

An aerial night photograph of Pleasant Grove, Utah, featuring a vibrant fairground in the foreground with a Ferris wheel, roller coaster, and carousel. The city lights and mountains are visible in the background under a twilight sky.

City of Pleasant Grove

**Annual Comprehensive
Financial Report**

For the Year Ending June 30, 2021

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CITY OF PLEASANT GROVE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ending June 30, 2021



Prepared by:
Pleasant Grove City, Finance Department

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Introductory Section

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Drew Armstrong

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December 3, 2021

The Honorable Mayor and
Members of the City Council
Pleasant Grove City, Utah

Re: Finance Officer's transmittal letter and report on financial statements.

The Annual Comprehensive Financial Report (ACFR, the Report) of Pleasant Grove City (the City) for the fiscal year ended June 30, 2021, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City to issue a report on its financial position and activity, and this report be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all material aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

This Report has been prepared by the Pleasant Grove City Finance Division. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

The financial reporting entity (the City) includes all the funds of the primary government, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Pleasant Grove Redevelopment Agency is reported in this Report as a special revenue fund.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Governmental Structure

Pleasant Grove 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. The mayor is the City's chief executive officer, and thus all employees report to him or her. The mayor votes as a voting member of the council on any matter for which there is a tie vote of the other council members, or when the council is voting on whether to appoint or dismiss a city administrator. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The Council Members are elected at large and serve staggered four-year terms. They are assisted by a city administrator, who under the direction of the mayor, is responsible for establishing and implementing City policies and overseeing the day-to-day operations of the government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection; park construction and maintenance; street construction and maintenance; public improvements; engineering; building inspection; planning and zoning; and administrative services. The City also operates the following enterprise utility funds: water, storm drain, solid waste, and sewer.

Economic Condition and Outlook

Pleasant Grove City, incorporated in 1855, is in the northern portion of Utah County. The City is a suburban community encompassing 9.17 square miles. The City's population is currently 38,380. The City's population increased rapidly from 2000 – 2007 but has moderated significantly since that time. We anticipate the population in Pleasant Grove to continue to increase at a steady rate with an ultimate buildout population of approximately 48,000.

Economic activity has shown significant growth over the past five years. Sales tax revenue in FY2021 reached \$7,592,568 which was an increase of \$985,698 from FY2020, \$1,477,634 from FY2019, \$1,756,257 from FY2018 and \$ 2,167,115 from FY2017. License and permit revenues totaled \$941,142 which was an increase of \$194,986 from FY2020, and \$248,648 from FY2019. The City is committed to use conservative budgeting principles, particularly related to building-related fees. Revenue in the past have only been used to fund growth-related costs and projects, rather than used to increase the City's base budget.

Fiscal year 2021 has been another year of strong economic growth and commercial development for the City, with the COVID-19 health pandemic not having a substantial negative effect on the City and its operations. The City's sales tax revenues and building-related fees continued to increase during this time. The City was allocated \$2.7 million of the CARES Act funds through Utah County (the county our city resides in), these monies were used to cover the unforeseen costs related to COVID-19, public safety personnel, hazard stipends and numerous capital improvement projects. These funds were first received and began to be spent during FY2020, and the remaining being spent in FY2021. The City was notified during FY2021 that they will be receiving monies from The American Rescue Plan Act of 2021 in the amount of \$4,527,858. As of July 15, 2021, the City had received \$2,263,929. The City has not designated an infrastructure project at this time. As a result of these federal grants, a federal single audit was required during FY2020 and FY2021. It is anticipated that an additional single audit will be performed during FY2022.

MAJOR INITIATIVES

Long-Range Planning. Pleasant Grove City is dedicated to the adherence of forward-looking principles that keep the City in a position to be prepared for future events. With these principals in mind, the City is focused on several matters to plan and prepare for future events. Some of these are listed below:

- **3-Year Road Infrastructure Plan.** The City adopted a road fee in April 2018 to help with road maintenance issues. This fee will be used in conjunction with Class C Road monies and a general fund contribution that goes towards road maintenance. The City continues work on updating the 3-year road plan that focuses on the maintenance of city streets. A key component of the plan is that the utilities underneath the road will be upgraded or deemed in good condition before major maintenance is completed. After implementation of the fee, the City was sued and is currently in litigation. The City is no longer collecting the fee, and may not spend the collected fees while in litigation. On July 14, 2021, the City issued \$6.5 million of Excise Tax Revenue Bonds. The bonds will be used to reconstruct roads through the city as proposed in the updated 3-year road plan presented to the Mayor and Council.

- **Comprehensive Financial Sustainability Plan (CFSP).** The City has entered a contract with Lewis Young Robertson Burningham (LYRB) to complete a comprehensive financial sustainability plan (CFSP) and funding analysis for the General Fund. LYRB will assist department heads with the collection and analysis of operational revenue and expenditure data in conjunction with identifying existing and available financing tools that could be utilized to fund the proposed plan. LYRB will then create a General Fund model to forecast the CFSP components for use by the City Council, staff, and residents in establishing a finance plan for the City. The CFSP is a means to link community-based goals with implantation strategies over a long-term planning period. The CFSP is mutually a written implementation plan, an updateable management and communication tool, as well as a decision-making process/tool used by staff and election officials.
- **5-Year Utility Fund Budgets.** The City’s enterprise funds are different than the governmental funds in that they are primarily funded through user fees, rather than taxes. The City realizes the need to maintain a long-term focus on needs of the City’s utilities related to operations, new infrastructure and replacing aging infrastructures. To keep this long-term focus, 5-year budgets will be maintained for all utility funds and will be included in the City’s annual budget document. Rates will then be evaluated each year, considering all future expenditures for operations, debt, and capital improvements. Utility rate increases were made to Water, Secondary Water, Storm Drain and Solid Waste.
- **City-Wide Compensation Study.** The pay range system based upon employee value preferences, labor market analysis, and management’s pay progression philosophy was received from Personnel Systems & Services in early 2020. As the pandemic brought on economic uncertainty, the city took a different approach to allocating the dollars available for raises in FY2021. Public Safety employees received an amount of \$2,500, directors and other full-time employees received an amount of \$1,200. Prior to adopting the FY2022 budget staff created an implementation plan with a goal of adjusting employee wages into the established ranges. The full-time employee market correction was a 2% cost of living adjustment plus a minimum of \$2,000 per employee added to employee’s base pay, and a part-time market correction of a \$1 per hour.
- **Pipe Plant Development.** The City’s original plan was to move the Public Works and Parks Departments to new facilities to property referred to as the old Pipe Plant and expand the city cemetery and possibly add sport fields. The City is currently evaluating the possibilities of using this property to create a city-wide park facility and finding other property to purchase for the Public Works and Parks Departments relocations.

Capital Projects. The City’s Staff, following specific directives of the City Council and Mayor, have been involved in a variety of projects throughout the year. These projects reflect the City’s commitment to ensuring that the citizens of Pleasant Grove can live and work in a desirable environment. During FY2021, the City had several significant projects. Some of these projects are listed below:

- **Parks, Recreation Facilities and Trail upgrades.** The City made improvements or upgrades to the following: Completion of the Veterans Memorial Pickelball Project, Valley Vista Trail Phase 3 engineering and construction contract awarded, Cemetery Expansion completion, reconstruction of Discovery Park Tennis Courts, Discovery Park Restrooms Rebuilds, Community Center Restroom Addition, Pool improvements, Chrisville Playground Replacement, upgrades to water fixtures and security in all city parks and facilities.

- **Public Works.** The Public Works Department completed a number of projects during the FY2021 fiscal year: 1000 South 1150-1280 East Storm Drain, 1100 North 300-600 East Storm Drain, 100 E 200 & 500 North Storm Drain Crossings, Battlecreek Spring Replacement, 1100 North 100 -1000 East Water Line, 150 North 1300 East Water Line, Anderson Well Improvements, 1100 North Water Line Project, PRV Replacement, 100 East 2300-2850 North Sewer Improvements, 700 South 900-1300 West Sewer Improvements, State Street PG Blvd to 200 South. Seal coat and crack seals on numerous roadways throughout the city.
- **Public Safety.** The Fire was granted monies to purchase a new fire truck, ambulance and brush truck along with numerous smaller one-time purchases for their daily operations such as extrication tools, thermal imaging equipment and Zoll monitors. The Police Department received monies to replace their ongoing police vehicles, along with numerous smaller one-time purchases to aid in their daily operations such as surveillance equipment, riot gear, and portable radios.

Economic Development. The City Council recognizes the need to develop the City’s economic base in order to provide necessary services, i.e., recreation, roads, water, etc. to its citizens. Efforts are being made by the City to attract new businesses and to promote the type of activities that will enhance the quality of life in the community. The Grove Area continues to grow and develop with office space, retail, and many food establishments. The additions discussed will add to the City’s sales tax and property tax revenue base.

FINANCIAL INFORMATION

Pleasant Grove City’s financial statements reflect growth and conservative budgeting practices. The fund balance in the City’s General Fund increased by \$207,331 during the fiscal year, to end at \$9,782,204. The City’s intent is to use the General Fund surpluses to fund certain subsequent year’s capital projects. The General fund’s unassigned balance of \$6,824,669 represents 32.08% of operating revenues.

During the past two-year period, the City’s governmental funds revenues increased from \$26,768,912 to \$28,329,611 and expenditures increased from \$22,764,724 to \$24,807,055. Growth in proprietary funds has increased over this same period. Proprietary fund operating revenues increased from \$17,256,627 to \$18,569,424 as compared to FY2020, while operating expenses rose from \$12,270,468 to 12,730,128. Utility rate increases have attributed to the growth in revenue and has provided funding to complete a greater number of capital projects.

As a recipient of federal and state financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place and to document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluations. The audit for the fiscal year ended June 30, 2021, disclosed no material internal control weaknesses or material violations of laws and regulations.

The City’s budget serves as the foundation for its financial planning and control. City Management prepares a proposed annual budget which is presented to the City Council for review no later than the first council meeting in May. The Council is required to hold a public hearing on the proposed budget and to adopt the final budget prior to June 30, unless the City proposes a property tax more than its certified tax rate. In that case, a tentative budget is adopted and is in force until a public hearing is held to approve the increase.

A budget is prepared for each fund, and the General Fund is further divided into departments. Department heads may make transfers of appropriations within a department. Transfers in appropriations between departments or increases in revenues require the approval of the City Council. Activities of the general fund, special revenue funds, debt service funds and capital project funds are included in the annual appropriated

budget. The level of budgetary control (i.e., the level where expenditures cannot legally exceed the appropriate amount) is at the department level within the General Fund and the fund level for all other funds.

As demonstrated by the statement included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm HBME, LLC was selected to perform this audit. This audit was designed to meet the requirements set forth in the Utah State statutes. Generally Accepted Auditing Standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to Pleasant Grove City for its Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Report, whose contents conform to program standards. Such a Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

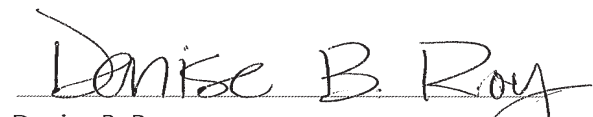
Acknowledgments

We would like to thank the Mayor and the City Council for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

The preparation of the Report on a timely basis could not have been accomplished without the efforts and dedication of the City staff. We would like to express our appreciation to them and other personnel from various agencies and authorities who assisted in its preparation.

Respectfully submitted,


J. Scott Darrington
City Administrator


Denise B. Roy
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pleasant Grove City
Utah**

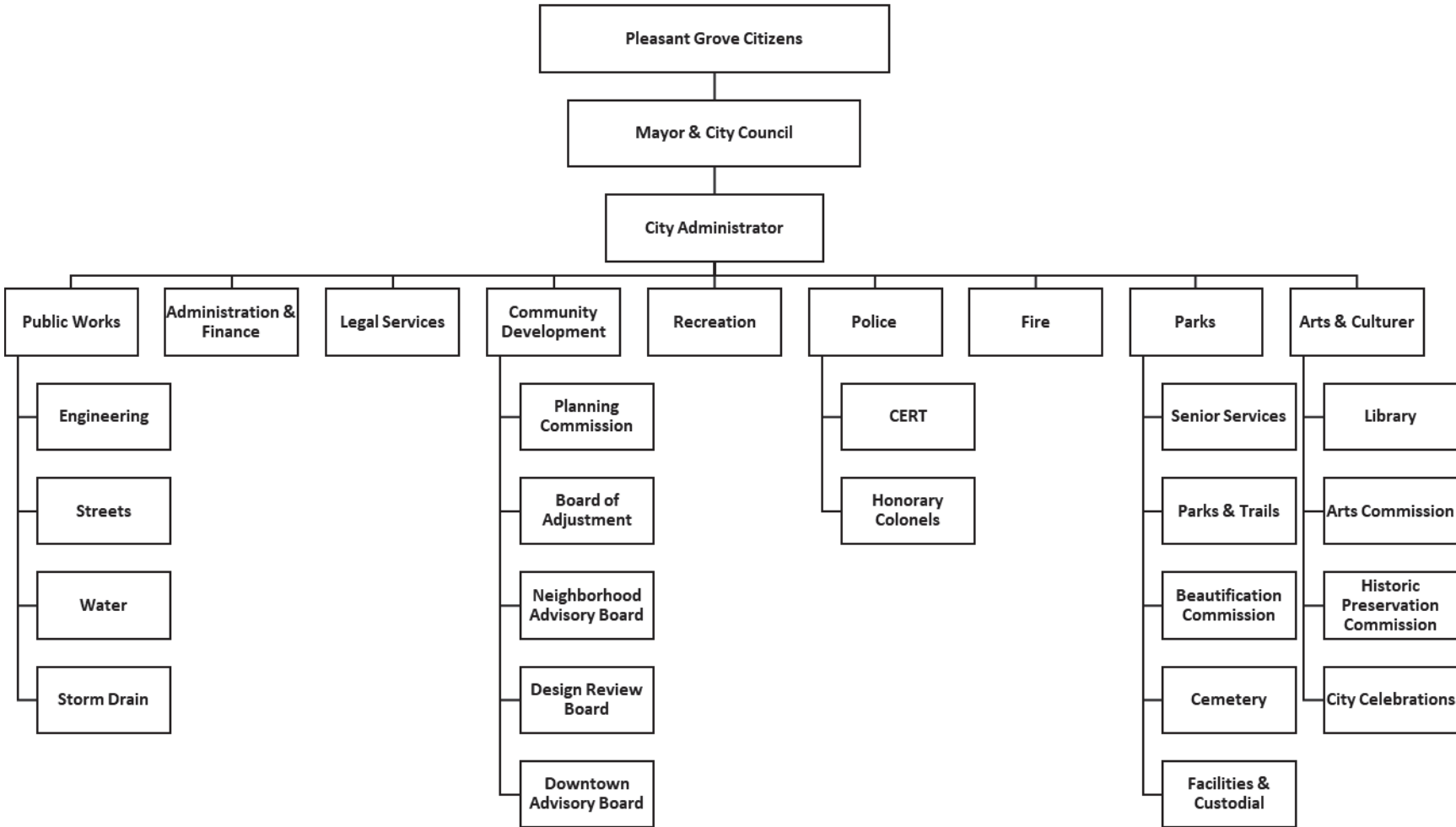
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Pleasant Grove City



Elected and Appointed Officials



Mayor & City Council

Mayor Guy Fugal



City Council Members



Dianna Andersen



Eric Jensen



Cyd LeMone



Todd Williams



Brent Bullock

Pleasant Grove City Appointed Officials

City Administrator - J. Scott Darrington

City Attorney - Christine Peterson

City Recorder - Kathy Kresser

Finance Director - Denise Roy

City Treasurer - Mike Gourley

Police Chief - Michael Roberts

Fire Chief - Drew Engemann

Public Works Director/City Engineer - Marty Beaumont

Community Development Director - Daniel Cardenas

Parks Director - Deon Giles

Recreation Director - Tyler Wilkins

Arts & Culture Director - Sheri Britsch

Debra Armstrong
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Financial Section



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COMMITTED. EXPERIENCED. TRUSTED

INDEPENDENT AUDITOR’S REPORT

CERTIFIED PUBLIC ACCOUNTANTS

- E. LYNN HANSEN, CPA
- CLARKE R. BRADSHAW, CPA
- GARY E. MALMROSE, CPA
- EDWIN L. ERICKSON, CPA
- MICHAEL L. SMITH, CPA
- JASON L. TANNER, CPA
- ROBERT D. WOOD, CPA
- AARON R. HIXSON, CPA
- TED C. GARDINER, CPA
- JEFFREY B. MILES, CPA
- SHAWN F. MARTIN, CPA

Honorable Mayor and Members of the City Council
Pleasant Grove City

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasant Grove City (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasant Grove City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue redevelopment agency fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17-27 and pension schedules on pages 81-83 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBMC, LLC

November 22, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pleasant Grove City, we offer readers of Pleasant Grove City's financial statements this narrative overview and analysis of the financial activities of Pleasant Grove City for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The total net position of Pleasant Grove City increased 8.72% to \$233,901,526. Contributed capital from developers accounted for \$2,719,153 in the Governmental Activities, and \$1,237,465 in Business-type Activities.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$20,088,731. This is a substantial increase from the prior year, the increases is due from monies received from sales tax, building permit fee, impact fees, and stimulus monies received. Of this amount \$ 6,753,133 (33.62%) is available for spending at the government's discretion (unassigned fund balance). With the COVID-19 health pandemic not having a substantial effect on the City and its operations, the City transferred \$5,094,280 from the General Fund to complete significant capital improvement projects city-wide and to purchase much needed equipment.
- Total governmental fund balance increased by \$3,861,662. Overall revenues were up from the prior year by \$1,560,699. The increased revenues will help pay for expenses related to growth and changes of the City. Expenditures increased from the prior year, with significant wage increases given to employees, and the amount of capital projects completed, and equipment purchased.
- In the past, Utah law restricts an amount a municipality can maintain in its General Fund unrestricted (committed, assigned and unassigned) fund balance to 25% of the total revenue of the general fund for the fiscal year under audit. During fiscal year 2021, the Utah State Legislature adopted a change that the General Fund may not exceed 35% of the total revenue for the current fiscal period. As of June 30, 2021 the City's unassigned balance equals 32.08% of General Fund Revenues. This balance is due from monies received from sales tax, building permit fee, impact fees, and stimulus monies received and the City's decision to sustain from using excess fund balance.

REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to Pleasant Grove City's basic financial statements. Pleasant Grove City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of Pleasant Grove City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Pleasant Grove City's assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Pleasant Grove City is improving or deteriorating. However, you will also need to consider other nonfinancial factors.

The statement of activities presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of Pleasant Grove City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 31 & 32.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Pleasant Grove City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation included with the fund financial statements.

The City maintains the following eleven individual governmental funds:

- General
- Capital Projects
- Debt Service
- Redevelopment Agency
- Dispatch
- Swimming Pool
- Community Center
- Cultural Arts
- Library
- C.A.R.E Tax
- Transportation Utility Fund

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Redevelopment Agency, Debt Service and Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is available elsewhere in this report.

The governmental fund financial statements can be found on pages 33-38 of this report.

Proprietary funds –Pleasant Grove City maintains one type of proprietary fund, which is an enterprise fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Pleasant Grove City uses enterprise funds to account for Water, Sewer, Storm Drain, Metropolitan Water District of Pleasant Grove and Sanitation and are all considered to be major funds.

The basic proprietary fund financial statements can be found on pages 39-41 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 42 of this report.

Other Information – In addition to the above mentioned statements and reports, this report also presents other supplementary information and a statistical section, which give additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City's non-major funds as well as budget to actual statements for the City's other governmental funds. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 81, and the statistical section begins on page 102. The final section includes reports from the City's

external auditors related to the City’s internal controls and compliance with State and federal laws and regulations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Pleasant Grove City, assets exceed liabilities by \$233,901,526.

By far the largest portion of the City of Pleasant Grove’s net position (78.5%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City’s overall liabilities decreased from the prior year, and the City did not issue additional debt during fiscal year 2021.

The following table summarizes the City’s net position.

PLEASANT GROVE CITY NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current And Other Assets	\$ 47,300,047	\$ 43,485,614	\$ 21,437,880	\$ 18,458,275	\$ 68,737,927	\$ 61,943,889
Capital Assets	119,428,930	114,426,437	119,360,953	115,649,411	238,789,883	230,075,848
Total Assets	166,728,977	157,912,051	140,798,833	134,107,686	307,527,810	292,019,737
Total Deferred Outflows Of Resources	947,104	876,962	323,126	321,098	1,270,230	1,198,060
Long-term Debt Outstanding	25,574,926	27,931,668	29,322,877	30,016,994	54,897,803	57,948,662
Other Liabilities	10,677,858	10,732,330	1,321,273	2,104,064	11,999,131	12,836,394
Total Liabilities	36,252,784	38,663,998	30,644,150	32,121,058	66,896,934	70,785,056
Total Deferred Inflows of Resources	7,609,323	7,046,214	390,257	240,636	7,999,580	7,286,850
Net Investment In Capital Assets	93,393,570	86,435,879	90,284,906	84,608,811	183,678,476	171,044,690
Restricted	13,184,893	8,516,460	5,510,601	4,976,341	18,695,494	13,492,801
Unrestricted	17,235,511	18,126,462	14,292,045	12,481,938	31,527,556	30,608,400
Total Net Position	\$ 123,813,974	\$ 113,078,801	\$ 110,087,552	\$ 102,067,090	\$ 233,901,526	\$ 215,145,891

An additional portion of the City’s net position (8%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$31,527,556 may be used to meet the government’s ongoing obligations to citizens and creditors.

