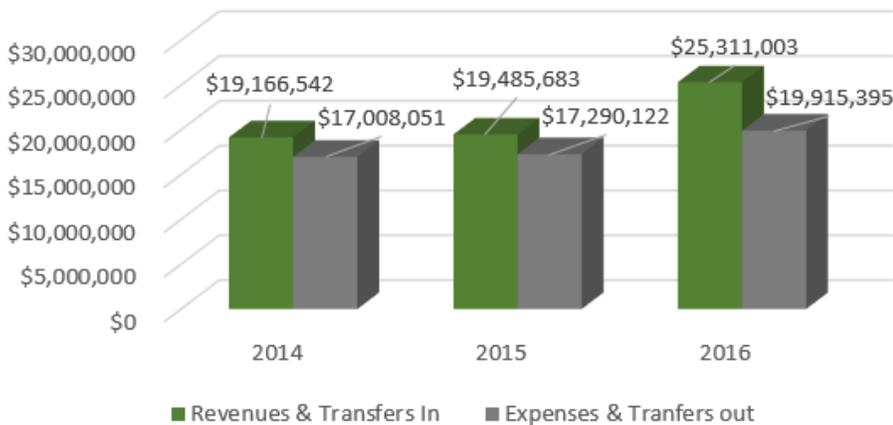
The City's governmental activities' increased by \$21.7 million in total net position which represents a 37.58% increase from the prior year's net position. Two significant factors contributed to the increase: Donation of land in the amount of \$2.2 million and addition of a \$16.1 million Note Receivable in the Redevelopment Agency. The City's business-type activities' increased \$4.3 million in total net position which represents a 6.95% increase from the prior year's net position. **The City, as a whole, increased total net position by \$26 million, which is a 21.65% 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	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 32,268,049	\$ 15,047,602	\$ 15,115,279	\$ 14,090,092	\$ 47,383,328	\$ 29,137,694
Capital assets	85,697,136	82,390,871	86,074,267	84,263,174	171,771,403	166,654,045
<b>Total Assets</b>	<b>117,965,185</b>	<b>97,438,473</b>	<b>101,189,546</b>	<b>98,353,266</b>	<b>219,154,731</b>	<b>195,791,739</b>
Total Deferred Outflows of Resources	1,517,388	490,956	1,803,396	841,706	3,320,784	1,332,662
Long-term debt outstanding	26,297,452	29,299,431	33,402,126	35,633,214	59,699,578	64,932,645
Other liabilities	9,932,045	7,427,707	2,691,986	1,006,632	12,624,031	8,434,339
<b>Total Liabilities</b>	<b>36,229,497</b>	<b>36,727,138</b>	<b>36,094,112</b>	<b>36,639,846</b>	<b>72,323,609</b>	<b>73,366,984</b>
Total Deferred Inflows of Resources	3,542,364	3,221,666	128,544	124,661	3,670,908	3,346,327
Net Investment in capital assets	51,329,612	52,593,290	51,387,117	48,626,960	102,716,729	101,223,250
Restricted	5,053,020	4,389,607	5,537,895	6,578,455	10,590,915	10,968,062
Unrestricted	23,328,080	997,728	9,845,274	7,222,050	33,173,354	8,219,778
<b>Total net position</b>	<b>\$ 79,710,712</b>	<b>\$ 57,980,625</b>	<b>\$ 66,770,286</b>	<b>\$ 62,430,465</b>	<b>\$ 146,480,998</b>	<b>\$ 120,411,090</b>

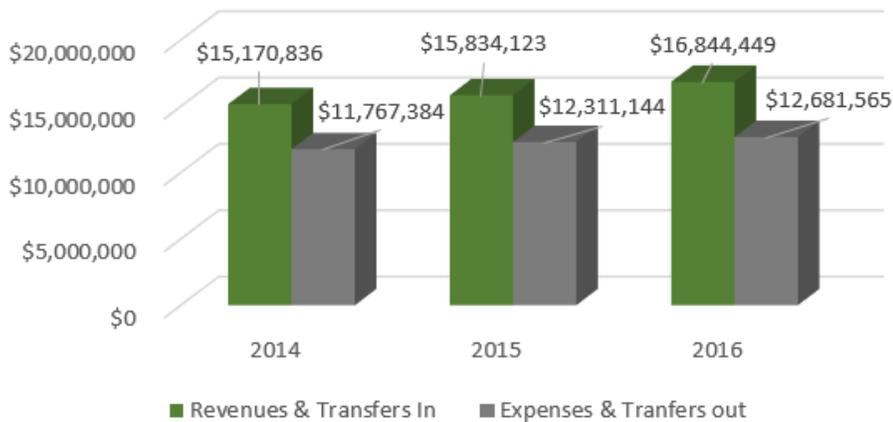
**Unrestricted net position** represents the available funds the City has at a point in time to pay for emergencies, shortfalls or other unexpected needs in both the Governmental and Business-Type Activities. Unrestricted net position allows management to track the City's financial position over time.

