

City of Pleasant Grove, Utah

Annual Comprehensive Financial Report

For the Year Ending June 30, 2023



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CITY OF PLEASANT GROVE, UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ending June 30, 2023



Prepared by:
Pleasant Grove City, Finance Department

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PLEASANT GROVE CITY
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Introductory Section

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Pleasant Grove
Utah's City of Trees



Drew Armstrong
WWW.UTAHREALESTATE.NET * 801-636-3733

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December 11, 2023

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) of Pleasant Grove City (the City) for the fiscal year ended June 30, 2023, 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 ACFR 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 of 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 and Local Building Authority are reported in this ACFR as special revenue funds.

| |
|---|
| 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.

70 South 100 East • Pleasant Grove, Utah 84062 • Phone (801) 785-5045 • Fax (801) 785-8923

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 38,241. 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 seven years. Sales tax revenue in FY 2023 reached \$9,341,567 which was an increase of \$814,134 from FY2022. Since 2017, sales tax base has grown over \$3,101,980 from \$6,239,587. License and permit revenues totaled \$ 431,811 and decrease of \$798,070 from FY2022. Residential and commercial building is leveling out, hence the decrease in revenues. 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. In FY2024, with the substantial increase of sales tax, the city provided substantial wage increases of 6% for all employees, and added 3.5 full time positions, and monies to bring police wages to market. The City also bonded for the new Cook Family Park, cemetery expansion, and storm water detention basins. Debt service of \$713,253 was included in the adoption of the FY2024 budget. A property tax increase was proposed in the amount of \$733,171, which did not pass through the referendum process. Council and Administration are currently in the process of evaluating the effect on current and future budgets.

Fiscal year 2023 has been another year of strong economic growth and commercial development for the City. Pleasant Grove City continues to attract the attention of commercial business and retailers resulting in a strong and growing sales tax base. The sales tax is becoming more diversified, although the City's sales tax revenue is still primarily generated by the general retail sector. As discussed above, the City's sales tax revenues continued to increase during this time.

MAJOR INITIATIVES

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

- **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 to work on updating the road infrastructure 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 in litigation. The City stopped collecting the fee and was not able to spend the collected fees while in litigation. In May 2023, the City was notified that they had won the litigation and could begin collecting the fee. The fee was assessed on August 2023 utility bills. 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 road infrastructure plan presented to the Mayor and Council. Utah County, the county Pleasant Grove lies in, is implementing an additional 20% of a cent sales tax option and will be used for additional road funding.
- **Comprehensive Financial Sustainability Plan (CFSP).** The City has entered a contract with Lewis Young Robertson Burningham 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 forest 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. This plan has been completed and needs to be reviewed in detail by staff with an estimated presentation of May 2024.

- **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 the 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, Solid Waste and Sewer.
- **City-Wide Compensation and New Positions.** The pay range system based upon employee value preferences, labor market analysis, and management’s pay progression philosophy continues to be evaluated. The City is currently working on a compensation study for the Fire Division of Public Safety. The Police Division received an additional \$230,000 for market increases in FY2024. The FY2024 budget included a 6% cost of living adjustment to all full-time employees, and various increases to part time employees to stay competitive with the current job market and inflation. The budget included funding for additional positions as follows: Streets operator, cemetery operator, firefighter, and converting a part-time library position to full-time.
- **Pipe Plant Development.** The City bonded for \$36,000,000 to develop 30 of the 40 acres into the following: Cook Family Park, which includes Splash Pad, Playground, Pump Track, Skate Park, expansion of the cemetery, completion of storm water detention basin, and completion of roads, sidewalks, and parking areas. Demolition and tree removal have begun on the project.

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 FY 2022-23, 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: G Mountain, Battle Creek Trailhead Restroom, Library property landscape, Manila monument sign & landscape, Swimming Pool upgrades, Rodeo grounds concessions & restrooms, benches, tables and trashcans at various parks through the city.
- **Public Works.** The Public Works Department completed several projects during the 2023 fiscal year: Boulevard Well Drilling, Sewer liner and manhole rehabilitation, Peterson detention basin and well scrubbing, 1300 West Roadway Connection, Roadway micro surfacing, Loader Sidewalk, 1300 West Sewer Relocation, Cook Family Park (in progress), Battle Creek Spring Modifications, Battle Creek Channel clearing, 900 West Roadway overlay, Alice Way Waterline, 100 East Center Street Widening, City Hall parking lot rehabilitation, 1300 East Waterline, Storm Drain and Roadway. Seal coat and crack seal on numerous roadways through the City.

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’s financial statements reflect growth and conservative budgeting practices. The fund balance in the City’s General Fund decreased by \$4,539,276 during the fiscal year, to end at \$14,002,866. The City budgeted a General Fund

transfer of \$7,212,579 in FY2023 to fund capital projects. The General fund's unassigned balance of \$2,531,244 represents 9.76% of operating revenues.

During the past year period, the City's governmental funds revenues decreased from \$42,360,203 to \$36,905,199, \$12,923,388 of the amount was for a one-time loan repayment, impact fees were less than the prior year by \$1,203,151 and expenditures increased from \$38,153,555 to \$40,920,527. In FY2024, the expenses included capital outlay projects in the amount of \$13,572,856 and \$2,263,929 for land purchases. The increase does not appear as significant because of a one-time loan repayment in FY2022 that was used to pay off a debt obligation. Growth in proprietary funds has increased over this same period. Proprietary fund operating revenues increased from \$19,760,703 to \$20,130,800 as compared to fiscal year 2022, while operating expenses rose from \$12,887,064 to \$13,877,149. 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, 2023, 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. In FY2024, the City Council proposed a small property tax increase to fund public safety wages and positions, a library position, and bond funding for the Cook Family Park. The increase would have generated approximately \$734,321 yearly, with a cost to the average household of \$4.72 per month. An open house and required truth in taxation public hearing was held on August 1, 2023, and the increase was adopted. The citizens later referred the item, it was placed on the ballot and was defeated.

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, 2022. 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**

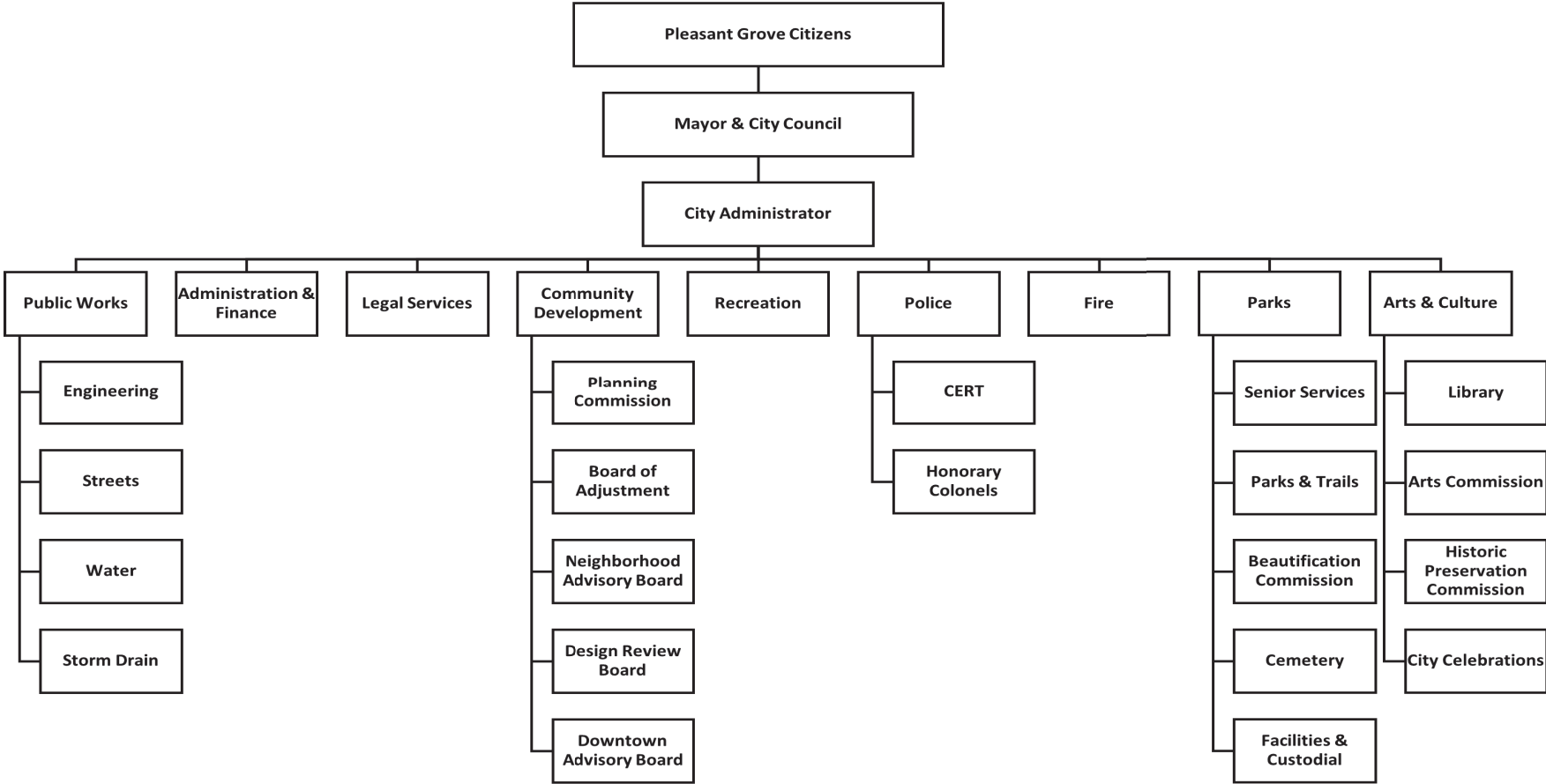
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

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 - Keldon Brown

Fire Chief - Drew Engemann

Public Works Director - Neal Winterton

Community Development Director - Daniel Cardenas

Parks Director - Deon Giles

Recreation Director - Megan Zollinger

Arts & Culture Director - Sheri Britsch

Debra Armstrong

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Financial Section



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COMMITTED. EXPERIENCED. TRUSTED.

INDEPENDENT AUDITOR’S REPORT

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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund, major special revenue redevelopment agency fund, and major special revenue local building authority 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA

SHAWN F. MARTIN, CPA
MONTANA T. HADLEY, CPA
NATHAN E. ERICKSON, EA

FOUNDERS

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

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 83-85 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 December 13, 2023 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

December 13, 2023

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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, 2023.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$277,634,034. This was an increase of 9.16% from the prior year of \$254,345,933. Contributed capital from developers accounted for \$824,284 in the Governmental Activities, and \$1,979,240 in Business-type Activities.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$97,444,354. This is a substantial increase of 226.60% from the prior year, of \$29,836,008. Substantial increases were from monies received from sales tax and lease revenue bonds. Of this amount \$ 4,418,370 (4.5%) is available for spending at the government's discretion (unassigned fund balance). The City's sales and property tax base continues to grow with the increased commercial projects being completed.
- Total governmental fund balance increased by \$67,608,346. Overall revenues were down from the prior year by \$5,455,004. Some of the decrease could be attributed to the large loan payment of \$12,923,388 from a developer for debt service principal and interest that was received in 2022. Taxes, intergovernmental revenues, along with a contribution in the Local Building Authority fund saw significant increases. The other increased revenues will help pay for expenses related to growth and changes of the city. Expenditures increased from the prior year, with wage increases given to employees, operational increases 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, 2023 the City's unassigned balance equals 18.74% of General Fund Revenues. This balance consists of monies received from sales and property taxes, permit fees, and charges for services.

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 twelve individual governmental funds:

- General
- Capital Projects
- Debt Service
- Redevelopment Agency
- Local Building Authority
- 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, Local Building Authority, 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 33-39 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 40-42 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 43 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 83, and the statistical section begins on page 105. 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 \$277,634,034.

By far the largest portion of the City of Pleasant Grove’s net position (78.02%) 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 increased from the prior year, and the City did issue additional debt in the form of 2022A Lease Revenue Bond, 2023 Sales Tax Bond and 2023 Water Revenue Bond during fiscal year 2023.

The following table summarizes the City’s net position.

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Current And Other Assets | \$ 152,999,327 | \$ 49,058,244 | \$ 34,556,647 | \$ 26,620,572 | \$ 187,555,974 | \$ 75,678,816 |
| Capital Assets | 138,523,988 | 123,177,970 | 126,267,885 | 124,044,449 | 264,791,873 | 247,222,419 |
| Total Assets | 291,523,315 | 172,236,214 | 160,824,532 | 150,665,021 | 452,347,847 | 322,901,235 |
| Total Deferred Outflows Of Resources | 1,619,137 | 1,189,805 | 421,441 | 357,891 | 2,040,578 | 1,547,696 |
| Long-term Debt Outstanding | 87,250,330 | 17,881,537 | 28,729,662 | 28,392,169 | 115,979,992 | 46,273,706 |
| Other Liabilities | 16,558,173 | 11,656,186 | 2,676,708 | 1,185,878 | 19,234,881 | 12,842,064 |
| Total Liabilities | 103,808,503 | 29,537,723 | 31,406,370 | 29,578,047 | 135,214,873 | 59,115,770 |
| Total Deferred Inflows of Resources | 41,439,106 | 10,242,766 | 100,412 | 744,462 | 41,539,518 | 10,987,228 |
| Net Investment In Capital Assets | 117,411,664 | 110,922,075 | 99,198,605 | 95,037,549 | 216,610,269 | 205,959,624 |
| Restricted | 22,591,897 | 18,950,197 | 16,191,196 | 9,454,435 | 38,783,093 | 28,404,632 |
| Unrestricted | 7,891,282 | 3,773,258 | 14,349,390 | 16,208,419 | 22,240,672 | 19,981,677 |
| Total Net Position | 147,894,843 | \$ 133,645,530 | \$ 129,739,191 | \$ 120,700,403 | \$ 277,634,034 | \$ 254,345,933 |

An additional portion of the City’s net position (13.97%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$22,240,672 may be used to meet the government’s ongoing obligations to citizens and creditors.

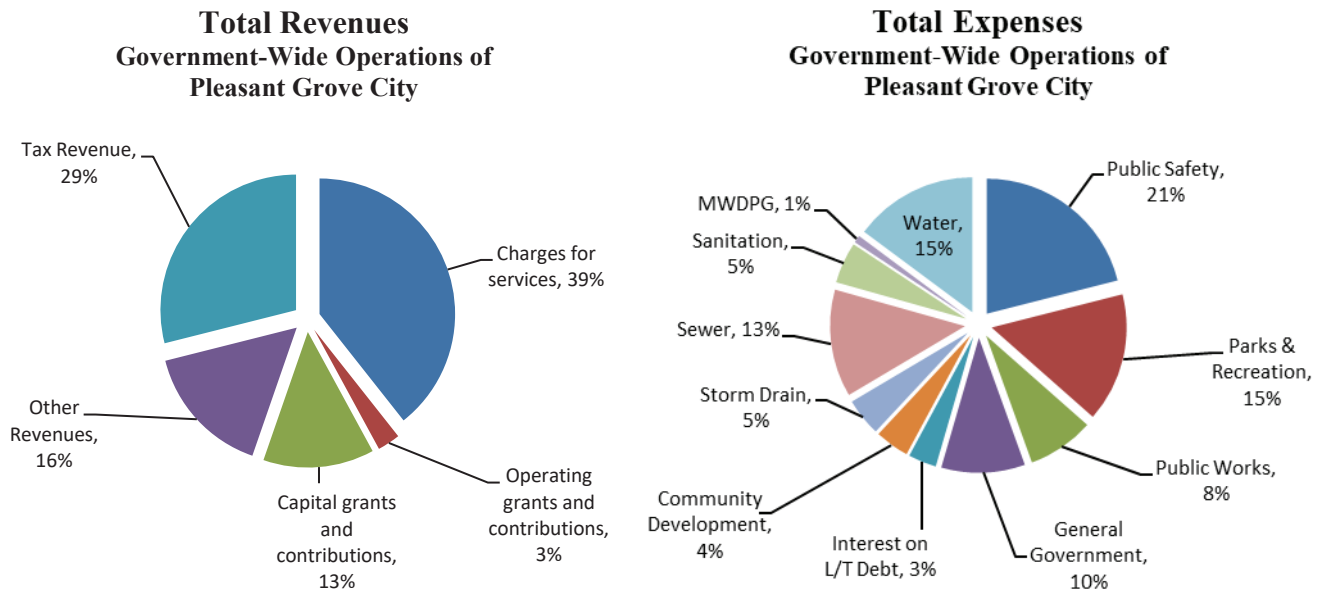
As of June 30, 2023, the City can report positive balances in all three categories of net position as a total, and for governmental and business-type activities individually.