As of June 30, 2021, the City can 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.

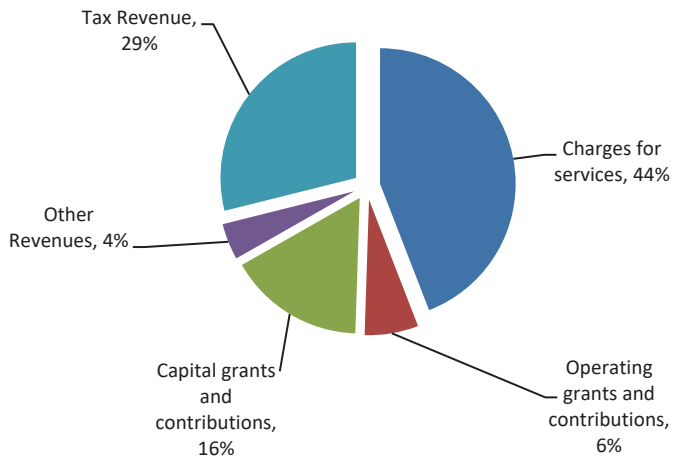
Analysis of the City’s Operations – The following table provides a summary of the City’s operations for the year ended June 30, 2021.

PLEASANT GROVE CITY CHANGE IN NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 5,206,493	\$ 5,111,026	\$ 17,605,943	\$ 17,129,784	\$ 22,812,436	\$ 22,240,810
Operating grants and contributions	2,533,811	2,868,195	779,583	82,326	3,313,394	2,950,521
Capital grants and contributions	5,870,608	4,909,119	2,531,103	4,138,832	8,401,711	9,047,951
General Revenues:						
Taxes	14,946,613	13,653,985	-	-	14,946,613	13,653,985
Other Revenues	1,924,501	2,043,722	318,889	346,864	2,243,390	2,390,586
Total revenues	30,482,026	28,586,047	21,235,518	21,697,806	51,717,544	50,283,853
<u>Expenses</u>						
General Government	2,533,979	2,551,129	-	-	2,533,979	2,551,129
Community development	1,341,451	1,308,963	-	-	1,341,451	1,308,963
Public Works	3,815,216	3,167,101	-	-	3,815,216	3,167,101
Public Safety	6,716,318	6,575,216	-	-	6,716,318	6,575,216
Parks & Recreation	3,957,595	3,960,886	-	-	3,957,595	3,960,886
Interest on L/T Debt	1,113,209	1,186,132	-	-	1,113,209	1,186,132
Water	-	-	5,217,786	6,253,510	5,217,786	6,253,510
Metropolitan Water District	-	-	292,668	147,685	292,668	147,685
Storm Drain	-	-	1,652,175	1,929,869	1,652,175	1,929,869
Sewer	-	-	4,643,368	4,636,203	4,643,368	4,636,203
Sanitation	-	-	1,678,144	1,553,566	1,678,144	1,553,566
Total Expenses	19,477,768	18,749,427	13,484,141	14,520,833	32,961,909	33,270,260
Increase (decrease) in net position before transfers	11,004,258	9,836,620	7,751,377	7,176,973	18,755,635	17,013,593
Transfers, net	(269,085)	(75,000)	269,085	75,000	-	-
Increase (decrease) in net position	10,735,173	9,761,620	8,020,462	7,251,973	18,755,635	17,013,593
Net position - beginning	113,078,801	103,317,181	102,067,090	94,815,117	215,145,891	198,132,298
Net position - ending	\$ 123,813,974	\$ 113,078,801	\$ 110,087,552	\$ 102,067,090	\$ 233,901,526	\$ 215,145,891

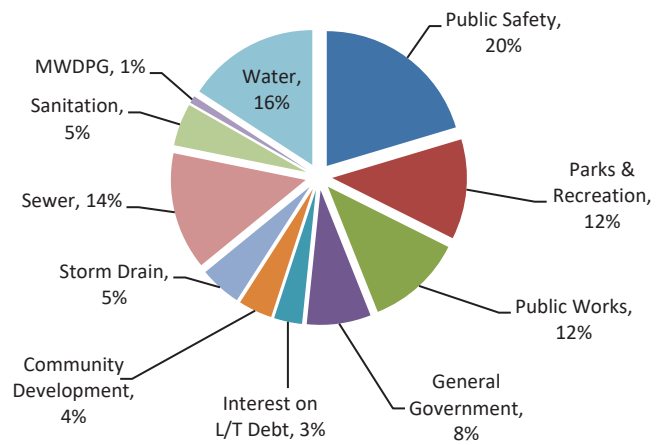
Net Position for governmental activities increased by \$10,735,173 and business-type activities increased by \$8,020,462 from the prior year. Factors contributing to an increase in Net Position in Governmental Funds include capital grants and contributions. Capital contributions consist of infrastructure built by developers and donated to the City as well as impact fee revenues. Tax revenue also increased from the prior year. Taxes are the primary source of general revenue. Most of the City’s operating grants are related to public safety grants and stimulus monies received, while capital grants consist primarily of donated infrastructure assets, impact fees and Class C road funds. FY2021 Operating Grants and Contributions were considerably more in Business-type Activities than the prior year, which contributed to the increase of Net Position. Total expenses increased in the Governmental Activities and decreased in Business-type Activities from the prior year.

The following two graphs display Pleasant Grove’s government-wide revenues and expenses for the fiscal year ended June 30, 2021.

Total Revenues
Government-Wide Operations of Pleasant Grove City



Total Expenses
Government-Wide Operations of Pleasant Grove City



Financial Analysis of Governmental Funds

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

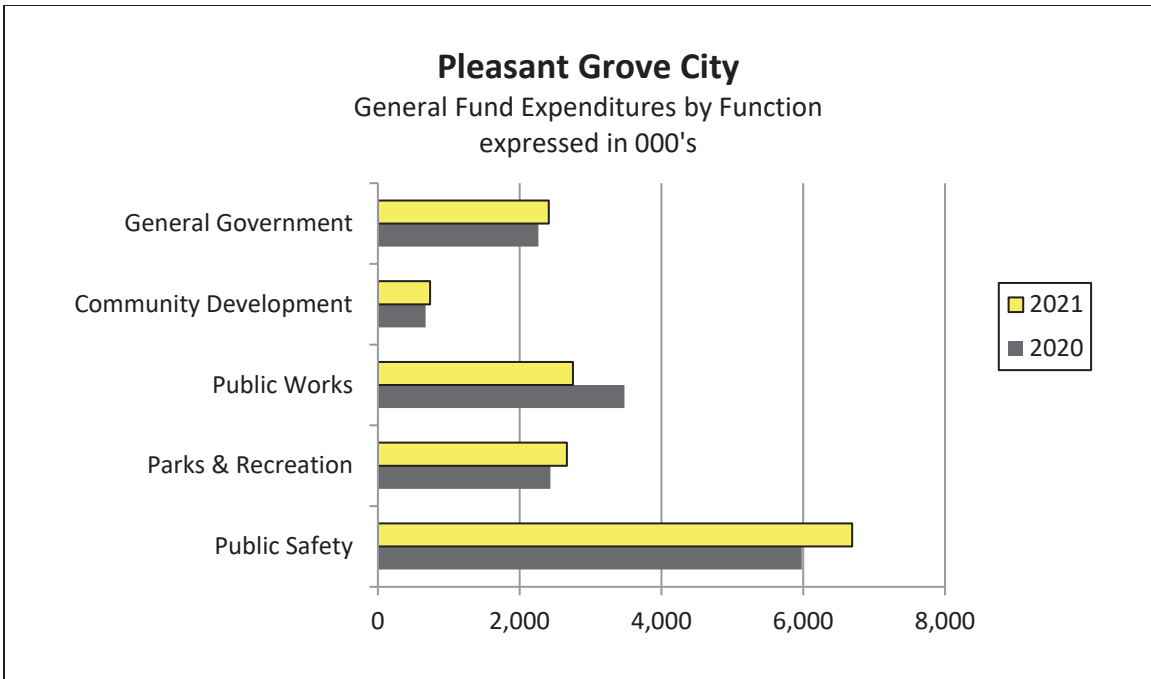
At the end of the current fiscal year, the City's governmental funds reported combined fund balances of a positive \$20,088,731, \$6,753,133 of this total amount (33.62%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is classified as one of the following: nonspendable, restricted, committed, or assigned. Nonspendable fund balance refers to resources that either cannot be spent because of their form or cannot be spent because they must remain intact. Restricted fund balance means that the resources have externally enforceable limitations on their use. Committed fund balance occurs when the City has placed self-imposed limitations on its use. Assigned fund balance comes from the establishment of an intended use for certain funds by the City.

General Fund

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the general fund was \$6,824,669 while total fund balance reached \$9,782,204.

Taxes are the largest source of revenue in the General Fund, representing 63.9% of total General Fund revenues. The largest component is sales tax, which represents 55.85% of total tax revenue and 35.69% of total General Fund revenue. Overall, revenues increased by 10.44% and expenditures increased by 2.9% from 2020.

The following chart compares general fund expenditures by function between 2020 and 2021.



Other Governmental Funds

The fund balance in the Redevelopment Agency fund increased by \$729,863 during the year to bring the fund to a positive balance of \$2,475,663. Revenues in the RDA fund increased from \$2,662,325 in 2020, to \$2,912,591, due to receiving more property taxes for the redevelopment area.

\$3,105,890 was spent from the Capital Projects fund on projects, the largest project being the Veterans Memorial Pickelball Project. This fund is used to collect funds for the construction of capital projects and to pay for debt associated with capital equipment. Revenue sources include impact fees of \$1,014,288. Impact fees are restricted to projects governed by the laws of the State of Utah, thus these balances are reserved.

Enterprise Funds. The City maintains enterprise funds to account for the business-type activities of the City. The information is found in the government-wide financial statements, but in more detail.

Net position of the Water Fund increased from \$ 50,190,401 to \$54,667,580. Sewer net position increased from \$24,193,819 to \$25,360,875. Storm Drain net position increased from \$18,054,378 to \$20,249,117. Sanitation net position decreased from \$ 149,904 to \$36,326. Net position increases in 2021 were assisted mainly in continued growth of charges for services, capital grants and developer contributions. Overall, in the enterprise funds, net position increased by \$8,020,462.

General Fund Budgetary Highlights

During the fiscal year, the General Fund’s original budget was amended from an original budgeted expenditure (including transfers) total of \$ 19,267,328 to final budgeted

expenditures (including transfers) of \$25,512,569. These increases can be briefly summarized as follows:

- Department wide increase in the amount of \$54,500 for Covid-19 related expenses.
- Department wide increases in the amount of \$176,128 for hazard pay related to Covid-19 pandemic.
- Fire increase related to expenses reimbursement for California and Oregon fires in the amount of \$277,280.
- Community Development increase to cover hiring of full-time code enforcement employee in the amount of \$37,000.
- Transfers made to the Capital Improvement Fund for significant capital improvement projects city-wide and to purchase much needed equipment in the amount of \$5,094,280.
- An appropriation of 360,743 for Street Light Installation.

The City’s guideline is to generally not budget grant revenue until the funds are received. The budget was increased to authorize the expenditure of these funds.

Capital Assets and Debt Administration

Capital Assets. The City of Pleasant Grove’s investment in capital assets for its governmental and business-type activities as of June 30, 2021, amounts to \$238,789,883 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, construction in progress, and water rights. The total increase in the City’s capital assets (net of depreciation) was 3.8% (4.4% increase for governmental activities and a 3.2% increase for business-type activities).

PLEASANT GROVE CITY CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 46,765,823	\$ 46,765,823	\$ 11,044,999	\$ 11,044,999	\$ 57,810,822	\$ 57,810,822
Water Shares	-	-	11,605,004	10,760,899	11,605,004	10,760,899
Buildings	21,166,994	21,103,199	-	-	21,166,994	21,103,199
Equipment	2,744,572	2,016,457	1,386,531	1,133,364	4,131,103	3,149,821
Infrastructure	46,236,487	42,405,423	91,253,977	88,454,539	137,490,464	130,859,962
Construction in Progress	2,515,054	2,135,535	4,070,442	4,255,610	6,585,496	6,391,145
Total capital assets	\$ 119,428,930	\$ 114,426,437	\$ 119,360,953	\$ 115,649,411	\$ 238,789,883	\$ 230,075,848

Major capital asset events during the current fiscal year include the following:

- Contributed infrastructure assets - \$2,719,153
- Street, Light and Sidewalk Improvements - \$1,964,446
- Infrastructure improvements in excess of \$ 4.7 million in Water, Sewer and Storm Drain funds

Additional information on the City’s capital assets can be found in note 4 on pages 56-57 of this report.

Long-term debt. At the end of the current year, the City had total bonded debt outstanding of \$ 51,332,000, \$ 40,571,000 is secured by specific revenue sources, while total general obligation bonds outstanding total \$10,761,000. The chart below displays transactions related to the City’s bonds for the year.

PLEASANT GROVE CITY OUTSTANDING DEBT GENERAL OBLIGATION AND REVENUE BONDS						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation	\$ 10,761,000	\$ 11,345,000	\$ -	\$ -	\$ 10,761,000	\$ 11,345,000
Revenue Bonds	13,235,500	14,359,500	27,335,500	29,182,500	40,571,000	43,542,000
Total revenues	\$ 23,996,500	\$ 25,704,500	\$ 27,335,500	\$ 29,182,500	\$ 51,332,000	\$ 54,887,000

State statutes limit the amount of general obligation debt a governmental entity may issue to 4% of its total assessed value. The current limitations for the City are \$169,380,000 which is significantly in excess of the City’s outstanding general obligation debt. In addition, state statutes allows for an additional 8% to be used for water, sewer, or other revenue bond projects thus resulting in a debt limit of 12% of total taxable value. Total limitation is \$540,522,000, which again significantly exceeds the level of outstanding debt.

Additional information on the City’s long-term debt can be found in note 4 on pages 59-63 of this report.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

- The unemployment rate for Utah County (of which Pleasant Grove is the fifth largest city) was 2.3%. The state unemployment rate of 2.2%, while the national rate was 4.6%. The previous year’s rates were 3.6%, 4.1%, and 7.9% respectively.
- The City analyses utility rates each year to evaluate all areas related to the operation of its utility funds. These areas included operations, debt service coverage, cash reserves, and capital need. Based on this analysis, rates are generally adjusted each July. Utility rate increase were made for all business type funds except for Sewer.

- The General Fund budgeted operating expenditures remain fairly consistent for the upcoming year. Fiscal year-ending June 30, 2022 original budget reflects a decrease of \$5,458,301 from the year ending, June 30, 2021. The significant decrease in the FY 2022 budget from FY 2021, was the substantial transfer of General Fund monies to the Capital Project Fund. Budget included raises for employees in the amount of \$1.00 per hour for part-time employees, and a minimum of \$2,000 to base pay plus 2% cost of living adjustment for all full-time employees, medical insurance increase of \$122,000, election cost increase of \$30,000 and a VOCA grant match increase of \$6,000.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Pleasant Grove's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Pleasant Grove City, Finance Director, 70 South 100 East, Pleasant Grove, UT 84062.

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BASIC FINANCIAL STATEMENTS



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PLEASANT GROVE CITY
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments:			
Unrestricted	\$ 17,567,470	\$ 16,138,239	\$ 33,705,709
Restricted	8,255,559	2,244,822	10,500,381
Receivables:			
Accounts, net of allowance	2,807,035	2,006,172	4,813,207
Property tax	3,329,706	-	3,329,706
Intergovernmental	2,317,355	716,161	3,033,516
Internal balances	(70,384)	70,384	-
Inventory	-	81,988	81,988
Prepaid expenses	150,705	30,744	181,449
Notes receivable	12,560,000	149,370	12,709,370
Net pension asset	382,601	-	382,601
Capital assets not being depreciated:			
Land and rights of way	46,765,823	11,044,999	57,810,822
Water shares	-	11,605,004	11,605,004
Construction in progress	2,515,054	4,070,442	6,585,496
Capital assets, net of accumulated depreciation:			
Buildings and improvements	21,166,994	-	21,166,994
Infrastructure	46,236,487	91,253,977	137,490,464
Automobiles, machinery, and equipment	2,744,572	1,386,531	4,131,103
Total assets	<u>166,728,977</u>	<u>140,798,833</u>	<u>307,527,810</u>
Deferred outflows of resources:			
Deferred outflows related to pensions	947,104	200,594	1,147,698
Deferred loss on refunding	-	122,532	122,532
Total deferred outflows of resources	<u>947,104</u>	<u>323,126</u>	<u>1,270,230</u>
LIABILITIES			
Accounts payable	2,526,379	-	2,526,379
Accrued liabilities	1,120,978	69,364	1,190,342
Accrued interest payable	140,372	226,859	367,231
Deposits held	4,840,021	33,000	4,873,021
Noncurrent liabilities:			
Due within one year	14,707,728	2,104,798	16,812,526
Due in more than one year:			
Bonds payable	10,867,198	27,218,079	38,085,277
Other	1,397,224	892,878	2,290,102
Net pension liability	652,884	99,172	752,056
Total liabilities	<u>36,252,784</u>	<u>30,644,150</u>	<u>66,896,934</u>
Deferred inflows of resources:			
Deferred revenue property taxes	5,742,771	-	5,742,771
Deferred inflows related to pensions	1,866,552	390,257	2,256,809
Total deferred inflows of resources	<u>7,609,323</u>	<u>390,257</u>	<u>7,999,580</u>
NET POSITION			
Net investment in capital assets	93,393,570	90,284,906	183,678,476
Restricted for:			
Library purposes	27,850	-	27,850
Debt service	222,069	2,244,822	2,466,891
Donations	26,599	-	26,599
Capital projects and improvements	9,770,916	3,265,779	13,036,695
Roads	2,899,513	-	2,899,513
Community events	237,946	-	237,946
Unrestricted	<u>17,235,511</u>	<u>14,292,045</u>	<u>31,527,556</u>
Total net position	<u>\$ 123,813,974</u>	<u>\$ 110,087,552</u>	<u>\$ 233,901,526</u>

PLEASANT GROVE CITY
Statement of Activities
For the Year Ended June 30, 2021

Function/Programs	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<u>Primary Government</u>							
Governmental activities							
General government	\$ 2,533,979	\$ 689,590	\$ 56,398	\$ 2,132,167	\$ 344,176		\$ 344,176
Public safety	6,716,318	899,043	1,525,895	-	(4,291,380)		(4,291,380)
Community development	1,341,451	1,220,250	933,299	-	812,098		812,098
Public works	3,815,216	254,759	-	3,343,100	(217,357)		(217,357)
Parks, recreation and public property	3,957,595	2,142,851	18,219	395,341	(1,401,184)		(1,401,184)
Interest on long-term debt	1,113,209	-	-	-	(1,113,209)		(1,113,209)
Total governmental activities	19,477,768	5,206,493	2,533,811	5,870,608	(5,866,856)		(5,866,856)
Business-type activities							
Water	5,217,786	8,225,657	779,583	770,738		\$ 4,558,192	4,558,192
Metropolitan Water District	292,668	-	-	583,825		291,157	291,157
Sewer	4,643,368	5,467,183	-	414,646		1,238,461	1,238,461
Storm drain	1,652,175	2,348,537	-	761,894		1,458,256	1,458,256
Sanitation	1,678,144	1,564,566	-	-		(113,578)	(113,578)
Total business-type activities	13,484,141	17,605,943	779,583	2,531,103		7,432,488	7,432,488
General Revenues:							
Taxes							
Property taxes					5,253,635	-	5,253,635
Sales taxes					7,592,568	-	7,592,568
Telecommunications and franchise taxes					2,100,410	-	2,100,410
Investment earnings					817,903	96,885	914,788
Miscellaneous					909,902	183,898	1,093,800
Gain on sale of assets					196,696	38,106	234,802
Transfers, net					(269,085)	269,085	-
Total general revenue and transfers					16,602,029	587,974	17,190,003
Change in net position					10,735,173	8,020,462	18,755,635
Net position - beginning					113,078,801	102,067,090	215,145,891
Net position - ending					\$ 123,813,974	\$ 110,087,552	\$ 233,901,526

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Balance Sheet – Governmental Funds
June 30, 2021