# 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

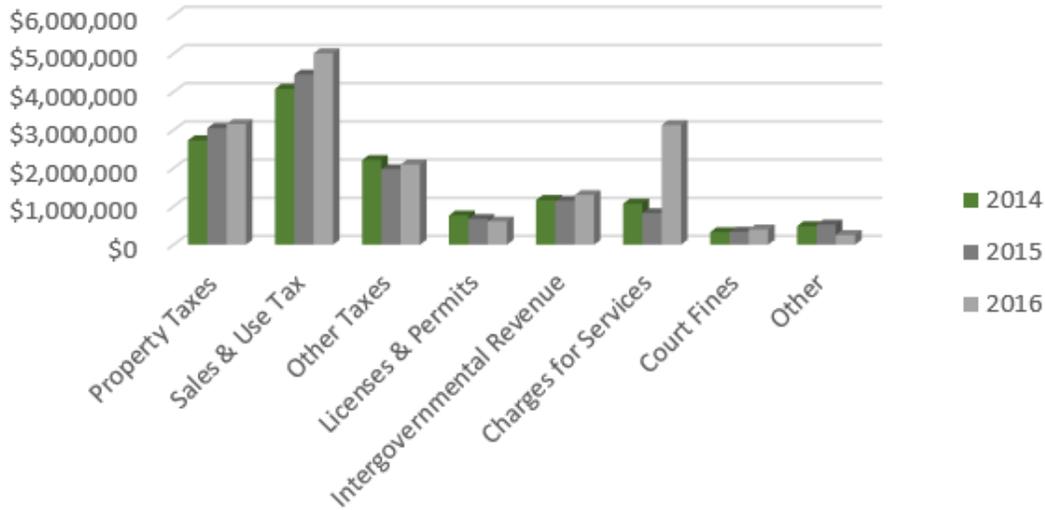
- Water
- Sewer
- Storm Drain
- Sanitation

As shown in the graphs above, the Governmental activities shows a significant increase in revenues and expenses. The significant changes were land and infrastructure donations, and the accounting change for the administrative chargeback. Business-type activities revenue increased just short of \$1 million alongside a slight increase 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 General Fund

**GENERAL FUND  
Total Revenues & Transfers In**



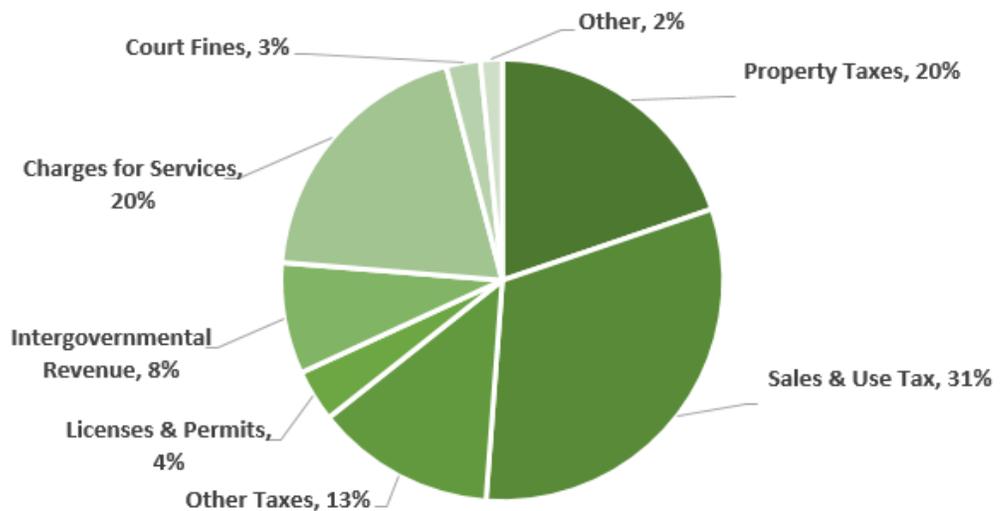
The General Fund is the general operating fund of the City and supports day-to-day operations. By law, the City shall only have one general fund. For data on all city funds, please view the CAFR at [plgrove.org](http://plgrove.org). The General Fund is comprised of the following departments:

\*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.