Analysis of the City’s Operations – The following table provides a summary of the City’s operations for the year ended June 30, 2023.

| PLEASANT GROVE CITY CHANGE IN NET POSITION | | | | | | |
|--|--------------------------------|-----------------------|---------------------------------|-----------------------|-----------------------|-----------------------|
| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| <u>Revenues</u> | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,561,591 | \$ 5,520,553 | \$ 19,694,551 | \$ 18,709,218 | \$ 24,256,142 | \$ 24,229,771 |
| Operating grants and contributions | 1,509,915 | 1,406,104 | 159,636 | 241,076 | 1,669,551 | 1,647,180 |
| Capital grants and contributions | 5,843,506 | 8,569,255 | 2,316,118 | 2,167,211 | 8,159,624 | 10,736,466 |
| General Revenues: | | | | | | |
| Taxes | 17,829,018 | 15,913,272 | - | - | 17,829,018 | 15,913,272 |
| Other Revenues | 8,283,121 | 1,059,732 | 1,428,339 | 913,633 | 9,711,460 | 1,973,365 |
| Total revenues | <u>38,027,151</u> | <u>32,468,916</u> | <u>23,598,644</u> | <u>22,031,138</u> | <u>61,625,795</u> | <u>54,500,054</u> |
| <u>Expenses</u> | | | | | | |
| General Government | 3,835,092 | 3,457,542 | - | - | 3,835,092 | 3,457,542 |
| Community development | 1,563,810 | 1,332,144 | - | - | 1,563,810 | 1,332,144 |
| Public Works | 3,048,532 | 2,826,970 | - | - | 3,048,532 | 2,826,970 |
| Public Safety | 8,117,073 | 6,973,857 | - | - | 8,117,073 | 6,973,857 |
| Parks & Recreation | 5,922,706 | 4,945,200 | - | - | 5,922,706 | 4,945,200 |
| Interest on L/T Debt | 1,290,625 | 762,718 | - | - | 1,290,625 | 762,718 |
| Water | - | - | 5,672,283 | 5,254,144 | 5,672,283 | 5,254,144 |
| Metropolitan Water District | - | - | 338,418 | 280,803 | 338,418 | 280,803 |
| Storm Drain | - | - | 1,732,725 | 1,843,305 | 1,732,725 | 1,843,305 |
| Sewer | - | - | 4,925,312 | 4,736,548 | 4,925,312 | 4,736,548 |
| Sanitation | - | - | 1,891,118 | 1,642,416 | 1,891,118 | 1,642,416 |
| Total Expenses | <u>23,777,838</u> | <u>20,298,431</u> | <u>14,559,856</u> | <u>13,757,216</u> | <u>38,337,694</u> | <u>34,055,647</u> |
| Increase (decrease) in net position before transfers | 14,249,313 | 12,170,485 | 9,038,788 | 8,273,922 | 23,288,101 | 20,444,407 |
| Transfers, net | - | (2,338,929) | - | 2,338,929 | - | - |
| Increase (decrease) in net position | 14,249,313 | 9,831,556 | 9,038,788 | 10,612,851 | 23,288,101 | 20,444,407 |
| Net position - beginning | <u>133,645,530</u> | <u>123,813,974</u> | <u>120,700,403</u> | <u>110,087,552</u> | <u>254,345,933</u> | <u>233,901,526</u> |
| Net position - ending | <u>\$ 147,894,843</u> | <u>\$ 133,645,530</u> | <u>\$ 129,739,191</u> | <u>\$ 120,700,403</u> | <u>\$ 277,634,034</u> | <u>\$ 254,345,933</u> |

Net Position for governmental activities increased by \$14,249,313 and business-type activities increased by \$9,038,788 from the prior year. Factors contributing to an increase in Net Position in Governmental Funds include property, sales, and other general revenues. Taxes are the primary source of general revenue. Capital contributions consist of infrastructure built by developers and donated to the City as well as impact fee revenues. Most of the City’s operating grants are related to public safety grants received, while capital grants consist primarily of donated infrastructure assets, impact fees, Class C road funds and ARPA monies. FY2023 Charges for Services were considerably more in Business-type Activities than the prior year, which contributed to the increase of Net Position. Total expenses increased in both the Governmental Activities and 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, 2023.



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 \$97,444,354 of this total amount (4.5%) 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.

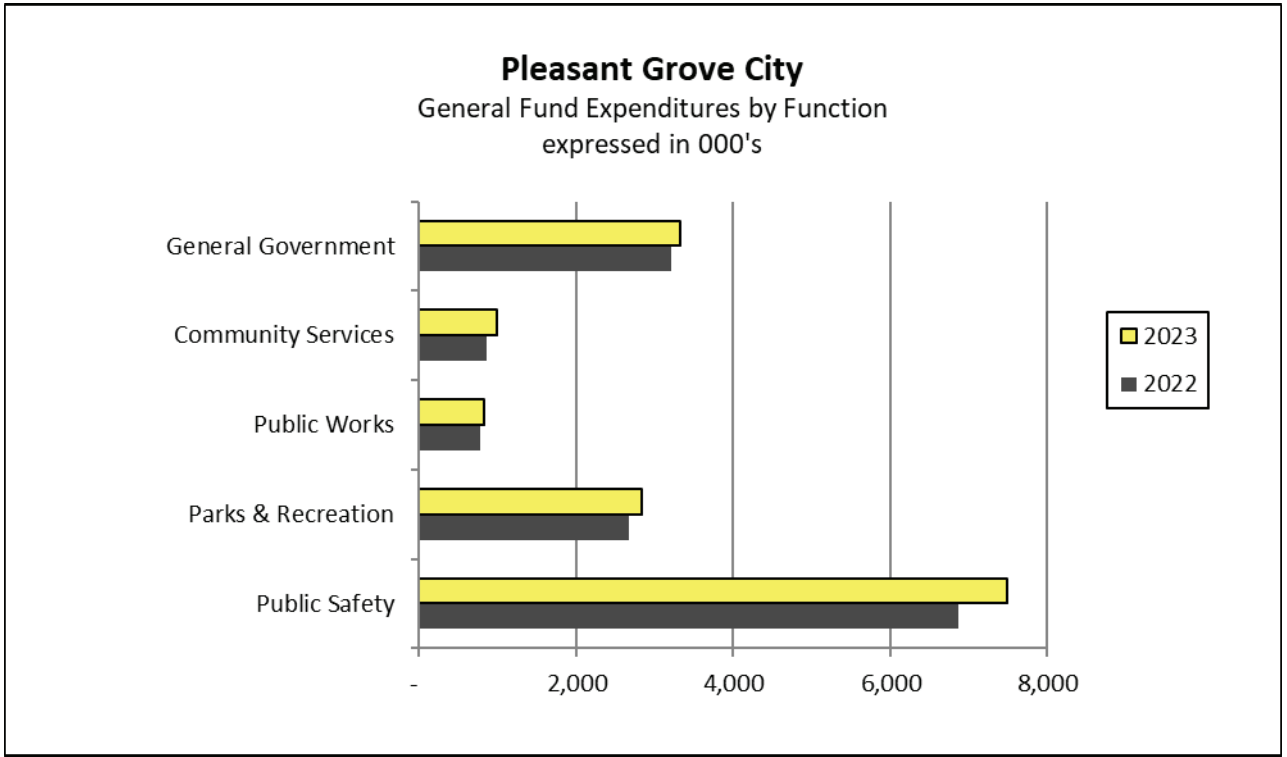
General Fund

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 \$4,418,370 while total fund balance reached \$14,002,866.

Taxes are the largest source of revenue in the General Fund, representing 64.04% of total General Fund revenues. The largest component is sales tax, which represents 56.25% of total tax revenue and 36.02% of total General Fund revenue. Overall, revenues increased by 22.90% and expenditures increased by 27.02% from 2022. Pleasant Grove City and the State of Utah have developed a strong sales tax base that continues to grow. The City sales tax increased by 9.54%. Property tax increase was 19.98% more than FY2022, a hearing was held in the adoption of the FY2023 budget to increase the property tax rate on residential and commercial properties.

Expenses increased substantially from the prior year by 27.02%, the City found themselves needing to provide an 8% cost of living raise to all full time employees, and various increases costing \$200,000 to part time employees to stay competitive with the current job market and inflation. Two new police and firefighters were added, along with a parks operator, and positions in Community Development and Administration. \$6,291,253 of capital outlay expenses consisted of street improvements, an expansion at the cemetery, and land purchases in the parks and streets division.

The following chart compares general fund expenditures by function between 2022 and 2023.



Other Governmental Funds

The fund balance in the Redevelopment Agency fund increased by \$824,289 during the year to bring the fund to a positive balance of \$4,135,240. The revenue in this fund comes from property tax assessments based on three tax abatement areas. The outside entities pay their property tax bill, and when the provisions of their agreement are met, the agreed amount is rebated to the recipient entity.

\$4,468,794 was spent from the Capital Projects fund on projects, the largest project being the Completion of the Discovery Park Tennis/Pickleball Court Project, completion of the cemetery irrigation system, BattleCreek Restroom Build, pool improvements and public safety radio replacements. This fund is used to collect funds for the construction of capital projects and to pay for debt associated with capital equipment purchases for police vehicles, computer equipment and recreation equipment. Revenue sources include impact fees of \$328,945. Impact fees are restricted to projects governed by the laws of the State of Utah, thus these balances are restricted.

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 \$59,238,332 to \$64,037,050. Sewer net position increased from \$26,823,822 to \$28,263,674. Storm Drain net position increased from \$24,636,936 to \$27,047,166. Sanitation net position decreased from \$81,695 to \$47,480. Net position increases in 2023 were assisted mainly in continued growth of charges for services, impact fees and developer contributions. Overall, in the enterprise funds, net position increased by \$9,038,788.

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 \$ 24,512,347 to final budgeted expenditures (including transfers) of \$40,835,903. These major increases can be briefly summarized as follows:

- Appropriation in the amount of \$4,241,500 to cover a transfer to capital funds for: capital projects for all departments, including Historic City Hall Remodel, G Remediation and Cemetery Irrigation Project.
- Public Safety monies in the amount of \$127,000 to hire four full time staff (2 police officers, 2 fire fighters).
- Appropriation in the amount of \$2,263,929 for land purchases for Cook Family Park from Storm Drain Fund.
- Carryover from FY2022, bond recon and MAG grant monies in the Class C Roads Funds in the amount of \$8,160,534.
- Appropriation of property tax monies in the amount of \$625,247 for fire, police, and roads.

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, 2023, amounts to \$264,791,873 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, construction in progress, and water shares. The total increase in the City’s capital assets (net of depreciation) was 7.11% (12.46% increase for governmental activities and a 1.79% increase for business-type activities).

PLEASANT GROVE CITY CAPITAL ASSETS
(net of depreciation)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 49,029,752 | \$ 46,765,823 | \$ 8,672,934 | \$ 10,936,863 | \$ 57,702,686 | \$ 57,702,686 |
| Water Shares | - | - | 12,309,468 | 12,040,691 | 12,309,468 | 12,040,691 |
| Buildings | 19,999,141 | 20,558,351 | - | - | 19,999,141 | 20,558,351 |
| Equipment | 4,693,622 | 3,792,562 | 1,798,680 | 1,485,564 | 6,492,302 | 5,278,126 |
| Infrastructure | 50,570,631 | 51,173,311 | 95,447,067 | 92,969,013 | 146,017,698 | 144,142,324 |
| Construction in Progress | 14,230,842 | 887,923 | 8,039,736 | 6,612,318 | 22,270,578 | 7,500,241 |
| Total capital assets | \$ 138,523,988 | \$ 123,177,970 | \$ 126,267,885 | \$ 124,044,449 | \$ 264,791,873 | \$ 247,222,419 |

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

- The Ruth Theater - \$7,627,471
- Discovery Park Tennis/Pickelball Courts - \$1,010,750
- Street and Signal Improvements - \$4,027,322
- Cemetery Automated Irrigation Project - \$720,768
- Battlecreek Restroom - \$364,371
- Infrastructure improvements of approximately \$5 million in Water, Sewer and Storm Drain funds

Additional information on the City’s capital assets can be found in note 3 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 \$ 112,820,000, \$ 103,282,000 is secured by specific revenue sources, while total general obligation bonds outstanding total \$9,538,000. 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 | |
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| General Obligation | \$ 9,538,000 | \$ 10,160,000 | \$ - | \$ - | \$ 9,538,000 | \$ 10,160,000 |
| Revenue Bonds | 76,265,000 | 6,228,000 | 27,017,000 | 26,555,000 | 103,282,000 | 32,783,000 |
| Total revenues | \$ 85,803,000 | \$ 16,388,000 | \$ 27,017,000 | \$ 26,555,000 | \$ 112,820,000 | \$ 42,943,000 |

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 \$267,807,000 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 \$803,422,000 which again significantly exceeds the level of outstanding debt.

Additional information on the City’s long-term debt can be found in note 3 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 2.4%. The state unemployment rate of 2.4%, while the national rate was 3.6%. The previous year’s rates were 1.8%, 2%, and 3.5% 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, the increases were implemented in August. Utility rate increases were made for all business type funds.

- The General Fund budgeted operating expenditures have decreased substantially from the prior year. Fiscal year-ending June 30, 2024 original budget reflects a increase of \$6,525,099 from the year ending, June 30, 2023. The transfer to capital outlay was substantially more in FY2023 than FY2024. The 2024 budget included raises for a 6% cost of living adjustment for all full-time and part-time employees, medical and dental insurance costs remained flat, and the addition of 3.5 FTEs. The budget also included \$230,000 to bring police wages to market. The budget included a property tax increase of \$733,171 which was defeated by the referendum process. City Administration and council will evaluate what the lesser amount of property tax means for the FY2024 budget. The economy is still strong in the area which will lead to increased sales and property tax revenue for growth.

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, 2023

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Cash, cash equivalents, and investments: | | | |
| Unrestricted | \$ 17,160,836 | \$ 27,756,529 | \$ 44,917,365 |
| Restricted | 89,472,478 | 4,380,164 | 93,852,642 |
| Receivables (net of allowance for uncollectables) | 7,851,792 | 2,137,281 | 9,989,073 |
| Intergovernmental receivables | 2,446,260 | 136,852 | 2,583,112 |
| Internal balances | 74,492 | (74,492) | - |
| Inventories | - | 170,523 | 170,523 |
| Prepays | 594,120 | - | 594,120 |
| Notes receivable | - | 49,790 | 49,790 |
| Lease receivable | 35,000,000 | - | 35,000,000 |
| Net pension asset | 399,349 | - | 399,349 |
| Capital assets not being depreciated | 63,260,594 | 29,022,138 | 92,282,732 |
| Capital assets, net of accumulated depreciation | 75,263,394 | 97,245,747 | 172,509,141 |
| Total assets | <u>291,523,315</u> | <u>160,824,532</u> | <u>452,347,847</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related | 1,619,137 | 312,526 | 1,931,663 |
| Deferred loss on refunding | - | 108,915 | 108,915 |
| Total deferred outflows of resources | <u>1,619,137</u> | <u>421,441</u> | <u>2,040,578</u> |
| LIABILITIES | | | |
| Accounts payable and other accrued liabilities | 3,834,652 | 1,322,129 | 5,156,781 |
| Accrued interest payable | 74,240 | 254,342 | 328,582 |
| Deposits payable | 9,710,049 | 76,000 | 9,786,049 |
| Noncurrent liabilities: | | | |
| Due within one year: bonds and other | 3,633,748 | 1,887,723 | 5,521,471 |
| Due in more than one year: | | | |
| Net pension liability | 1,246,511 | 204,280 | 1,450,791 |
| Bonds payable | 83,616,582 | 26,841,939 | 110,458,521 |
| Other | 1,692,721 | 819,957 | 2,512,678 |
| Total liabilities | <u>103,808,503</u> | <u>31,406,370</u> | <u>135,214,873</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property tax related | 6,434,702 | - | 6,434,702 |
| Pension related | 4,404 | 100,412 | 104,816 |
| Lease related | 35,000,000 | - | 35,000,000 |
| Total deferred inflows of resources | <u>41,439,106</u> | <u>100,412</u> | <u>41,539,518</u> |
| NET POSITION | | | |
| Net investment in capital assets | 117,411,664 | 99,198,605 | 216,610,269 |
| Restricted for: | | | |
| Library purposes | 36,053 | - | 36,053 |
| Debt service | 265,591 | 11,228,478 | 11,494,069 |
| Donations | 57,716 | - | 57,716 |
| Capital projects and improvements | 12,183,519 | - | 12,183,519 |
| Roads | 8,491,056 | - | 8,491,056 |
| Impact fees | 1,158,613 | 4,962,718 | 6,121,331 |
| Net pension asset | 399,349 | - | 399,349 |
| Unrestricted | 7,891,282 | 14,349,390 | 22,240,672 |
| Total net position | <u>\$ 147,894,843</u> | <u>\$ 129,739,191</u> | <u>\$ 277,634,034</u> |

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

PLEASANT GROVE CITY
Statement of Activities
For the Year Ended June 30, 2023

| Function/Programs: | Expenses | Program Revenues | | | Net (Expense) Revenues and Changes in Net Position | | Total |
|--|-------------------|-------------------------|--|--|---|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | |
| Primary Government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 3,835,092 | \$ 876,677 | \$ 242,195 | \$ 4,673,277 | \$ 1,957,057 | | \$ 1,957,057 |
| Public safety | 8,117,073 | 876,848 | 140,540 | - | (7,099,685) | | (7,099,685) |
| Community development | 1,563,810 | 595,834 | 1,103,019 | - | 135,043 | | 135,043 |
| Public works | 3,048,532 | 360,691 | - | 1,091,844 | (1,595,997) | | (1,595,997) |
| Parks, recreation and public property | 5,922,706 | 1,851,541 | 24,161 | 78,385 | (3,968,619) | | (3,968,619) |
| Interest and other financial | 1,290,625 | - | - | - | (1,290,625) | | (1,290,625) |
| Total governmental activities | <u>23,777,838</u> | <u>4,561,591</u> | <u>1,509,915</u> | <u>5,843,506</u> | <u>(11,862,826)</u> | | <u>(11,862,826)</u> |
| Business-type activities | | | | | | | |
| Water | 5,672,283 | 8,876,039 | 159,636 | 831,939 | | \$ 4,195,331 | 4,195,331 |
| Metropolitan Water District | 338,418 | 533,004 | - | 207,385 | | 401,971 | 401,971 |
| Sewer | 4,925,312 | 5,569,680 | - | 558,656 | | 1,203,024 | 1,203,024 |
| Storm drain | 1,732,725 | 2,858,925 | - | 718,138 | | 1,844,338 | 1,844,338 |
| Sanitation | 1,891,118 | 1,856,903 | - | - | | (34,215) | (34,215) |
| Total business-type activities | <u>14,559,856</u> | <u>19,694,551</u> | <u>159,636</u> | <u>2,316,118</u> | | <u>7,610,449</u> | <u>7,610,449</u> |
| General Revenues | | | | | | | |
| General revenues: | | | | | | | |
| Property taxes | | | | | 5,920,826 | - | 5,920,826 |
| Sales taxes | | | | | 9,341,567 | - | 9,341,567 |
| Telecommunications and franchise taxes | | | | | 2,566,625 | - | 2,566,625 |
| Unrestricted investment earnings | | | | | 2,197,546 | 1,151,726 | 3,349,272 |
| Miscellaneous | | | | | 5,832,121 | 276,613 | 6,108,734 |
| Gain on sale of assets | | | | | 253,454 | - | 253,454 |
| Total general revenue | | | | | <u>26,112,139</u> | <u>1,428,339</u> | <u>27,540,478</u> |
| Change in net position | | | | | <u>14,249,313</u> | <u>9,038,788</u> | <u>23,288,101</u> |
| Net position - beginning | | | | | <u>133,645,530</u> | <u>120,700,403</u> | <u>254,345,933</u> |
| Net position - ending | | | | | <u>\$ 147,894,843</u> | <u>\$ 129,739,191</u> | <u>\$ 277,634,034</u> |