	<u>Special Revenue</u>					Total Governmental Funds
	General	Capital Projects	Debt Service	Redevelopment Agency	Nonmajor Governmental Funds	
ASSETS						
Cash, cash equivalents, and investments						
Unrestricted	\$ 9,662,504	\$ 4,484,796	\$ -	\$ 2,475,429	\$ 944,741	\$ 17,567,470
Restricted	5,299,785	-	644,000	224	2,311,550	8,255,559
Receivables, net:						
Accounts	379,382	-	928,385	1,499,268	-	2,807,035
Property tax	3,329,706	-	-	-	-	3,329,706
Intergovernmental	2,317,355	-	-	-	-	2,317,355
Due from other funds	600,867	-	-	-	-	600,867
Prepaid and other assets	31,423	-	-	119,282	-	150,705
Note receivable	-	-	-	12,560,000	-	12,560,000
Total assets	<u>\$ 21,621,022</u>	<u>\$ 4,484,796</u>	<u>\$ 1,572,385</u>	<u>\$ 16,654,203</u>	<u>\$ 3,256,291</u>	<u>\$ 47,588,697</u>
LIABILITIES						
Accounts payable	\$ 2,526,379	\$ -	\$ -	\$ -	\$ -	\$ 2,526,379
Accrued liabilities	1,060,232	-	-	-	60,746	1,120,978
Deposits held and retainage payable	4,840,021	-	-	-	-	4,840,021
Note payable	177,784	-	-	-	-	177,784
Due to other funds	-	-	421,931	-	71,536	493,467
Total liabilities	<u>8,604,416</u>	<u>-</u>	<u>421,931</u>	<u>-</u>	<u>132,282</u>	<u>9,158,629</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - note receivable	-	-	-	12,560,000	-	12,560,000
Deferred ambulance billing	38,566	-	-	-	-	38,566
Deferred revenue - property taxes	3,195,836	-	928,385	1,618,550	-	5,742,771
Total deferred inflows of resources	<u>3,234,402</u>	<u>-</u>	<u>928,385</u>	<u>14,178,550</u>	<u>-</u>	<u>18,341,337</u>
FUND BALANCES						
Nonspendable	31,423	-	-	119,282	-	150,705
Restricted for:						
Capital projects	-	4,484,796	-	2,356,371	2,305,720	9,146,887
Donations	26,599	-	-	-	-	26,599
Debt service	-	-	222,069	-	-	222,069
Library purposes	-	-	-	-	27,850	27,850
Class C roads	2,899,513	-	-	-	-	2,899,513
Total restricted	<u>2,926,112</u>	<u>4,484,796</u>	<u>222,069</u>	<u>2,356,371</u>	<u>2,333,570</u>	<u>12,322,918</u>
Assigned to:						
Future capital improvements	-	-	-	-	624,029	624,029
Community events	-	-	-	-	237,946	237,946
Total assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>861,975</u>	<u>861,975</u>
Unassigned	6,824,669	-	-	-	(71,536)	6,753,133
Total fund balances	<u>9,782,204</u>	<u>4,484,796</u>	<u>222,069</u>	<u>2,475,653</u>	<u>3,124,009</u>	<u>20,088,731</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,621,022</u>	<u>\$ 4,484,796</u>	<u>\$ 1,572,385</u>	<u>\$ 16,654,203</u>	<u>\$ 3,256,291</u>	<u>\$ 47,588,697</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the Statement of Net Position (page 31) are different because:

Total Fund Balances - Total Governmental Funds (page 33)	\$ 20,088,731
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$163,119,241 less the accumulated depreciation of \$43,690,311.	119,428,930
Interest on general obligation and revenue bonds is not accrued in governmental funds but rather is recognized as an expenditure when due.	(140,372)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(26,972,150)
Pension liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.	(1,189,731)
Long-term receivables are not available in the current period and, therefore, are deferred in the funds balance sheet.	12,560,000
Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position	<u>38,566</u>
Net Position - Governmental Activities (page 31)	<u><u>\$ 123,813,974</u></u>

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue					Total Governmental Funds
	General	Capital Projects	Debt Service	Redevelopment Agency	Nonmajor Governmental Funds	
REVENUES						
Taxes	\$ 13,595,739	\$ -	\$ 927,521	\$ 423,353	\$ -	\$ 14,946,613
Licenses and permits	941,142	-	-	-	-	941,142
Intergovernmental	3,714,460	-	-	933,299	18,219	4,665,978
Charges for services	2,098,431	-	-	-	1,873,089	3,971,520
Fines and forfeitures	255,265	-	-	-	-	255,265
Interest income	51,655	7,333	3,949	3,497	1,027	67,461
Impact fees	-	1,014,288	-	-	-	1,014,288
Loan repayment income	-	-	-	1,552,442	-	1,552,442
Cash contributions for capital outlay	5,000	-	-	-	-	5,000
Miscellaneous	614,685	-	-	-	295,217	909,902
Total revenues	21,276,377	1,021,621	931,470	2,912,591	2,187,552	28,329,611
EXPENDITURES						
General government	2,410,949	-	-	-	-	2,410,949
Public safety	6,689,380	-	-	-	264,497	6,953,877
Community development	736,380	-	-	628,636	-	1,365,016
Public works	786,806	-	-	-	-	786,806
Parks, recreation, and public property	2,402,156	-	-	-	1,539,690	3,941,846
Capital outlay and projects	2,227,375	3,105,890	-	-	545,958	5,879,223
Debt service:						
Principal	-	623,521	906,000	802,000	-	2,331,521
Interest and other financial	-	18,560	367,165	752,092	-	1,137,817
Total expenditures	15,253,046	3,747,971	1,273,165	2,182,728	2,350,145	24,807,055
Excess (deficiency) of revenues over (under) expenditures	6,023,331	(2,726,350)	(341,695)	729,863	(162,593)	3,522,556
OTHER FINANCING SOURCES (USES)						
Issuance of capital lease obligations	-	393,495	-	-	-	393,495
Proceeds from sale of assets	213,196	1,500	-	-	-	214,696
Transfers in	283,170	5,667,436	347,100	-	618,452	6,916,158
Transfers out	(6,312,366)	(827,877)	-	-	(45,000)	(7,185,243)
Total other financing sources (uses)	(5,816,000)	5,234,554	347,100	-	573,452	339,106
Net change in fund balance	207,331	2,508,204	5,405	729,863	410,859	3,861,662
Fund balances - beginning of year	9,574,873	1,976,592	216,664	1,745,790	2,713,150	16,227,069
Fund balances - end of year	\$ 9,782,204	\$ 4,484,796	\$ 222,069	\$ 2,475,653	\$ 3,124,009	\$ 20,088,731

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities (page 32) are different because:

Net change in fund balances - total governmental funds (page 35)	\$	3,861,662
<p>Governmental funds report capital outlays as expenditures and exclude capital contributions, as they are not financial assets. However, in the statement of activities the cost of capital outlays is allocated over their estimated useful lives and reported as depreciation expense, and capital contributions are reported as assets and revenue. This is the amount by which capital outlays and contributions exceeded depreciation in the current period.</p>		
		5,020,493
<p>Principal payments from recipients on certain notes are recorded as revenue in the governmental funds. However, these payments are recorded as a decrease in the notes receivable and an increase in interest income in the Statement of Net Position.</p>		
		(802,000)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
		1,903,010
<p>Revenues in the Statement of Activities are presented on the accrual basis, whereas in the fund statements it's based on when financial resources are available.</p>		
		38,566
<p>Pension related expenses in the statement of activities do not use current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
		731,442
Proceeds from the sale of assets is a decrease to net position		(18,000)
Change in net position of governmental activities (page 32)	\$	10,735,173

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget to Actual – General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Taxes:				
Property	\$ 3,723,822	\$ 3,723,822	\$ 3,902,761	\$ 178,939
Sales and use	5,364,934	5,364,934	7,592,568	2,227,634
Other	2,060,961	2,060,961	2,100,410	39,449
Licenses and permits	516,000	516,000	941,142	425,142
Intergovernmental	1,187,000	1,187,000	3,714,460	2,527,460
Charges for services	1,241,730	1,241,730	2,098,431	856,701
Fines and forfeitures	339,500	339,500	255,265	(84,235)
Investment earnings	175,000	175,000	51,655	(123,345)
Donations	-	-	5,000	5,000
Miscellaneous	217,816	217,816	614,685	396,869
Total revenues	<u>14,826,763</u>	<u>14,826,763</u>	<u>21,276,377</u>	<u>6,449,614</u>
<u>EXPENDITURES</u>				
General government:				
City council	211,225	211,225	202,056	9,169
Courts	184,237	187,239	170,203	17,036
Facilities	414,400	415,578	244,198	171,380
Administrative	1,044,260	1,052,542	604,312	448,230
Engineering	451,100	453,212	149,371	303,841
City attorney	416,805	417,949	220,175	197,774
Non-departmental	1,416,064	1,433,428	626,957	806,471
Cemetery	104,380	104,912	72,822	32,090
Custodial	306,960	312,143	120,855	191,288
Public safety:				
Police and dispatch	4,235,681	4,316,340	4,206,495	109,845
Fire	2,248,905	2,599,369	2,394,920	204,449
Animal control	107,920	107,920	87,965	19,955
Community development:				
Community development	782,616	795,851	734,719	61,132
Economic development	30,000	30,000	1,661	28,339
Public works:				
Streets	834,250	747,501	518,457	229,044
Class C roads	-	268,349	268,349	-
Capital outlay	2,220,000	2,312,394	1,964,444	347,950
Parks and recreation:				
Library	796,059	805,225	722,422	82,803
Other	1,886,658	1,905,930	1,679,734	226,196
Capital outlay	600	325,600	262,931	62,669
Total expenditures	<u>17,692,120</u>	<u>18,802,707</u>	<u>15,253,046</u>	<u>3,549,661</u>
Excess (deficiency) of revenues over (under) expenditures	(2,865,357)	(3,975,944)	6,023,331	9,999,275
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from sale of assets	-	-	213,196	213,196
Transfers in	396,964	452,095	283,170	(168,925)
Transfers out	(1,575,208)	(6,709,862)	(6,312,366)	397,496
Net change in fund balance	<u>\$ (4,043,601)</u>	<u>\$ (10,233,711)</u>	<u>207,331</u>	<u>\$ 10,441,042</u>
Fund balance at beginning of year			<u>9,574,873</u>	
Fund balance at end of year			<u>\$ 9,782,204</u>	

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Redevelopment Agency Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Taxes:				
Property	\$ 900,000	\$ 900,000	\$ 423,353	\$ (476,647)
Intergovernmental	-	-	933,299	933,299
Loan repayment income	1,552,442	1,552,442	1,552,442	-
Investment earnings	-	-	3,497	3,497
	<u>2,452,442</u>	<u>2,452,442</u>	<u>2,912,591</u>	<u>460,149</u>
<u>EXPENDITURES</u>				
Community development	625,000	625,000	628,636	(3,636)
Debt service				
Principal	802,000	802,000	802,000	-
Interest and other financial	756,442	756,442	752,092	4,350
	<u>2,183,442</u>	<u>2,183,442</u>	<u>2,182,728</u>	<u>714</u>
Net change in fund balance	<u>\$ 269,000</u>	<u>\$ 269,000</u>	\$ 729,863	<u>\$ 460,863</u>
Fund balance - beginning of year			<u>1,745,790</u>	
Fund balance - end of year			<u>\$ 2,475,653</u>	

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Statement of Net Position – Proprietary Funds
June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	Total
ASSETS						
Current assets:						
Cash and cash equivalents						
Unrestricted	\$ 8,913,023	\$ 3,758,582	\$ 2,436,299	\$ -	\$ 1,030,335	\$ 16,138,239
Restricted	1,618,483	-	626,339	-	-	2,244,822
Receivables, net:						
Accounts	1,040,711	580,727	241,008	143,726	-	2,006,172
Intergovernmental	716,161	-	-	-	-	716,161
Prepaid expenses	-	30,744	-	-	-	30,744
Inventories	81,988	-	-	-	-	81,988
Total current assets	12,370,366	4,370,053	3,303,646	143,726	1,030,335	21,218,126
Noncurrent assets:						
Notes receivable	-	177,784	149,370	-	-	327,154
Capital assets:						
Land and rights of way	1,788,232	25,000	9,231,767	-	-	11,044,999
Water shares	1,981,938	-	-	-	9,623,066	11,605,004
Construction in progress	2,830,981	460,512	778,949	-	-	4,070,442
Infrastructure	79,525,986	27,179,237	20,108,740	-	-	126,813,963
Automobiles, machinery and equipment	1,135,663	468,435	1,194,794	-	-	2,798,892
Less: accumulated depreciation	(25,283,838)	(7,041,449)	(4,647,060)	-	-	(36,972,347)
Total noncurrent assets	61,978,962	21,269,519	26,816,560	-	9,623,066	119,688,107
Total assets	74,349,328	25,639,572	30,120,206	143,726	10,653,401	140,906,233
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refundings	-	-	122,532	-	-	122,532
Deferred outflows related to pensions	81,776	80,186	38,632	-	-	200,594
Total deferred outflows of resources	81,776	80,186	161,164	-	-	323,126
LIABILITIES						
Current liabilities:						
Accrued liabilities	21,996	15,233	15,138	-	16,997	69,364
Accrued interest payable	81,724	275	143,347	-	1,513	226,859
Bonds payable	1,425,000	57,000	498,500	-	-	1,980,500
Due to other funds	-	-	-	107,400	-	107,400
Other long-term liabilities	49,695	29,018	32,313	-	13,272	124,298
Total current liabilities	1,578,415	101,526	689,298	107,400	31,782	2,508,421
Noncurrent liabilities:						
Bonds payable	17,920,211	60,299	9,237,569	-	-	27,218,079
Other long-term liabilities	24,469	9,673	10,771	-	192,049	236,962
Net pension liability	35,082	51,156	12,934	-	-	99,172
Unearned revenue	-	-	-	-	655,916	655,916
Deposits held	33,000	-	-	-	-	33,000
Total noncurrent liabilities	18,012,762	121,128	9,261,274	-	847,965	28,243,129
Total liabilities	19,591,177	222,654	9,950,572	107,400	879,747	30,751,550
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	172,347	136,229	81,681	-	-	390,257
NET POSITION						
Net investment in capital assets	42,633,751	20,974,436	17,053,653	-	9,623,066	90,284,906
Restricted for:						
Capital projects	2,126,653	289,184	849,942	-	-	3,265,779
Debt service	1,618,483	-	626,339	-	-	2,244,822
Unrestricted	8,288,693	4,097,255	1,719,183	36,326	150,588	14,292,045
Total net position	\$ 54,667,580	\$ 25,360,875	\$ 20,249,117	\$ 36,326	\$ 9,773,654	\$ 110,087,552

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Total
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	
<u>OPERATING REVENUES</u>						
Charges for services	\$ 8,225,657	\$ 5,467,183	\$ 2,348,537	\$ 1,564,566	\$ -	\$ 17,605,943
Intergovernmental	779,583	-	-	-	-	779,583
Miscellaneous	6,244	-	177,654	-	-	183,898
Total operating revenues	9,011,484	5,467,183	2,526,191	1,564,566	-	18,569,424
<u>OPERATING EXPENSES</u>						
Wages and benefits	839,934	603,108	470,135	-	-	1,913,177
Cost of services and supplies	1,245,296	2,666,700	136,279	1,419,724	287,632	5,755,631
Administration	832,827	779,503	258,477	258,420	2,150	2,131,377
Depreciation	1,801,498	591,513	536,932	-	-	2,929,943
Total operating expenses	4,719,555	4,640,824	1,401,823	1,678,144	289,782	12,730,128
Operating income (loss)	4,291,929	826,359	1,124,368	(113,578)	(289,782)	5,839,296
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Interest and other financial	(498,231)	(2,544)	(250,352)	-	(2,886)	(754,013)
Investment earnings	54,846	22,590	15,540	-	3,909	96,885
Impact fees	498,016	260,816	534,806	-	-	1,293,638
Gain on sale of assets	-	-	38,106	-	-	38,106
Total nonoperating revenues (expenses)	54,631	280,862	338,100	-	1,023	674,616
Income (loss) before contributions and transfers	4,346,560	1,107,221	1,462,468	(113,578)	(288,759)	6,513,912
Developer contributions	272,722	153,830	227,088	-	583,825	1,237,465
Transfers in	7,897	6,001	505,183	-	-	519,081
Transfers out	(150,000)	(99,996)	-	-	-	(249,996)
Change in net position	4,477,179	1,167,056	2,194,739	(113,578)	295,066	8,020,462
Total net position - beginning	50,190,401	24,193,819	18,054,378	149,904	9,478,588	102,067,090
Total net position - ending	\$ 54,667,580	\$ 25,360,875	\$ 20,249,117	\$ 36,326	\$ 9,773,654	\$ 110,087,552

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Statement of Cash Flows – Proprietary Funds
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 8,396,661	\$ 5,474,616	\$ 2,530,674	\$ 1,567,858	\$ -	\$ 17,969,809
Payments to suppliers	(1,268,883)	(2,696,778)	(136,279)	(1,419,724)	(270,635)	(5,792,299)
Interfund services	(832,827)	(779,503)	(258,477)	(258,420)	(2,150)	(2,131,377)
Payments to employees	(871,034)	(633,990)	(492,036)	-	-	(1,997,060)
Net cash provided (used) by operating activities	5,423,917	1,364,345	1,643,882	(110,286)	(272,785)	8,049,073
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due from other funds	-	-	-	107,400	-	107,400
Transfers from/(to) other funds	(142,103)	(93,995)	505,183	-	-	269,085
Net cash provided (used) by noncapital financing activities	(142,103)	(93,995)	505,183	107,400	-	376,485
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Impact fees	498,016	260,816	534,806	-	-	1,293,638
Purchase of capital assets	(2,669,954)	(1,062,135)	(1,459,069)	-	12,023	(5,179,135)
Cash received from developers in-lieu of water shares	-	-	-	-	473,653	473,653
Proceeds from sale of assets	-	-	85,524	-	-	85,524
Payments on notes receivable	-	87,339	49,790	-	-	137,129
Principal paid on capital debt	(1,479,631)	(55,200)	(367,044)	-	(12,921)	(1,914,796)
Interest and fees paid on capital debt	(540,619)	(1,740)	(208,861)	-	(4,850)	(756,070)
Net cash provided (used) by capital and related financing activities	(4,192,188)	(770,920)	(1,364,854)	-	467,905	(5,860,057)
CASH FLOW FROM INVESTING ACTIVITIES						
Investment earnings	54,846	22,590	15,540	-	3,909	96,885
Net increase (decrease) in cash and cash equivalents	1,144,472	522,020	799,751	(2,886)	199,029	2,662,386
Cash and cash equivalents - beginning of year	9,387,034	3,236,562	2,262,887	2,886	831,306	15,720,675
Cash and cash equivalents - end of year	\$ 10,531,506	\$ 3,758,582	\$ 3,062,638	\$ -	\$ 1,030,335	\$ 18,383,061
Reconciliation of operating income (loss) to net cash provided (used)						
by operating activities:						
Operating income (loss)	\$ 4,291,929	\$ 826,359	\$ 1,124,368	\$ (113,578)	\$ (289,782)	\$ 5,839,296
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	1,801,498	591,513	536,932	-	-	2,929,943
(Increase) decrease in receivables	(615,505)	7,433	155	3,292	-	(604,625)
(Increase) decrease in prepaid expense	-	(30,744)	-	-	-	(30,744)
(Increase) decrease in inventories	(16,419)	-	-	-	-	(16,419)
Increase (decrease) in accounts payable and accrued liabilities	(6,486)	666	4,328	-	16,997	15,505
Increase (decrease) in compensated absences and pensions	(31,100)	(30,882)	(21,901)	-	-	(83,883)
Total Adjustments	1,131,988	537,986	519,514	3,292	16,997	2,209,777
Net cash provided (used) by operating activities	\$ 5,423,917	\$ 1,364,345	\$ 1,643,882	\$ (110,286)	\$ (272,785)	\$ 8,049,073
Noncash investing, capital, and financing activities:						
Contributions of capital assets from developers	\$ 272,722	\$ 153,830	\$ 227,088	\$ -	\$ 110,172	\$ 763,812

The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Notes to the Financial Statements
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The basic financial statements of Pleasant Grove City (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

The City was incorporated in 1850 and operates under a Mayor / Council form of government. As required by U.S. GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The component units discussed below are included as part of the City's reporting entity as blended component units.

Component Units

The Pleasant Grove City Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The Metropolitan Water District of Pleasant Grove (MWDPG) was established to locate, develop, and protect water resources for the exclusive benefit of the City. MWDPG's governing board, while separate from the City's, is appointed by City officials. The Board adopts a separate budget from the City's and is presented with audited financial statements each year. The MWDPG is included in these financial statements as the Metropolitan Water District of Pleasant Grove Enterprise Fund.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, including blended component units, and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term debt of the City are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Governmental funds do not report donated capital assets received unless the sale of those assets is imminent. The assets are reported in the government-wide financial statements.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Sales taxes, use taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The *Capital Projects Construction Fund* accounts for the financial resources to be used for the acquisition or construction of the major capital facilities of the government (other than those financed by enterprise funds).

The *Redevelopment Agency Special Revenue Fund* is used to account for property taxes assessed by the City, property tax increment received from other taxing entities, and developer contributions to be used for the revitalization of the City and furthering public purposes in the community.

The *Debt Service Fund* accounts for accumulation of financial resources for the payment of principal and interest on the City's general obligation debt.

The government reports the following major enterprise funds:

The *Water Fund* accounts for the activities of the City's water operations, both culinary and secondary water systems.

The *Sewer Fund* accounts for the activities of the City's sewer operations.

The *Storm Drain Fund* accounts for the activities of the City's storm drain operations.

The *Sanitation Fund* accounts for the activities of the City's sanitation operations.