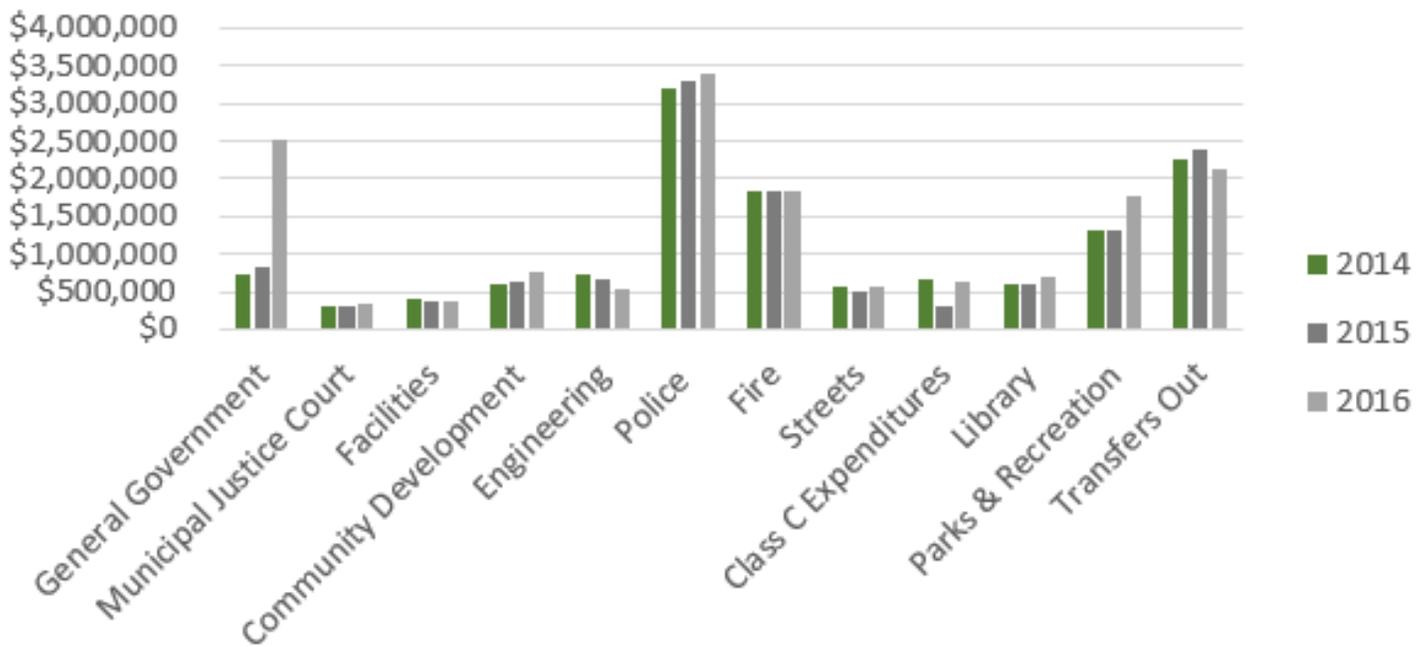
The largest source of revenue for the General Fund is sales tax (31%) followed by property tax (20%).

