

PAFR 2015



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 of Pleasant Grove	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 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, 2015. 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 Gilbert and Stewart an independent auditing firm. The 2015 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. With the help of all departments, the City, in 2015 has accomplished many goals: the addition of two softball/baseball fields to the current park called Shannon Fields, upgrade of fire apparatus, completion of doTerra distribution facility and call center to name a few. 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 currently contains 260,000 square feet of office space. The City anticipates additional office space to be constructed along with retail, hotel, residential, and other tax-generating properties. This area still contains 438 acres 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 2015 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 Year 2000



~ 23,500

Population Year 2015



~ 35,000



Population Growth
2000 to 2015

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



Pleasant Grove was settled in 1850
and incorporated in 1855



Median Household Income = **\$62,384**

Pleasant Grove



Utah's City of Trees

Other Numbers of Note

TOP 10 EMPLOYERS

- 1) doTERRA International, LLC
- 2) Alpine School District
- 3) Close To My Heart
- 4) Horrocks Engineers, Inc.
- 5) Lincoln Academy
- 6) Maceys
- 7) Niels Fugal Sons
- 8) Pleasant Grove City
- 9) All Pro Security, LLC
- 10) Alpine Pediatrics



Median Age **25.9**



35.7% adults over 25 with at least a Bachelor's degree



68.1% Homeownership



12 Schools
Public & Private



4,042 People per square mile



Total Area **9.17** square miles

City Leaders

Mayor, City Council, Executive Staff

Mayor Mike Daniels



City Council Members



Dianna Andersen



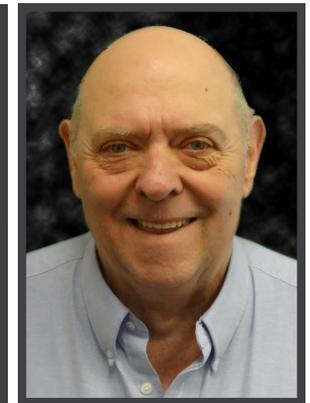
Eric Jensen



Cyd LeMone



Ben Stanley



Lynn Walker



Executive Staff

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

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.

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.

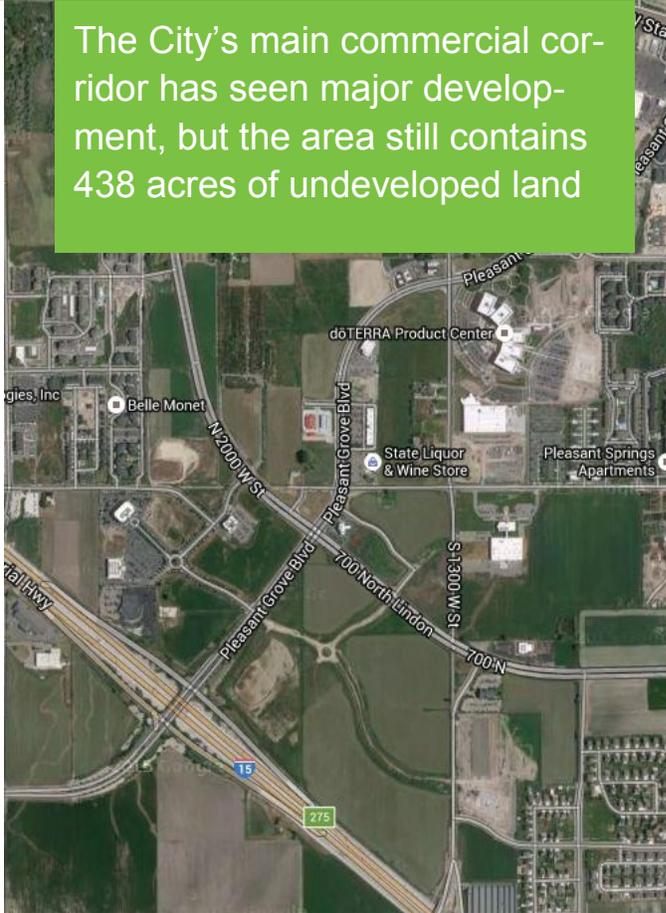
Police—The Police Department has the responsibility of enforcing all state and local laws, and is charged with providing emergency response to the citizens of Pleasant Grove. Police officers are available 24 hours a day, seven days a week, through a full-time dispatch center, and respond to calls for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