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

PLEASANT GROVE CITY
Balance Sheet – Governmental Funds
June 30, 2023

| | Special Revenue | | | | | Total Nonmajor Funds | Total Governmental Funds |
|---|----------------------|----------------------|---------------------|-------------------------|-----------------------------|----------------------------|--------------------------------|
| | General | Capital Projects | Debt Service | Redevelopment Agency | Local Building Authority | | |
| ASSETS | | | | | | | |
| Cash, cash equivalents, and investments | | | | | | | |
| Unrestricted | \$ 4,956,722 | \$ 6,318,677 | \$ - | \$ 4,139,240 | \$ - | \$ 1,746,197 | \$ 17,160,836 |
| Restricted | 14,842,916 | 36,955,009 | 265,591 | - | 35,007,972 | 2,400,990 | 89,472,478 |
| Receivables (net of allowance) | 4,984,873 | 335,674 | 935,819 | 1,478,368 | - | 117,058 | 7,851,792 |
| Intergovernmental receivables | 2,446,260 | - | - | - | - | - | 2,446,260 |
| Due from other funds | 74,492 | - | - | - | - | - | 74,492 |
| Prepaid and other assets | 594,120 | - | - | - | - | - | 594,120 |
| Total assets | <u>\$ 27,899,383</u> | <u>\$ 43,609,360</u> | <u>\$ 1,201,410</u> | <u>\$ 5,617,608</u> | <u>\$ 35,007,972</u> | <u>\$ 4,264,245</u> | <u>\$ 117,599,978</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 875,987 | \$ 297,081 | \$ - | \$ 4,000 | \$ 1,251,008 | \$ 77,004 | \$ 2,505,080 |
| Accrued liabilities | 1,213,745 | - | - | - | - | 115,827 | 1,329,572 |
| Deposits | 7,610,049 | - | - | - | 2,100,000 | - | 9,710,049 |
| Total liabilities | <u>9,699,781</u> | <u>297,081</u> | <u>-</u> | <u>4,000</u> | <u>3,351,008</u> | <u>192,831</u> | <u>13,544,701</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue - ambulance billing | 176,221 | - | - | - | - | - | 176,221 |
| Unavailable revenue - property taxes | 4,020,515 | - | 935,819 | 1,478,368 | - | - | 6,434,702 |
| Total deferred inflows of resources | <u>4,196,736</u> | <u>-</u> | <u>935,819</u> | <u>1,478,368</u> | <u>-</u> | <u>-</u> | <u>6,610,923</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable | 594,120 | - | - | - | - | - | 594,120 |
| Restricted: | | | | | | | |
| Capital projects | - | 40,653,666 | - | 4,135,240 | 31,656,964 | 2,512,218 | 78,958,088 |
| Donations | 57,716 | - | - | - | - | - | 57,716 |
| Debt service | - | - | 265,591 | - | - | - | 265,591 |
| Library purposes | - | - | - | - | - | 36,053 | 36,053 |
| Class C roads | 8,491,056 | - | - | - | - | - | 8,491,056 |
| Impact fees | - | 1,158,613 | - | - | - | - | 1,158,613 |
| Assigned: | | | | | | | |
| Future capital improvements | 441,604 | 1,500,000 | - | - | - | 1,420,949 | 3,362,553 |
| Community events | - | - | - | - | - | 102,194 | 102,194 |
| Unassigned | <u>4,418,370</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,418,370</u> |
| Total fund balances | <u>14,002,866</u> | <u>43,312,279</u> | <u>265,591</u> | <u>4,135,240</u> | <u>31,656,964</u> | <u>4,071,414</u> | <u>97,444,354</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 27,899,383</u> | <u>\$ 43,609,360</u> | <u>\$ 1,201,410</u> | <u>\$ 5,617,608</u> | <u>\$ 35,007,972</u> | <u>\$ 4,264,245</u> | <u>\$ 117,599,978</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, 2023

Amounts reported for governmental activities in the Statement of Net Position are different because:

| | |
|--|---------------|
| Total Fund Balances - Total Governmental Funds | \$ 97,444,354 |
|--|---------------|

| | |
|---|-------------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$190,087,996 less the accumulated depreciation of \$51,564,008. | 138,523,988 |
|---|-------------|

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

| | | |
|---|--------------|--------------|
| General obligation bonds payable | (9,538,000) | |
| Premium on general obligation and sales tax revenue bonds | (310,582) | |
| Lease revenue bonds | (35,000,000) | |
| Excise tax revenue bonds | (5,265,000) | |
| Sales tax revenue bonds | (36,000,000) | |
| Notes payable | (356,018) | |
| Compensated absences | (1,056,158) | |
| Purchase agreements payable | (1,417,293) | |
| Accrued interest payable on long-term debt | (74,240) | |
| Total long-term liabilities | (89,017,291) | (89,017,291) |

Pension liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.

| | | |
|-------------------------------------|-------------|---------|
| Net pension asset | 399,349 | |
| Deferred outflows - pension related | 1,619,137 | |
| Net pension liability | (1,246,511) | |
| Deferred inflows - pension related | (4,404) | |
| Total pension related activity | 767,571 | 767,571 |

| | |
|--|---------|
| Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position | 176,221 |
|--|---------|

| | |
|--|----------------|
| Net Position - Governmental Activities | \$ 147,894,843 |
|--|----------------|

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, 2023

| | Special Revenue | | | | | | Total Governmental Funds |
|--|--------------------|---------------------|------------------|-------------------------|-----------------------------|----------------------------|--------------------------------|
| | General | Capital Projects | Debt Service | Redevelopment Agency | Local Building Authority | Total Nonmajor Funds | |
| REVENUES | | | | | | | |
| Taxes | \$ 16,606,947 | \$ - | \$ 929,500 | \$ 292,571 | \$ - | \$ - | \$ 17,829,018 |
| Licenses and permits | 431,811 | - | - | - | - | - | 431,811 |
| Intergovernmental | 5,061,954 | - | - | 1,103,019 | - | 18,219 | 6,183,192 |
| Charges for services | 1,482,050 | - | - | - | - | 2,355,157 | 3,837,207 |
| Fines and forfeitures | 248,359 | - | - | - | - | - | 248,359 |
| Investment earnings | 795,046 | 599,832 | 19,442 | - | 776,758 | 6,468 | 2,197,546 |
| Impact fees | - | 328,945 | - | - | - | - | 328,945 |
| Cash contributions for capital outlay | 17,000 | - | - | - | - | - | 17,000 |
| Miscellaneous | 1,288,300 | 609,070 | 9 | - | 3,859,778 | 74,964 | 5,832,121 |
| Total revenues | 25,931,467 | 1,537,847 | 948,951 | 1,395,590 | 4,636,536 | 2,454,808 | 36,905,199 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government | 3,320,455 | - | - | - | - | - | 3,320,455 |
| Public safety | 7,489,900 | - | - | - | - | 211,522 | 7,701,422 |
| Community development | 990,457 | - | - | 571,301 | 35 | - | 1,561,793 |
| Public works | 832,165 | - | - | - | - | - | 832,165 |
| Parks, recreation, and public property | 2,838,777 | - | - | - | - | 2,188,452 | 5,027,229 |
| Capital outlay | 6,291,253 | 4,468,794 | - | - | 7,627,471 | 601,250 | 18,988,768 |
| Debt service: | | | | | | | |
| Principal | 620,000 | 584,154 | 965,000 | - | - | - | 2,169,154 |
| Interest and other financial | 82,390 | 430,215 | 316,145 | - | - | - | 828,750 |
| Issuance costs | - | 138,725 | - | - | 352,066 | - | 490,791 |
| Total expenditures | 22,465,397 | 5,621,888 | 1,281,145 | 571,301 | 7,979,572 | 3,001,224 | 40,920,527 |
| Excess (deficiency) of revenues over expenditures | 3,466,070 | (4,084,041) | (332,194) | 824,289 | (3,343,036) | (546,416) | (4,015,328) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Purchase agreement | - | 335,674 | - | - | - | - | 335,674 |
| Bonds issued | - | 36,000,000 | - | - | 35,000,000 | - | 71,000,000 |
| Sale of general capital assets | 248,000 | 40,000 | - | - | - | - | 288,000 |
| Transfers in | 353,517 | 7,876,669 | 348,145 | - | - | 775,194 | 9,353,525 |
| Transfers out | (8,606,863) | (701,662) | - | - | - | (45,000) | (9,353,525) |
| Total other financing sources (uses) | (8,005,346) | 43,550,681 | 348,145 | - | 35,000,000 | 730,194 | 71,623,674 |
| Net change in fund balances | (4,539,276) | 39,466,640 | 15,951 | 824,289 | 31,656,964 | 183,778 | 67,608,346 |
| Fund balances - beginning | 18,542,142 | 3,845,639 | 249,640 | 3,310,951 | - | 3,887,636 | 29,836,008 |
| Fund balances - ending | \$ 14,002,866 | \$ 43,312,279 | \$ 265,591 | \$ 4,135,240 | \$ 31,656,964 | \$ 4,071,414 | \$ 97,444,354 |

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, 2023

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|--|---------------|
| Net change in fund balances - total governmental funds | \$ 67,608,346 |
|--|---------------|

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.

| | | |
|----------------------|--------------------|------------|
| Capital outlays | 19,813,052 | |
| Depreciation expense | <u>(4,432,488)</u> | |
| | | 15,380,564 |

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of 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.

| | | |
|---------------------------------------|----------------|--------------|
| Issuance of bonds | (71,000,000) | |
| Purchase agreements issued | (335,674) | |
| Principal paid on bonds | 1,585,000 | |
| Principal paid on purchase agreements | 469,746 | |
| Principal paid on note | <u>114,408</u> | |
| | | (69,166,520) |

Pension related expenses in the statement of activities do not use current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|---|----------------|---------|
| Accrued interest on long-term debt | 6,224 | |
| Amortization of bond premiums | 22,692 | |
| Compensated absences | (135,470) | |
| Change in pension assets, liabilities, and related deferred outflows and inflows of resources | <u>523,809</u> | |
| | | 417,255 |

Charges for ambulance services in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | |
|--|---------------|
| Proceeds from the sale of assets is a decrease to net position | <u>44,214</u> |
|--|---------------|

| | |
|---|-----------------------------|
| Change in net position of governmental activities | <u><u>\$ 14,249,313</u></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 to Actual – General Fund
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-----------------------|------------------------|----------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 4,137,768 | \$ 4,821,000 | \$ 4,698,755 | \$ (122,245) |
| Sales | 8,550,356 | 8,550,356 | 9,341,567 | 791,211 |
| Other | 2,097,243 | 2,097,243 | 2,566,625 | 469,382 |
| Licenses and permits | 516,000 | 516,000 | 431,811 | (84,189) |
| Intergovernmental | 2,307,206 | 2,932,453 | 5,061,954 | 2,129,501 |
| Charges for services | 1,536,600 | 1,536,600 | 1,482,050 | (54,550) |
| Fines and forfeitures | 235,500 | 235,500 | 248,359 | 12,859 |
| Investment earnings | 50,000 | 50,000 | 795,046 | 745,046 |
| Donations | - | - | 17,000 | 17,000 |
| Miscellaneous | 521,860 | 531,860 | 1,288,300 | 756,440 |
| Total revenues | <u>19,952,533</u> | <u>21,271,012</u> | <u>25,931,467</u> | <u>4,660,455</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| City council | 266,166 | 266,166 | 256,473 | 9,693 |
| Courts | 218,158 | 218,158 | 190,877 | 27,281 |
| Facilities | 414,400 | 469,425 | 361,672 | 107,753 |
| Administrative | 1,331,388 | 1,545,281 | 1,017,753 | 527,528 |
| Engineering | 520,635 | 580,304 | 355,480 | 224,824 |
| City attorney | 505,070 | 505,070 | 292,503 | 212,567 |
| Cemetery | 112,830 | 151,780 | 128,106 | 23,674 |
| Custodial | 347,520 | 347,520 | 172,340 | 175,180 |
| Non-departmental | 1,363,264 | 1,363,264 | 545,251 | 818,013 |
| Public safety: | | | | |
| Police and dispatch | 4,625,283 | 4,991,166 | 4,774,186 | 216,980 |
| Fire | 2,489,383 | 2,745,771 | 2,603,839 | 141,932 |
| Animal control | 110,834 | 113,334 | 111,875 | 1,459 |
| Community development: | | | | |
| Community development | 1,000,542 | 1,050,506 | 990,457 | 60,049 |
| Public works: | | | | |
| Streets | 879,033 | 879,033 | 667,226 | 211,807 |
| Class C roads | - | 164,615 | 164,939 | (324) |
| Capital outlay | 2,200,000 | 11,399,081 | 5,230,485 | 6,168,596 |
| Parks and recreation: | | | | |
| Library | 942,197 | 943,214 | 833,245 | 109,969 |
| Other | 2,158,017 | 2,187,320 | 2,005,532 | 181,788 |
| Capital outlay | - | 1,060,768 | 1,060,768 | - |
| Debt service | | | | |
| Principal | - | 620,000 | 620,000 | - |
| Interest and other financial | - | 82,390 | 82,390 | - |
| Total expenditures | <u>19,484,720</u> | <u>31,684,166</u> | <u>22,465,397</u> | <u>9,218,769</u> |
| Excess (deficiency) of revenues over expenditures | 467,813 | (10,413,154) | 3,466,070 | 13,879,224 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of assets | - | - | 248,000 | 248,000 |
| Transfers in | 396,964 | 886,650 | 353,517 | (533,133) |
| Transfers out | (5,027,627) | (9,151,737) | (8,606,863) | 544,874 |
| Net change in fund balance | <u>\$ (4,162,850)</u> | <u>\$ (18,678,241)</u> | <u>(4,539,276)</u> | <u>\$ 14,138,965</u> |
| Fund balance - beginning | | | <u>18,542,142</u> | |
| Fund balance - ending | | | <u>\$ 14,002,866</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, 2023

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|-------------------|---------------------|-------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 700,000 | \$ 700,000 | \$ 292,571 | \$ (407,429) |
| Intergovernmental | - | - | 1,103,019 | 1,103,019 |
| Total revenues | <u>700,000</u> | <u>700,000</u> | <u>1,395,590</u> | <u>695,590</u> |
| EXPENDITURES | | | | |
| Community development | 555,000 | 575,000 | 571,301 | 3,699 |
| Total expenditures | <u>555,000</u> | <u>575,000</u> | <u>571,301</u> | <u>3,699</u> |
| Net change in fund balance | <u>\$ 145,000</u> | <u>\$ 125,000</u> | 824,289 | <u>\$ 699,289</u> |
| Fund balance - beginning | | | <u>3,310,951</u> | |
| Fund balance - ending | | | <u>\$ 4,135,240</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 – Local Building Authority
For the Year Ended June 30, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|-----------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Investment earnings | \$ - | \$ - | \$ 776,758 | \$ 776,758 |
| Miscellaneous | - | - | 3,859,778 | 3,859,778 |
| Total revenues | - | - | 4,636,536 | 4,636,536 |
| EXPENDITURES | | | | |
| Community development | - | - | 35 | (35) |
| Capital outlay | - | 40,959,778 | 7,627,471 | 33,332,307 |
| Debt service: | | | | |
| Interest and other financial | - | - | 352,066 | (352,066) |
| Total expenditures | - | 40,959,778 | 7,979,572 | 32,980,206 |
| Excess (deficiency) of revenues over expenditures | - | (40,959,778) | (3,343,036) | 37,616,742 |
| OTHER FINANCING SOURCES AND (USES) | | | | |
| Bonds issued | - | - | 35,000,000 | 35,000,000 |
| Total other financing sources (uses) | - | - | 35,000,000 | 35,000,000 |
| Net change in fund balance | \$ - | \$ (40,959,778) | 31,656,964 | \$ 72,616,742 |
| Fund balance - beginning | | | - | |
| Fund balance - ending | | | \$ 31,656,964 | |