**GENERAL FUND REVENUES 2016**

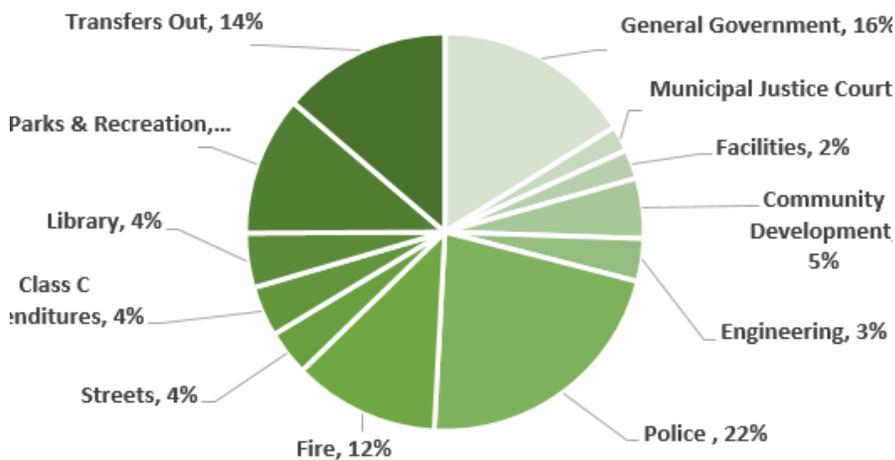


# Where Does General Fund

## GENERAL FUND Total Expenditures & Transfers Out



## GENERAL FUND EXPENDITURES 2016

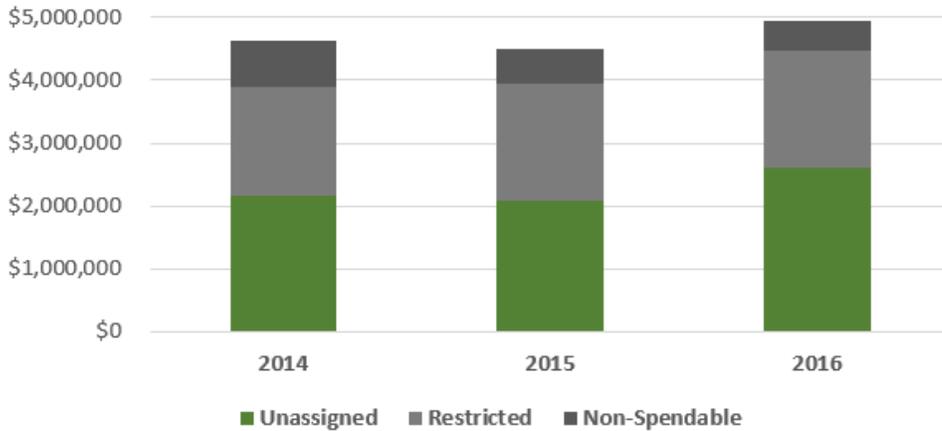


General Fund	
Employees by Department	
General Government	18 FT, 4 PT
Community Development	8 FT, 1 PT
Fire Department	15 FT, 30 PT
Police Department	30 FT, 5 PT
Public Works	6 FT, 1 PT
Parks & Recreation	17 FT, 100 PT

The General Fund's largest department continues to be the Police Department (22%) followed by Fire Department (12%), and Parks & Recreation (11%)

# General Fund

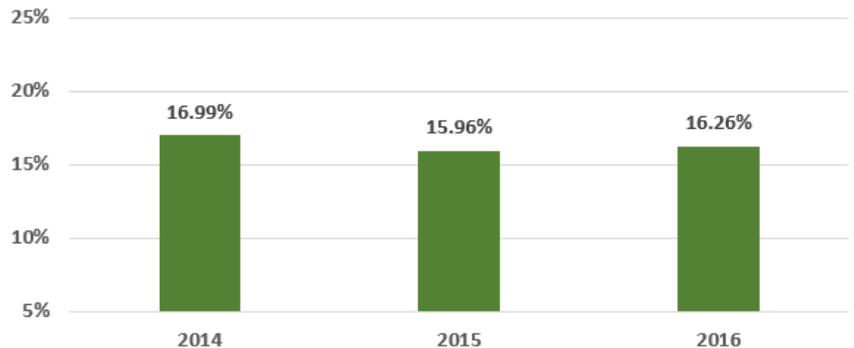
**GENERAL FUND  
Fund Balance**



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.