The *Metropolitan Water District of Pleasant Grove Fund* was established to locate, develop, and protect water resources for the benefit of the City.

Additionally, the City reports the following nonmajor governmental fund types:

Special Revenue Funds account for resources legally restricted to expenditures for specified current operating purposes and for the enforcement of special services and activities.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Dispatch Fund receives taxes charged to telephone lines and accounts for activities of the emergency 911 services.

Swimming Pool Fund receives admission fees and accounts for activities of the City-owned community swimming pool.

Community Center Fund receives admission fees to the City-owned recreation facility as well as participation fees for the specific programs and accounts for the activities of the recreation facility and related programs.

Cultural Arts Fund receives tuition paid by students and admission fees for community theatre programs and accounts for activities of these programs.

Library Fund receives federal and state grants and fees from library services and accounts for activities of the City-owned library.

Community Arts and Recreation Enhancement (CARE) Tax Fund helps to fund the improvement of community programs as well as infrastructure around parks.

Transportation Utility Fund was established to provide for the maintenance, repair, and improvement of Pleasant Grove City streets. Revenues will be from a Transportation Utility fee assessed to both residential and commercial utility accounts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for the providing of administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity

Cash and Cash Equivalents

Cash includes cash on hand, demand deposits with banks and other financial institutions, and deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund and other investments allowed by the State of Utah's Money Management Act. Investments

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Cash and Cash Equivalents (Continued)

are reported at fair value. The State Treasurer's Investment Fund operates in accordance with state laws and regulations. The reported value of the Fund is the same as the fair value of the Fund shares.

Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Investments with maturities of three months or less when purchased meet this definition.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to or due from other funds".

Other receivables at June 30, 2021, consist of property tax, franchise tax, sales tax, grants, fines, and accounts (billings for user charged services, including unbilled utility services). Taxes, grants and fines are deemed collectible in full. The allowance for doubtful proprietary account receivables at June 30, 2021 is \$28,616.

Inventory

Inventory represents mainly supplies and parts used for various water fund projects and is valued using the first-in/first-out (FIFO) method.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Capital Assets (Continued)

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Buildings	25 to 50 years
Infrastructure	20 to 50 years
Improvements other than buildings	20 to 25 years
Machinery and equipment	5 to 20 years

Compensated Absences

City employees accrue vacation, comp time, and sick leave throughout the year. Unused vacation over 168 hours expires on the employee's anniversary date. Vacation time and comp time are accrued in full as they are incurred. Up to 960 hours of unused sick leave is converted to compensated absences at a rate of 25 percent upon termination from the City. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable. Compensated absences liabilities are typically liquidated in the general and special revenue funds.

Deferred Inflows and Outflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources.

This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, and discounts are deferred and amortized over the life of the applicable debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Equity (Continued)

Fund Balance

Governmental fund balance is reported in five separate categories: Nonspendable, restricted, committed, assigned, and unassigned. When both restricted and unrestricted fund balance is available for use, it is the City's policy to use restricted fund balance first. When expenditures qualify for more than one unrestricted fund balance classification, it is the City's policy to use resources in the following order: Committed, assigned, and then unassigned. Amounts that may be used for any governmental purpose are classified as unassigned fund balance. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance.

Nonspendable fund balance cannot be spent because it is not in spendable form. An example of nonspendable fund balance is inventory. Restricted fund balance has restrictions imposed by parties outside of the primary government. Committed fund balance represents funds restricted for a specific use by resolution of the City Council. Assigned fund balance is earmarked for certain purposes, as established by the finance director/budget officer. This requires the Mayor to propose the resources to be set aside and the City Council to ratify this action. Finally, any remaining fund balance is unassigned and available for unrestricted use. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Restricted Assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service as well as unexpended portions of bonds issued for capital construction purposes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Change in Accounting Principles – GASB 84

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities for all state and local governments. The Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The City has adopted this standard for the fiscal year-ended June 30, 2021. However, due to the immaterial amount of funds being held as custodial funds, said funds will continue to be reported in the General Fund.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant and equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the City as a whole.

Cost of capital assets	\$ 163,119,241
Accumulated depreciation	<u>(43,690,311)</u>
Total difference	<u><u>\$ 119,428,930</u></u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund financials. All liabilities (both current and long-term) are reported in the statement of net position. Balances at June 30, 2021 were:

Tax increment revenue bonds (Redevelopment Agency)	\$ 12,560,000
General obligation bonds	10,761,000
Compensated absences	936,790
Notes payable	848,624
Capital leases	826,038
Sales tax revenue bonds	675,500
Unamortized bond issuance premiums	<u>364,198</u>
Total difference	<u><u>\$ 26,972,150</u></u>

Explanation of Certain Differences between Governmental Fund Operating Statements and the Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The first element of this reconciliation states that capital outlays are reported in the governmental funds as expenditures while the government-wide statement of activities allocates these costs over the useful lives of the assets as depreciation. While shown in the reconciliation as the net difference, the elements of this difference are as follow:

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Capital outlay	\$ 8,598,376
Depreciation expense	<u>(3,577,883)</u>
Net difference, as reported	<u><u>\$ 5,020,493</u></u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the State of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles. All funds of the City have legally adopted budgets.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- On or before the first regularly scheduled meeting of the city council in May, the city administrator, authorized under state statute to be appointed budget officer, submits a proposed operation budget. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is held, at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.
- On or before June 30, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1.
- Control of budgeted expenditures is exercised, under state law, at the departmental level.
- The city administrator, however, acting as budget officer, has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The city council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- Budget appropriations for any department may be reduced by resolution.
- A public hearing as required above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (Continued)

- Encumbrances lapse at year end. Therefore, no encumbrances are presented in the financial statements.

During the budget year, the City modified the budget using the above procedures.

Tax Revenues

Property taxes are collected by the Utah County Treasurer and remitted to the City in five to six installments in November, December, and January of each fiscal year and a final settlement by March 31st. Taxes are levied and are due and payable on November 1st and delinquent after November 30th of each year at which time they become liens if not paid. An accrual of delinquent current and prior year's property taxes beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed material. An accrual for current year property taxes estimated to be collected the following November and December is made each year.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30th and thus due and payable to the City.

Franchise taxes are charged to various utility companies doing business with the City including telephone, cable television, gas utility, and electric utility companies. The fees are remitted on a monthly, quarterly, semi-annual, or annual basis. An accrual has been made for fees due and payable to the City at June 30th.

Fund Balance Compliance

State law requires that the accumulation of unrestricted fund balance in the city general fund may not exceed 35 percent of the total revenue of the city's general fund for the current fiscal year. During the fiscal year the City's accumulated unrestricted fund balance was 31.8 percent of the total revenue of the City's General Fund.

State law states the governing body of any city may not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue for the budget period of the fund. As of June 30, 2021, the C.A.R.E Tax Fund had a negative fund balance which was the result of expenditures exceeding revenues during previous fiscal years. In accordance with State code, each year the City will provide an appropriation of at least 5 percent of the total revenues of the deficit fund until the deficit balance is eliminated.

4. DETAILED NOTES FOR ALL FUNDS

Cash and Investments

Deposits and investments for the City are governed by the Utah Money Management Act (Utah Code Annotated, Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council (the Council). Following are discussions of the City's exposure to various risks related to its cash management activities.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City’s deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Council. At times during the year, the City’s bank balances may have exceeded the insured levels under FDIC guidelines.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City’s policy for limiting the credit risk of investments is to comply with the Utah Money Management Act (UMMA). UMMA requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as “first-tier” by two nationally recognized statistical rating organizations, once of which must be Moody’s Investor Service or Standard & Poor’s; bankers acceptances; obligations of the U.S. Treasury and U.S. Government sponsored enterprise; bonds and notes of political subdivision of the State of Utah; fixed rate corporate obligations and variable rated securities rated “A” or higher by two nationally recognized statistical rating services as defined in the UMMA.

The Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, and to promote measures that will assist in strengthening the banking and credit structure of the State. The Utah Money Management Council also reviews the rules adopted under the authority of the UMMA that relate to the deposit and investment of public funds.

As of June 30, 2021, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 to 5	6 to 10	More than 10
Utah Public Treasurer's Investment Fund (PTIF)	\$ 41,739,755	\$ 41,739,755	\$ -	\$ -	\$ -
	<u>\$ 41,739,755</u>	<u>\$ 41,739,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2021, the City had the following investments and quality ratings:

Investment Type	Fair Value	Quality Rating			
		AA+	A	A-	Unrated
Utah Public Treasurer's Investment Fund (PTIF)	\$ 41,739,755	\$ -	\$ -	\$ -	\$ 41,739,755
	<u>\$ 41,739,755</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,739,755</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The City currently has no formal policy relating to a specific investment-related risk.

The deposits and investments described above are included on the government-wide statement of net position as follows:

Cash and cash equivalents	\$ 33,705,709
Restricted cash	<u>10,500,381</u>
	<u><u>\$ 44,206,090</u></u>

Public Treasurers Investment Fund (PTIF) – External Investment Pool

The City invests in the external investment pool which is administered by the Treasurer of the State of Utah. State agencies, municipalities, counties, and local governments within the state are allowed to invest in the PTIF. There is no required participation and no minimum balance or minimum/maximum transaction requirements.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Chapter 51-7, Utah Code Annotated, 1953, as amended. The Act establishes the Money Management Council which oversees the activities of the State Treasurer and the PTIF. The Act details the investments that are authorized, which are high-grade securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah and participants share proportionally in any realized gains or losses on investments.

The PTIF allocates income and issues statements on a monthly basis. The PTIF operates and reports to participants on an amortized cost basis.

Twice a year, at June 30 and December 31, the investments are valued at fair value.

As of June 30, 2021, the City had \$41,739,755 invested in the PTIF. Due to the insignificance of the amount of unrealized gains and losses in relation to the funds affected by these changes, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Receivables

Receivables as of June 30, 2021 for the City's individual major funds and non-major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds

	<u>General</u>	<u>RDA</u>	<u>Debt Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 518,650	\$ 1,499,268	\$ 928,385	\$ 2,946,303
Property tax	3,329,706	-	-	3,329,706
Intergovernmental	2,317,355	-	-	2,317,355
Gross receivables	6,165,711	1,499,268	928,385	8,593,364
Less: allowance for uncollectibles	(139,268)	-	-	(139,268)
Net total receivables	<u>\$ 6,026,443</u>	<u>\$ 1,499,268</u>	<u>\$ 928,385</u>	<u>\$ 8,454,096</u>

Business-type Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Total</u>
Receivables:					
Accounts	\$ 1,059,995	\$ 582,583	\$ 244,602	\$ 147,608	\$ 2,034,788
Gross receivables	1,059,995	582,583	244,602	147,608	2,034,788
Less: allowance for uncollectibles	(19,284)	(1,856)	(3,594)	(3,882)	(28,616)
Net total receivables	<u>\$ 1,040,711</u>	<u>\$ 580,727</u>	<u>\$ 241,008</u>	<u>\$ 143,726</u>	<u>\$ 2,006,172</u>

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The Metropolitan Water District Fund reports unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds and the Metropolitan Water District Fund were as follows:

	<u>Deferred</u>	<u>Unavailable</u>
Note receivable (Governmental Funds)	\$ -	\$ 12,560,000
Property taxes receivable (Governmental Funds)	5,742,771	-
Deferred ambulance billing (Governmental Funds)	38,566	-
Developer contributions (Metropolitan Water District)	655,916	-
Total deferred/unearned revenue	<u>\$ 6,437,253</u>	<u>\$ 12,560,000</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Notes Receivable

The City has entered into two notes receivable. The first agreement is with a third-party developer. The original amount of \$18,110,000 as part of The Gateway CDA Project Area #1 (the Project), created in August of 2006 with the intent of incentivizing the development of a convention center and full-service hotel, along with a limited-service hotel, and two first class restaurants. The amount is an offset of the RDA Bonds, Series 2006 (refunded by the RDA Bonds, Series 2011) that were used to purchase approximately 37 acres of land for the Project. The City subsequently deeded over the land to the developer. Due to past economic conditions that caused delays to the Project, the agreement has been amended six separate times.

The current agreement called for the developer to pay certain monies to the City as consideration for the performance extensions of the contract, to be used for annual debt service payments on the RDA Bonds. Each fiscal year, the developer remitted the annual debt service payment due on the bonds. During 2018, the original third-party developer filed for reorganization under Chapter 11 of the federal bankruptcy laws but included the debt service in its bankruptcy budget and reorganization plan. All debt service payments were made in a timely fashion during the pendency of the reorganization. A new developer filed a Joint and Consolidated Chapter 11 Plan of Reorganization for All Debtors and assumed all obligations and liabilities under the previous agreements of the original developer. The new developer is under obligation to pay all debt service on the Series 2011 Bonds as such payment become due and payable under the Indenture and has made the first required payment under the Assignment/Assumption Agreement. Each fiscal year, the developer remits the annual debt service payments due on the bonds. The RDA is eligible to receive these contributions until such time as the developer has constructed the Project. As of June 30, 2021, the note receivable balance was \$12,560,000. For the year ended June 30, 2021, the developers (original and new) contributed \$1,552,442.

The second agreement is with North Utah County Water Conservancy District (NUCWCD). The original amount of \$497,900 is to reimburse the City for improvements made to the Grove Creek and Battle Creek basins. The funds were paid out of the Storm Drain fund. The terms are ten payments of \$49,790 annually for 10 years at 0% interest, beginning January 2013. During 2016, the original terms were modified to defer certain payments from NUCWCD, extending the final payment to January 2024. As of June 30, 2021, the outstanding balance of \$149,370 is considered noncurrent. A payment of \$49,790 was received in 2021.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	07/01/20	Increases	Decreases	06/30/21
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 46,765,823	\$ -	\$ -	\$ 46,765,823
Construction in progress	2,135,535	2,280,257	(1,900,738)	2,515,054
Total capital assets, not depreciated	48,901,358	2,280,257	(1,900,738)	49,280,877
Capital assets, depreciated:				
Buildings and improvements	27,862,729	741,317	-	28,604,046
Infrastructure	71,635,133	6,119,821	-	77,754,954
Automobiles, machinery and equipment	6,151,645	1,357,719	(30,000)	7,479,364
Total capital assets, depreciated	105,649,507	8,218,857	(30,000)	113,838,364
Accumulated depreciation:				
Buildings	(6,759,530)	(677,522)	-	(7,437,052)
Infrastructure	(29,229,710)	(2,288,757)	-	(31,518,467)
Automobiles, machinery and equipment	(4,135,188)	(611,604)	12,000	(4,734,792)
Total accumulated depreciation	(40,124,428)	(3,577,883)	12,000	(43,690,311)
Total capital assets, depreciated (net)	65,525,079	4,640,974	(18,000)	70,148,053
Net governmental capital assets	\$ 114,426,437	\$ 6,921,231	\$ (1,918,738)	\$ 119,428,930
	07/01/20	Increases	Decreases	06/30/21
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Land and rights of way	\$ 11,044,999	\$ -	\$ -	\$ 11,044,999
Water shares	10,760,899	844,105	-	11,605,004
Construction in progress	4,255,610	2,800,162	(2,985,330)	4,070,442
Total capital assets, not depreciated	26,061,508	3,644,267	(2,985,330)	26,720,445
Capital assets, depreciated:				
Infrastructure	121,346,693	5,467,270	-	126,813,963
Automobiles, machinery and equipment	2,315,226	562,696	(79,030)	2,798,892
Total capital assets, depreciated	123,661,919	6,029,966	(79,030)	129,612,855
Accumulated depreciation:				
Infrastructure	(32,892,154)	(2,667,832)	-	(35,559,986)
Automobiles, machinery and equipment	(1,181,862)	(262,111)	31,612	(1,412,361)
Total accumulated depreciation	(34,074,016)	(2,929,943)	31,612	(36,972,347)
Total capital assets, depreciated (net)	89,587,903	3,100,023	(47,418)	92,640,508
Net business-type capital assets	\$ 115,649,411	\$ 6,744,290	\$ (3,032,748)	\$ 119,360,953

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets (Continued)

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General government	\$ 333,475
Public safety	115,214
Highways and public improvements	3,019,130
Parks, recreation, and public property	110,064
Total depreciation expense - governmental activities	\$ 3,577,883
Business-type activities:	
Water	\$ 1,801,498
Sewer	591,513
Storm drain	536,932
Total depreciation expense - business-type activities	\$ 2,929,943

Related Organizations and Interlocal Agreements

The City has activities with the Pleasant Grove Chamber of Commerce. City officials appoint members of this board and provide certain funding annually, but the City's accountability does not extend beyond these two actions. During the year ended June 30, 2021, \$23,100 was contributed to this organization.

The City is a one-third owner of Fox Hollow Golf Course, along with American Fork City and Lehi City. The three cities formed a separate legal entity known as the Tri-City Golf Course Interlocal Agency to cooperatively own, operate, and maintain the golf course. During 2008, the Agency issued bonds of \$4,880,000. The City is guarantor for one-third of this debt. The City's tax revenues are collateral. During 2021, the City subsidized Fox Hollow to help with both debt service and operations in the amount of \$240,000. A one-time contribution of \$10,000 was made during 2021 for COVID-19 related protocols.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Interfund Receivable, Payables and Transfers

At June 30, 2021, the following interfund balances existed:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General fund	Debt service fund	\$ 421,931
General fund	Nonmajor governmental funds	71,536
General fund	Sanitation fund	107,400
		<u>\$ 600,867</u>

Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2021 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General fund	Dispatch fund	\$ 297,432
General fund	Swimming pool fund	166,740
General fund	Community Center fund	101,061
General fund	Cultural arts fund	30,612
General fund	Capital projects fund	5,622,436
General fund	Storm drain fund	80,187
General fund	Sewer fund	6,001
General fund	Water fund	7,897
Capital projects fund	Debt service fund	347,100
Capital projects fund	General fund	283,170
Capital projects fund	Community Center fund	22,607
Capital projects fund	Storm drain fund	175,000
Water fund	Storm drain fund	150,000
Sewer fund	Storm drain fund	99,996
Community center fund	Capital projects fund	45,000
		<u>\$ 7,435,239</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and are pledged by the full faith and credit of the City. Under the Utah State Constitution, Article XIV, Section 4, general obligation debt for the City should not exceed 4% of the total taxable assessed property value. See additional information on page 117. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount at 6/30/21
General Obligation, Series 2016	\$ 3,750,000	\$35,000 to \$324,000	2.21%	10/1/2031	\$ 3,051,000
General Obligation, Series 2017	<u>9,060,000</u>	\$300,000 to \$605,000	2.00%	4/1/2037	<u>7,710,000</u>
	<u>\$ 12,810,000</u>				<u>\$ 10,761,000</u>

General obligation bond debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2022	\$ 601,000	\$ 327,382	\$ 928,382
2023	622,000	307,500	929,500
2024	649,000	286,820	935,820
2025	670,000	265,340	935,340
2026	690,000	243,139	933,139
2027 - 2031	3,840,000	881,777	4,721,777
2032 - 2036	3,084,000	375,055	3,459,055
2037 - 2038	<u>605,000</u>	<u>19,663</u>	<u>624,663</u>
	<u>\$ 10,761,000</u>	<u>\$ 2,706,676</u>	<u>\$ 13,467,676</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds

The City has issued bonds where the revenues and assets of the issuing fund are pledged as security for the bonds.

Revenue bonds outstanding at June 30, 2021 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount at 6/30/21
<u>Tax Revenue Bonds</u>					
Tax Increment, Series 2011	\$ 18,383,000	\$511,000 to \$12,560,000	5.79%	12/1/2021	\$ 12,560,000
Sales Tax, Series 2012:					
Governmental funds portion (70%)	3,073,000	\$35,000 to \$343,000	2.00% to 3.00%	12/1/2022	675,500
Enterprise funds portion (30%)	1,317,000	\$15,000 to \$147,000	2.00% to 3.00%	12/1/2022	289,500
<u>Water Revenue Bonds</u>					
Series 2004	1,520,000	\$64,000 to \$75,000	1.70%	12/1/2025	429,000
Series 2006	350,000	\$15,000 to \$21,000	1.70%	12/1/2026	101,000
Series 2010 (BAB)	1,000,000	\$38,000 to \$64,000	2.71%	12/1/2031	616,000
Series 2015	8,995,000	\$160,000 to \$705,000	2.00% to 4.00%	12/1/2031	6,625,000
Series 2016	8,945,000	\$80,000 to \$690,000	2.70%	12/1/2033	7,685,000
Series 2019	2,300,000	\$14,000 to \$21,000	2.00%	12/1/2039	2,096,000
Series 2020	1,048,000	\$34,000 to \$50,000	1.00%	12/1/2044	1,014,000
<u>Storm Water Revenue Bonds</u>					
Series 2020 (refunding)	8,765,000	\$215,000 to \$645,000	2.00% to 4.00%	7/15/2038	8,480,000
	<u>\$ 55,696,000</u>				<u>\$ 40,571,000</u>

Build America Bonds (BAB) are federally taxable but the City receives a subsidy from the Internal Revenue Service equal to 35% of the interest paid.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Revenue Bonds (Continued)

Revenue bond debt service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2022	\$ 14,873,000	\$ 1,215,872	\$ 16,088,872
2023	2,381,000	788,905	3,169,905
2024	1,781,000	728,731	2,509,731
2025	1,768,000	675,219	2,443,219
2026	1,834,000	620,788	2,454,788
2027 -2031	9,549,000	2,179,545	11,728,545
2032 -2036	6,467,000	713,447	7,180,447
2037 -2041	1,723,000	81,770	1,804,770
2041 -2044	195,000	4,910	199,910
	<u>\$ 40,571,000</u>	<u>\$ 7,009,187</u>	<u>\$ 47,580,187</u>

Notes Payable

The City entered into an interlocal cooperation note payable agreement with Utah County (the County) for \$2,900,000 during 2007, to be used for road improvements for the 2000 West Project. The agreement will continue until the County has recouped its costs for the Project, but not to exceed 50 years. The City created an impact fee zone, with the proceeds from any related impact fees assessed to be earmarked for repayment to the County, if any, per the agreement, which bears no interest. Since 2006, \$2,051,376 has been remitted to the County. As of June 30, 2021, the outstanding balance was \$848,624. During 2021, \$60,047 of the impact fees collected were remitted to the County.