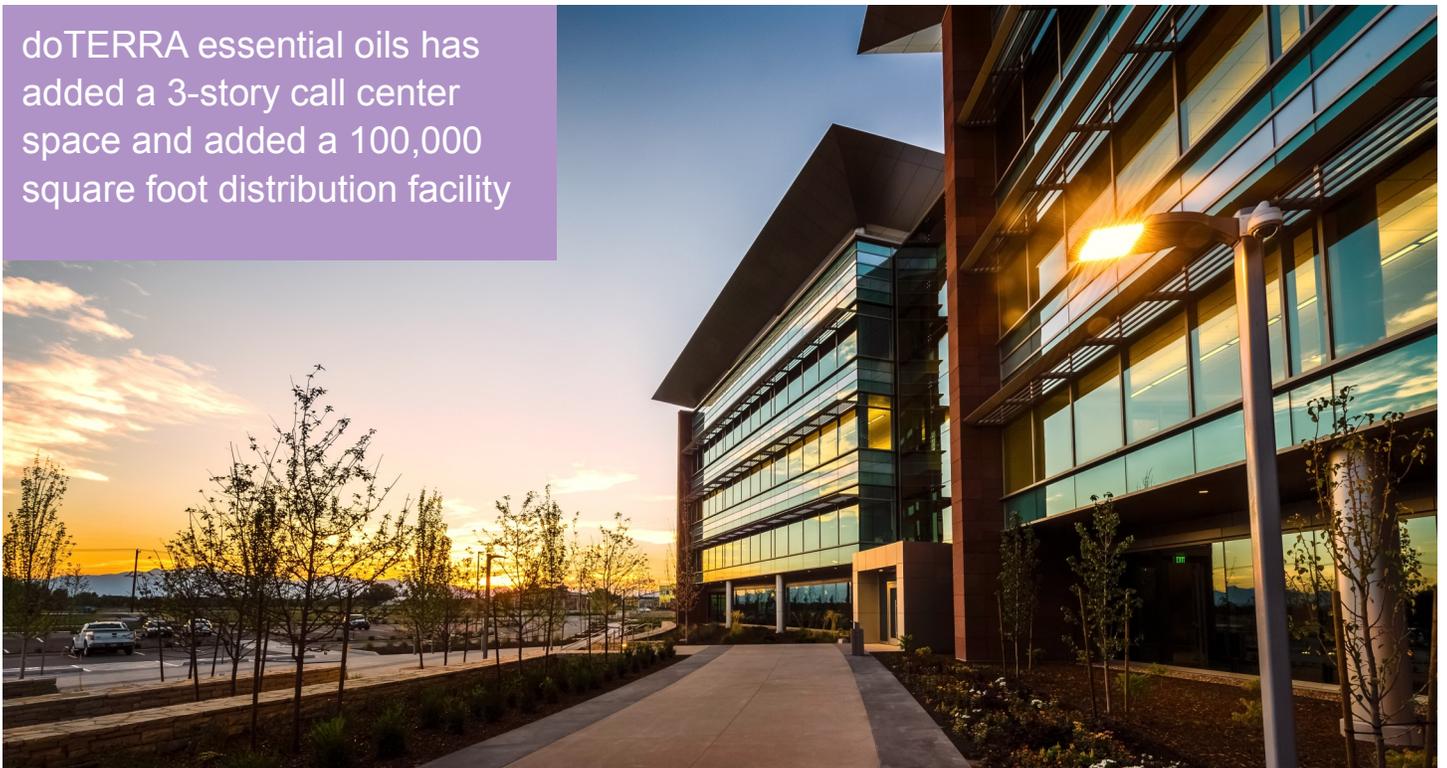
Significant Events Of Pleasant Grove

The City's main commercial corridor has seen major development, but the area still contains 438 acres of undeveloped land



The City added two additional softball/baseball fields to Shannon Fields park, creating a fourplex of fields to accommodate the growing programs

doTERRA essential oils has added a 3-story call center space and added a 100,000 square foot distribution facility