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

PLEASANT GROVE CITY
Statement of Net Position – Proprietary Funds
June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | | Total |
|---|---|----------------------|----------------------|------------------|--------------------------------|-----------------------|
| | Water | Sewer | Storm Drain | Sanitation | Metropolitan Water District | |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | | | | | | |
| Unrestricted | \$ 12,053,635 | \$ 6,251,507 | \$ 8,638,836 | \$ - | \$ 812,551 | \$ 27,756,529 |
| Restricted | 3,709,563 | - | 670,601 | - | - | 4,380,164 |
| Accounts receivable, net | 1,107,942 | 587,011 | 273,869 | 168,459 | - | 2,137,281 |
| Intergovernmental receivables | 136,852 | - | - | - | - | 136,852 |
| Inventories | 170,523 | - | - | - | - | 170,523 |
| Total current assets | 17,178,515 | 6,838,518 | 9,583,306 | 168,459 | 812,551 | 34,581,349 |
| Noncurrent assets: | | | | | | |
| Notes receivable | - | - | 49,790 | - | - | 49,790 |
| Capital assets: | | | | | | |
| Land and rights of way | 1,788,232 | 25,000 | 6,859,702 | - | - | 8,672,934 |
| Water shares | 1,981,938 | - | - | - | 10,327,530 | 12,309,468 |
| Construction in progress | 7,349,658 | - | 690,078 | - | - | 8,039,736 |
| Infrastructure | 84,216,285 | 29,326,844 | 23,023,249 | - | - | 136,566,378 |
| Automobiles, machinery and equipment | 1,470,460 | 653,143 | 1,586,345 | - | - | 3,709,948 |
| Less: accumulated depreciation | (28,935,071) | (8,299,452) | (5,796,056) | - | - | (43,030,579) |
| Total noncurrent assets | 67,871,502 | 21,705,535 | 26,413,108 | - | 10,327,530 | 126,317,675 |
| Total assets | 85,050,017 | 28,544,053 | 35,996,414 | 168,459 | 11,140,081 | 160,899,024 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred loss on refundings | - | - | 108,915 | - | - | 108,915 |
| Pension related | 129,312 | 114,609 | 68,605 | - | - | 312,526 |
| Total deferred outflows of resources | 129,312 | 114,609 | 177,520 | - | - | 421,441 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 698,024 | 222,956 | 279,090 | 46,487 | - | 1,246,557 |
| Accrued liabilities | 32,036 | 27,749 | 15,787 | - | - | 75,572 |
| Accrued interest payable | 120,798 | - | 132,227 | - | 1,317 | 254,342 |
| Due to other fund | - | - | - | 74,492 | - | 74,492 |
| Bonds payable | 1,331,000 | - | 450,000 | - | - | 1,781,000 |
| Other long-term liabilities | 32,234 | 27,305 | 34,159 | - | 13,025 | 106,723 |
| Total current liabilities | 2,214,092 | 278,010 | 911,263 | 120,979 | 14,342 | 3,538,686 |
| Noncurrent liabilities: | | | | | | |
| Bonds payable | 18,702,564 | - | 8,139,375 | - | - | 26,841,939 |
| Other long-term liabilities | 17,550 | 9,102 | 11,387 | - | 163,382 | 201,421 |
| Net pension liability | 87,528 | 63,225 | 53,527 | - | - | 204,280 |
| Unearned revenue | - | - | - | - | 618,536 | 618,536 |
| Deposits payable | 76,000 | - | - | - | - | 76,000 |
| Total noncurrent liabilities | 18,883,642 | 72,327 | 8,204,289 | - | 781,918 | 27,942,176 |
| Total liabilities | 21,097,734 | 350,337 | 9,115,552 | 120,979 | 796,260 | 31,480,862 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pension related | 44,545 | 44,651 | 11,216 | - | - | 100,412 |
| NET POSITION | | | | | | |
| Net investment in capital assets | 50,077,625 | 21,705,535 | 17,882,858 | - | 9,532,587 | 99,198,605 |
| Restricted for: | | | | | | |
| Impact fees | 2,838,585 | 612,701 | 1,511,432 | - | - | 4,962,718 |
| Debt service | 3,709,563 | - | 7,518,915 | - | - | 11,228,478 |
| Unrestricted | 7,411,277 | 5,945,438 | 133,961 | 47,480 | 811,234 | 14,349,390 |
| Total net position | \$ 64,037,050 | \$ 28,263,674 | \$ 27,047,166 | \$ 47,480 | \$ 10,343,821 | \$ 129,739,191 |

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, 2023

| | Business-type Activities - Enterprise Funds | | | | | Total |
|--|---|----------------------|----------------------|------------------|-----------------------------|-----------------------|
| | Water | Sewer | Storm Drain | Sanitation | Metropolitan Water District | |
| OPERATING REVENUES | | | | | | |
| Charges for services | \$ 8,876,039 | \$ 5,569,680 | \$ 2,858,925 | \$ 1,856,903 | \$ 533,004 | \$ 19,694,551 |
| Intergovernmental | 159,636 | - | - | - | - | 159,636 |
| Miscellaneous | 23,362 | 3,662 | 249,589 | - | - | 276,613 |
| Total operating revenues | <u>9,059,037</u> | <u>5,573,342</u> | <u>3,108,514</u> | <u>1,856,903</u> | <u>533,004</u> | <u>20,130,800</u> |
| OPERATING EXPENSES | | | | | | |
| Wages and benefits | 956,087 | 642,534 | 494,870 | - | - | 2,093,491 |
| Cost of services and supplies | 1,500,762 | 2,856,464 | 187,493 | 1,632,699 | 331,621 | 6,509,039 |
| Administration | 831,509 | 779,990 | 260,895 | 258,419 | 2,625 | 2,133,438 |
| Depreciation | 1,843,891 | 645,582 | 651,708 | - | - | 3,141,181 |
| Total operating expenses | <u>5,132,249</u> | <u>4,924,570</u> | <u>1,594,966</u> | <u>1,891,118</u> | <u>334,246</u> | <u>13,877,149</u> |
| Operating income (loss) | <u>3,926,788</u> | <u>648,772</u> | <u>1,513,548</u> | <u>(34,215)</u> | <u>198,758</u> | <u>6,253,651</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest and other financial | (540,034) | (742) | (232,984) | - | (4,172) | (777,932) |
| Investment earnings | 580,025 | 233,166 | 316,303 | - | 22,232 | 1,151,726 |
| Loss on disposal of property | - | - | 95,225 | - | - | 95,225 |
| Total nonoperating revenues (expenses) | <u>39,991</u> | <u>232,424</u> | <u>178,544</u> | <u>-</u> | <u>18,060</u> | <u>469,019</u> |
| Income (loss) before capital contributions | 3,966,779 | 881,196 | 1,692,092 | (34,215) | 216,818 | 6,722,670 |
| Developer contributions | 687,120 | 484,307 | 600,428 | - | 207,385 | 1,979,240 |
| Developer impact fees | 144,819 | 74,349 | 117,710 | - | - | 336,878 |
| Change in net position | 4,798,718 | 1,439,852 | 2,410,230 | (34,215) | 424,203 | 9,038,788 |
| Total net position - beginning | <u>59,238,332</u> | <u>26,823,822</u> | <u>24,636,936</u> | <u>81,695</u> | <u>9,919,618</u> | <u>120,700,403</u> |
| Total net position - ending | <u>\$ 64,037,050</u> | <u>\$ 28,263,674</u> | <u>\$ 27,047,166</u> | <u>\$ 47,480</u> | <u>\$ 10,343,821</u> | <u>\$ 129,739,191</u> |

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, 2023

| | Business-type Activities - Enterprise Funds | | | | | Total |
|---|---|--------------|--------------|--------------|--------------------------------|---------------|
| | Water | Sewer | Storm Drain | Sanitation | Metropolitan Water District | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers and users | \$ 9,638,849 | \$ 5,552,027 | \$ 3,076,679 | \$ 1,840,170 | \$ 533,004 | \$ 20,640,729 |
| Payments to suppliers | (1,545,099) | (2,624,099) | (47,948) | (1,586,212) | (331,621) | (6,134,979) |
| Interfund services | (831,509) | (779,990) | (121,350) | (258,419) | (2,625) | (1,993,893) |
| Payments to employees | (1,072,240) | (717,256) | (554,213) | - | - | (2,343,709) |
| Net cash provided (used) by operating activities | 6,190,001 | 1,430,682 | 2,353,168 | (4,461) | 198,758 | 10,168,148 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Due from (to) other funds | - | 89,414 | - | 4,461 | - | 93,875 |
| Net cash provided (used) by noncapital financing activities | - | 89,414 | - | 4,461 | - | 93,875 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | | | |
| Impact fees | 144,819 | 74,349 | 117,710 | - | - | 336,878 |
| Purchase of capital assets | (3,812,135) | (513,023) | (1,316,632) | - | (77,720) | (5,719,510) |
| Proceeds from sale of assets | - | - | 2,413,030 | - | - | 2,413,030 |
| Proceeds from capital debt | 2,500,000 | - | - | - | - | 2,500,000 |
| Payment of bond issuance costs | (57,990) | - | - | - | - | (57,990) |
| Principal paid on capital debt | (1,465,338) | (58,800) | (514,400) | - | (15,642) | (2,054,180) |
| Interest and fees paid on capital debt | (505,271) | (882) | (299,437) | - | (4,271) | (809,861) |
| Net cash provided (used) by capital and related financing activities | (3,195,915) | (498,356) | 400,271 | - | (97,633) | (3,391,633) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Payments on notes receivable | - | - | 49,790 | - | - | 49,790 |
| Investment earnings | 580,025 | 233,166 | 316,303 | - | 22,232 | 1,151,726 |
| Net cash provided by investing activities | 580,025 | 233,166 | 366,093 | - | 22,232 | 1,201,516 |
| Net increase (decrease) in cash and cash equivalents | 3,574,111 | 1,254,906 | 3,119,532 | - | 123,357 | 8,071,906 |
| Cash and cash equivalents - beginning | 12,189,087 | 4,996,601 | 6,189,905 | - | 689,194 | 24,064,787 |
| Cash and cash equivalents - ending | \$ 15,763,198 | \$ 6,251,507 | \$ 9,309,437 | \$ - | \$ 812,551 | \$ 32,136,693 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | | |
| Operating income | \$ 3,926,788 | \$ 648,772 | \$ 1,513,548 | \$ (34,215) | \$ 198,758 | \$ 6,253,651 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | | |
| Depreciation expense | 1,843,891 | 645,582 | 651,708 | - | - | 3,141,181 |
| (Increase) decrease in receivables | (123,200) | (21,315) | (32,047) | (16,733) | - | (193,295) |
| (Increase) decrease in inventories | (70,837) | - | - | - | - | (70,837) |
| Increase (decrease) in accounts payable and accrued liabilities | 729,512 | 232,365 | 279,302 | 46,487 | - | 1,287,666 |
| Increase (decrease) in compensated absences and pensions | (116,153) | (74,722) | (59,343) | - | - | (250,218) |
| Total Adjustments | 2,263,213 | 781,910 | 839,620 | 29,754 | - | 3,914,497 |
| Net cash provided by operating activities | \$ 6,190,001 | \$ 1,430,682 | \$ 2,353,168 | \$ (4,461) | \$ 198,758 | \$ 10,168,148 |
| Schedule of non-cash capital and related financing activities: | | | | | | |
| Contributions of capital assets from developers | \$ 687,120 | \$ 484,307 | \$ 600,428 | \$ - | \$ 207,385 | \$ 1,979,240 |

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

PLEASANT GROVE CITY
Notes to the Financial Statements
June 30, 2023

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 Local Building Authority of Pleasant Grove City (LBA) was authorized for the purpose of issuing lease revenue bonds to construct and furnish public projects in the City. The LBA 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 LBA 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 LBA. All the LBA's debt outstanding is expected to be repaid with the resources of the City. The LBA is included in these financial statements as the Local Building Authority Special Revenue Fund. Separate financial statements are not issued for the LBA.

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. Separate financial statements for the MWDPG can be obtained by contacting: Metropolitan Water District, Finance Director, 70 South 100 East, Pleasant Grove, Utah 84062.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

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, 2023

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 *Local Building Authority Special Revenue Fund* is used for the purpose of issuing lease revenue bonds to construct and furnish public projects in the City.

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, 2023

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, 2023

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, 2023, 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, 2023 is \$32,515.

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, 2023

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 assets 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 assets 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, 2023

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 96

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which establishes criteria for identifying and properly reporting SBITAs for all state and local governments. To the extent relevant, the standards are based on the standards established in Statement No. 87, *Leases*.

The City has adopted this standard for the fiscal year ended June 30, 2023. However, an in-depth analysis of the City's agreements found no SBITAs which are subject to GASB 96.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

2. 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.
- 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.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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 41.9 percent of the total revenue of the City's General Fund. See *Schedule of Utah State Compliance Audit Guide Findings* for management's response.

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, 2023, no fund reported a negative fund balance.

3. 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, 2023

3. 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, 2023, 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) | \$ 134,905,320 | \$ 134,905,320 | \$ - | \$ - | \$ - |
| | <u>\$ 134,905,320</u> | <u>\$ 134,905,320</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

At June 30, 2023, 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) | \$ 134,905,320 | \$ - | \$ - | \$ - | \$ 134,905,320 |
| | <u>\$ 134,905,320</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 134,905,320</u> |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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, cash equivalents, and investments:

| | |
|--------------|------------------------------|
| Unrestricted | \$ 44,917,365 |
| Restricted | <u>93,852,642</u> |
| | <u><u>\$ 138,770,007</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, 2023, the City had \$134,905,320 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, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Receivables

Receivables as of June 30, 2023 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

| | General | Capital Projects | RDA | Debt Service | Total Nonmajor Funds | Total |
|------------------------------------|--------------|------------------|--------------|--------------|----------------------|---------------|
| Receivables: | | | | | | |
| Accounts | \$ 1,005,118 | \$ 335,674 | \$ - | \$ - | \$ 117,058 | \$ 1,457,850 |
| Property tax | 4,165,347 | - | 1,478,368 | 935,819 | - | 6,579,534 |
| Intergovernmental | 2,446,260 | - | - | - | - | 2,446,260 |
| Gross receivables | 7,616,725 | 335,674 | 1,478,368 | 935,819 | 117,058 | 10,483,644 |
| Less: allowance for uncollectibles | (185,592) | - | - | - | - | (185,592) |
| Net total receivables | \$ 7,431,133 | \$ 335,674 | \$ 1,478,368 | \$ 935,819 | \$ 117,058 | \$ 10,298,052 |

Business-type Funds

| | Water | Sewer | Storm Drain | Sanitation | Total |
|------------------------------------|--------------|------------|-------------|------------|--------------|
| Receivables: | | | | | |
| Accounts | \$ 1,127,366 | \$ 591,612 | \$ 279,247 | \$ 171,571 | \$ 2,169,796 |
| Gross receivables | 1,127,366 | 591,612 | 279,247 | 171,571 | 2,169,796 |
| Less: allowance for uncollectibles | (19,424) | (4,601) | (5,378) | (3,112) | (32,515) |
| Net total receivables | \$ 1,107,942 | \$ 587,011 | \$ 273,869 | \$ 168,459 | \$ 2,137,281 |

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:

| | Deferred | Unavailable |
|---|------------|--------------|
| Property taxes receivable (Governmental Funds) | \$ - | \$ 6,434,702 |
| Deferred ambulance billing (Governmental Funds) | - | 176,221 |
| Developer contributions (Metropolitan Water District) | 618,536 | - |
| Total deferred/unearned revenue | \$ 618,536 | \$ 6,610,923 |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Notes Receivable

The City has entered into an agreement 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, 2023, the outstanding balance of \$49,790 is considered noncurrent. A payment of \$49,790 was received in 2023.

Lease Receivable

During the year the City issued lease revenue bonds in the amount of \$35,000,000 through the LBA for the purpose of designing, engineering, bidding, and constructing a performing arts facility, which include costs associated with construction, equipment, theater furnishings, capitalized interest, debt service reserves, and bond issuance. The City intends to service this debt with lease revenue received through a lease agreement with Hale Center Foundation for the Arts and Education. Semi-annual lease payments, including interest, begin in December 2024, and continue through December 2046. Annual lease revenue ranges from \$913,000 to \$2,341,000 and directly offsets the LBA's debt service obligations.

Remaining amounts to be received associated with this lease are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|-------------|----------------------|----------------------|----------------------|
| 2024 | \$ - | \$ - | \$ - |
| 2025 | 913,000 | 729,462 | 1,642,462 |
| 2026 | 953,000 | 1,438,529 | 2,391,529 |
| 2027 | 995,000 | 1,396,842 | 2,391,842 |
| 2028 | 1,038,000 | 1,353,336 | 2,391,336 |
| 2029 - 2033 | 5,913,000 | 6,044,537 | 11,957,537 |
| 2034 - 2038 | 7,324,000 | 4,633,400 | 11,957,400 |
| 2039 - 2043 | 9,072,000 | 2,885,362 | 11,957,362 |
| 2044 - 2048 | 8,792,000 | 772,711 | 9,564,711 |
| | <u>\$ 35,000,000</u> | <u>\$ 19,254,179</u> | <u>\$ 54,254,179</u> |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

| | 07/01/22 | Increases | Decreases | 06/30/23 |
|---|-----------------------|----------------------|-----------------------|-----------------------|
| <u>Governmental activities</u> | | | | |
| Capital assets, not depreciated: | | | | |
| Land | \$ 46,765,823 | \$ 2,263,929 | \$ - | \$ 49,029,752 |
| Construction in progress | 887,923 | 13,383,634 | (40,715) | 14,230,842 |
| Total capital assets, not depreciated | <u>47,653,746</u> | <u>15,647,563</u> | <u>(40,715)</u> | <u>63,260,594</u> |
| Capital assets, depreciated: | | | | |
| Buildings and improvements | 28,743,002 | 193,301 | - | 28,936,303 |
| Infrastructure | 85,151,279 | 2,048,511 | - | 87,199,790 |
| Automobiles, machinery and equipment | 9,100,632 | 1,964,392 | (373,715) | 10,691,309 |
| Total capital assets, depreciated | <u>122,994,913</u> | <u>4,206,204</u> | <u>(373,715)</u> | <u>126,827,402</u> |
| Accumulated depreciation: | | | | |
| Buildings and improvements | (8,184,651) | (752,511) | - | (8,937,162) |
| Infrastructure | (33,977,968) | (2,651,191) | - | (36,629,159) |
| Automobiles, machinery and equipment | (5,308,070) | (1,028,786) | 339,169 | (5,997,687) |
| Total accumulated depreciation | <u>(47,470,689)</u> | <u>(4,432,488)</u> | <u>339,169</u> | <u>(51,564,008)</u> |
| Total capital assets, depreciated (net) | <u>75,524,224</u> | <u>(226,284)</u> | <u>(34,546)</u> | <u>75,263,394</u> |
| Net governmental capital assets | <u>\$ 123,177,970</u> | <u>\$ 15,421,279</u> | <u>\$ (75,261)</u> | <u>\$ 138,523,988</u> |
| | 07/01/22 | Increases | Decreases | 06/30/23 |
| <u>Business-type activities</u> | | | | |
| Capital assets, not depreciated: | | | | |
| Land and rights of way | \$ 10,936,863 | \$ - | \$ (2,263,929) | \$ 8,672,934 |
| Water shares | 12,040,691 | 268,777 | - | 12,309,468 |
| Construction in progress | 6,612,318 | 3,731,173 | (2,303,755) | 8,039,736 |
| Total capital assets, not depreciated | <u>29,589,872</u> | <u>3,999,950</u> | <u>(4,567,684)</u> | <u>29,022,138</u> |
| Capital assets, depreciated: | | | | |
| Infrastructure | 131,246,246 | 5,320,132 | - | 136,566,378 |
| Automobiles, machinery and equipment | 3,189,833 | 666,095 | (145,980) | 3,709,948 |
| Total capital assets, depreciated | <u>134,436,079</u> | <u>5,986,227</u> | <u>(145,980)</u> | <u>140,276,326</u> |
| Accumulated depreciation: | | | | |
| Infrastructure | (38,277,233) | (2,842,078) | - | (41,119,311) |
| Automobiles, machinery and equipment | (1,704,269) | (299,103) | 92,104 | (1,911,268) |
| Total accumulated depreciation | <u>(39,981,502)</u> | <u>(3,141,181)</u> | <u>92,104</u> | <u>(43,030,579)</u> |
| Total capital assets, depreciated (net) | <u>94,454,577</u> | <u>2,845,046</u> | <u>(53,876)</u> | <u>97,245,747</u> |
| Net business-type capital assets | <u>\$ 124,044,449</u> | <u>\$ 6,844,996</u> | <u>\$ (4,621,560)</u> | <u>\$ 126,267,885</u> |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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 | \$ 652,557 |
| Public safety | 658,375 |
| Highways and public improvements | 2,169,485 |
| Parks, recreation, and public property | <u>952,071</u> |
| Total depreciation expense - governmental activities | <u>\$ 4,432,488</u> |
| Business-type activities: | |
| Water | \$ 1,843,891 |
| Sewer | 645,582 |
| Storm drain | <u>651,708</u> |
| Total depreciation expense - business-type activities | <u>\$ 3,141,181</u> |

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, 2023, \$24,300 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 2023, the City subsidized Fox Hollow to help with both debt service and operations in the amount of \$230,000.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Interfund Receivable, Payables and Transfers

At June 30, 2023, the following interfund balances existed:

| Due to | Due from | Amount |
|--------------|-----------------|-----------|
| General fund | Sanitation fund | \$ 74,492 |

Interfund loan between Sanitation Fund and General fund is a short-term loan for cash flow needs.