The City also entered into two notes payable agreements with Provo Reservoir Water Users during 2010, to purchase full shares (\$10,558) and late shares (\$4,525), for a total of \$15,083. Annual payments of \$719, including interest at 2.33%, are required through maturity in June 2035. As of June 30, 2021, the outstanding balance was \$8,604.

The MWDPG currently has notes payable due to the Provo River Water Users Association (PRiWUA) for its share of the Deer Creek Dam construction project, maturing in 2024, as well as to the Provo Reservoir Water Users Association (PRewUA) for water share storage and utility relocation costs, maturing in 2035. The PRiWUA note is interest free with annual installments between \$776 and \$2,082. The outstanding balance as of June 30, 2021 was \$3,757. The PRewUA note bears interest of 2.33% with annual installments of 16,997. The outstanding balance as of June 30, 2021 was \$201,564.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital and Operating Leases

The City entered into various lease agreements (both capital and operating) with three separate companies for purchase of fitness equipment, public works and public safety vehicles, and office equipment. Payments range from \$15,835 to \$158,196 per month, including interest (1.75% to 2.56%).

The present value of future minimum payments as of June 30, are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 511,635	\$ 13,734	\$ -	\$ -
2023	247,820	3,472	-	-
2024	66,583	406	-	-
	\$ 826,038	\$ 17,612	\$ -	\$ -

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	07/01/20	Increases	Decreases	06/30/21	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation	\$ 11,345,000	\$ -	(584,000)	\$ 10,761,000	\$ 601,000
Tax increment revenue	13,362,000	-	(802,000)	12,560,000	12,560,000
Sales tax revenue	997,500	-	(322,000)	675,500	332,500
Add: unamortized premium	395,122	-	(30,924)	364,198	-
Total bonds payable	26,099,622	-	(1,738,924)	24,360,698	13,493,500
Other long-term liabilities:					
Compensated absences	877,167	607,753	(548,130)	936,790	702,593
Capital leases	996,452	393,496	(563,910)	826,038	511,635
Note payable	908,671	-	(60,047)	848,624	-
Governmental activities, long-term liabilities	<u>\$ 28,881,912</u>	<u>\$ 1,001,249</u>	<u>\$ (2,911,011)</u>	<u>\$ 26,972,150</u>	<u>\$ 14,707,728</u>
<u>Business-type activities</u>					
Bonds payable:					
Water revenue	\$ 19,990,000	\$ -	\$ (1,424,000)	\$ 18,566,000	\$ 1,368,000
Storm Water revenue	8,765,000	-	(285,000)	8,480,000	470,000
Sales tax revenue	427,500	-	(138,000)	289,500	142,500
Add: unamortized premium	1,993,522	-	(130,442)	1,863,080	-
Total bonds payable	31,176,022	-	(1,977,442)	29,198,580	1,980,500
Other long-term liabilities:					
Compensated absences	137,690	113,922	(104,278)	147,334	110,500
Capital leases	54,444	-	(54,444)	-	-
Notes payable:					
Provo reservoir	9,035	-	(431)	8,604	526
MWDPG agreements	218,242	-	(12,921)	205,321	13,272
Business-type activities, long-term liabilities	<u>\$ 31,595,433</u>	<u>\$ 113,922</u>	<u>\$ (2,149,516)</u>	<u>\$ 29,559,839</u>	<u>\$ 2,104,798</u>

Compensated absences for governmental activities are generally liquidated by the general fund.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Other Information

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Utah Local Government Insurance Trust (Trust), a public entity risk pool to manage its risk of loss. The City pays an annual premium to the trust for its general insurance coverage. The Trust was created to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of one million dollars for each insured event. As of June 30, 2021 there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2021 which exceeded its insurance coverage.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Redevelopment Agency

In connection with the activities of the Redevelopment Agency (RDA), intergovernmental revenues from property tax increments of other governmental entities totaling \$423,353 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2021, funds expended by the RDA were limited to the categories of redevelopment, administration costs, and debt service. Administrative costs totaled \$628,636, and debt service costs totaled \$1,554,092. The redevelopment cost was funded with bond proceeds from a prior year issuance, with the annual debt service paid with certain contributions from a developer (see note 4, *Note Receivable*).

Employee Retirement Systems and Pension Plans

General Information about the Pension Plan

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is comprised of the following Pension Trust Funds:

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employee retirement system.
- Firefighters Retirement System (Firefighters System) is a multiple employer, cost-sharing, retirement system.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer, cost-sharing, public employee retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighter System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighters System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.50%

*Actuarial reductions are applied.

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Utah Retirement Systems

Contribution rates as of June 30, 2021 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
111- Local Governmental Division Tier 2	N/A	15.80%	0.89%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System			
<i>Contributory</i>			
122- Tier 2 DB Hybrid Public Safety	2.27	25.83%	N/A
<i>Noncontributory</i>			
43- Other Div A with 2.5% COLA	N/A	34.04%	N/A
Firefighters Retirement System			
31- Other Division A	15.05	4.61%	N/A
132- Tier 2 DB Hybrid Firefighters	2.27	14.08%	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.69%	10.00%
222- Public Safety	N/A	11.83%	14.00%
232- Firefighters	N/A	0.08%	14.00%

***Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 449,498	N/A
Public Safety System	293,343	-
Firefighters System	20,463	66,805
Tier 2 Public Employees System	202,486	-
Tier 2 Public Safety and Firefighter	231,527	23,262
Tier 2 DC Only System	18,024	N/A
Tier 2 DC Public Safety and Firefighter System	5,885	N/A
 Total Contributions	 <u>\$ 1,221,226</u>	 <u>\$ 90,067</u>

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions

At June 30, 2021, the City reported a net pension asset of \$382,601 and a net pension liability of \$752,056.

	Measurement Date: December 31, 2020			Proportionate Share December 31, 2019	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 157,308	0.3066804%	0.3133917%	-0.0067113%
Public Safety System	\$ -	\$ 541,123	0.6517659%	0.6372536%	0.0145123%
Firefighters System	\$ 382,601	\$ -	1.3682898%	1.4503565%	-0.0820667%
Tier 2 Public Employees System	\$ -	\$ 10,794	0.0750450%	0.0930192%	-0.0179742%
Tier 2 Public Safety and Firefighter	\$ -	\$ 42,831	0.4775238%	0.4809409%	-0.0034171%
Total Net Pension Asset / Liability	<u>\$ 382,601</u>	<u>\$ 752,056</u>			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

For the year ended June 30, 2021, the City recognized pension expense of \$395,498.

At June 30, 2021, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 401,616	\$ 20,904
Changes in assumptions	82,956	47,780
Net difference between projected and actual earnings on pension plan investments	-	2,137,315
Changes in proportion and differences between contributions and proportionate share of contributions	61,288	50,810
Contributions subsequent to the measurement date	<u>601,838</u>	<u>-</u>
Total	<u>\$ 1,147,698</u>	<u>\$ 2,256,809</u>

\$601,838 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year ended June 30, 2021, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (487,106)
2022	(211,085)
2023	(725,940)
2024	(337,709)
2025	13,029
Thereafter	37,864

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of \$127,760.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 211,042	\$ -
Changes in assumptions	-	20,579
Net difference between projected and actual earnings on pension plan investments	-	1,148,683
Changes in proportion and differences between contributions and proportionate share of contributions	680	35,147
Contributions subsequent to the measurement date	208,151	-
Total	\$ 419,873	\$ 1,204,409

\$208,151 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (275,183)
2022	(125,212)
2023	(401,853)
2024	(190,435)
2025	-
Thereafter	-

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of \$126,425.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 99,599	\$ 524
Changes in assumptions	-	15,390
Net difference between projected and actual earnings on pension plan investments	-	699,247
Changes in proportion and differences between contributions and proportionate share of contributions	18,922	11,991
Contributions subsequent to the measurement date	146,027	-
	<hr/>	<hr/>
Total	<u>\$ 264,548</u>	<u>\$ 727,152</u>

\$146,027 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (160,757)
2022	(80,282)
2023	(251,685)
2024	(115,907)
2025	-
Thereafter	-

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of (\$94,456).

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 58,892	\$ 15,424
Changes in assumptions	59,350	6,829
Net difference between projected and actual earnings on pension plan investments	-	230,463
Changes in proportion and differences between contributions and proportionate share of contributions	18,580	263
Contributions subsequent to the measurement date	10,267	-
	<hr/>	<hr/>
Total	<u>\$ 147,089</u>	<u>\$ 252,979</u>

\$10,267 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (40,306)
2022	1,351
2023	(57,987)
2024	(26,490)
2025	7,274
Thereafter	-

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of \$105,665.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,936	\$ 4,942
Changes in assumptions	13,653	393
Net difference between projected and actual earnings on pension plan investments	-	31,550
Changes in proportion and differences between contributions and proportionate share of contributions	16,339	239
Contributions subsequent to the measurement date	115,164	-
Total	\$ 155,092	\$ 37,124

\$115,164 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (5,394)
2022	(3,177)
2023	(7,335)
2024	(2,145)
2025	3,673
Thereafter	17,182

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the City recognized pension expense of \$130,104.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,147	\$ 14
Changes in assumptions	9,953	4,589
Net difference between projected and actual earnings on pension plan investments	-	27,372
Changes in proportion and differences between contributions and proportionate share of contributions	6,767	3,170
Contributions subsequent to the measurement date	122,229	-
	<hr/>	<hr/>
Total	<u>\$ 161,096</u>	<u>\$ 35,145</u>

\$122,229 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2020.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2021	\$ (5,466)
2022	(3,765)
2023	(7,080)
2024	(2,732)
2025	2,082
Thereafter	20,682

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37.00%	6.30%	2.33%
Debt securities	20.00%	0.00%	0.00%
Real assets	15.00%	6.19%	0.93%
Private equity	12.00%	9.50%	1.14%
Absolute return	16.00%	2.75%	0.44%
Cash and cash equivalents	0.00%	0.00%	0.00%
Totals	100.00%		4.84%
	Inflation		2.50%
	Expected arithmetic nominal return		7.34%

The 6.95 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent and a real return of 4.45 percent that is net of investment expense.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate of 6.95 percent was unchanged from the prior measurement period.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 2,727,280	\$ 157,309	\$ (1,985,147)
Public Safety System	2,284,540	541,123	(874,528)
Firefighters System	173,819	(382,601)	(832,629)
Tier 2 Public Employees System	181,623	10,794	(119,887)
Tier 2 Public Safety and Firefighter	201,935	42,831	(84,064)
Total	<u>\$ 5,569,197</u>	<u>\$ 369,456</u>	<u>\$ (3,896,255)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

4. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Defined Contribution Pension Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Pleasant Grove City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

401(k) Plan	2021	2020	2019
Employer Contributions	\$ 46,478	\$ 50,127	\$ 39,744
Employee Contributions	86,679	13,782	3,280

5. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. City management is of the opinion that the final outcome of the cases will not have an adverse material effect on the City’s financial statements.

The City adopted a road fee in April 2018 to help with road maintenance issues. After implementation of the fee, the City was sued and is currently in litigation. After receiving a negative ruling from the Fourth District Court in February 2020, the City is no longer collecting the fee, and may not spend the collected fees while in the appellate process. The monies will be restricted until a final ruling is received from the court.

Compliance with Grant Agreements

The City receives assistance from federal and state agencies in the form of grants. The use of these funds generally requires compliance with conditions specified in the grant agreements. Any disallowed claims resulting from subsequent audits could become a liability of the general fund. The City administration believes such disallowance, if any, would not be significant.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2021

5. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Utah Infrastructure Agency (UIA)

The City entered into a Fiber Communication Service and Acquisition Contract with the Utah Infrastructure Agency (UIA) to provide broadband connection services in Pleasant Grove City on June 3, 2021. The City has pledged franchise tax revenue to guarantee that UIA fulfills its revenue requirement from bonds issued by UIA in June 2021 (\$16,915,000 Telecommunications and Franchise Tax Revenue Bonds (Pleasant Grove City Project), Series 2021). UIA is required by the Series 2021 bond covenants to have sufficient revenue to pay annual debt service on the bonds. In the event there is a shortfall, the City has agreed to lend franchise tax revenues, limited to a yearly maximum of \$1,066,500. This pledge is in place until the bonds mature in October of 2048. The total amount of the City's pledge through maturity is \$26,922,350. Fiscal year 2021 revenues from franchise tax were \$ 1,734,946. If the City is called upon to make a pledge payment, the payment amount would require 61.47% of pledged revenues. UIA has sufficient revenue to service the debt, and it is unlikely the City's pledge will be required.

7. SUBSEQUENT EVENTS

On July 14, 2021 the City issued \$6,500,000 Excise Tax Revenue Bonds, par value 1.4% coupon bonds. The bond proceeds will be used to reconstruct roads through city as proposed in the 3-year road plan presented to the Mayor and Council. The amount used for road reconstruction is \$6,461,750 and cost of issuance \$38,250.

On July 15, 2021 the City received a distribution in the amount of \$2,263,929 from the State of Utah (the State) from the American Rescue Plan Act of 2021 (the Act). The City expects to receive an additional \$2,263,929 from the Act for a total of \$4,527,858. The City has not designated a project at this time.

The Act mandates that the State distribute Coronavirus Local Fiscal Recovery Fund (CLFRF) monies, received from the U. S. Department of the Treasury (Treasury), to non-entitlement units of local government (NEU) of Utah. The City is not a subrecipient of the State, the City is responsible for understanding and adhering to all Treasury guidance and regulations as well as any other applicable federal, state and local regulations governing the use of these funds.

The period of performance for this award begins on the date hereof and ends on December 31, 2026. As set forth in Treasury's implementing regulations, The City may use award funds to cover eligible costs incurred during the period from March 3, 2021 to December 31, 2024.

Subsequent events have been evaluated through November 22, 2021, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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PLEASANT GROVE CITY
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
Last 10 Fiscal Years*

	Noncontributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
2021					
Proportion of the net pension liability (asset)	0.3066804%	0.6517659%	1.3682898%	0.0750450%	0.4775238%
Proportionate share of the net pension liability (asset)	\$ 157,309	\$ 541,123	\$ (382,601)	\$ 10,794	\$ 42,831
Covered payroll	\$ 2,555,105	\$ 927,034	\$ 554,901	\$ 1,199,837	\$ 945,053
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	6.16%	58.37%	-68.95%	0.90%	4.53%
Plan fiduciary net position as a percentage of its covered payroll	99.20%	95.50%	110.50%	98.30%	93.10%
2020					
Proportion of the net pension liability (asset)	0.3133917%	0.6372536%	1.4503565%	0.0930192%	0.4809409%
Proportionate share of the net pension liability (asset)	\$ 1,181,132	\$ 1,023,186	\$ (179,873)	\$ 20,921	\$ 45,239
Covered payroll	\$ 2,541,579	\$ 934,799	\$ 567,636	\$ 1,292,728	\$ 792,692
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	46.47%	109.46%	-31.69%	1.62%	5.71%
Plan fiduciary net position as a percentage of its covered payroll	93.70%	90.90%	105.00%	96.50%	89.60%
2019					
Proportion of the net pension liability (asset)	0.3126507%	0.6557293%	1.5473661%	0.0745687%	0.5056422%
Proportionate share of the net pension liability (asset)	\$ 2,302,273	\$ 1,686,919	\$ 200,921	\$ 31,936	\$ 12,669
Covered payroll	\$ 2,597,175	\$ 977,360	\$ 580,690	\$ 869,041	\$ 676,942
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	88.65%	172.60%	34.60%	3.67%	1.87%
Plan fiduciary net position as a percentage of its covered payroll	87.00%	84.70%	94.30%	90.80%	95.60%
2018					
Proportion of the net pension liability (asset)	0.3218981%	0.6839326%	1.6561702%	0.0686307%	0.5094809%
Proportionate share of the net pension liability (asset)	\$ 1,410,332	\$ 1,072,857	\$ (103,437)	\$ 6,051	\$ (5,895)
Covered payroll	\$ 2,666,864	\$ 1,084,688	\$ 583,458	\$ 671,407	\$ 537,787
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	52.88%	98.91%	-17.73%	0.90%	-1.10%
Plan fiduciary net position as a percentage of its covered payroll	91.90%	90.20%	103.00%	97.40%	103.00%
2017					
Proportion of the net pension liability (asset)	0.3274636%	0.7325669%	1.9967965%	0.0702846%	0.4367920%
Proportionate share of the net pension liability (asset)	\$ 2,102,717	\$ 1,486,581	\$ (15,742)	\$ 7,840	\$ (3,792)
Covered payroll	\$ 2,768,576	\$ 1,145,498	\$ 661,297	\$ 576,391	\$ 360,887
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	75.95%	129.78%	-2.38%	1.36%	-1.05%
Plan fiduciary net position as a percentage of its covered payroll	87.30%	86.50%	100.40%	95.10%	103.60%
2016					
Proportion of the net pension liability (asset)	0.3074393%	0.7457315%	2.2253273%	0.0630622%	2.6414820%
Proportionate share of the net pension liability (asset)	\$ 1,739,641	\$ 1,335,793	\$ (40,305)	\$ (138)	\$ (3,859)
Covered payroll	\$ 2,575,297	\$ 1,189,503	\$ 692,196	\$ 407,535	\$ 157,364
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	67.55%	112.30%	-5.82%	-0.03%	-2.45%
Plan fiduciary net position as a percentage of its covered payroll	87.80%	87.10%	101.00%	100.20%	110.70%
2015					
Proportion of the net pension liability (asset)	0.3018052%	0.7658748%	2.4519367%	0.0324922%	0.0939329%
Proportionate share of the net pension liability (asset)	\$ 1,310,509	\$ 963,151	\$ (139,917)	\$ (985)	\$ (1,390)
Covered payroll	\$ 2,583,446	\$ 1,224,529	\$ 715,539	\$ 159,942	\$ 38,791
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.73%	78.65%	-19.55%	-0.62%	-3.58%
Plan fiduciary net position as a percentage of its covered payroll	90.20%	90.50%	103.50%	103.50%	120.50%

Note:
This schedule usually covers the 10 most recent fiscal years; however, only 6 years have passed since the implementation year of GASB 68.
Contributions in Tier 2 include an amortization rate to help fund unfunded liabilities in the Tier 1 systems.

PLEASANT GROVE CITY
Schedule of Pension Contributions
Utah Retirement Systems
Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions In relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System	2015	\$ 471,229	\$ 471,229	\$ -	\$ 2,553,409	18.45%
	2016	486,144	486,144	-	2,634,168	18.46%
	2017	515,887	515,887	-	2,793,102	18.47%
	2018	487,588	487,588	-	2,640,263	18.47%
	2019	472,895	472,895	-	2,565,743	18.43%
	2020	465,778	465,778	-	2,529,249	18.42%
	2021	449,498	449,498	-	2,451,832	18.33%
Public Safety System	2015	\$ 385,252	\$ 385,252	\$ -	\$ 1,230,028	31.32%
	2016	349,418	349,418	-	1,126,726	31.01%
	2017	339,946	339,946	-	1,128,538	30.12%
	2018	309,547	309,547	-	1,044,979	29.62%
	2019	282,446	282,446	-	946,335	29.85%
	2020	281,540	281,540	-	933,990	30.14%
	2021	293,343	293,343	-	931,512	31.49%
Firefighters System	2015	\$ 24,478	\$ 24,478	\$ -	\$ 724,567	3.38%
	2016	27,924	27,924	-	674,191	4.14%
	2017	20,773	20,773	-	634,954	3.27%
	2018	18,178	18,178	-	562,284	3.23%
	2019	22,523	22,523	-	591,197	3.81%
	2020	20,657	20,657	-	554,319	3.73%
	2021	20,463	20,463	-	512,425	3.99%
Tier 2 Public Employees System*	2015	\$ 40,535	\$ 40,535	\$ -	\$ 271,320	14.94%
	2016	79,135	79,135	-	530,720	14.91%
	2017	90,679	90,679	-	608,176	14.91%
	2018	112,976	112,976	-	749,130	15.08%
	2019	171,248	171,248	-	1,101,983	15.54%
	2020	198,251	198,251	-	1,266,641	15.65%
	2021	202,486	202,486	-	1,281,944	15.80%
Tier 2 Public Safety and Firefighter System*	2015	\$ 10,420	\$ 10,420	\$ -	\$ 52,252	19.94%
	2016	86,505	86,505	-	465,652	18.58%
	2017	86,505	86,505	-	465,652	18.58%
	2018	113,873	113,873	-	614,366	18.54%
	2019	137,444	137,444	-	729,899	18.83%
	2020	160,826	160,826	-	851,379	18.89%
	2021	231,527	231,527	-	1,062,247	21.80%
Tier 2 Public Employees DC Only System*	2015	\$ 3,085	\$ 3,085	\$ -	\$ 45,909	6.72%
	2016	15,198	15,198	-	227,177	6.69%
	2017	15,198	15,198	-	227,177	6.69%
	2018	14,215	14,215	-	212,478	6.69%
	2019	7,898	7,898	-	118,206	6.68%
	2020	13,282	13,282	-	200,322	6.63%
	2021	18,024	18,024	-	270,121	6.67%
Tier 2 Public Safety and Firefighter DC Only System*	2015	\$ -	\$ -	\$ -	\$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	1,107	1,107	-	9,360	11.83%
	2018	4,894	4,894	-	41,371	11.83%
	2019	9,764	9,764	-	82,540	11.83%
	2020	10,749	10,749	-	93,956	11.44%
	2021	5,885	5,885	-	49,744	11.83%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative practices.