Statement of Net Position

The City's governmental activities' increased by \$275,927 in total net position which represents a .478% increase from the prior year's net position. The City's business-type activities' increased \$2.9 million in total net position which represents a 4.95% increase from the prior year's net position. **The City, as a whole, increased total net position by \$3.2 million, which is a 2.72% 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	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 15,047,602	\$ 13,750,245	\$ 14,090,092	\$ 12,620,842	\$ 29,137,694	\$ 26,371,087
Capital assets	82,390,871	81,753,925	84,263,174	83,767,057	166,654,045	165,520,982
Total Assets	97,438,473	95,504,170	98,353,266	96,387,899	195,791,739	191,892,069
Total Deferred Outflows of Resources	490,956	105,220	841,706	45,099	1,332,662	150,319
Long-term debt outstanding	29,299,431	31,293,300	35,633,214	36,530,421	64,932,645	67,823,721
Other liabilities	7,427,707	3,943,001	1,006,632	417,457	8,434,339	4,360,458
Total Liabilities	36,727,138	35,236,301	36,639,846	36,947,878	73,366,984	72,184,179
Total Deferred Inflows of Resources	3,221,666	2,668,391	124,661	-	3,346,327	2,668,391
Net Investment in capital assets	52,593,290	50,565,845	48,629,960	49,572,185	101,223,250	100,138,030
Restricted	4,389,607	4,037,589	6,578,455	4,054,874	10,968,062	8,092,463
Unrestricted	997,728	3,101,264	7,222,050	5,858,061	8,219,778	8,959,325
Total net position	\$ 57,980,625	\$ 57,704,698	\$ 62,430,465	\$ 59,485,120	\$ 120,411,090	\$ 117,189,818

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.

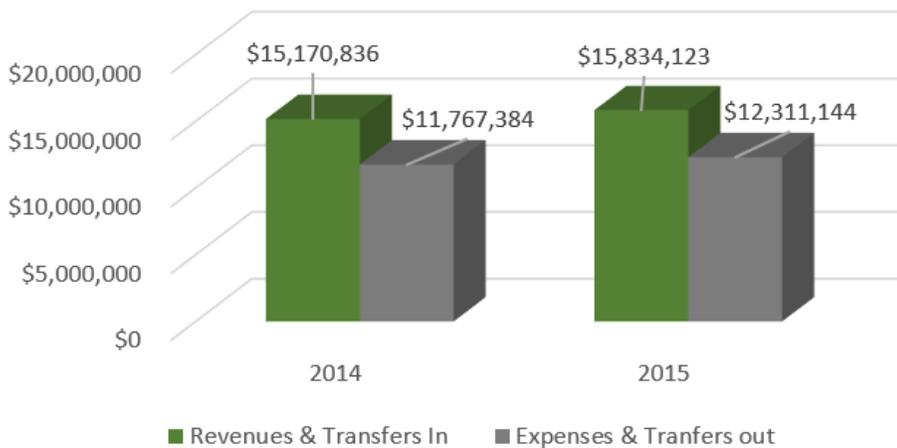
The City implemented GASB 68 - Accounting and Financial Reporting for Pensions. As a result of implementing GASB 68, the City recorded a net pension asset of \$142,292 along with a net pension liability of \$2,273,660.

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

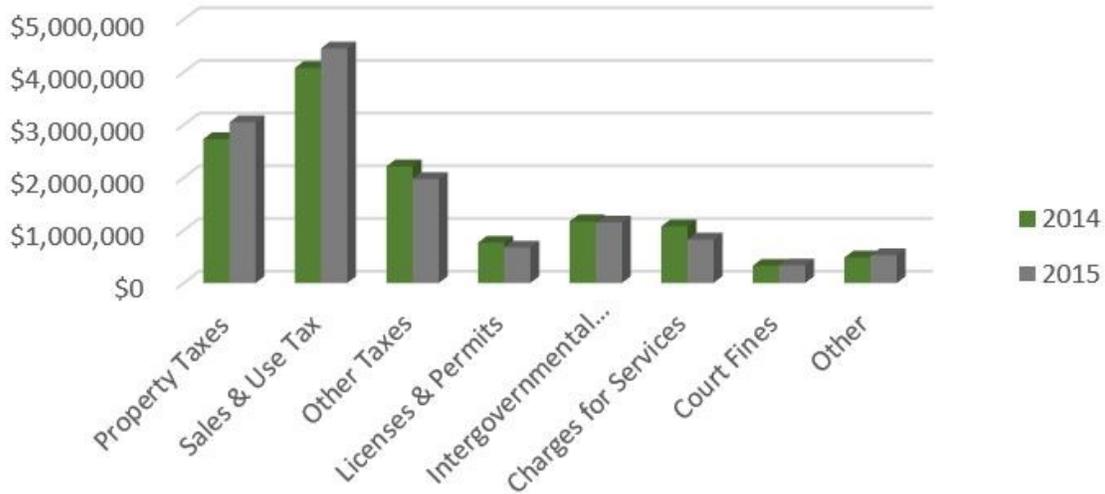
- Water
- Sewer
- Storm Drain
- Sanitation

As shown in the graphs above, the Governmental activities shows a slight increase in revenues and expenses being relatively stable, Business-type activities revenue appears to be increasing slightly with an 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.