Transfers were made which will not be repaid. Such amounts for the fiscal year ended June 30, 2023 were as follows:

| Fund Transferring Out | Fund Receiving Transfer | Amount |
|-----------------------------|-----------------------------|--------------|
| General fund | Nonmajor governmental funds | \$ 775,194 |
| General fund | Capital projects fund | 7,831,669 |
| Capital projects fund | Debt service fund | 348,145 |
| Capital projects fund | General fund | 353,517 |
| Nonmajor governmental funds | Capital projects fund | 45,000 |
| | | \$ 9,353,525 |

The City transferred monies between funds to support additional operating needs in the Dispatch, Swimming Pool and Community Center funds, as well as donations to support community programs, debt service payments, and capital expenditures.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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 in the statistical section of this report. 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 6/30/23 |
|---------------------------------|----------------------|---------------------------|---------------|-------------------|----------------------|
| General Obligation, Series 2016 | \$ 3,750,000 | \$35,000 to \$324,000 | 2.21% | 10/1/2031 | \$ 2,573,000 |
| General Obligation, Series 2017 | <u>9,060,000</u> | \$300,000 to \$605,000 | 2.00% | 4/1/2037 | <u>6,965,000</u> |
| | <u>\$ 12,810,000</u> | | | | <u>\$ 9,538,000</u> |

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

| | Principal | Interest | Totals |
|-------------|---------------------|---------------------|----------------------|
| 2024 | \$ 649,000 | \$ 286,820 | \$ 935,820 |
| 2025 | 670,000 | 265,340 | 935,340 |
| 2026 | 690,000 | 243,139 | 933,139 |
| 2027 | 716,000 | 220,161 | 936,161 |
| 2028 | 745,000 | 196,362 | 941,362 |
| 2029 - 2033 | 3,758,000 | 669,361 | 4,427,361 |
| 2034 - 2038 | <u>2,310,000</u> | <u>190,613</u> | <u>2,500,613</u> |
| | <u>\$ 9,538,000</u> | <u>\$ 2,071,796</u> | <u>\$ 11,609,796</u> |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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, 2023 by issue are as follows:

| Bond Description | Original Issue | Annual Principal | Interest Rate | Final Due Date | Amount at 6/30/23 |
|----------------------------------|-----------------------|-----------------------------|-------------------|-------------------|-----------------------|
| <u>Tax Revenue Bonds</u> | | | | | |
| Excise Tax Revenue, Series 2021 | \$ 6,500,000 | \$615,000 to \$690,000 | 1.40% | 6/15/2031 | \$ 5,265,000 |
| Lease Revenue, Series 2022A | 35,000,000 | \$913,000 to \$2,341,000 | 4.28% | 1/1/2027 | 35,000,000 |
| Sales Tax, Series 2023 | 36,000,000 | \$969,000 to \$2,210,000 | 2.45% to 5.00% | 12/1/2047 | 36,000,000 |
| Sales Tax, Series 2012: | | | | | |
| Governmental funds portion (70%) | 3,073,000 | \$35,000 to \$343,000 | 2.00% to 3.00% | 12/1/2022 | - |
| Enterprise funds portion (30%) | 1,317,000 | \$15,000 to \$147,000 | 2.00% to 3.00% | 12/1/2022 | - |
| <u>Water Revenue Bonds</u> | | | | | |
| Series 2004 | 1,520,000 | \$64,000 to \$75,000 | 1.70% | 12/1/2025 | 262,000 |
| Series 2006 | 350,000 | \$15,000 to \$21,000 | 1.70% | 12/1/2026 | 63,000 |
| Series 2010 (BAB)* | 1,000,000 | \$38,000 to \$64,000 | 2.71% | 12/1/2031 | 517,000 |
| Series 2015 | 8,995,000 | \$160,000 to \$705,000 | 2.00% to 4.00% | 12/1/2031 | 5,435,000 |
| Series 2016 | 8,945,000 | \$80,000 to \$690,000 | 2.70% | 12/1/2033 | 6,670,000 |
| Series 2019 | 2,300,000 | \$14,000 to \$21,000 | 2.00% | 12/1/2039 | 1,901,000 |
| Series 2020 | 1,048,000 | \$34,000 to \$50,000 | 1.00% | 12/1/2044 | 944,000 |
| Series 2022 | 2,700,000 | \$51,360 to \$69,600 | 1.60% | 7/1/2043 | 2,700,000 |
| Series 2023 | 1,000,000 | \$52,026 to \$76,601 | 1.00% | 12/1/2039 | 1,000,000 |
| <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 | 7,525,000 |
| | <u>\$ 118,513,000</u> | | | | <u>\$ 103,282,000</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, 2023

3. 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> |
|-------------|-----------------------|----------------------|-----------------------|
| 2024 | \$ 3,629,000 | \$ 3,730,554 | \$ 7,359,554 |
| 2025 | 4,400,560 | 3,631,270 | 8,031,830 |
| 2026 | 4,594,746 | 3,501,511 | 8,096,258 |
| 2027 | 4,619,889 | 3,363,651 | 7,983,540 |
| 2028 | 4,773,572 | 3,219,588 | 7,993,160 |
| 2029 - 2033 | 24,047,103 | 13,737,293 | 37,784,396 |
| 2034 - 2038 | 19,318,650 | 10,007,621 | 29,326,271 |
| 2039 - 2043 | 18,746,880 | 6,423,632 | 25,170,512 |
| 2044 - 2048 | 19,151,600 | 2,226,635 | 21,378,235 |
| | <u>\$ 103,282,000</u> | <u>\$ 49,841,755</u> | <u>\$ 153,123,755</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 2007, \$2,543,982 has been remitted to the County. As of June 30, 2023, the outstanding balance was \$356,018. During 2023, \$114,408 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, 2023, the outstanding balance was \$7,540.

The MWDPG currently has a note payable due to the Provo Reservoir Water Users Association (PReWUA) for water share storage and utility relocation costs, maturing in 2035. The PReWUA note bears interest of 2.33% with annual installments of 16,997. The outstanding balance as of June 30, 2023 was \$176,407. During the year, the MWDPG paid in full its note payable to the Provo River Water Users Association (PRiWUA) for its share of the Deer Creek Dam construction project.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Purchase Agreements

The City entered into various purchase agreements for the purchase of fitness equipment, public works and public safety vehicles, and office equipment. Payments range from \$60,982 to \$120,916 per month, including interest (1.19% to 5.04%).

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

| | Governmental Activities | | Business-type Activities | |
|-------------|-------------------------|-----------|--------------------------|----------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 344,629 | \$ 25,174 | \$ - | \$ - |
| 2025 | 338,082 | 25,714 | - | - |
| 2026 | 250,977 | 16,868 | - | - |
| 2027 | 198,321 | 8,542 | - | - |
| 2028 | 141,358 | 4,522 | - | - |
| 2029 - 2033 | 143,926 | 1,955 | - | - |
| | \$ 1,417,293 | \$ 82,775 | \$ - | \$ - |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2023 was as follows:

| | 07/01/22 | Increases | Decreases | 06/30/23 | Due in One Year |
|--|----------------------|----------------------|-----------------------|----------------------|---------------------|
| <u>Governmental activities</u> | | | | | |
| Bonds payable: | | | | | |
| General obligation | \$ 10,160,000 | \$ - | \$ (622,000) | \$ 9,538,000 | \$ 649,000 |
| Lease revenue | - | 35,000,000 | - | 35,000,000 | - |
| Excise tax revenue | 5,885,000 | - | (620,000) | 5,265,000 | 625,000 |
| Sales tax revenue | 343,000 | 36,000,000 | (343,000) | 36,000,000 | 1,223,000 |
| Add: unamortized premium | 333,274 | - | (22,692) | 310,582 | - |
| Total bonds payable | 16,721,274 | 71,000,000 | (1,607,692) | 86,113,582 | 2,497,000 |
| Other long-term liabilities: | | | | | |
| Compensated absences | 920,688 | 598,057 | (462,587) | 1,056,158 | 792,119 |
| Purchase agreements | 1,551,365 | 335,674 | (469,746) | 1,417,293 | 344,629 |
| Note payable | 470,426 | - | (114,408) | 356,018 | - |
| Governmental activities, long-term liabilities | \$ 19,663,753 | \$ 71,933,731 | \$ (2,654,433) | \$ 88,943,051 | \$ 3,633,748 |
| <u>Business-type activities</u> | | | | | |
| Bonds payable: | | | | | |
| Water revenue | \$ 18,398,000 | \$ 2,500,000 | \$ (1,406,000) | \$ 19,492,000 | \$ 1,331,000 |
| Storm Water revenue | 8,010,000 | - | (485,000) | 7,525,000 | 450,000 |
| Sales tax revenue | 147,000 | - | (147,000) | - | - |
| Add: unamortized premium | 1,732,636 | - | (126,697) | 1,605,939 | - |
| Total bonds payable | 28,287,636 | 2,500,000 | (2,164,697) | 28,622,939 | 1,781,000 |
| Other long-term liabilities: | | | | | |
| Compensated absences | 120,584 | 118,814 | (115,201) | 124,197 | 93,147 |
| Unearned water shares | 634,864 | - | (16,328) | 618,536 | - |
| Notes payable: | | | | | |
| Provo reservoir | 8,078 | - | (538) | 7,540 | 551 |
| MWDPG agreements | 192,049 | - | (15,642) | 176,407 | 13,025 |
| Business-type activities, long-term liabilities | \$ 29,243,211 | \$ 2,618,814 | \$ (2,312,406) | \$ 29,549,619 | \$ 1,887,723 |

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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, 2023 there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2023 which exceeded its insurance coverage.

Redevelopment Agency

In connection with the activities of the Redevelopment Agency (RDA), intergovernmental revenues from property tax increments of other governmental entities totaling \$292,571 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2023, funds expended by the RDA were limited to the categories of redevelopment and administration costs. Administrative costs totaled \$571,301. The redevelopment cost was funded with bond proceeds from a prior year issuance.

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, 2023

3. 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, 2023

3. 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, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Utah Retirement Systems

Contribution rates as of June 30, 2023 are as follows:

| | <u>Employee</u> | <u>Employer</u> | <u>Employer 401(k)</u> |
|---|-----------------|-----------------|----------------------------|
| Contributory System | | | |
| 111- Local Governmental Division Tier 2 | - | 16.01 | 0.18 |
| Noncontributory System | | | |
| 15- Local Governmental Division Tier 1 | - | 17.97 | - |
| Public Safety System | | | |
| <i>Contributory</i> | | | |
| 122- Tier 2 DB Hybrid Public Safety | 2.59 | 25.83 | - |
| <i>Noncontributory</i> | | | |
| 43- Other Div A with 2.5% COLA | - | 34.04 | - |
| Firefighters Retirement System | | | |
| 31- Other Division A | 15.05 | 3.61 | - |
| 132- Tier 2 DB Hybrid Firefighters | 2.59 | 14.08 | - |
| Tier 2 DC Only | | | |
| 211- Local Government | - | 6.19 | 10.00% |
| 222- Public Safety | - | 11.83 | 14.00% |
| 232- Firefighters | - | 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, 2023, the employer and employee contributions to the Systems were as follows:

| <u>System</u> | <u>Employer Contributions</u> | <u>Employee Contributions</u> |
|--|-----------------------------------|-----------------------------------|
| Noncontributory System | \$ 443,261 | \$ - |
| Public Safety System | 323,913 | - |
| Firefighters System | 21,433 | 89,356 |
| Tier 2 Public Employees System | 303,198 | - |
| Tier 2 Public Safety and Firefighter | 298,905 | 36,773 |
| Tier 2 DC Only System | 36,004 | - |
| Tier 2 DC Public Safety and Firefighter System | 14,882 | - |
| Total Contributions | <u>\$ 1,441,596</u> | <u>\$ 126,129</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, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

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

At June 30, 2023, the City reported a net pension asset of \$399,349 and a net pension liability of \$1,450,792.

| | Measurement Date: December 31, 2022 | | | | |
|--------------------------------------|--|----------------------------------|--------------------------------|--|------------------------------|
| | Net Pension Asset | Net Pension Liability | Proportionate Share | Proportionate Share December 31, 2021 | Change (Decrease) |
| Noncontributory System | \$ - | \$ 494,357 | 0.2886334% | 0.3000715% | -0.0114381% |
| Public Safety System | \$ - | \$ 841,560 | 0.6508207% | 0.7110505% | -0.0602298% |
| Firefighters System | \$ 399,349 | \$ - | 1.5377085% | 1.5260637% | 0.0116448% |
| Tier 2 Public Employees System | \$ - | \$ 81,155 | 0.0745294% | 0.0803463% | -0.0058169% |
| Tier 2 Public Safety and Firefighter | \$ - | \$ 33,719 | 0.4042039% | 0.4863296% | -0.0821257% |
| Total Net Pension Asset / Liability | <u>\$ 399,349</u> | <u>\$ 1,450,791</u> | | | |

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 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, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

For the year ended June 30, 2023, the City recognized pension expense of \$664,877.

At June 30, 2023, 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 | \$ 285,547 | \$ 16,443 |
| Changes in assumptions | 200,899 | 5,558 |
| Net difference between projected and actual earnings on pension plan investments | 695,691 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 45,115 | 82,813 |
| Contributions subsequent to the measurement date | 704,410 | - |
| Total | \$ 1,931,662 | \$ 104,814 |

\$704,410 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ (252,791) |
| 2024 | 15,733 |
| 2025 | 299,998 |
| 2026 | 1,008,650 |
| 2027 | 9,032 |
| Thereafter | 41,817 |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

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

For the year ended June 30, 2023, the City recognized pension expense of \$210,690.

At June 30, 2023, 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 | \$ 167,678 | \$ - |
| Changes in assumptions | 81,018 | 1,974 |
| Net difference between projected and actual earnings on pension plan investments | 326,082 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | 15,852 |
| Contributions subsequent to the measurement date | 205,159 | - |
| Total | \$ 779,937 | \$ 17,826 |

\$205,160 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, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ (86,055) |
| 2024 | 11,271 |
| 2025 | 130,975 |
| 2026 | 500,764 |
| 2027 | - |
| Thereafter | - |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

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

For the year ended June 30, 2023, the City recognized pension expense of \$267,772.

At June 30, 2023, 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 | \$ 3,726 | \$ - |
| Changes in assumptions | 22,571 | - |
| Net difference between projected and actual earnings on pension plan investments | 195,061 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 14,602 | 34,017 |
| Contributions subsequent to the measurement date | 158,985 | - |
| Total | <u>\$ 394,945</u> | <u>\$ 34,017</u> |

\$158,985 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, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ (162,155) |
| 2024 | (35,393) |
| 2025 | 81,314 |
| 2026 | 318,176 |
| 2027 | - |
| Thereafter | - |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

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

For the year ended June 30, 2023, the City recognized pension expense of (\$115,499).

At June 30, 2023, 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 | \$ 70,466 | \$ 2,041 |
| Changes in assumptions | 49,637 | - |
| Net difference between projected and actual earnings on pension plan investments | 106,843 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 5,483 | 20,495 |
| Contributions subsequent to the measurement date | 10,196 | - |
| | <hr/> | <hr/> |
| Total | \$ 242,625 | \$ 22,536 |

\$10,196 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, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ (12,389) |
| 2024 | 23,211 |
| 2025 | 61,213 |
| 2026 | 137,857 |
| 2027 | - |
| Thereafter | - |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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, 2023, the City recognized pension expense of \$155,875.

At June 30, 2023, 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 | \$ 27,411 | \$ 3,220 |
| Changes in assumptions | 26,347 | 206 |
| Net difference between projected and actual earnings on pension plan investments | 32,719 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 17,328 | 4,553 |
| Contributions subsequent to the measurement date | 170,766 | - |
| Total | \$ 274,571 | \$ 7,979 |

\$170,766 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, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ 4,951 |
| 2024 | 10,106 |
| 2025 | 15,883 |
| 2026 | 29,824 |
| 2027 | 7,269 |
| Thereafter | 27,792 |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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, 2023, the City recognized pension expense of \$146,039.