PLEASANT GROVE CITY
Notes to the Required Supplementary Information
June 30, 2021

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Changes in Assumptions

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the “Retirement Office” column using the “Reports and Stats” tab.

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SUPPLEMENTARY INFORMATION

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PLEASANT GROVE CITY
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2021

	Special Revenue						Total Nonmajor Governmental Funds	
	Dispatch	Swimming Pool	Community Center	Cultural Arts	Library	C.A.R.E Tax		Transportation Utility
<u>ASSETS</u>								
Cash, cash equivalents, and investments								
Unrestricted	\$ 259,224	\$ 398,036	\$ 220,320	\$ 45,141	\$ 22,020	\$ -	\$ -	\$ 944,741
Restricted	-	-	-	-	5,830	-	2,305,720	2,311,550
Total assets	<u>\$ 259,224</u>	<u>\$ 398,036</u>	<u>\$ 220,320</u>	<u>\$ 45,141</u>	<u>\$ 27,850</u>	<u>\$ -</u>	<u>\$ 2,305,720</u>	<u>\$ 3,256,291</u>
<u>LIABILITIES</u>								
Accrued liabilities	\$ -	\$ 33,231	\$ 27,515	\$ -	\$ -	\$ -	\$ -	\$ 60,746
Due to other funds	-	-	-	-	-	71,536	-	71,536
Total liabilities	<u>-</u>	<u>33,231</u>	<u>27,515</u>	<u>-</u>	<u>-</u>	<u>71,536</u>	<u>-</u>	<u>132,282</u>
<u>FUND BALANCES</u>								
Restricted for:								
Capital projects	-	-	-	-	-	-	2,305,720	2,305,720
Library purposes	-	-	-	-	27,850	-	-	27,850
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,850</u>	<u>-</u>	<u>2,305,720</u>	<u>2,333,570</u>
Assigned:								
Future capital improvements	259,224	364,805	-	-	-	-	-	624,029
Community events	-	-	192,805	45,141	-	-	-	237,946
Total assigned	<u>259,224</u>	<u>364,805</u>	<u>192,805</u>	<u>45,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>861,975</u>
Unassigned	-	-	-	-	-	(71,536)	-	(71,536)
Total fund balances	<u>259,224</u>	<u>364,805</u>	<u>192,805</u>	<u>45,141</u>	<u>27,850</u>	<u>(71,536)</u>	<u>2,305,720</u>	<u>3,124,009</u>
Total liabilities and fund balances	<u>\$ 259,224</u>	<u>\$ 398,036</u>	<u>\$ 220,320</u>	<u>\$ 45,141</u>	<u>\$ 27,850</u>	<u>\$ -</u>	<u>\$ 2,305,720</u>	<u>\$ 3,256,291</u>

PLEASANT GROVE CITY
Combining Statement of Revenues, Expenses, and Changes in Net Position –
Nonmajor Governmental Funds
For the Year Ended June 30, 2021

	Special Revenue						Total Nonmajor Governmental Funds	
	Dispatch	Swimming Pool	Community Center	Cultural Arts	Library	C.A.R.E. Tax		Transportation Utility
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,219	\$ -	\$ 18,219
Charges for services	-	412,073	963,918	13,170	-	483,928	-	1,873,089
Investment earnings	930	-	-	-	97	-	-	1,027
Miscellaneous	-	-	63,849	24	3,030	228,314	-	295,217
Total revenues	930	412,073	1,027,767	13,194	3,127	730,461	-	2,187,552
EXPENDITURES								
Public safety	264,497	-	-	-	-	-	-	264,497
Capital outlay	-	11,726	-	-	-	534,232	-	545,958
Public works	-	-	-	-	-	-	-	-
Parks, recreation, and public property	-	410,280	1,060,078	29,921	-	39,411	-	1,539,690
Total expenditures	264,497	422,006	1,060,078	29,921	-	573,643	-	2,350,145
Excess (deficiency) of revenues over (under) expenditures	(263,567)	(9,933)	(32,311)	(16,727)	3,127	156,818	-	(162,593)
OTHER FINANCING SOURCES (USES)								
Transfers in	297,432	166,740	123,668	30,612	-	-	-	618,452
Transfers out	-	-	(45,000)	-	-	-	-	(45,000)
Total other financing sources (uses)	297,432	166,740	78,668	30,612	-	-	-	573,452
Net change in fund balance	33,865	156,807	46,357	13,885	3,127	156,818	-	410,859
Fund balances - beginning of year	225,359	207,998	146,448	31,256	24,723	(228,354)	2,305,720	2,713,150
Fund balances - end of year	\$ 259,224	\$ 364,805	\$ 192,805	\$ 45,141	\$ 27,850	\$ (71,536)	\$ 2,305,720	\$ 3,124,009

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Dispatch Fund (Special Revenue Fund)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Investment earnings	\$ -	\$ -	\$ 930	\$ 930
Total revenues	<u>-</u>	<u>-</u>	<u>930</u>	<u>930</u>
<u>EXPENDITURES</u>				
Public safety	<u>297,432</u>	<u>297,432</u>	<u>264,497</u>	<u>32,935</u>
Total expenditures	<u>297,432</u>	<u>297,432</u>	<u>264,497</u>	<u>32,935</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(297,432)</u>	<u>(297,432)</u>	<u>(263,567)</u>	<u>33,865</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	<u>297,432</u>	<u>297,432</u>	<u>297,432</u>	<u>-</u>
Total other financing sources	<u>297,432</u>	<u>297,432</u>	<u>297,432</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>33,865</u>	<u>\$ 33,865</u>
Fund balance - beginning of year			<u>225,359</u>	
Fund balance - end of year			<u>\$ 259,224</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Swimming Pool Fund (Special Revenue Fund)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Charges for services	\$ 254,000	\$ 254,000	\$ 412,073	\$ 158,073
Total revenues	<u>254,000</u>	<u>254,000</u>	<u>412,073</u>	<u>158,073</u>
<u>EXPENDITURES</u>				
Capital outlay	-	-	11,726	(11,726)
Parks, recreation, and public property	420,740	423,740	410,280	13,460
Total expenditures	<u>420,740</u>	<u>423,740</u>	<u>422,006</u>	<u>1,734</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(166,740)</u>	<u>(169,740)</u>	<u>(9,933)</u>	<u>159,807</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	166,740	166,740	166,740	-
Total other financing sources	<u>166,740</u>	<u>166,740</u>	<u>166,740</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (3,000)</u>	156,807	<u>\$ 159,807</u>
Fund balance - beginning of year			<u>207,998</u>	
Fund balance - end of year			<u>\$ 364,805</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Community Center Fund (Special Revenue Fund)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Charges for services	\$ 983,016	\$ 983,016	\$ 963,918	\$ (19,098)
Donations and reimbursements	35,000	35,000	63,849	28,849
Total revenues	<u>1,018,016</u>	<u>1,018,016</u>	<u>1,027,767</u>	<u>9,751</u>
<u>EXPENDITURES</u>				
Parks, recreation, and public property	1,200,710	1,210,368	1,060,078	150,290
Total expenditures	<u>1,200,710</u>	<u>1,210,368</u>	<u>1,060,078</u>	<u>150,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(182,694)</u>	<u>(192,352)</u>	<u>(32,311)</u>	<u>160,041</u>
<u>OTHER FINANCING SOURCES AND (USES)</u>				
Transfers in	96,809	106,467	123,668	17,201
Transfers out	(45,000)	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>51,809</u>	<u>61,467</u>	<u>78,668</u>	<u>17,201</u>
Net change in fund balance	<u>\$ (130,885)</u>	<u>\$ (130,885)</u>	46,357	<u>\$ 177,242</u>
Fund balance - beginning of year			<u>146,448</u>	
Fund balance - end of year			<u>\$ 192,805</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Cultural Arts Fund (Special Revenue Fund)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Charges for services	\$ 15,000	\$ 15,000	\$ 13,170	\$ (1,830)
Donations and reimbursements	10,000	10,000	24	(9,976)
Total revenues	<u>25,000</u>	<u>25,000</u>	<u>13,194</u>	<u>(11,806)</u>
<u>EXPENDITURES</u>				
Parks, recreation, and public property	62,000	62,000	29,921	32,079
Total expenditures	<u>62,000</u>	<u>62,000</u>	<u>29,921</u>	<u>32,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,000)</u>	<u>(37,000)</u>	<u>(16,727)</u>	<u>20,273</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	30,612	30,612	30,612	-
Total other financing sources	<u>30,612</u>	<u>30,612</u>	<u>30,612</u>	<u>-</u>
Net change in fund balance	<u>\$ (6,388)</u>	<u>\$ (6,388)</u>	13,885	<u>\$ 20,273</u>
Fund balance - beginning of year			<u>31,256</u>	
Fund balance - end of year			<u>\$ 45,141</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Library Fund (Special Revenue Fund)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Donations and reimbursements	\$ -	\$ -	\$ 3,030	\$ 3,030
Investment earnings	-	-	97	97
Total revenues	<u>-</u>	<u>-</u>	<u>3,127</u>	<u>3,127</u>
<u>EXPENDITURES</u>				
Parks, recreation, and public property	<u>24,492</u>	<u>24,492</u>	<u>-</u>	<u>24,492</u>
Total expenditures	<u>24,492</u>	<u>24,492</u>	<u>-</u>	<u>24,492</u>
Net change in fund balance	<u>\$ (24,492)</u>	<u>\$ (24,492)</u>	3,127	<u>\$ 27,619</u>
Fund balance - beginning of year			<u>24,723</u>	
Fund balance - end of year			<u>\$ 27,850</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – C.A.R.E Tax Fund (Special Revenue Fund)
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 18,219	\$ 18,219
Charges for services	270,157	270,157	483,928	213,771
Donations and reimbursements	-	-	228,314	228,314
	<hr/>		<hr/>	
Total revenues	270,157	270,157	730,461	460,304
<hr/>				
<u>EXPENDITURES</u>				
Capital outlay and projects	20,000	524,027	534,232	(10,205)
Parks, recreational, and public property	45,000	77,007	39,411	37,596
	<hr/>		<hr/>	
Total expenditures	65,000	601,034	573,643	27,391
<hr/>				
Net change in fund balance	<u>\$ 205,157</u>	<u>\$ (330,877)</u>	156,818	<u>\$ 432,913</u>
<hr/>				
Fund balance - beginning of year			<u>(228,354)</u>	
<hr/>				
Fund balance - end of year			<u>\$ (71,536)</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Transportation Utility Fund (Special Revenue Fund)
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - beginning of year			<u>2,305,720</u>	
Fund balance - end of year			<u>\$ 2,305,720</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2021

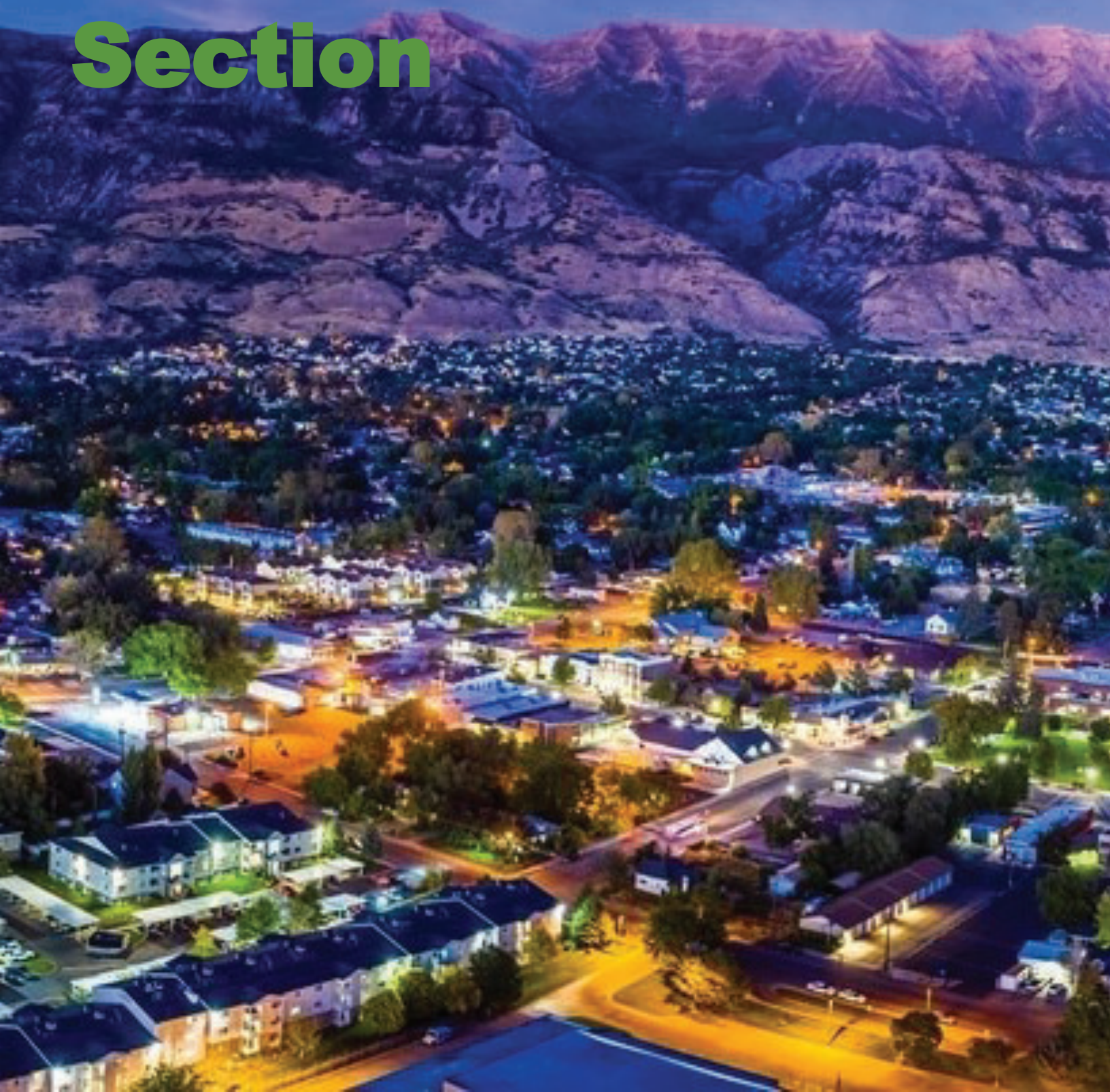
	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Investment earnings	\$ -	\$ -	\$ 7,333	\$ 7,333
Impact fees	1,016,883	1,016,883	1,014,288	(2,595)
Total revenues	<u>1,016,883</u>	<u>1,016,883</u>	<u>1,021,621</u>	<u>4,738</u>
<u>EXPENDITURES</u>				
Capital outlay	1,601,496	7,209,114	3,105,890	4,103,224
Debt service:				
Principal	563,178	563,178	623,521	(60,343)
Interest and other financial	29,234	29,234	18,560	10,674
Total expenditures	<u>2,193,908</u>	<u>7,801,526</u>	<u>3,747,971</u>	<u>4,053,555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,177,025)</u>	<u>(6,784,643)</u>	<u>(2,726,350)</u>	<u>4,058,293</u>
<u>OTHER FINANCING SOURCES AND (USES)</u>				
Proceeds from issuance of debt	393,495	393,495	393,495	-
Proceeds from sale of assets	408,000	408,000	1,500	(406,500)
Transfers in	556,657	5,650,937	5,667,436	16,499
Transfers out	(347,095)	(407,095)	(827,877)	(420,782)
Total other financing sources (uses)	<u>1,011,057</u>	<u>6,045,337</u>	<u>5,234,554</u>	<u>(810,783)</u>
Net change in fund balance	<u>\$ (165,968)</u>	<u>\$ (739,306)</u>	2,508,204	<u>\$ 3,247,510</u>
Fund balance - beginning of year			<u>1,976,592</u>	
Fund balance - end of year			<u>\$ 4,484,796</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Debt Service Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Taxes:				
Property	\$ 924,986	\$ 924,986	\$ 927,521	\$ 2,535
Investment earnings	5,000	5,000	3,949	(1,051)
	<u>929,986</u>	<u>929,986</u>	<u>931,470</u>	<u>1,484</u>
<u>EXPENDITURES</u>				
Debt service:				
Principal	906,000	906,000	906,000	-
Interest and other financial	368,016	368,016	367,165	851
	<u>1,274,016</u>	<u>1,274,016</u>	<u>1,273,165</u>	<u>851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(344,030)</u>	<u>(344,030)</u>	<u>(341,695)</u>	<u>2,335</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers in	<u>347,996</u>	<u>347,996</u>	<u>347,100</u>	<u>(896)</u>
Total other financing sources	<u>347,996</u>	<u>347,996</u>	<u>347,100</u>	<u>(896)</u>
Net change in fund balance	<u>\$ 3,966</u>	<u>\$ 3,966</u>	5,405	<u>\$ 1,439</u>
Fund balance - beginning of year			<u>216,664</u>	
Fund balance - end of year			<u>\$ 222,069</u>	

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Statistical Section



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PLEASANT GROVE CITY
Statistical Section (unaudited)

This part of Pleasant Grove's Annual Comprehensive Financial Report presents detailed information as a context for better understanding the information in the financial statements, note disclosures, and required supplementary information. The statistical section is divided into five main categories as follows:

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have change over time.