Where Does General Fund Money Come From?

**GENERAL FUND
Total Revenues & Transfers In**

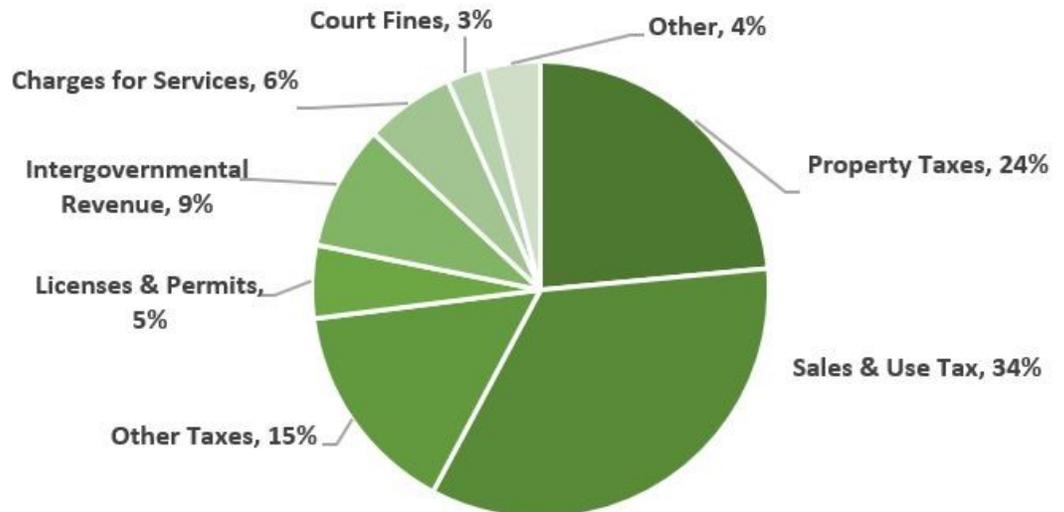


The General Fund is the general operating fund of the City and supports day-to-day operations. By law, the City shall only have one general fund. For data on all city funds, please view the CAFR at plgrove.org. The General Fund is comprised of the following departments:

- *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.