At June 30, 2023, 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 | \$ 16,266 | \$ 11,182 |
| Changes in assumptions | 21,326 | 3,378 |
| Net difference between projected and actual earnings on pension plan investments | 34,986 | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | 7,702 | 7,896 |
| Contributions subsequent to the measurement date | 159,304 | - |
| Total | \$ 239,584 | \$ 22,456 |

\$159,304 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, 2022.

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 |
|--------------------------------|---|
| 2023 | \$ 2,857 |
| 2024 | 6,538 |
| 2025 | 10,613 |
| 2026 | 22,029 |
| 2027 | 1,763 |
| Thereafter | 14,025 |

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. 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 - 9.25 percent, average, including inflation |
| Investment rate of return | 6.85 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, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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 | 35.00% | 6.58% | 2.30% |
| Debt securities | 20.00% | 1.08% | 0.22% |
| Real assets | 18.00% | 5.72% | 1.03% |
| Private equity | 12.00% | 9.80% | 1.18% |
| Absolute return | 15.00% | 2.91% | 0.44% |
| Cash and cash equivalents | 0.00% | -0.11% | 0.00% |
| Totals | 100.00% | | 5.17% |
| | Inflation | | 2.50% |
| | Expected arithmetic nominal return | | 7.67% |

The 6.85 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent and a real return of 4.35 percent that is net of investment expense.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.85 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.

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 6.85 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 (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

| System | 1% Decrease (5.85%) | Discount Rate (6.85%) | 1% Increase (7.85%) |
|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| Noncontributory System | \$ 3,115,600 | \$ 494,357 | \$ (1,695,831) |
| Public Safety System | 2,710,248 | 841,560 | (678,124) |
| Firefighters System | 318,289 | (399,349) | (981,734) |
| Tier 2 Public Employees System | 354,601 | 81,155 | (129,501) |
| Tier 2 Public Safety and Firefighter | 269,923 | 33,720 | (154,004) |
| Total | <u>\$ 6,768,661</u> | <u>\$ 1,051,443</u> | <u>\$ (3,639,194)</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, 2023

3. 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
- 457(b) Plan

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

| | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|------------------------|-------------|-------------|-------------|
| 401(k) Plan | | | |
| Employer Contributions | \$ 82,443 | \$ 65,725 | \$ 46,478 |
| Employee Contributions | \$ 127,399 | \$ 96,714 | \$ 86,679 |
| 401(k) Plan | | | |
| Employer Contributions | \$ - | \$ - | \$ - |
| Employee Contributions | \$ 16,151 | \$ - | \$ - |

4. 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, 2023

4. 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 2023 revenues from franchise tax were \$2,386,069. If the City is called upon to make a pledge payment, the payment amount would require 44.70% of pledged revenues. UIA has sufficient revenue to service the debt, and it is unlikely the City's pledge will be required.

5. TAX ABATEMENTS

As of June 30, 2022, the City provides tax abatements under one program: the Redevelopment Agency of Pleasant Grove City (the Agency). Pursuant to the provisions of the Utah Community Development and Renewal Agencies Act, Utah State Code Title 17C, the City established the Redevelopment Agency. The City authorizes the rebate of property tax increment through the budget process. The annual budget is adopted by City ordinance. The amount of the tax rebate (abatement) is based on the provision as stated in the written agreement between the Agency and the outside entity. The abatement recipient's property tax bill is not reduced initially. The outside entity is required to pay their property tax bill. Once the taxes have been paid and it has been verified that the provisions of the agreement have been met, then the agreed amount is rebated to the recipient entity. The qualifying provisions of the agreements generally focus on provisions of business development, job creation, and sales and property tax generation.

The Agency has entered into tax abatement agreements with 3 entities. The following table provides details:

| Tax Abatement Program | Tax Abated 2023 | Taxes abated in prior years | Total Max Tax Abatement | Primary Purpose of Abatement | Abatement Expires |
|-----------------------|--------------------|--------------------------------|----------------------------|-------------------------------------|----------------------|
| 1300 West CDA | \$ 368,139 | \$ 2,262,961 | \$ 4,750,000 | Property & sales tax revenues | 2031 |
| Gateway CDA* | - | - | 30,345,153 | Jobs, property & sales tax revenues | 2031 |
| Grove Tower CRA#1 | 133,231 | 435,471 | | | |
| Grove Tower CRA#2 | 79,708 | 193,983 | | | |
| | 212,939 | 629,454 | 1,500,000 | Property & sales tax revenues | 2039 |

*This agreement was with a third-party developer and was created in August 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. The project was continually delayed, and the agreement was amended six separate times. The project consisted of incremental property and sales tax revenue, and TRT revenues, with the intention being that these revenues would be used to service the \$1,589,419 principal and interest created by the purchase of the land for the developer. The bond was paid off by the developer during December 2021, with the property later being sold to another developer. The new developer is currently in discussions with the City in developing a site plan for the project, along with a possible increment request on the project.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2023

6. SUBSEQUENT EVENTS

During November 2023, the City's proposed property tax increase of \$733,171 was not approved by citizen vote, and as such, the property tax receivable and related deferred inflow was not included in these financial statements.

Subsequent events have been evaluated through December 13, 2023, the date that the financial statements were available to be issued.

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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 |
|---|---|-------------------------|--------------------------------------|--|---|
| 2023 | | | | | |
| Proportion of the net pension liability (asset) | 0.2886334% | 0.6508207% | 1.5377085% | 0.0745294% | 0.4042039% |
| Proportionate share of the net pension liability (asset) | \$ 494,357 | \$ 841,560 | \$ (399,349) | \$ 81,155 | \$ 33,720 |
| Covered payroll | \$ 2,444,901 | \$ 957,605 | \$ 561,423 | \$ 1,621,310 | \$ 1,243,646 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 20.22% | 87.88% | -71.13% | 5.01% | 2.71% |
| Plan fiduciary net position as a percentage of its covered payroll | 97.50% | 93.60% | 108.40% | 92.30% | 96.40% |
| 2022 | | | | | |
| Proportion of the net pension liability (asset) | 0.3000715% | 0.7110505% | 1.5260637% | 0.0803463% | 0.4863296% |
| Proportionate share of the net pension liability (asset) | \$ (1,718,542) | \$ (577,474) | \$ (890,025) | \$ (34,006) | \$ (24,580) |
| Covered payroll | \$ 2,423,143 | \$ 982,542 | \$ 526,885 | \$ 1,490,172 | \$ 1,162,997 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -70.92% | -58.77% | -168.92% | -2.28% | -2.11% |
| Plan fiduciary net position as a percentage of its covered payroll | 108.70% | 104.20% | 120.10% | 103.80% | 102.80% |
| 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 9 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% |
| | 2022 | 433,603 | 433,603 | - | 2,372,860 | 18.27% |
| | 2023 | 443,261 | 443,261 | - | 2,504,157 | 17.70% |
| 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% |
| | 2022 | 297,165 | 297,165 | - | 946,923 | 31.38% |
| | 2023 | 323,913 | 323,913 | - | 1,081,070 | 29.96% |
| 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% |
| | 2022 | 24,544 | 24,544 | - | 538,133 | 4.56% |
| | 2023 | 21,433 | 21,433 | - | 594,917 | 3.60% |
| 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% |
| | 2022 | 240,520 | 240,520 | - | 1,496,706 | 16.07% |
| | 2023 | 303,198 | 303,198 | - | 1,893,811 | 16.01% |
| 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% |
| | 2022 | 246,952 | 246,952 | - | 1,156,262 | 21.36% |
| | 2023 | 298,905 | 298,905 | - | 1,419,194 | 21.06% |
| 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% |
| | 2022 | 26,472 | 26,472 | - | 395,699 | 6.69% |
| | 2023 | 36,004 | 36,004 | - | 581,636 | 6.19% |
| 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% |
| | 2022 | 12,270 | 12,270 | - | 103,721 | 11.83% |
| | 2023 | 14,882 | 14,882 | - | 125,802 | 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, 2023

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

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SUPPLEMENTARY INFORMATION

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PLEASANT GROVE CITY
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2023

| | Special Revenue | | | | | | | Total Nonmajor Funds |
|--|-------------------|-------------------|---------------------|------------------|------------------|-------------------|---------------------------|----------------------------|
| | Dispatch | Swimming Pool | Community Center | Cultural Arts | Library | C.A.R.E Tax | Transportation Utility | |
| ASSETS | | | | | | | | |
| Cash, cash equivalents, and investments | | | | | | | | |
| Unrestricted | \$ 355,507 | \$ 268,199 | \$ 431,497 | \$ 39,556 | \$ 30,223 | \$ 621,215 | \$ - | \$ 1,746,197 |
| Restricted | - | - | - | - | 5,830 | - | 2,395,160 | 2,400,990 |
| Receivables (net of allowance) | - | - | - | - | - | - | 117,058 | 117,058 |
| Total assets | \$ 355,507 | \$ 268,199 | \$ 431,497 | \$ 39,556 | \$ 36,053 | \$ 621,215 | \$ 2,512,218 | \$ 4,264,245 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ - | \$ 48,640 | \$ 25,326 | \$ 2,362 | \$ - | \$ 676 | \$ - | \$ 77,004 |
| Accrued liabilities | - | 48,036 | 67,791 | - | - | - | - | 115,827 |
| Total liabilities | - | 96,676 | 93,117 | 2,362 | - | 676 | - | 192,831 |
| FUND BALANCES | | | | | | | | |
| Restricted: | | | | | | | | |
| Capital projects | - | - | - | - | - | - | 2,512,218 | 2,512,218 |
| Library purposes | - | - | - | - | 36,053 | - | - | 36,053 |
| Assigned: | | | | | | | | |
| Future capital improvements | 355,507 | 171,523 | 338,380 | - | - | 555,539 | - | 1,420,949 |
| Community events | - | - | - | 37,194 | - | 65,000 | - | 102,194 |
| Unassigned | | | | | | | | |
| - | - | - | - | - | - | - | - | - |
| Total fund balances | 355,507 | 171,523 | 338,380 | 37,194 | 36,053 | 620,539 | 2,512,218 | 4,071,414 |
| Total liabilities and fund balances | \$ 355,507 | \$ 268,199 | \$ 431,497 | \$ 39,556 | \$ 36,053 | \$ 621,215 | \$ 2,512,218 | \$ 4,264,245 |

PLEASANT GROVE CITY
Combining Statement of Revenues, Expenses, and Changes in Net Position –
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

| | Special Revenue | | | | | | Total Nonmajor 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 | - | 182,521 | 1,233,656 | 47,088 | - | 685,394 | 206,498 | 2,355,157 |
| Investment earnings | 5,425 | - | - | - | 1,043 | - | - | 6,468 |
| Miscellaneous | - | - | 71,043 | 190 | 3,731 | - | - | 74,964 |
| Total revenues | <u>5,425</u> | <u>182,521</u> | <u>1,304,699</u> | <u>47,278</u> | <u>4,774</u> | <u>703,613</u> | <u>206,498</u> | <u>2,454,808</u> |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Public safety | 211,522 | - | - | - | - | - | - | 211,522 |
| Public works | - | - | - | - | - | - | - | - |
| Parks, recreation, and public property | - | 664,122 | 1,350,184 | 93,573 | - | 80,573 | - | 2,188,452 |
| Capital outlay | - | - | 158,831 | - | - | 442,419 | - | 601,250 |
| Total expenditures | <u>211,522</u> | <u>664,122</u> | <u>1,509,015</u> | <u>93,573</u> | <u>-</u> | <u>522,992</u> | <u>-</u> | <u>3,001,224</u> |
| Excess (deficiency) of revenues over expenditures | <u>(206,097)</u> | <u>(481,601)</u> | <u>(204,316)</u> | <u>(46,295)</u> | <u>4,774</u> | <u>180,621</u> | <u>206,498</u> | <u>(546,416)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | 292,086 | 205,842 | 246,654 | 30,612 | - | - | - | 775,194 |
| Transfers out | - | - | (45,000) | - | - | - | - | (45,000) |
| Total other financing sources (uses) | <u>292,086</u> | <u>205,842</u> | <u>201,654</u> | <u>30,612</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>730,194</u> |
| Net change in fund balances | 85,989 | (275,759) | (2,662) | (15,683) | 4,774 | 180,621 | 206,498 | 183,778 |
| Fund balances - beginning | 269,518 | 447,282 | 341,042 | 52,877 | 31,279 | 439,918 | 2,305,720 | 3,887,636 |
| Fund balances - ending | <u>\$ 355,507</u> | <u>\$ 171,523</u> | <u>\$ 338,380</u> | <u>\$ 37,194</u> | <u>\$ 36,053</u> | <u>\$ 620,539</u> | <u>\$ 2,512,218</u> | <u>\$ 4,071,414</u> |

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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Investment earnings | \$ - | \$ - | \$ 5,425 | \$ 5,425 |
| Total revenues | <u>-</u> | <u>-</u> | <u>5,425</u> | <u>5,425</u> |
| EXPENDITURES | | | | |
| Public safety | 292,086 | 292,086 | 211,522 | 80,564 |
| Total expenditures | <u>292,086</u> | <u>292,086</u> | <u>211,522</u> | <u>80,564</u> |
| Excess (deficiency) of revenues over expenditures | <u>(292,086)</u> | <u>(292,086)</u> | <u>(206,097)</u> | <u>85,989</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 292,086 | 292,086 | 292,086 | - |
| Total other financing sources | <u>292,086</u> | <u>292,086</u> | <u>292,086</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 85,989 | <u>\$ 85,989</u> |
| Fund balance - beginning | | | <u>269,518</u> | |
| Fund balance - ending | | | <u>\$ 355,507</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 254,000 | \$ 254,000 | \$ 182,521 | \$ (71,479) |
| Total revenues | <u>254,000</u> | <u>254,000</u> | <u>182,521</u> | <u>(71,479)</u> |
| EXPENDITURES | | | | |
| Capital outlay | 19,719 | 19,719 | - | 19,719 |
| Parks, recreation, and public property | 644,491 | 644,491 | 664,122 | (19,631) |
| Total expenditures | <u>664,210</u> | <u>664,210</u> | <u>664,122</u> | <u>88</u> |
| Excess (deficiency) of revenues over expenditures | <u>(410,210)</u> | <u>(410,210)</u> | <u>(481,601)</u> | <u>(71,391)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 205,842 | 205,842 | 205,842 | - |
| Total other financing sources | <u>205,842</u> | <u>205,842</u> | <u>205,842</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (204,368)</u> | <u>\$ (204,368)</u> | <u>(275,759)</u> | <u>\$ (71,391)</u> |
| Fund balance - beginning | | | <u>447,282</u> | |
| Fund balance - ending | | | <u>\$ 171,523</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 1,015,000 | \$ 1,015,000 | \$ 1,233,656 | \$ 218,656 |
| Donations and reimbursements | 35,000 | 35,000 | 71,043 | 36,043 |
| Total revenues | <u>1,050,000</u> | <u>1,050,000</u> | <u>1,304,699</u> | <u>254,699</u> |
| EXPENDITURES | | | | |
| Capital outlay | 57,557 | 142,557 | 158,831 | (16,274) |
| Parks, recreation, and public property | 1,360,639 | 1,366,639 | 1,350,184 | 16,455 |
| Total expenditures | <u>1,418,196</u> | <u>1,509,196</u> | <u>1,509,015</u> | <u>181</u> |
| Excess (deficiency) of revenues over expenditures | <u>(368,196)</u> | <u>(459,196)</u> | <u>(204,316)</u> | <u>254,880</u> |
| OTHER FINANCING SOURCES AND (USES) | | | | |
| Transfers in | 246,654 | 246,654 | 246,654 | - |
| Transfers out | (45,000) | (45,000) | (45,000) | - |
| Total other financing sources (uses) | <u>201,654</u> | <u>201,654</u> | <u>201,654</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (166,542)</u> | <u>\$ (257,542)</u> | (2,662) | <u>\$ 254,880</u> |
| Fund balance - beginning | | | <u>341,042</u> | |
| Fund balance - ending | | | <u>\$ 338,380</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|------------------|--------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 15,000 | \$ 15,000 | \$ 47,088 | \$ 32,088 |
| Donations and reimbursements | - | - | 190 | 190 |
| Total revenues | <u>15,000</u> | <u>15,000</u> | <u>47,278</u> | <u>32,278</u> |
| EXPENDITURES | | | | |
| Parks, recreation, and public property | 40,500 | 100,500 | 93,573 | 6,927 |
| Total expenditures | <u>40,500</u> | <u>100,500</u> | <u>93,573</u> | <u>6,927</u> |
| Excess (deficiency) of revenues over expenditures | <u>(25,500)</u> | <u>(85,500)</u> | <u>(46,295)</u> | <u>39,205</u> |
| OTHER FINANCING SOURCES | | | | |
| 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>\$ 5,112</u> | <u>\$ (54,888)</u> | <u>(15,683)</u> | <u>\$ 39,205</u> |
| Fund balance - beginning | | | <u>52,877</u> | |
| Fund balance - ending | | | <u>\$ 37,194</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|--------------------|--------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Donations and reimbursements | \$ - | \$ - | \$ 3,731 | \$ 3,731 |
| Investment earnings | - | - | 1,043 | 1,043 |
| Total revenues | <u>-</u> | <u>-</u> | <u>4,774</u> | <u>4,774</u> |
| EXPENDITURES | | | | |
| Parks, recreation, and public property | <u>27,850</u> | <u>27,850</u> | - | <u>27,850</u> |
| Total expenditures | <u>27,850</u> | <u>27,850</u> | - | <u>27,850</u> |
| Net change in fund balance | <u>\$ (27,850)</u> | <u>\$ (27,850)</u> | 4,774 | <u>\$ 32,624</u> |
| Fund balance - beginning | | | <u>31,279</u> | |
| Fund balance - ending | | | <u>\$ 36,053</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|---------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 18,219 | \$ 18,219 |
| Charges for services | 486,000 | 486,000 | 685,394 | 199,394 |
| Total revenues | <u>486,000</u> | <u>486,000</u> | <u>703,613</u> | <u>217,613</u> |
| EXPENDITURES | | | | |
| Capital outlay | 482,030 | 482,030 | 442,419 | 39,611 |
| Parks, recreation, and public property | 150,287 | 150,287 | 80,573 | 69,714 |
| Total expenditures | <u>632,317</u> | <u>632,317</u> | <u>522,992</u> | <u>109,325</u> |
| Net change in fund balance | <u>\$ (146,317)</u> | <u>\$ (146,317)</u> | 180,621 | <u>\$ 108,288</u> |
| Fund balance - beginning | | | <u>439,918</u> | |
| Fund balance - ending | | | <u>\$ 620,539</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|------------------|-------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | \$ - | \$ - | \$ 206,498 | \$ 206,498 |
| Total revenues | - | - | 206,498 | 206,498 |
| Expenditures | - | - | - | - |
| Total expenditures | - | - | - | - |
| Net change in fund balance | \$ - | \$ - | 206,498 | \$ 206,498 |
| Fund balance - beginning | | | 2,305,720 | |
| Fund balance - ending | | | \$ 2,512,218 | |