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

PLEASANT GROVE CITY

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net Investment in Capital Assets	\$ 50,312	\$ 50,796	\$ 50,566	\$ 52,593	\$ 51,330	\$ 62,432	\$ 73,541	\$ 89,162	\$ 86,436	\$ 93,394
Restricted	2,774	3,056	4,038	4,390	5,053	13,958	13,816	8,423	8,517	13,184
Unrestricted	2,166	2,426	3,101	998	23,328	6,699	9,630	14,447	18,126	17,236
Total government activities net position	<u>55,252</u>	<u>56,278</u>	<u>57,705</u>	<u>57,981</u>	<u>79,711</u>	<u>83,089</u>	<u>96,987</u>	<u>112,032</u>	<u>113,079</u>	<u>123,814</u>
Business-type activities										
Net Investment in Capital Assets	47,175	48,324	49,572	48,630	51,387	57,964	67,551	72,211	84,609	90,285
Restricted	1,638	2,536	4,055	6,578	5,538	5,966	5,517	4,010	4,976	5,511
Unrestricted	4,929	5,927	5,858	7,222	9,845	7,988	8,309	9,879	12,482	14,292
Total business-type activities net position	<u>53,742</u>	<u>56,787</u>	<u>59,485</u>	<u>62,430</u>	<u>66,770</u>	<u>71,918</u>	<u>81,377</u>	<u>86,100</u>	<u>102,067</u>	<u>110,088</u>
Primary government										
Net Investment in Capital Assets	97,487	99,120	100,138	101,223	102,717	120,396	141,092	161,373	171,045	183,679
Restricted	4,412	5,592	8,093	10,968	10,591	19,924	19,333	12,433	13,493	18,695
Unrestricted	7,095	8,353	8,959	8,220	33,173	14,687	17,939	24,326	30,608	31,528
Total primary government net position	<u>\$ 108,994</u>	<u>\$ 113,065</u>	<u>\$ 117,190</u>	<u>\$ 120,411</u>	<u>\$ 146,481</u>	<u>\$ 155,007</u>	<u>\$ 178,364</u>	<u>\$ 198,132</u>	<u>\$ 215,146</u>	<u>\$ 233,902</u>

PLEASANT GROVE CITY

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 3,127	\$ 2,975	\$ 1,610	\$ 1,075	\$ 4,546	\$ 4,757	\$ 4,222	\$ 4,349	\$ 2,551	\$ 2,534
Community Development	995	1,234	1,321	1,422	970	1,115	936	971	1,309	1,341
Public Works	2,337	2,424	2,477	2,654	2,902	4,435	2,586	3,192	3,167	3,815
Public Safety	5,496	5,634	6,096	6,296	6,159	5,835	6,646	7,145	6,575	6,716
Parks & Recreation	3,820	3,958	4,063	4,508	4,052	3,588	4,111	4,274	3,961	3,958
Interest on long-term debt	1,665	1,489	1,441	1,335	1,286	1,491	1,423	1,255	1,186	1,113
Total governmental activities expense	17,440	17,714	17,008	17,290	19,915	21,221	19,924	21,186	18,749	19,477
Business-type activities:										
Water	5,086	5,517	5,456	5,062	5,250	5,154	5,025	4,962	6,253	5,218
MWDPG								145	148	293
Sewer	3,380	3,632	3,583	4,267	4,502	4,531	4,409	4,767	4,636	4,643
Storm Drain	857	1,089	1,393	1,621	1,552	1,517	1,578	1,714	1,930	1,652
Sanitation	1,320	1,324	1,335	1,361	1,377	1,410	1,379	1,501	1,553	1,678
Total business-type activities expense	10,643	11,562	11,767	12,311	12,681	12,612	12,391	13,089	14,520	13,484
Total primary government expenses	28,083	29,276	28,775	29,601	32,596	33,833	32,315	34,275	33,269	32,961
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,071	2,278	636	378	3,210	3,326	3,837	3,524	1,923	690
Community Development	187	406	694	1,019	-	-	-	-	-	1,220
Public Works	-	4	3	-	-	-	-	1,444	861	255
Public Safety	871	844	831	308	821	795	845	796	796	899
Parks & Recreation	1,541	1,611	1,643	1,595	1,588	1,686	1,922	1,763	1,530	2,143
Operating grants and contributions	529	376	387	431	757	355	522	595	2,868	2,534
Capital grants and contributions	1,903	2,581	3,899	3,108	7,043	5,508	11,975	4,633	4,909	5,871
Total governmental activities programs revenues	7,102	8,100	8,093	6,839	13,419	11,670	19,101	12,755	12,887	13,612
Business-type activities:										
Charges for services:										
Water	4,165	4,959	5,594	6,096	6,407	6,677	7,235	7,510	8,013	8,226
Sewer	3,886	4,280	4,367	4,563	4,642	4,889	5,075	5,164	5,325	5,467
Storm Drain	968	1,239	1,536	1,774	1,986	1,783	1,784	1,677	2,294	2,348
Sanitation	1,320	1,325	1,351	1,413	1,436	1,448	1,454	1,464	1,497	1,564
Operating grants and contributions	-	43	8	35	258	-	39	30	82	780
Capital grants and contributions	6,965	2,726	2,409	1,831	1,905	2,661	5,712	1,412	4,139	2,531
Total business-type activities program revenues	17,304	14,572	15,265	15,712	16,634	17,458	21,299	17,257	21,350	20,916
Total primary governmental program revenues	24,406	22,672	23,358	22,551	30,053	29,128	40,400	30,012	34,237	34,528

PLEASANT GROVE CITY

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Net (Expense)/Revenue										
Governmental activities	(10,338)	(9,614)	(8,915)	(10,451)	(6,496)	(9,551)	(823)	(8,431)	(5,862)	(5,865)
Business-type activities	6,661	3,010	3,498	3,401	3,953	4,846	8,908	4,168	6,830	7,432
Total primary government net expense	<u>(3,677)</u>	<u>(6,604)</u>	<u>(5,417)</u>	<u>(7,050)</u>	<u>(2,543)</u>	<u>(4,705)</u>	<u>8,085</u>	<u>(4,263)</u>	<u>968</u>	<u>1,567</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	3,151	3,226	3,059	3,077	3,509	4,079	5,092	5,239	5,019	5,254
Sales taxes	3,752	3,849	4,082	4,454	5,011	5,425	5,836	6,115	6,607	7,593
Franchise taxes	1,593	1,654	1,905	1,973	-	2,059	2,041	2,000	2,028	2,100
Other taxes	312	316	309	306	2,100	-	-	-	-	-
Investment earnings	22	11	15	33	1,005	1,054	1,220	1,230	1,033	818
Miscellaneous	1,726	1,584	1,562	2,864	340	376	607	602	632	909
Gain on sale of assets	-	-	-	-	-	-	-	-	379	197
Transfers	-	-	141	(61)	(75)	(75)	(75)	175	(75)	(269)
Total governmental activities	<u>10,556</u>	<u>10,640</u>	<u>11,073</u>	<u>12,646</u>	<u>11,890</u>	<u>12,918</u>	<u>14,721</u>	<u>15,361</u>	<u>15,623</u>	<u>16,602</u>
Business-type activities:										
Investment earnings	23	35	47	46	70	109	167	327	259	97
Miscellaneous	-	-	-	15	64	118	138	154	44	184
Transfers	-	-	(141)	61	75	75	75	(175)	75	38
Gain on sale of assets	-	-	-	-	-	-	1	106	43	269
Total business-type activities	<u>23</u>	<u>35</u>	<u>(94)</u>	<u>122</u>	<u>209</u>	<u>302</u>	<u>381</u>	<u>412</u>	<u>421</u>	<u>588</u>
Total primary government	<u>10,579</u>	<u>10,675</u>	<u>10,979</u>	<u>12,768</u>	<u>12,099</u>	<u>13,220</u>	<u>15,102</u>	<u>15,773</u>	<u>16,044</u>	<u>17,190</u>
Change in Net Position										
Governmental activities	218	1,026	2,158	2,196	5,395	3,367	13,898	6,786	9,762	10,735
Business-type activities	6,684	3,045	3,404	3,523	4,163	5,147	9,290	4,724	7,252	8,020
Total primary government	<u>\$ 6,902</u>	<u>\$ 4,071</u>	<u>\$ 5,562</u>	<u>\$ 5,719</u>	<u>\$ 9,558</u>	<u>\$ 8,514</u>	<u>\$ 23,188</u>	<u>\$ 11,510</u>	<u>\$ 17,014</u>	<u>\$ 18,755</u>

PLEASANT GROVE CITY
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund										
Nonspendable										
Prepaid Expenses	\$ 276	\$ 241	\$ 722	\$ 548	\$ 465	\$ 299	\$ 239	\$ 46	\$ 20	\$ 31
Restricted for										
Donations	338	361	363	366	363	388	2,397	482	35	27
Class C Road Funds	1,740	1,672	1,392	1,516	1,516	850	664	1,599	1,601	2,899
Debt Service	-	-	-	-	-	-	-	-	-	-
Dispatch	-	-	-	-	-	-	-	-	-	-
Library Grants	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Unassigned	2,104	2,686	2,149	2,073	2,595	2,910	4,585	4,750	7,918	6,825
Total general fund	<u>\$ 4,458</u>	<u>\$ 4,960</u>	<u>\$ 4,626</u>	<u>\$ 4,503</u>	<u>\$ 4,939</u>	<u>\$ 4,447</u>	<u>\$ 7,885</u>	<u>\$ 6,877</u>	<u>\$ 9,574</u>	<u>\$ 9,782</u>
All Other Governmental Funds										
Nonspendable										
Prepaid Expenses	-	-	-	-	\$ 70	-	-	-	-	\$ 119
Restricted for										
Debt Service	134	114	239	247	114	183	185	200	217	222
Dispatch	510	302	88	57	75	96	122	-	-	-
Library Grants	53	55	64	70	47	50	15	-	-	-
Library Purposes	-	-	-	-	-	-	-	18	25	28
Impact Fees	-	552	1,891	2,133	1,904	1,638	1,537	658	1,190	1,014
Capital Projects	-	-	-	-	-	-	-	4,961	4,838	8,132
Assigned to										
MBA	-	-	-	-	-	-	-	-	-	-
Debt Service	117	5	-	-	-	-	-	-	-	-
Dispatch	-	-	-	-	-	-	-	-	225	259
Capital Projects	506	219	437	617	672	10,104	7,771	375	-	-
Swimming Pool	11	17	11	30	22	91	188	-	208	365
Community Center	32	19	20	21	42	12	80	-	146	193
Cultural Arts	5	7	16	5	28	15	20	129	31	45
Redevelopment	-	14	-	-	269	532	841	-	-	-
Unassigned	(140)	-	(195)	31	-	-	-	(1,371)	(228)	(71)
Total all other governmental funds	<u>\$ 1,228</u>	<u>\$ 1,304</u>	<u>\$ 2,571</u>	<u>\$ 3,211</u>	<u>\$ 3,243</u>	<u>\$ 12,721</u>	<u>\$ 10,759</u>	<u>\$ 4,970</u>	<u>\$ 6,652</u>	<u>\$ 10,306</u>

PLEASANT GROVE CITY
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 8,745	\$ 9,158	\$ 9,381	\$ 9,830	\$ 10,620	\$ 11,563	\$ 12,969	\$ 13,354	\$ 13,654	\$ 14,947
Licenses, fees, and permits	260	480	765	673	608	638	914	692	742	941
Intergovernmental	2,012	1,367	1,496	1,465	1,850	1,636	1,816	2,144	4,783	4,666
Charges for services	3,665	4,012	2,435	2,292	4,613	4,802	5,329	4,471	4,088	3,972
Fines and penalties	541	354	378	336	399	366	360	324	281	255
Investment earnings	25	23	24	33	53	137	342	392	237	67
Impact fees	213	855	2,153	1,365	872	1,066	1,523	658	788	1,014
Loan repayment income	-	-	-	-	1,558	1,557	1,556	1,555	1,554	1,552
Cash contributions for capital outlay	-	-	-	-	-	-	-	320	10	5
Miscellaneous	1,926	1,857	1,792	2,397	340	376	607	602	632	910
Total Revenues	17,387	18,106	18,424	18,391	20,913	22,141	25,416	24,512	26,769	28,329
Expenditures										
General government	2,927	2,883	1,498	1,717	4,259	4,571	3,948	4,001	2,263	2,411
Community Development	984	1,197	1,329	1,456	1,040	1,018	942	957	1,281	1,365
Public Works	552	566	566	844	1,410	2,168	2,248	796	558	787
Public Safety	5,781	5,476	5,739	7,144	6,115	6,202	6,556	6,942	6,485	6,954
Parks & Recreation	3,313	3,410	3,535	5,059	4,192	4,093	4,147	4,152	3,866	3,942
Capital outlay	1,128	1,071	1,802	-	704	833	4,105	14,070	4,621	5,879
Debt service										
Principal	19,658	1,669	1,790	1,811	2,271	3,012	3,097	2,325	2,481	2,331
Other	327	-	-	-	-	170	-	-	-	-
Interest	1,655	1,546	1,473	1,367	1,314	1,138	1,408	1,290	1,210	1,138
Total expenditures	36,325	17,818	17,732	19,398	21,305	23,205	26,451	34,533	22,765	24,807
Excess of revenues over (under) expenditures	(18,938)	288	692	(1,007)	(392)	(1,064)	(1,035)	(10,021)	4,004	3,522

PLEASANT GROVE CITY
Changes in Fund Balances, Governmental Funds (continued)
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Other Financing Sources (Uses)										
Issuance of long term debt	18,588	280	98	-	-	-	-	345	406	394
Proceeds from issuance of debt	-	-	-	-	-	13,254	410	-	878	-
Payments to bond escrow agent	-	-	-	-	-	(3,783)	-	-	-	-
Contributions	-	-	-	-	-	-	1,959	-	-	-
Sale of capital assets	2	11	2	498	150	653	217	87	-	214
Proceeds from Capital Lease	-	-	-	1,087	786	-	-	-	-	-
Non-reciprocal utility revenue	-	-	-	-	-	-	-	2,040	-	-
Transfers in	1,995	1,856	2,777	2,683	2,455	11,479	2,612	5,183	2,772	6,916
Transfers out	(1,995)	(1,856)	(2,636)	(2,744)	(2,530)	(11,554)	(2,687)	(5,008)	(2,847)	(7,185)
Total other financing sources (uses)	<u>18,590</u>	<u>291</u>	<u>241</u>	<u>1,524</u>	<u>861</u>	<u>10,049</u>	<u>2,511</u>	<u>2,647</u>	<u>1,209</u>	<u>339</u>
Net change in fund balances	<u>\$ (348)</u>	<u>\$ 579</u>	<u>\$ 933</u>	<u>\$ 517</u>	<u>\$ 469</u>	<u>\$ 8,985</u>	<u>\$ 1,476</u>	<u>\$ (7,374)</u>	<u>\$ 5,213</u>	<u>\$ 3,861</u>
Debt service as a percentage of noncapital expenditures	61%	19%	20%	16%	17%	19%	35%	20%	20% *	21%

* Note: Correction

PLEASANT GROVE CITY
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Primary Residential	Secondary Residential	Commercial and Industrial	Other Real Property	Personal Property	Centrally Assessed	Total Taxable Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2012	\$907,493,921	\$37,807,763	\$273,473,233	\$11,213,083	\$38,340,394	\$23,502,948	\$1,291,831,342	0.002256	\$2,034,326,368	63.50%
2013	884,678,708	4,901,512	235,485,237	84,445,189	37,354,730	24,629,403	1,271,494,779	0.002315	2,015,590,980	63.08%
2014	930,076,823	4,848,800	243,729,316	96,784,705	31,162,206	26,055,131	1,332,656,981	0.002237	2,114,170,942	63.03%
2015	1,075,377,057	5,115,600	264,992,770	94,017,177	31,245,902	25,724,598	1,496,473,104	0.001997	2,376,598,484	62.97%
2016	1,194,483,519	5,154,800	325,978,914	96,888,618	40,291,548	28,959,101	1,691,756,500	0.001875	2,669,318,488	63.38%
2017	1,301,105,326	5,847,400	349,816,438	111,289,596	49,214,383	34,103,247	1,851,376,390	0.001775	2,916,182,312	63.49%
2018	1,433,833,276	7,745,600	383,306,370	148,605,751	48,798,315	39,669,516	2,061,958,828	0.002029	3,235,360,345	63.73%
2019	1,573,419,322	8,039,400	445,263,600	160,028,003	57,554,200	46,987,893	2,291,292,418	0.001884	3,578,894,151	64.02%
2020	1,758,970,015	8,047,000	591,113,800	162,260,448	70,104,819	48,435,652	2,638,931,734	0.001734	4,103,585,832	64.31%
2021	1,910,580,357	13,587,900	672,346,103	200,229,601	92,100,584	51,203,647	2,940,048,192	0.001602	4,503,519,415	65.28%

Source: Utah State Tax Commission

PLEASANT GROVE CITY
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

City Direct Rates				Overlapping Rates			
Fiscal Year	Basic Rates	General Obligation Debt Service	Total Direct Rate	Alpine School District	Utah County	No UT Co Water Conservancy	Central Utah Water Conservancy District
2012	1.981	0.275	2.256	8.812	1.342	0.028	0.436
2013	2.035	0.280	2.315	8.828	1.324	0.029	0.455
2014	1.968	0.269	2.237	8.699	1.259	0.028	0.446
2015	1.760	0.237	1.997	8.096	1.149	0.025	0.422
2016	1.661	0.214	1.875	8.177	1.098	0.024	0.405
2017	1.585	0.190	1.775	7.718	1.049	0.023	0.400
2018	1.523	0.506	2.029	7.167	0.969	0.021	0.400
2019	1.428	0.456	1.884	7.033	0.911	0.019	0.400
2020	1.331	0.403	1.734	6.699	0.839	0.017	0.400
2021	1.237	0.365	1.602	6.800	1.202	0.016	0.400

Source: Utah State Tax Commission

PLEASANT GROVE CITY

Principal Property Tax Payers
Current Year and Nine Years ago

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Valley Properties LLC	\$ 94,146,500	1	3.20%			
Valley Grove LLC	33,650,900	2	1.14%			
Valley Grove Office I LLC	28,031,800	3	0.95%			
Somerset Meadows II LL	20,789,945	4	0.71%			
Questar Gas	20,567,525	5	0.70%	\$ 7,896,753	5	0.611%
Valley Grove Office II LLC	20,533,900	6	0.70%			
ThorneBerry LTD	18,948,930	7	0.64%	5,521,835	10	0.427%
Pleasant Springs	18,311,315	8	0.62%	9,861,225	3	0.763%
Pacificorp	16,909,974	9	0.58%	10,479,786	2	0.811%
Urban Grove LLC	16,681,300	10	0.57%			
DMB Investments				16,831,300	1	1.303%
Jacqueline A Dowdy				9,110,700	4	0.705%
Pen & Ink, LTD				7,198,570	6	0.557%
Continental Pipe Manufacturing Co				6,309,800	7	0.488%
Green Grove Apartments				6,094,935	8	0.472%
Amsource Pleasant Grove, LC				5,600,000	9	0.433%
Total	\$ 288,572,089		9.815%	\$ 84,904,904		6.570%

Source: Utah County

PLEASANT GROVE CITY
Property Tax Levied and Collections
Last Ten Fiscal Years

<u>Calendar Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
2012	\$ 2,881,705	\$ 2,660,568	92.33%	\$ 204,408	\$ 2,864,976	99.42%	\$ 16,729	0.58%
2013	2,909,989	2,669,886	91.75%	212,957	2,882,843	99.07%	27,146	0.93%
2014	2,960,247	2,736,869	92.45%	168,399	2,905,268	98.14%	54,979	1.86%
2015	2,995,956	2,761,139	92.16%	144,584	2,905,723	96.99%	90,233	3.01%
2016	3,176,536	2,942,710	92.65%	137,779	3,080,489	96.98%	96,047	3.02%
2017	3,291,115	3,072,852	93.38%	106,518	3,179,370	96.60%	111,745	3.40%
2018	4,171,320	3,935,781	94.36%	140,134	4,075,915	97.71%	95,405	2.29%
2019	4,325,140	4,024,237	93.05%	226,264	4,250,501	98.27%	74,639	1.73%
2020	4,586,423	4,277,021	93.26%	222,544	4,499,565	98.11%	86,859	1.89%
2021	4,722,114	4,386,124	92.89%	230,309	4,616,432	97.76%	105,682	2.24%

Source: Utah County

PLEASANT GROVE CITY
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Calendar Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Unamortized Premium	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2012	\$ 4,534,272	-		\$ 4,534,272	0.223%	\$ 135
2013	4,398,116	-		4,398,116	0.218%	128
2014	4,251,960	-		4,251,960	0.201%	123
2015	4,080,000			4,080,000	0.172%	117
2016	3,925,000			3,925,000	0.147%	112
2017	13,486,000			13,486,000	0.462%	354
2018	12,475,000	\$ 184,796		12,290,204	0.380%	317
2019	11,916,000	199,732	\$ 399,322	12,115,590	0.339%	312
2020	11,345,000	216,664	377,137	11,505,473	0.280%	299
2021	10,761,000	222,069	364,198	10,903,129	0.242%	285

Source: Utah County

PLEASANT GROVE CITY
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Fiscal Year	Pleasant Grove City Direct Rate	Utah County	State of Utah
2012	1.000%	0.800%	4.950%
2013	1.000%	0.800%	4.950%
2014	1.000%	0.800%	4.950%
2015	1.000%	0.800%	4.950%
2016	1.000%	0.800%	4.950%
2017	1.000%	0.800%	4.950%
2018	1.000%	0.800%	4.950%
2019	1.100%	1.300%	4.850%
2020	1.100%	1.300%	4.850%
2021	1.100%	1.300%	4.850%

Sources: Utah State Tax Commission

PLEASANT GROVE CITY
Principal Sales Tax Remitters
Fiscal Years 2011 and 2021

Fiscal Year 2021	Sales Tax ¹	Fiscal Year 2011	Sales Tax ¹
Amazon	N/A	BMW of Pleasant Grove	N/A
BMW of Pleasant Grove	N/A	Lansing Building Products	N/A
Drive Auto Sales	N/A	Maceys	N/A
Lansing Building Products	N/A	Northwest Pipe Company	N/A
Maceys	N/A	Pacificorp	N/A
Shamrock Group, LLC	N/A	Questar Gas	N/A
Smiths Food & Drug	N/A	Shamrock Group, LLC	N/A
USTC Motor Vehicle	N/A	Smiths Food & Drug	N/A
Utah Power and Light Co.	N/A	UT State Alcoholic Beverage Control	N/A
Walmart	N/A	Verizon Wireless	N/A
Total	<u>\$ 2,097,415</u>	Total	<u>\$ 931,818</u>
Total Citywide Collections	\$ 5,585,418	Total Citywide Collections	\$ 2,025,858
Top 10 as a Percentage of Total Collections	37.55%	Top 10 as a Percentage of Total Collections	46.00%
Top 10 as a Percentage of Total Revenue ²	18.78%	Top 10 as a Percentage of Total Revenue ²	13.23%

Source: Utah State Tax Commission

Note: Data for Years Previous to 2010 Unavailable

¹Utah State law prohibits the disclosure of retail sales figures for individual businesses. Top 10 taxpayers are listed alphabetically.

²The distribution formula set forth by the Utah State legislature provides that 50% of sales tax collections are distributed to the entity in which the tax is collected. The other 50% is distributed statewide based on population. This number represents the 50% point of sale collections as a percentage of total sales tax revenue received.