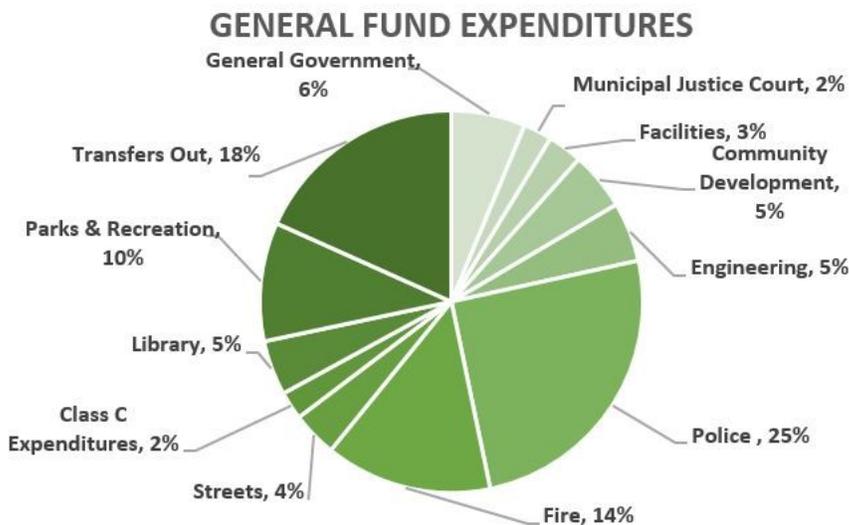
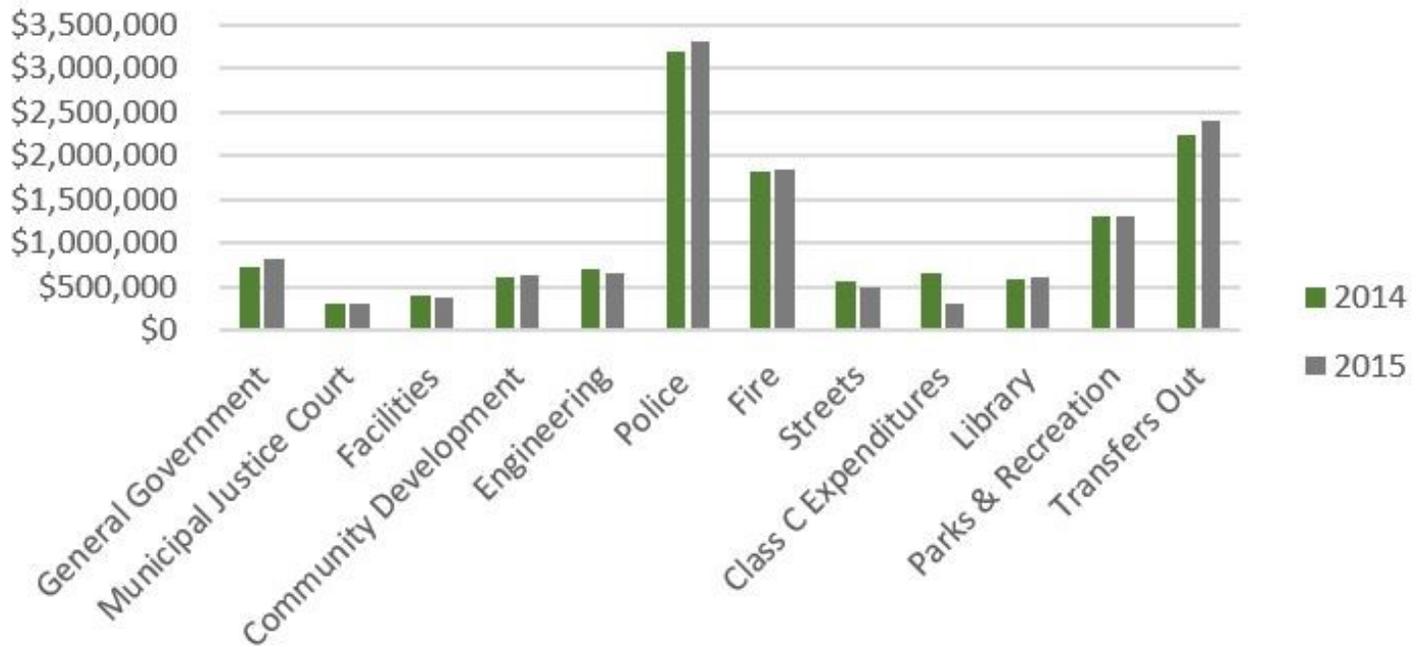
GENERAL FUND REVENUES 2015



The largest source of revenue for the General Fund is sales tax (34%) followed by property tax (24%).

Where Does General Fund Money Go?

GENERAL FUND Total Expenditures & Transfers Out



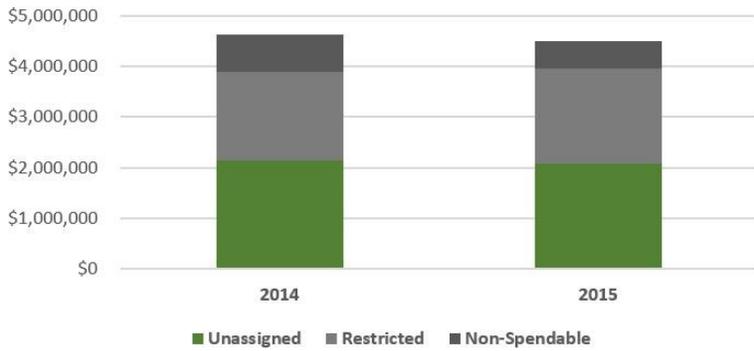
General Fund Employees by Department	
General Government	18 FT, 4 PT
Community Development	8 FT, 1 PT
Fire Department	15 FT, 30 PT
Police Department	30 FT, 5 PT
Public Works	6 FT, 1 PT
Parks & Recreation	17 FT, 100 PT