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2023

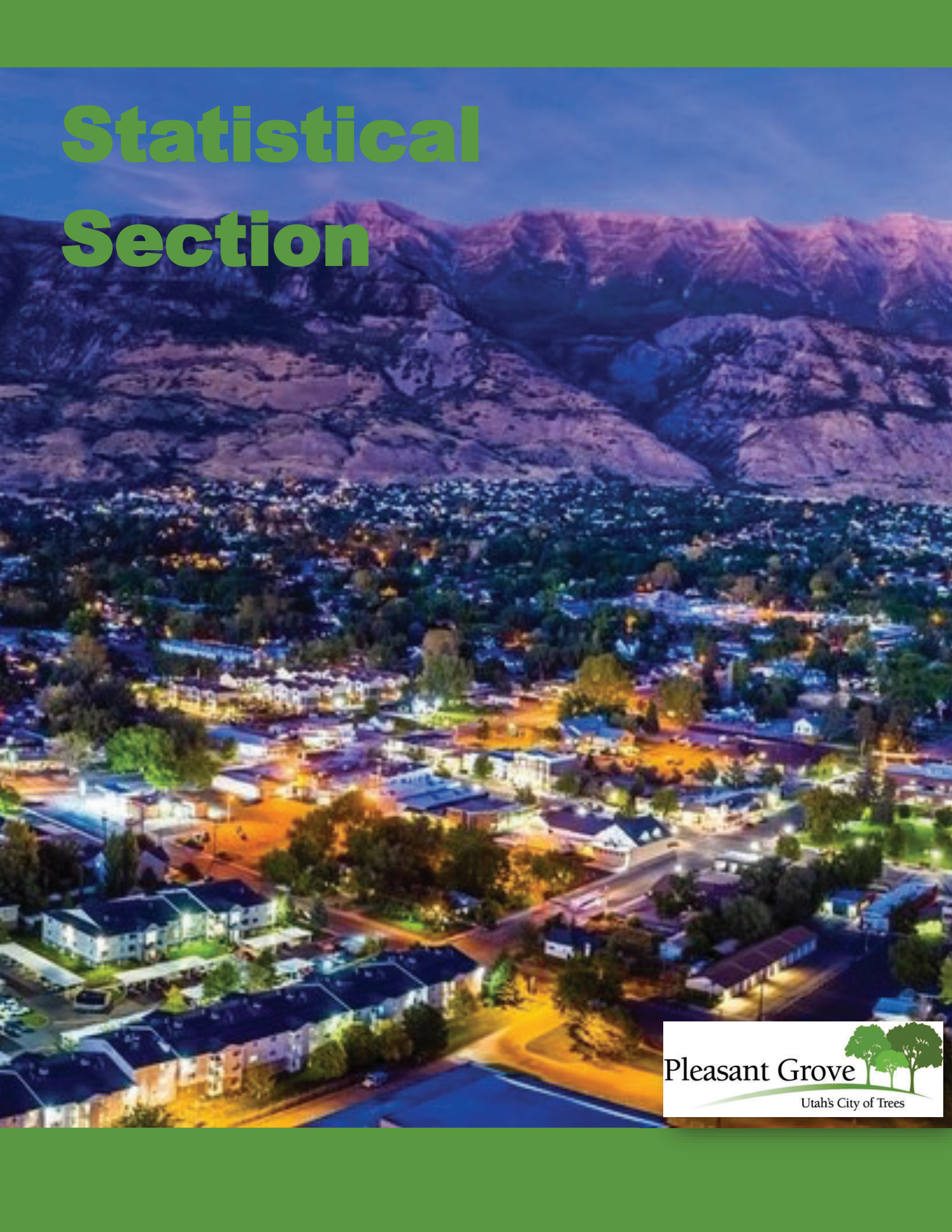
| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|--------------------|------------------------|----------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Investment earnings | \$ - | \$ - | \$ 599,832 | \$ 599,832 |
| Impact fees | 800,000 | 800,000 | 328,945 | (471,055) |
| Miscellaneous | - | - | 609,070 | 609,070 |
| Total revenues | <u>800,000</u> | <u>800,000</u> | <u>1,537,847</u> | <u>737,847</u> |
| EXPENDITURES | | | | |
| Capital outlay | 2,750,043 | 43,866,672 | 4,468,794 | 39,397,878 |
| Debt service: | | | | |
| Principal | 438,680 | 438,680 | 584,154 | (145,474) |
| Interest and other financial | 23,708 | 23,708 | 568,940 | (545,232) |
| Total expenditures | <u>3,212,431</u> | <u>44,329,060</u> | <u>5,621,888</u> | <u>38,707,172</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,412,431)</u> | <u>(43,529,060)</u> | <u>(4,084,041)</u> | <u>39,445,019</u> |
| OTHER FINANCING SOURCES AND (USES) | | | | |
| Purchase agreement | 442,000 | 442,000 | 335,674 | (106,326) |
| Bonds issued | - | - | 36,000,000 | 36,000,000 |
| Sale of general capital assets | - | - | 40,000 | 40,000 |
| Transfers in | 2,870,043 | 7,774,579 | 7,876,669 | 102,090 |
| Transfers out | (348,145) | (587,831) | (701,662) | (113,831) |
| Total other financing sources (uses) | <u>2,963,898</u> | <u>7,628,748</u> | <u>43,550,681</u> | <u>35,921,933</u> |
| Net change in fund balance | <u>\$ 551,467</u> | <u>\$ (35,900,312)</u> | 39,466,640 | <u>\$ 75,366,952</u> |
| Fund balance - beginning | | | <u>3,845,639</u> | |
| Fund balance - ending | | | <u>\$ 43,312,279</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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|--------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes: | | | | |
| Property | \$ 929,500 | \$ 929,500 | \$ 929,500 | \$ - |
| Investment earnings | 5,000 | 5,000 | 19,442 | 14,442 |
| Miscellaneous | - | - | 9 | 9 |
| Total revenues | <u>934,500</u> | <u>934,500</u> | <u>948,951</u> | <u>14,451</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 1,913,036 | 965,000 | 965,000 | - |
| Interest and other financial | 400,035 | 317,645 | 316,145 | 1,500 |
| Total expenditures | <u>2,313,071</u> | <u>1,282,645</u> | <u>1,281,145</u> | <u>1,500</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,378,571)</u> | <u>(348,145)</u> | <u>(332,194)</u> | <u>15,951</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 1,378,571 | 348,145 | 348,145 | - |
| Total other financing sources | <u>1,378,571</u> | <u>348,145</u> | <u>348,145</u> | <u>-</u> |
| Net change in fund balance | <u>\$ -</u> | <u>\$ -</u> | 15,951 | <u>\$ 15,951</u> |
| Fund balance - beginning | | | <u>249,640</u> | |
| Fund balance - ending | | | <u>\$ 265,591</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.

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PLEASANT GROVE CITY

Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)
 (amounts expressed in thousands)

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 50,566 | \$ 52,593 | \$ 51,330 | \$ 62,432 | \$ 73,541 | \$ 89,162 | \$ 86,436 | \$ 93,394 | \$ 110,922 | \$ 117,412 |
| Restricted | 4,038 | 4,390 | 5,053 | 13,958 | 13,816 | 8,423 | 8,517 | 13,184 | 18,950 | 22,592 |
| Unrestricted | 3,101 | 998 | 23,328 | 6,699 | 9,630 | 14,447 | 18,126 | 17,236 | 3,773 | 7,891 |
| Total government activities net position | <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> | <u>133,645</u> | <u>147,895</u> |
| Business-type activities | | | | | | | | | | |
| Net Investment in Capital Assets | 49,572 | 48,630 | 51,387 | 57,964 | 67,551 | 72,211 | 84,609 | 90,285 | 95,038 | 99,199 |
| Restricted | 4,055 | 6,578 | 5,538 | 5,966 | 5,517 | 4,010 | 4,976 | 5,511 | 9,454 | 16,191 |
| Unrestricted | 5,858 | 7,222 | 9,845 | 7,988 | 8,309 | 9,879 | 12,482 | 14,292 | 16,208 | 14,349 |
| Total business-type activities net position | <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> | <u>120,700</u> | <u>129,739</u> |
| Primary government | | | | | | | | | | |
| Net Investment in Capital Assets | 100,138 | 101,223 | 102,717 | 120,396 | 141,092 | 161,373 | 171,045 | 183,679 | 205,960 | 216,611 |
| Restricted | 8,093 | 10,968 | 10,591 | 19,924 | 19,333 | 12,433 | 13,493 | 18,695 | 28,404 | 38,783 |
| Unrestricted | 8,959 | 8,220 | 33,173 | 14,687 | 17,939 | 24,326 | 30,608 | 31,528 | 19,982 | 22,240 |
| Total primary government net position | <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> | <u>\$ 254,346</u> | <u>\$ 277,634</u> |

PLEASANT GROVE CITY

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 1,610 | \$ 1,075 | \$ 4,546 | \$ 4,757 | \$ 4,222 | \$ 4,349 | \$ 2,551 | \$ 2,534 | \$ 3,458 | \$ 3,835 |
| Community Development | 1,321 | 1,422 | 970 | 1,115 | 936 | 971 | 1,309 | 1,341 | 1,332 | 1,564 |
| Public Works | 2,477 | 2,654 | 2,902 | 4,435 | 2,586 | 3,192 | 3,167 | 3,815 | 2,827 | 3,049 |
| Public Safety | 6,096 | 6,296 | 6,159 | 5,835 | 6,646 | 7,145 | 6,575 | 6,716 | 6,974 | 8,117 |
| Parks & Recreation | 4,063 | 4,508 | 4,052 | 3,588 | 4,111 | 4,274 | 3,961 | 3,958 | 4,945 | 5,923 |
| Interest on long-term debt | 1,441 | 1,335 | 1,286 | 1,491 | 1,423 | 1,255 | 1,186 | 1,113 | 763 | 1,291 |
| Total governmental activities expense | <u>17,008</u> | <u>17,290</u> | <u>19,915</u> | <u>21,221</u> | <u>19,924</u> | <u>21,186</u> | <u>18,749</u> | <u>19,477</u> | <u>20,299</u> | <u>23,778</u> |
| Business-type activities | | | | | | | | | | |
| Water | 5,456 | 5,062 | 5,250 | 5,154 | 5,025 | 4,962 | 6,253 | 5,218 | 5,254 | 5,672 |
| MWDPG | | | | | | 145 | 148 | 293 | 281 | 338 |
| Sewer | 3,583 | 4,267 | 4,502 | 4,531 | 4,409 | 4,767 | 4,636 | 4,643 | 4,737 | 4,925 |
| Storm Drain | 1,393 | 1,621 | 1,552 | 1,517 | 1,578 | 1,714 | 1,930 | 1,652 | 1,843 | 1,733 |
| Sanitation | 1,335 | 1,361 | 1,377 | 1,410 | 1,379 | 1,501 | 1,553 | 1,678 | 1,642 | 1,891 |
| Total business-type activities expense | <u>11,767</u> | <u>12,311</u> | <u>12,681</u> | <u>12,612</u> | <u>12,391</u> | <u>13,089</u> | <u>14,520</u> | <u>13,484</u> | <u>13,757</u> | <u>14,560</u> |
| Total primary government expenses | <u>28,775</u> | <u>29,601</u> | <u>32,596</u> | <u>33,833</u> | <u>32,315</u> | <u>34,275</u> | <u>33,269</u> | <u>32,961</u> | <u>34,056</u> | <u>38,338</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 636 | 378 | 3,210 | 3,326 | 3,837 | 3,524 | 1,923 | 690 | 727 | 877 |
| Community Development | 694 | 1,019 | - | - | - | - | - | 1,220 | 1,466 | 596 |
| Public Works | 3 | - | - | - | - | 1,444 | 861 | 255 | 414 | 361 |
| Public Safety | 831 | 308 | 821 | 795 | 845 | 796 | 796 | 899 | 879 | 877 |
| Parks & Recreation | 1,643 | 1,595 | 1,588 | 1,686 | 1,922 | 1,763 | 1,530 | 2,143 | 2,033 | 1,852 |
| Operating grants and contributions | 387 | 431 | 757 | 355 | 522 | 595 | 2,868 | 2,534 | 1,406 | 1,510 |
| Capital grants and contributions | 3,899 | 3,108 | 7,043 | 5,508 | 11,975 | 4,633 | 4,909 | 5,871 | 8,569 | 5,844 |
| Total governmental activities programs revenues | <u>8,093</u> | <u>6,839</u> | <u>13,419</u> | <u>11,670</u> | <u>19,101</u> | <u>12,755</u> | <u>12,887</u> | <u>13,612</u> | <u>15,494</u> | <u>11,915</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water | 5,594 | 6,096 | 6,407 | 6,677 | 7,235 | 7,510 | 8,013 | 8,226 | 8,490 | 8,876 |
| MWDPG | | | | | | | | | 303 | 533 |
| Sewer | 4,367 | 4,563 | 4,642 | 4,889 | 5,075 | 5,164 | 5,325 | 5,467 | 5,539 | 5,570 |
| Storm Drain | 1,536 | 1,774 | 1,986 | 1,783 | 1,784 | 1,677 | 2,294 | 2,348 | 2,689 | 2,859 |
| Sanitation | 1,351 | 1,413 | 1,436 | 1,448 | 1,454 | 1,464 | 1,497 | 1,564 | 1,688 | 1,857 |
| Operating grants and contributions | 8 | 35 | 258 | - | 39 | 30 | 82 | 780 | 241 | 160 |
| Capital grants and contributions | 2,409 | 1,831 | 1,905 | 2,661 | 5,712 | 1,412 | 4,139 | 2,531 | 2,167 | 2,316 |
| Total business-type activities program revenues | <u>15,265</u> | <u>15,712</u> | <u>16,634</u> | <u>17,458</u> | <u>21,299</u> | <u>17,257</u> | <u>21,350</u> | <u>20,916</u> | <u>21,117</u> | <u>22,170</u> |
| Total primary governmental program revenues | <u>23,358</u> | <u>22,551</u> | <u>30,053</u> | <u>29,128</u> | <u>40,400</u> | <u>30,012</u> | <u>34,237</u> | <u>34,528</u> | <u>36,611</u> | <u>34,085</u> |

PLEASANT GROVE CITY

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (8,915) | (10,451) | (6,496) | (9,551) | (823) | (8,431) | (5,862) | (5,865) | (4,803) | (11,863) |
| Business-type activities | 3,498 | 3,401 | 3,953 | 4,846 | 8,908 | 4,168 | 6,830 | 7,432 | 7,360 | 7,610 |
| Total primary government net expense | <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> | <u>2,557</u> | <u>(4,252)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | 3,059 | 3,077 | 3,509 | 4,079 | 5,092 | 5,239 | 5,019 | 5,254 | 5,169 | 5,921 |
| Sales taxes | 4,082 | 4,454 | 5,011 | 5,425 | 5,836 | 6,115 | 6,607 | 7,593 | 8,527 | 9,342 |
| Franchise taxes | 1,905 | 1,973 | - | 2,059 | 2,041 | 2,000 | 2,028 | 2,100 | 2,217 | 2,567 |
| Other taxes | 309 | 306 | 2,100 | - | - | - | - | - | - | - |
| Investment earnings | 15 | 33 | 1,005 | 1,054 | 1,220 | 1,230 | 1,033 | 818 | 494 | 2,198 |
| Miscellaneous | 1,562 | 2,864 | 340 | 376 | 607 | 602 | 632 | 909 | 499 | 5,832 |
| Gain on sale of assets | - | - | - | - | - | - | 379 | 197 | 67 | 253 |
| Transfers | 141 | (61) | (75) | (75) | (75) | 175 | (75) | (269) | (2,339) | - |
| Total governmental activities | <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> | <u>14,634</u> | <u>26,112</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | 47 | 46 | 70 | 109 | 167 | 327 | 259 | 97 | 103 | 1,152 |
| Miscellaneous | - | 15 | 64 | 118 | 138 | 154 | 44 | 184 | 810 | 277 |
| Transfers | (141) | 61 | 75 | 75 | 75 | (175) | 75 | 38 | - | - |
| Gain on sale of assets | - | - | - | - | 1 | 106 | 43 | 269 | 2,339 | - |
| Total business-type activities | <u>(94)</u> | <u>122</u> | <u>209</u> | <u>302</u> | <u>381</u> | <u>412</u> | <u>421</u> | <u>588</u> | <u>3,252</u> | <u>1,428</u> |
| Total primary government | <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> | <u>17,886</u> | <u>27,540</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 2,158 | 2,196 | 5,395 | 3,367 | 13,898 | 6,786 | 9,762 | 10,735 | 9,832 | 14,249 |
| Business-type activities | 3,404 | 3,523 | 4,163 | 5,147 | 9,290 | 4,724 | 7,252 | 8,020 | 10,613 | 9,039 |
| Total primary government | <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> | <u>\$ 20,445</u> | <u>\$ 23,288</u> |