PLEASANT GROVE CITY
Ratios of Outstanding Debt by Type
Last Ten Years
(dollars in thousands except per capita)

Fiscal Year	Governmental Activities							Business-type Activities							Percentage of		
	General Obligation	Excise Tax Road Bond	Sales Tax Revenue	Unamortized Premium	Leases	Other Long-Term Debt	RDA Tax Increment Bond	Water Revenue	Sewer Revenue	Storm Drain Revenue	Sales Tax Revenue	Unamortized Premium	Leases	Other Long-Term Debt	Total Primary Government	Personal Income	Per Capita
2012	\$ 4,534	\$ 3,814	\$ 3,260	-	\$ 910	\$ 3,539	\$ 18,383	\$ 24,252	-	\$ 7,091	\$ 1,398	-	-	\$ 117	\$ 65,783	10.58%	\$ 1,910
2013	4,398	3,216	2,999	-	1,018	3,506	17,872	23,424	-	12,494	1,285	-	-	99	70,311	11.48%	2,037
2014	4,252	2,593	2,840	-	891	2,622	17,331	22,555	-	12,303	1,217	-	353	-	66,957	9.91%	1,914
2015	4,101	1,936	2,554	-	1,328	2,622	16,759	22,254	-	11,979	1,095	-	306	-	64,934	7.28%	1,752
2016	3,944	1,248	2,258	-	1,989	2,622	16,154	22,032	-	11,661	968	-	259	10	63,145	8.19%	1,659
2017	13,486	530	1,915	-	1,526	1,874	15,514	20,937	-	11,262	840	-	210	10	68,104	8.61%	1,757
2018	12,475	-	1,617	-	1,364	1,364	14,837	19,780	-	10,883	708	-	210	10	63,248	7.48%	1,628
2019	11,916	-	1,313	426	1,053	2,253	14,120	18,146	-	10,395	563	891	108	113	61,297	6.92%	1,595
2020	11,345	-	997	395	996	1,786	13,362	19,990	-	8,765	427	729	54	365	59,211	6.12%	1,548
2021	10,761	-	676	364	826	848	12,560	18,566	-	8,480	290	1,863	-	213	55,447	5.22%	1,445

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

PLEASANT GROVE CITY
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2021

<u>Government Unit</u>	<u>Total Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Overlapping Debt			
Alpine School District	\$ 620,980,765	8.49%	\$ 52,751,148
Utah County	227,586,021	5.45%	12,396,470
Central Utah Water Cons. District	662,902,154	1.35%	8,929,300
			<hr/>
Subtotal, overlapping debt			74,076,918
City direct debt			<hr/> 26,972,150
Total direct and overlapping debt			<hr/> \$ 101,049,068 <hr/>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Pleasant Grove City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident-and therefore responsible for repaying the debt-of each overlapping government.

PLEASANT GROVE CITY

Legal Debt Margin Information

Last Ten Fiscal Years

(amounts expressed in thousands)

Assessed value (in thousands)	\$ 4,503,519
Debt limit (4% of assessed value)	180,141
Debt applicable to limit:	
General obligation bonds	(10,761)
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>(10,761)</u>
Legal debt margin	<u>\$ 169,380</u>

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 81,373	\$ 80,624	\$ 83,756	\$ 95,064	\$ 106,773	\$ 116,647	\$ 129,414	\$ 143,156	\$ 164,143	\$ 180,141
Total net debt applicable to limit	<u>(4,534)</u>	<u>(4,398)</u>	<u>(4,252)</u>	<u>(4,080)</u>	<u>(3,925)</u>	<u>(12,985)</u>	<u>(12,475)</u>	<u>(11,916)</u>	<u>(11,345)</u>	<u>(10,761)</u>
Legal debt margin	<u>\$ 76,839</u>	<u>\$ 76,226</u>	<u>\$ 79,504</u>	<u>\$ 90,984</u>	<u>\$ 102,848</u>	<u>\$ 103,662</u>	<u>\$ 116,939</u>	<u>\$ 131,240</u>	<u>\$ 152,798</u>	<u>\$ 169,380</u>
Total net debt applicable to the limit as a percentage of debt limit	5.57%	5.45%	5.08%	4.29%	3.68%	11.13%	9.64%	8.32%	6.91%	5.97%

Source: Utah County Auditor's Office

Note 1: Debt margin applies only to general obligation bonds.

PLEASANT GROVE CITY

Pledged-Revenue Coverage

Last Ten Fiscal Years

(dollars in thousands)

Fiscal Year	Water Revenue Bonds						Storm Water Revenue Bonds						Tax Increment Bonds			
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Sales Tax Revenues	Debt Service		
				Principal	Interest	Coverage				Principal	Interest	Coverage		Principal	Interest	Coverage
2012	\$ 4,911	\$ 2,765	\$ 2,146	\$ 758	\$ 1,052	1.19	\$ 1,233	\$ 486	\$ 747	-	\$ 164	4.55	\$ 3,752	\$ 895	\$ 1,279	1.73
2013	5,787	3,048	2,739	815	1,052	1.47	1,372	529	843	\$ 185	270	1.85	3,849	861	1,169	1.90
2014	6,666	3,079	3,587	886	988	1.91	1,783	644	1,139	320	430	1.52	4,082	967	1,087	1.99
2015	6,916	2,948	3,968	886	888	2.24	1,955	841	1,114	320	430	1.49	4,454	572	987	2.86
2016	7,086	3,069	4,017	977	651	2.47	2,174	771	1,403	335	420	1.86	5,011	605	985	3.15
2017	7,002	2,844	4,158	1,010	661	2.49	2,012	729	1,283	370	412	1.64	5,425	640	953	3.41
2018	7,878	2,902	4,976	1,089	544	3.05	2,207	768	1,439	375	390	1.88	5,836	677	917	3.66
2019	8,057	1,869	6,188	1,135	549	3.67	2,086	625	1,461	385	392	1.88	6,115	717	838	3.93
2020	8,013	4,547	3,466	1,208	511	2.02	2,330	1,399	931	10,475	699	0.08	6,607	758	795	4.25
2021	8,226	4,720	3,506	1,424	498	1.82	2,349	1,402	947	285	250	1.77	7,593	802	750	4.89

PLEASANT GROVE CITY
Pledged-Revenue Coverage (continued)
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Sales Tax Revenue				General Obligation Bonds				Excise Tax Revenue			
	Sales Tax Revenues	Debt Service		Coverage	Property Tax Revenues	Debt Service		Coverage	Class C Road Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2012	\$ 3,752	\$ 315	\$ 167	7.78	\$ 317	\$ 130	\$ 187	1.00	\$ 954	\$ 560	\$ 211	1.24
2013	3,849	350	119	8.21	321	145	176	1.00	991	585	183	1.29
2014	4,082	395	100	8.25	320	150	170	1.00	949	645	126	1.23
2015	4,454	395	100	9.00	320	150	170	1.00	1,516	645	126	1.97
2016	5,011	410	92	9.98	319	155	164	1.00	1,094	675	94	1.42
2017	5,425	415	82	10.92	223	165	58	1.00	1,281	705	62	1.67
2018	5,836	425	72	11.74	925	510	413	1.00	1,294	530	27	2.32
2019	6,115	436	62	12.28	925	559	363	1.00	-	-	-	-
2020	6,607	450	50	13.21	925	571	352	1.00	-	-	-	-
2021	7,593	460	36	15.31	927	584	338	1.01	-	-	-	-

Source: Pleasant Grove City

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

PLEASANT GROVE CITY
Demographic and Economic Statistics
Last Ten Calendar Years

Calender Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2011	34,435	\$ 621,512,350	\$ 18,049	5.3%
2012	34,519	612,229,952	17,736	4.5%
2013	34,988	675,874,839	19,317	3.3%
2014	37,064	891,859,745	24,063	3.2%
2015	38,052	770,819,364	20,257	3.2%
2016	38,756	791,203,740	20,415	3.4%
2017	38,845	845,577,960	21,768	2.8%
2018	38,428	885,265,836	23,037	2.8%
2019	38,258	966,970,950	25,275	2.4%
2020	38,380	1,062,742,200	27,690	2.1%

Note 1: Unemployment Rate is for Utah County

PLEASANT GROVE CITY

Principal Employers
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Employer</u>	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees
All Pro Security, LLC	100-249	100-249	100-249	100-249	50-99	50-99	50-99	50-99	-	-
Allied Waste Services of North America	50-99	50-99	50-99	-	-	-	-	-	-	-
Alpine Pediatrics	-	-	-	50-99	50-99	50-99	50-99	50-99	50-99	50-99
Alpine School District	-	-	-	250-749	300-749	300-749	300-749	300-749	300-749	300-749
Altabank	100-249	100-249	-	-	-	-	-	-	-	-
American Land and Leisure	50-99	-	-	100-249	-	-	-	-	-	-
ARO	100-249	100-249	100-249	-	-	-	-	-	-	-
ASEA, LLC	100-249	100-249	-	-	-	-	-	-	-	-
Asphalt Zipper	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-	-
B2 Air Systems LLC	50-99	-	50-99	-	-	-	-	-	-	-
Blade HQ LLC	50-99	50-99	50-99	-	-	-	-	-	-	-
Brundage-Bone Concrete Pumping	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Canyon Grove Academy	-	-	50-99	50-99	-	-	-	-	-	-
Central Elementary	50-99	50-99	50-99	-	-	-	-	-	-	-
Chubby's Café	50-99	50-99	50-99	-	-	-	-	-	-	-
Close to My Heart	50-99	50-99	50-99	50-99	50-99	50-99	100-249	100-249	100-249	100-249
Costa Vida Holdings, LLC	50-99	-	50-99	-	-	-	-	-	-	-
Culinary Crafts Catering	50-99	50-99	100-249	100-249	-	-	-	-	-	-
Daybreak Training Services	-	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99
Dental Intel, LLC	100-249	100-249	-	-	-	-	-	-	-	-
Disruptive Advertising	100-249	-	-	-	-	-	-	-	-	-
doTerra International	2000-2999	2,000-2,999	2,000-2,999	1,000-1,999	1,000-1,999	1,000-1,999	500-999	-	-	-
doTerra Manufacturing, LLC	250-499	250-499	250-499	-	-	-	-	-	-	-
Elite Grounds	50-99	-	-	50-99	50-99	-	50-99	-	-	-
Event Production	-	-	50-99	50-99	50-99	-	-	-	-	-
Evermore Park, LLC	50-99	-	-	-	-	-	-	-	-	-
Extinct, LLC	-	-	-	-	50-99	-	-	-	-	-
Faulkner Media Group, LLC	50-99	50-99	-	-	-	-	-	-	-	-
First Colony Mortgage Corporation	50-99	50-99	-	-	-	-	-	-	-	-
Foreup	50-99	-	-	-	-	-	-	-	-	-
Fortem Technologies, INC.	50-99	50-99	50-99	-	-	-	-	-	-	-
Grovecrest Elementary	50-99	50-99	50-99	-	-	-	-	-	-	-
Growpro, LLC	50-99	50-99	-	-	-	-	-	-	-	-
Horrocks Engineers, Inc.	250-499	250-499	250-499	100-249	100-249	100-249	100-249	100-249	100-249	100-249
Instructure, Inc.	50-99	50-99	100-249	-	-	-	-	-	-	-
JD Steel	-	-	-	100-249	-	-	-	-	50-99	50-99
Kenect, LLC	50-99	50-99	-	-	-	-	-	-	-	-
Lincoln Academy	100-249	100-249	100-249	100-249	100-249	100-249	100-249	50-99	50-99	50-99
Lopez Trading	-	-	-	50-99	50-99	-	-	-	-	-
Loveland Innovations, LLC	50-99	50-99	50-99	-	-	-	-	-	-	-
Maceys	100-249	-	-	100-249	100-249	100-249	100-249	100-249	100-249	100-249
Manila Elementary	50-99	-	50-99	-	-	-	-	-	-	-
Marys Culinary Crafts LLC	-	-	-	-	50-99	50-99	50-99	-	-	-

PLEASANT GROVE CITY

Principal Employers (continued)

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<u>Employer</u>	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees
McDonalds	-	-	-	-	50-99	50-99	50-99	50-99	-	-
Metro Ready Mix LLC	-	-	-	50-99	-	50-99	-	-	-	-
Mile High Contracting	-	-	-	-	100-249	100-249	50-99	50-99	-	-
Mission Health Services	-	-	50-99	50-99	-	-	-	-	50-99	50-99
Mount Mahogany LLC	50-99	50-99	50-99	-	-	-	-	-	-	-
Niels Fugal Sons Company	100-249	100-249	100-249	250-499	100-249	100-249	100-249	100-249	100-249	100-249
Peak Living LLC	50-99	50-99	-	-	-	-	-	-	-	-
People's Intermountain Bank	-	-	50-99	-	-	-	-	-	-	-
PF Staffing Services, LLC	250-499	50-99	-	-	-	-	-	-	-	-
Pleasant Grove City	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249
Pleasant Grove High	100-249	100-249	100-249	-	-	-	-	-	-	-
Pleasant Grove JR High	50-99	50-99	50-99	-	-	-	-	-	-	-
Professional Dental	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Quail Run Primary School	50-99	50-99	-	-	-	-	-	-	50-99	50-99
Smith's Food and Drug	100-249	50-99	-	100-249	50-99	50-99	50-99	50-99	50-99	50-99
Stratton & Bratt Landscape LLC	100-249	50-99	50-99	-	-	-	-	-	-	-
Sundesa, LLC	-	-	-	100-249	100-249	100-249	50-99	50-99	-	-
Synergy Worldwide Inc	-	-	-	50-99	50-99	50-99	-	-	-	-
Taco Amigo	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-
Test Out Corporation	100-249	100-249	50-99	50-99	50-99	50-99	50-99	50-99	-	-
The Void	-	-	-	-	50-99	50-99	-	-	-	-
Told Plumbing LLC	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Tri City Medical Clinic	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99
U.S. Mechanical Limited Company	50-99	50-99	50-99	50-99	-	-	-	-	50-99	50-99
US Postal Service	50-99	-	50-99	-	-	-	-	-	-	-
Utah Fertility Center	50-99	100-249	50-99	50-99	-	-	-	-	-	-
Utah Recreation Company	100-249	-	-	-	-	-	-	-	-	-
Valley View Elementary	-	50-99	-	-	-	-	-	-	-	-
Veracity Insurance Solutions, LLC	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Walmart	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Warburtons	-	-	-	50-99	50-99	50-99	50-99	50-99	50-99	50-99
Zident	50-99	50-99	-	-	-	-	-	-	-	-

Source: Utah Department of Workforce Services

Note 1: The State of Utah only tracks employees by range of employees. Therefore, we are not able to report each employer as a percentage of total employment.

Note 2: Data is provided back to 2011.

PLEASANT GROVE CITY
 Full-time Government Employees by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government										
Management services	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0
Planning	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Legal	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0
Municipal Court	2.0	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Other	6.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0
Police										
Officers	25.0	25.0	26.0	25.0	27.0	28.0	27.0	28.0	28.0	28.0
Civilians	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	4.0	4.0
Fire										
Firefighters and officers	15.0	15.0	14.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Refuse collections										
Other public works										
Engineering	1.0	1.0	1.0	1.0	2.0	3.0	3.0	5.0	4.0	6.0
Streets	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Storm Drain	2.0	2.0	3.0	3.0	4.0	3.0	3.0	4.0	4.0	4.0
Other	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and recreation	15.0	15.0	14.0	16.0	16.0	16.0	16.0	18.0		
Parks									12.0	13.0
Recreation									4.0	4.0
Library	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Water/Sewer	10.0	10.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0	11.0
Total	104.0	105.0	101.0	104.0	109.0	110.0	109.0	117.0	109.0	115.0

Source: Pleasant Grove City

Note 1: Corrections made to FY2016

Note 2: Corrections made to FY2018

PLEASANT GROVE CITY
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Building permits issued	260	361	372	*311	589	524	599	537	559	777
Building inspections conducted	1,714	4,215	3,387	*3,005	2,788	2,236	2,651	2,989	3,254	3,208
Police										
Physical arrests	1,359	581	1,409	1,241	1,034	1,120	1,176	1,115	1,066	1,684
Parking violations	4	-	2	-	123	-	155	177	99	185
Traffic violations	4,608	2,798	2,566	2,264	2,187	1,860	1,613	2,499	2,552	2,961
Fire										
Emergency responses	1,388	1,199	1,330	1,486	1,401	1,453	1,500	1,594	1,938	1,744
Number of Transports	573	500	579	494	578	574	601	619	698	674
Average Response Time (Minutes)	5	4:14	4:51	3:36	3:29	3:62	4:48	3:39	4:04	5:16
Other public works										
Potholes repaired (tons of asphalt)	431	457	478	500	650	2,100	889	1,235	33	48
Parks and recreation										
Daily program participants- Community Center	11,813	12,298	33,084	20,072	18,096	17,227	17,344	20,882	18,213	26,199
Community center admissions	135,866	141,540	169,744	190,511	207,133	208,954	222,636	207,315	176,227	182,913
Daily pool passes						1,111	**	13,616	15,461	19,965
Pool bulk tickets						3,372	**	2,064	1,203	
Pool Punch Passes (took place of bulk tickets)										272
Pool admissions						24,274	47,863	32,431	35,884	43,378
Library										
Public service hours						3,248	3,248	3,248	2,195	3,328
Library visits						194,393	154,928	162,060	121,861	65,485
Material circulation						401,574	386,548	404,756	336,893	316,337
Library collection						117,000	107,736	165,243	319,289	278,501
Library programs						690	644	589	369	271
Library program attendance						26,577	22,463	22,763	14,595	6,312
Uses of wireless network						5,736	10,742	62,913	15,803	40,690
Water										
New connections	64	143	170	176	160	183	56	148	299	177
Culinary Water Breaks	82	127	127	140	106	190	200	96	76	63
PI Water Breaks	N/A	N/A	115	35	33	50	50	26	25	30
Average daily consumption										
Passengers										
Culinary Water **					4,080	3,893	4,118	4,016	4,680	5,102
Pressurized Irrigation **					5,530	5,640	5,730	3,955	5,260	5,960

Source: Pleasant Grove City

* Amounts restated from prior year

** Correction made to reporting method

PLEASANT GROVE CITY
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (sworn officers)	25	26	26	27	27	27	28	28	28	28
Reserve Units				3	3	2	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	192	192	117	112	109	110	112	112	113	113
Streetlights	2,601	1,150	1,155	1,086	1,117	1,150	1,176	1,224	1,250	1,340
Storm Drain (miles)	93	72	72	98	95	96	97	111	112	113
Parks and recreation										
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Acreage	92	92	77	77	77	77	77	77	77	77
Playgrounds	8	8	7	7	7	7	6	7	7	7
Baseball/softball diamonds	7	7	6	8	8	8	8	8	8	8
Soccer/football fields	9	9	9	9	9	9	9	9	9	9
Community centers	1	1	1	1	1	1	1	1	1	1
Multi Use Trails (miles)										
Boulevard Trail						1.62	2	2	1.62	1.62
Murdock Trail						5.38	5	5	5.38	5.38
North County Trail						1.01	1	1	1.00	1.00
Rail Spur Trail						0.20	0	0	0.20	0.20
Valley Vista Trail						5.78	6	3-5	10.62	10.62
Library	1	1	1	1	1	1	1	1	1	1
Water										
Culinary Water Lines (miles)	151	152	156	154	145	146	149	158	159	160
Irrigation Water Lines (miles)	104	105	108	108	108	109	110	111	112	113
Fire Hydrants	1,223	1,240	1,280	1,355	1,383	1,420	1,463	1,493	1,543	1,569
Culinary Storage (thou. of gallons)	11,000	11,000	12,431	12,431	12,431	12,431	12,431	12,431	12,431	12,431
Irrigation Storage (thou. of gallons)	12,200	12,200	12,200	12,200	12,200	12,200	14,000	14,000	14,000	14,000
Wastewater										
Sanitary sewers (miles)	110	110	125	120	116	117	118	123	124	125

Source: Pleasant Grove City

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GOVERNMENT COMPLIANCE SECTION

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COMMITTED. EXPERIENCED. TRUSTED

CERTIFIED PUBLIC ACCOUNTANTS

- E. LYNN HANSEN, CPA
- CLARKE R. BRADSHAW, CPA
- GARY E. MALMROSE, CPA
- EDWIN L. ERICKSON, CPA
- MICHAEL L. SMITH, CPA
- JASON L. TANNER, CPA
- ROBERT D. WOOD, CPA
- AARON R. HIXSON, CPA
- TED C. GARDINER, CPA
- JEFFREY B. MILES, CPA
- SHAWN F. MARTIN, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor’s Report

Honorable Mayor and Members of the City Council
Pleasant Grove City

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasant Grove City (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated November 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBMC, LLC

November 22, 2021



COMMITTED. EXPERIENCED. TRUSTED

CERTIFIED PUBLIC ACCOUNTANTS

- E. LYNN HANSEN, CPA
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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE

Honorable Mayor and Members of the City Council
Pleasant Grove City

Report on Compliance

We have audited Pleasant Grove City’s (the City) compliance with the applicable state compliance requirements described in the *Utah State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Enterprise Fund Transfers, Reimbursements, Loans, and Service

Management’s Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor’s Responsibility

Our responsibility is to express an opinion on the City’s compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Utah State Compliance Audit Guide*. Those standards and the *Utah State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement listed above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on General State Compliance Requirements

In our opinion, Pleasant Grove City complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *Utah State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a state compliance requirement on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *Utah State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HBMC, LLC

November 22, 2021