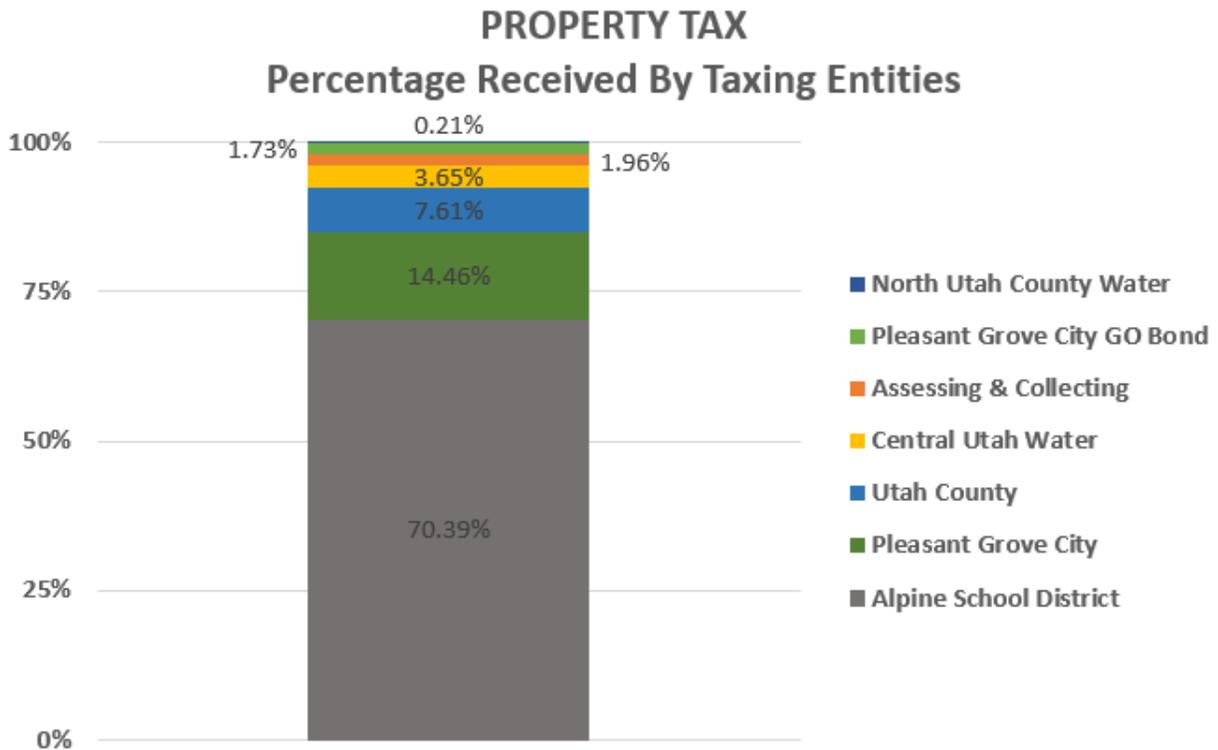
The ratio depicted is determined by dividing the amount of unassigned fund balance by the budgeted general fund revenue. The State requires cities to have an unassigned fund balance ratio at a minimum of 5% and a maximum of 25%.

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



# 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**

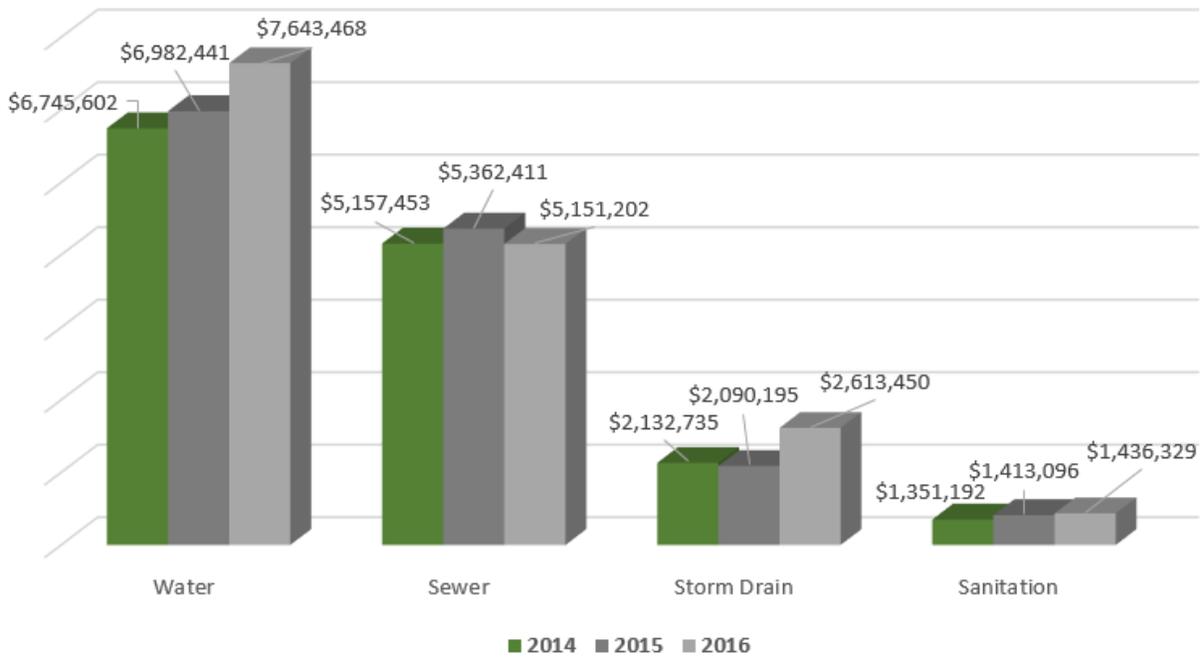
**16.19% of residential property tax assessed goes to Pleasant Grove**