The General Fund's largest department continues to be the Police Department (25%) followed by Fire Department (14%), and Parks & Recreation (10%)

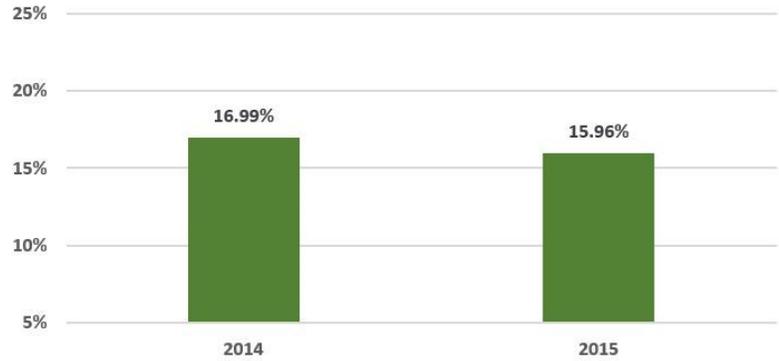
General Fund

Fund Balance

**GENERAL FUND
Fund Balance**

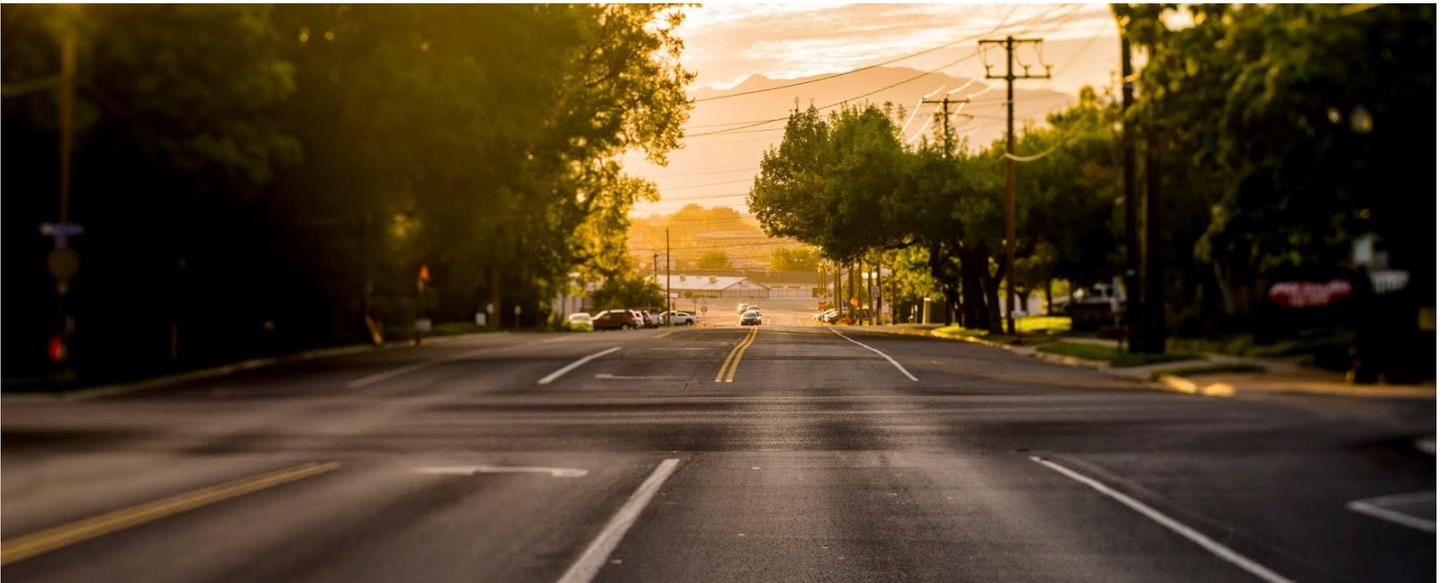


**UNASSIGNED GENERAL FUND BALANCE
Ratio of Fund Balance to Budgeted Revenues**



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 above is determined by dividing the amount of unassigned fund balance by the budgeted general fund revenue. The State recommends cities should have unassigned fund balance ratio of a minimum of 5% and a maximum of 25%.