Taxing Entity	% of Total	Amount
Alpine School District	70.39%	\$955.10
Pleasant Grove City	14.45%	\$196.14
Utah County	7.61%	\$103.21
Central Utah Water	3.65%	\$49.50
Assessing & Collecting	1.96%	\$26.61
Pleasant Grove City GO Bond	1.73%	\$23.51
North Utah County Water	0.21%	\$2.85
<b>Total Property Tax Assessed</b>	<b>100.0%</b>	<b>\$1,356.92</b>

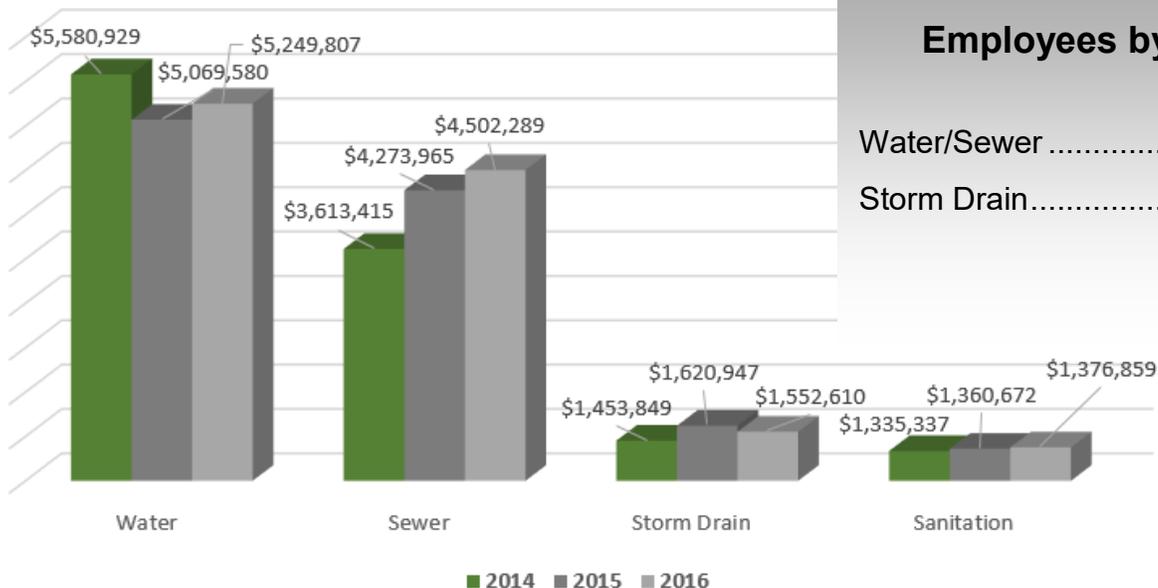
# Enterprise Funds

**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



### Enterprise Fund

#### Employees by Department

Water/Sewer ..... 9 FT, 2 PT  
 Storm Drain..... 3 FT

# Debt Summary

At fiscal year end, the City had \$67 million in outstanding long-term debt, which represents a **1.84% 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, 2015	Additions	Reductions	Balance June 30, 2016
General Obligation	\$ 4,080,000		\$ (155,000)	\$ 3,925,000
Excise Tax Revenue	1,910,000		(675,000)	1,235,000
Tax Increment Revenue	16,759,000		(605,000)	16,154,000
Sales Tax Revenue	3,560,000		(410,000)	3,150,000
Water Revenue	20,932,000	8,945,000	(8,847,000)	21,030,000
Storm Water Revenue	11,860,000		(335,000)	11,525,000
Unamortized Premiums	1,387,192		(164,283)	1,222,909
Post-Employment Benefits	74,771		(30,937)	43,834
Compensated Absences	787,424	\$ 423,493	(393,269)	817,648
Capital/Operating Leases	2,059,026	786,097	(596,653)	2,248,470
Note Payable- Utah County	2,622,302			2,622,302
Net Pension Liability	2,273,660	801,774		3,075,434
2010 Provo Reservoir Water Users	10,710		(309)	10,401
	<b>\$ 68,316,085</b>	<b>\$ 10,956,364</b>	<b>\$ (12,212,451)</b>	<b>\$ 67,059,998</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**

**21 Years Running**



# Contact Us

General 801.785.5045 Finance 801.922.4506