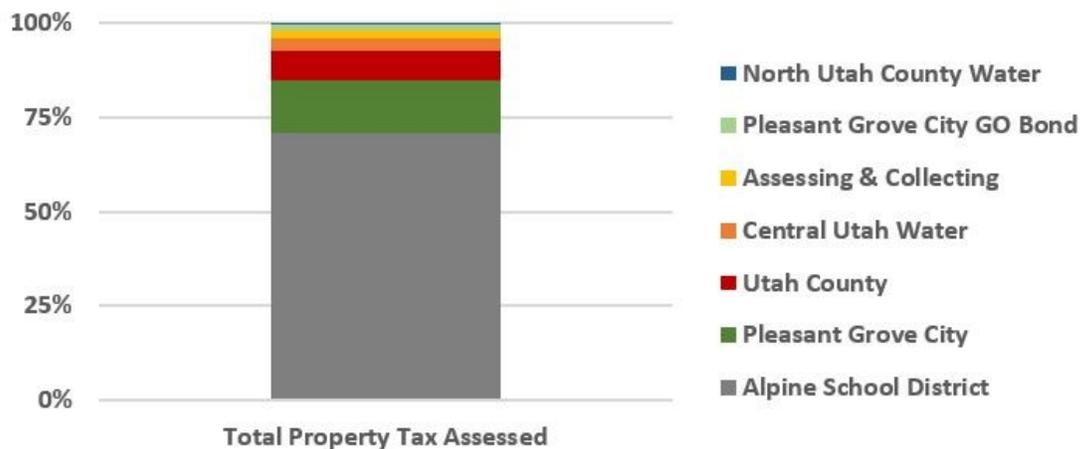


Property Tax

Summary

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



16.19% of residential property tax assessed goes to Pleasant Grove

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

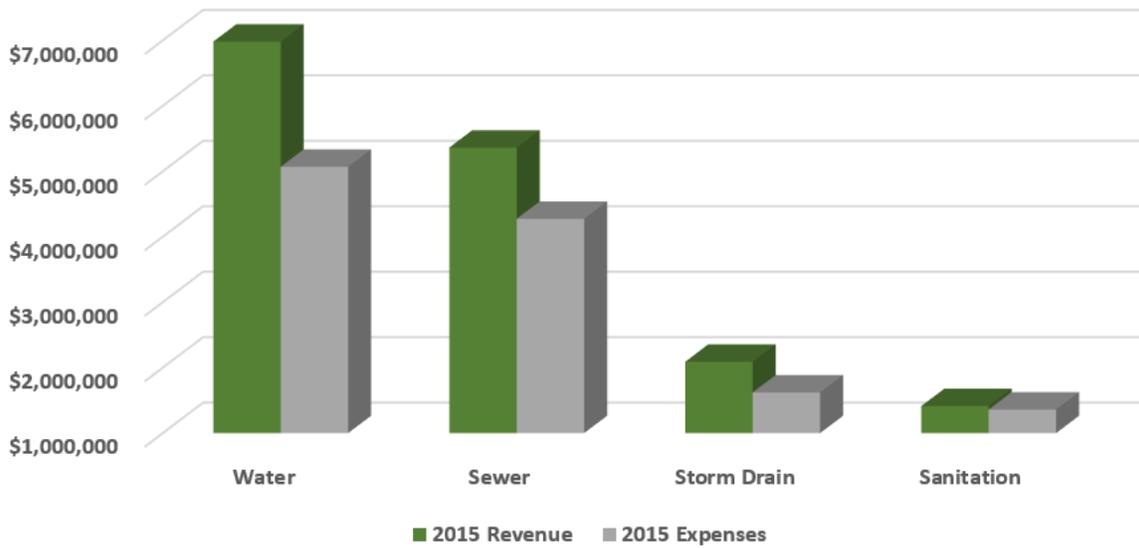
Taxing Entity	% of Total	Amount
Alpine School District	70.62%	\$1,011.90
Pleasant Grove City	14.34%	\$205.55
Utah County	7.51%	\$107.66
Central Utah Water	3.50%	\$50.12
Assessing & Collecting	1.97%	\$28.22
Pleasant Grove City GO Bond	1.85%	\$26.48
North Utah County Water	0.21%	\$2.97
Total Property Tax Assessed	100.0%	\$1,432.90

Enterprise Funds

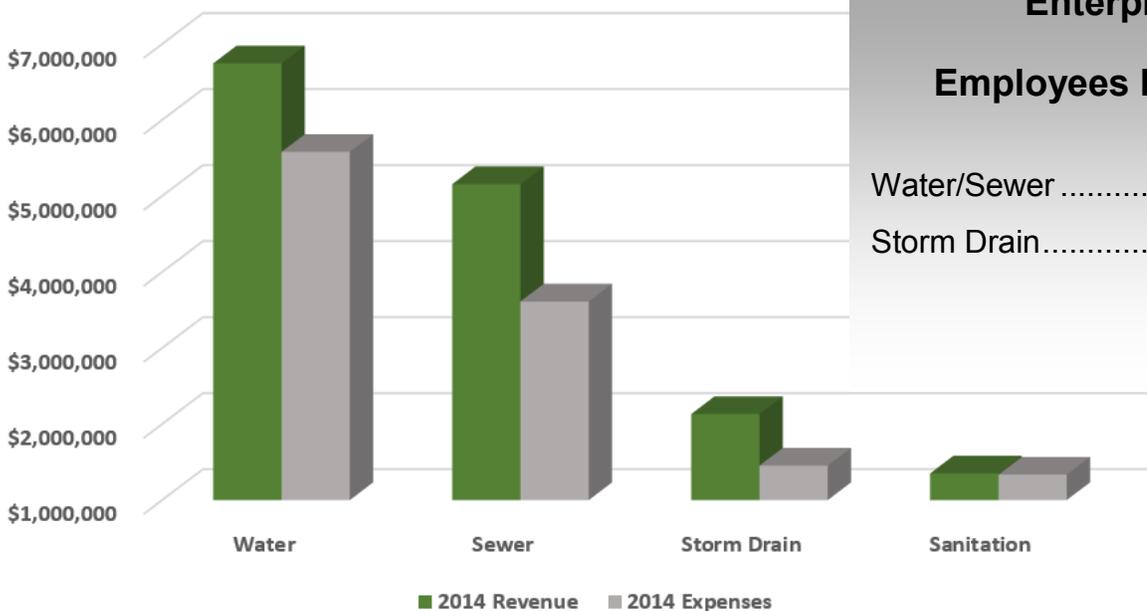
Summary

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.

ENTERPRISE FUNDS
2015 Revenues & Expenses



ENTERPRISE FUNDS
2014 Revenues & Expenses



Enterprise Fund	
Employees by Department	
Water/Sewer	9 FT, 2 PT
Storm Drain.....	3 FT

Debt Summary

City Wide

At fiscal year end, the City had \$68 million in outstanding long-term debt, which represents a **3.78% 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, 2014	Additions	Reductions	Balance June 30, 2015
2012 Sales Tax Bonds	\$ 4,056,848		\$ (408,732)	\$ 3,648,116
2011 CDA Bonds	17,331,000		(572,000)	16,759,000
2008 Excise Tax Bonds	2,593,465		(657,822)	1,935,643
2007 GO Bonds	4,251,960		(151,156)	4,100,804
Post-Employment Benefits	100,550		(25,779)	74,771
Compensated Absences	766,291	\$ 404,002	(382,869)	787,424
Capital/Operating Leases	1,243,922	1,106,780	(716,197)	1,634,505
Note Payable- Utah County	2,622,302			2,622,302
Net Pension Liability	2,919,580		(645,920)	2,273,660
Water Revenue Bonds	22,543,083	10,078,130	(10,377,689)	22,243,524
2010 Provo Reservoir Water Users	11,007		(297)	10,710
Storm Water Revenue Bonds	12,303,291		(325,249)	11,978,042
	\$ 70,743,299	\$ 11,588,912	\$ (14,263,710)	\$ 68,068,501

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

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



NAMED SAFEST CITY IN UTAH COUNTY
BY CONSUMER AFFAIRS



Pleasant Grove Recreation Center

Best of Utah Valley,
Reader's Choice Award

2014 - 2015



Novell CHILDRENS' DISCOVERY PARK
A PLEASANT GROVE CENTENNIAL PROJECT

SPONSORS

Novell	BANK OF AMERICAN FORK	BRATT LANDSCAPE - COEL	
MELLS FUGAL BROS	RICK PARKER TOYOTA	SKYLINE INDUSTRIES	LANMARK INT. INC.
AMERICAN FISH	AMERICAN FISH	AMERICAN FISH	AMERICAN FISH
AMERICAN FISH	AMERICAN FISH	AMERICAN FISH	AMERICAN FISH
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Contact Us

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