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|------------------------------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|------------------|------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Prepaid Expenses | \$ 722 | \$ 548 | \$ 465 | \$ 299 | \$ 239 | \$ 46 | \$ 20 | \$ 31 | \$ 477 | \$ 594 |
| Restricted for | | | | | | | | | | |
| Donations | 363 | 366 | 363 | 388 | 2,397 | 482 | 35 | 27 | 139 | 58 |
| Class C Road Funds | 1,392 | 1,516 | 1,516 | 850 | 664 | 1,599 | 1,601 | 2,899 | 9,068 | 8,491 |
| Assigned | | | | | | | | | | |
| Future capital improvements | - | - | - | - | - | - | - | - | 2,591 | 442 |
| Unassigned | 2,149 | 2,073 | 2,595 | 2,910 | 4,585 | 4,750 | 7,918 | 6,825 | 6,267 | 4,418 |
| Total general fund | <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> | <u>\$ 18,542</u> | <u>\$ 14,003</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Prepaid Expenses | - | - | \$ 70 | - | - | - | - | \$ 119 | \$ - | \$ - |
| Restricted for | | | | | | | | | | |
| Debt Service | 239 | 247 | 114 | 183 | 185 | 200 | 217 | 222 | 250 | 266 |
| Dispatch | 88 | 57 | 75 | 96 | 122 | - | - | - | - | - |
| Library Grants | 64 | 70 | 47 | 50 | 15 | - | - | - | - | - |
| Library Purposes | - | - | - | - | - | 18 | 25 | 28 | 31 | 36 |
| Impact Fees | 1,891 | 2,133 | 1,904 | 1,638 | 1,537 | 658 | 1,190 | 1,014 | 1,532 | 1,159 |
| Capital Projects | - | - | - | - | - | 4,961 | 4,838 | 8,132 | 7,930 | 78,958 |
| Assigned to | | | | | | | | | | |
| Dispatch | - | - | - | - | - | - | 225 | 259 | - | - |
| Capital Projects | 437 | 617 | 672 | 10,104 | 7,771 | 375 | - | - | - | - |
| Swimming Pool | 11 | 30 | 22 | 91 | 188 | - | 208 | 365 | - | - |
| Community Center | 20 | 21 | 42 | 12 | 80 | - | 146 | 193 | - | - |
| Cultural Arts | 16 | 5 | 28 | 15 | 20 | 129 | 31 | 45 | - | - |
| Future capital improvements | - | - | - | - | - | - | - | - | 1,433 | 2,920 |
| Community events | - | - | - | - | - | - | - | - | 118 | 102 |
| Redevelopment | - | - | 269 | 532 | 841 | - | - | - | - | - |
| Unassigned | (195) | 31 | - | - | - | (1,371) | (228) | (71) | - | - |
| Total all other governmental funds | <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> | <u>\$ 11,294</u> | <u>\$ 83,441</u> |

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 9,381 | \$ 9,830 | \$ 10,620 | \$ 11,563 | \$ 12,969 | \$ 13,354 | \$ 13,654 | \$ 14,947 | \$ 15,913 | \$ 17,829 |
| Licenses, fees, and permits | 765 | 673 | 608 | 638 | 914 | 692 | 742 | 941 | 1,230 | 432 |
| Intergovernmental | 1,496 | 1,465 | 1,850 | 1,636 | 1,816 | 2,144 | 4,783 | 4,666 | 5,918 | 6,183 |
| Charges for services | 2,435 | 2,292 | 4,613 | 4,802 | 5,329 | 4,471 | 4,088 | 3,972 | 3,929 | 3,837 |
| Fines and penalties | 378 | 336 | 399 | 366 | 360 | 324 | 281 | 255 | 268 | 248 |
| Investment earnings | 24 | 33 | 53 | 137 | 342 | 392 | 237 | 67 | 131 | 2,198 |
| Impact fees | 2,153 | 1,365 | 872 | 1,066 | 1,523 | 658 | 788 | 1,014 | 1,532 | 329 |
| Loan repayment income | - | - | 1,558 | 1,557 | 1,556 | 1,555 | 1,554 | 1,552 | 12,923 | - |
| Cash contributions for capital outlay | - | - | - | - | - | 320 | 10 | 5 | 17 | 17 |
| Miscellaneous | 1,792 | 2,397 | 340 | 376 | 607 | 602 | 632 | 910 | 499 | 5,832 |
| Total Revenues | 18,424 | 18,391 | 20,913 | 22,141 | 25,416 | 24,512 | 26,769 | 28,329 | 42,360 | 36,905 |
| Expenditures | | | | | | | | | | |
| General government | 1,498 | 1,717 | 4,259 | 4,571 | 3,948 | 4,001 | 2,263 | 2,411 | 3,206 | 3,320 |
| Community Development | 1,329 | 1,456 | 1,040 | 1,018 | 942 | 957 | 1,281 | 1,365 | 1,409 | 1,562 |
| Public Works | 566 | 844 | 1,410 | 2,168 | 2,248 | 796 | 558 | 787 | 773 | 832 |
| Public Safety | 5,739 | 7,144 | 6,115 | 6,202 | 6,556 | 6,942 | 6,485 | 6,954 | 7,150 | 7,701 |
| Parks & Recreation | 3,535 | 5,059 | 4,192 | 4,093 | 4,147 | 4,152 | 3,866 | 3,942 | 4,348 | 5,027 |
| Capital outlay | 1,802 | - | 704 | 833 | 4,105 | 14,070 | 4,621 | 5,879 | 5,416 | 18,989 |
| Debt service | - | - | - | - | - | - | - | - | - | - |
| Principal | 1,790 | 1,811 | 2,271 | 3,012 | 3,097 | 2,325 | 2,481 | 2,331 | 15,003 | 2,169 |
| Other | - | - | - | 170 | - | - | - | - | 38 | 491 |
| Interest | 1,473 | 1,367 | 1,314 | 1,138 | 1,408 | 1,290 | 1,210 | 1,138 | 811 | 829 |
| Total expenditures | 17,732 | 19,398 | 21,305 | 23,205 | 26,451 | 34,533 | 22,765 | 24,807 | 38,154 | 40,920 |
| Excess of revenues over (under) expenditures | 692 | (1,007) | (392) | (1,064) | (1,035) | (10,021) | 4,004 | 3,522 | 4,206 | (4,015) |

PLEASANT GROVE CITY

Changes in Fund Balances, Governmental Funds (continued)

Last Ten Fiscal Years

| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---|---------------|---------------|---------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|------------------|
| Other Financing Sources (Uses) | | | | | | | | | | |
| Purchase agreement | - | - | - | - | - | - | - | - | 1,237 | 336 |
| Issuance of long term debt | 98 | - | - | - | - | 345 | 406 | 394 | - | 71,000 |
| Proceeds from issuance of debt | - | - | - | 13,254 | 410 | - | 878 | - | 6,500 | - |
| Payments to bond escrow agent | - | - | - | (3,783) | - | - | - | - | - | - |
| Contributions | - | - | - | - | 1,959 | - | - | - | - | - |
| Sale of capital assets | 2 | 498 | 150 | 653 | 217 | 87 | - | 214 | 143 | 288 |
| Proceeds from Capital Lease | - | 1,087 | 786 | - | - | - | - | - | - | - |
| Non-reciprocal utility revenue | - | - | - | - | - | 2,040 | - | - | - | - |
| Transfers in | 2,777 | 2,683 | 2,455 | 11,479 | 2,612 | 5,183 | 2,772 | 6,916 | 1,743 | 9,354 |
| Transfers out | (2,636) | (2,744) | (2,530) | (11,554) | (2,687) | (5,008) | (2,847) | (7,185) | (4,082) | (9,354) |
| Total other financing sources (uses) | <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> | <u>5,541</u> | <u>71,624</u> |
| Net change in fund balances | <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> | <u>\$ 9,747</u> | <u>\$ 67,609</u> |
| Debt service as a percentage of noncapital expenditures | 20% | 16% | 17% | 19% | 35% | 20% | 20% * | 21% | 52% | 17% |

* 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 |
|-------------|---------------------|-----------------------|---------------------------|---------------------|-------------------|--------------------|---------------------|-----------------------|------------------------|--|
| 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% |
| 2022 | 2,125,765,285 | 13,466,500 | 695,467,110 | 194,476,371 | 101,918,388 | 49,181,232 | 3,180,274,886 | 0.001497 | 4,919,806,504 | 64.64% |
| 2023 | 2,950,180,600 | 43,295,400 | 834,020,952 | 279,809,986 | 123,822,671 | 49,205,593 | 4,280,335,202 | 0.001303 | 6,695,186,864 | 63.93% |

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 |
| 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 |
| 2022 | 1.160 | 0.337 | 1.497 | 6.604 | 1.131 | 0.015 | 0.375 |
| 2023 | 1.053 | 0.250 | 1.303 | 5.724 | 0.787 | 0.012 | 0.400 |

Source: Utah State Tax Commission

PLEASANT GROVE CITY

Principal Property Tax Payers
Current Year and Nine Years ago

| Taxpayer | 2023 | | | 2014 | | |
|-----------------------------------|------------------------|------|---|------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Thyme Global LLC | \$ 121,275,600 | 1 | 4.12% | | | |
| Valley Grove LLC | 45,214,500 | 2 | 1.54% | | | |
| Pleasant Grove Title Holder I LLC | 45,054,200 | 3 | 1.53% | | | |
| Valley Grove Office I LLC | 40,364,500 | 4 | 1.37% | | | |
| Valley Grove Office II LLC | 28,502,100 | 5 | 0.97% | | | |
| Somerset Meadows II LL | 24,739,990 | 6 | 0.84% | | | |
| ThorneBerry LTD | 22,738,595 | 7 | 0.77% | \$ 10,675,720 | 4 | 0.730% |
| Questar Gas | 22,235,451 | 8 | 0.76% | 8,024,128 | 9 | 0.720% |
| SLC Urban Grove Equities LLC | 21,215,700 | 9 | 0.72% | | | |
| Pleasant Springs LLC | 20,122,355 | 10 | 0.68% | 11,028,270 | 3 | 0.870% |
| Jacqueline A Dowody | | | | 9,110,700 | 6 | 0.720% |
| BW Inc | | | | 12,126,400 | 1 | 0.940% |
| Pacificorp | | | | 11,799,391 | 2 | 0.850% |
| Green Grove Apartments | | | | 8,712,660 | 7 | 0.600% |
| Quail Run Partners, LLC | | | | 6,050,000 | 10 | 0.570% |
| Pen & Ink, LTD | | | | 8,488,325 | 8 | 0.570% |
| Valley Properties | | | | 9,566,200 | 5 | 0.500% |
| Total | \$ 391,462,991 | | 13.315% | \$ 95,581,794 | | 7.070% |

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> |
|----------------------|-----------------------|--------------------------------|---|-----------------------------------|------------------------------|---|-------------------------------------|--|
| 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% |
| 2022 | 4,772,289 | 4,485,801 | 94.01% | 209,902 | 4,695,703 | 98.40% | 76,586 | 1.60% |
| 2023 | 5,601,298 | 5,204,602 | 92.93% | 286,812 | 5,491,414 | 98.04% | 109,884 | 1.96% |

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 |
|------------------|--------------------------------|--|------------------------|------------|---|------------|
| 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 |
| 2022 | 10,160,000 | 249,640 | 333,274 | 10,243,634 | 0.208% | 267 |
| 2023 | 9,538,000 | 265,591 | 310,582 | 9,582,991 | 0.143% | 248 |

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 |
|-------------|------------------------------------|-------------|------------------|
| 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% |
| 2022 | 1.100% | 1.300% | 4.850% |
| 2023 | 1.100% | 1.300% | 4.850% |

Sources: Utah State Tax Commission

PLEASANT GROVE CITY
Principal Sales Tax Remitters
Fiscal Years 2014 and 2023

| Fiscal Year 2023 | Sales Tax ¹ | Fiscal Year 2014 | Sales Tax ¹ |
|--|----------------------------|--|---------------------------|
| AMAZON COM SERVICES LLC | N/A | BMW of Pleasant Grove | N/A |
| BMW OF PLEASANT GROVE | N/A | Lansing Building Products | N/A |
| DOTERRA UNITED STATES LLC | N/A | Maceys | N/A |
| MACEYS INC | N/A | Metro Ready Mix | N/A |
| ROCKY MOUNTAIN POWER | N/A | Pacificorp | N/A |
| SHAMROCK AUTO GROUP | N/A | Questar Gas | N/A |
| SMITHS 73 | N/A | Shamrock Group, LLC | N/A |
| TESLA MOTORS INC | N/A | Smiths Food & Drug | N/A |
| USTC MOTOR VEHICLE | N/A | UT State Alcoholic Beverage Control | N/A |
| WALMART | N/A | Verizon Wireless | N/A |
| Total | <u>\$ 3,173,630</u> | Total | <u>\$ 767,998</u> |
| Total Citywide Collections | \$ 7,769,690 | Total Citywide Collections | \$ 1,659,142 |
| Top 10 as a Percentage of Total Collections | 40.85% | Top 10 as a Percentage of Total Collections | 46.29% |
| Top 10 as a Percentage of Total Revenue ² | 20.42% | Top 10 as a Percentage of Total Revenue ² | 10.90% |

Source: Utah State Tax Commission

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 | | | | | | | Total Primary Government | Percentage of Personal Income | Per Capita | |
|-------------|-------------------------|----------------------|-------------------|---------------------|---------------------|----------------------|------------------------|--------------------------|---------------|---------------|---------------------|-------------------|---------------------|---------------------|--------------------------|-------------------------------|------------|----------------------|
| | General Obligation | Excise Tax Road Bond | Sales Tax Revenue | Unamortized Premium | Purchase Agreements | Other Long-Term Debt | RDA Tax Increment Bond | LBA Bond | Water Revenue | Sewer Revenue | Storm Drain Revenue | Sales Tax Revenue | Unamortized Premium | Purchase Agreements | | | | Other Long-Term Debt |
| 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 |
| 2022 | 10,160 | 5,885 | 343 | 333 | 1,551 | 470 | - | - | 18,398 | - | 8,010 | 147 | 1,733 | - | 200 | 47,230 | 4.07% | 1,225 |
| 2023 | 9,538 | 5,265 | 36,000 | 311 | 1,417 | 356 | - | 35,000 | 19,492 | - | 7,525 | - | 1,606 | - | 184 | 116,694 | 9.40% | 3,052 |

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, 2023

| <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 | \$ 538,865,380 | 7.89% | \$ 42,538,634 |
| Utah County | 184,230,000 | 5.12% | 9,433,770 |
| Central Utah Water Cons. District | 646,000,000 | 1.46% | 9,412,362 |
| Subtotal, overlapping debt | | | 61,384,767 |
| City direct debt | | | 87,886,893 |
| Total direct and overlapping debt | | | \$ 149,271,660 |

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) | \$ 6,695,187 |
| Debt limit (4% of assessed value) | 267,807 |
| Debt applicable to limit: | |
| General obligation bonds | (9,538) |
| Less: Amount set aside for repayment of general obligation debt | - |
| Total net debt applicable to limit | <u>(9,538)</u> |
| Legal debt margin | <u>\$ 258,269</u> |

| | Fiscal Year | | | | | | | | | |
|---|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| Debt limit | \$ 83,756 | \$ 95,064 | \$ 106,773 | \$ 116,647 | \$ 129,414 | \$ 143,156 | \$ 164,143 | \$ 180,141 | \$ 196,792 | \$ 267,807 |
| Total net debt applicable to limit | <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> | <u>(10,160)</u> | <u>(9,538)</u> |
| Legal debt margin | <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> | <u>\$ 186,632</u> | <u>\$ 258,269</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 5.08% | 4.29% | 3.68% | 11.13% | 9.64% | 8.32% | 6.91% | 5.97% | 5.16% | 3.56% |

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 |
| 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 |
| 2022 | 8,490 | 4,687 | 3,803 | 1,368 | 521 | 2.01 | 2,689 | 1,546 | 1,143 | 470 | 308 | 1.47 | 8,527 | 12,560 | 364 | 0.66 |
| 2023 | 8,876 | 5,132 | 3,744 | 1,406 | 505 | 1.96 | 2,859 | 1,595 | 1,264 | 485 | 299 | 1.61 | - | - | - | - |

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 | | | Property Tax Revenues | Debt Service | | | Class C Road Revenues | Debt Service | | |
| | | Principal | Interest | Coverage | | Principal | Interest | Coverage | | Principal | Interest | Coverage |
| 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 3 | 584 | 338 | 1.01 | - | - | - | - |
| 2022 | 8,527 | 475 | 22 | 17.16 | 928 | 601 | 323 | 1.00 | 2,248 | 615 | 87 | 3.20 |
| 2023 | 9,342 | 490 | 7 | 18.80 | 929 | 622 | 308 | 1.00 | 2,409 | 620 | 82 | 3.43 |

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

| Calendar Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|------------------|------------|-----------------|----------------------------------|----------------------|
| 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% |
| 2021 | 38,570 | 1,151,237,360 | 29,848 | 1.8% |
| 2022 | 38,241 | 1,241,838,234 | 32,474 | 2.50% |

Note 1: Unemployment Rate is for Utah County

PLEASANT GROVE CITY

Principal Employers
Last Ten Fiscal Years

| <u>Employer</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> |
| All Pro Security, LLC | 100-249 | 100-249 | 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 | 50-99 | 50-99 | - | - | - | - | - |
| Alpine Pediatrics | 100-249 | 100-249 | - | - | - | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 |
| Alpine School District | - | - | - | - | - | 250-749 | 300-749 | 300-749 | 300-749 | 300-749 |
| Altabank | 50-99 | 50-99 | 100-249 | 100-249 | - | - | - | - | - | - |
| American Land and Leisure | - | 50-99 | 50-99 | - | - | 100-249 | - | - | - | - |
| ARO | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 | - | - | - | - | - |
| ASEA, LLC | 100-249 | 100-249 | 100-249 | 100-249 | - | - | - | - | - | - |
| Asphalt Zipper | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - |
| Avadi Laboratories | - | 50-99 | - | - | - | - | - | - | - | - |
| B2 Air Systems LLC | 50-99 | 50-99 | 50-99 | - | 50-99 | - | - | - | - | - |
| Blade HQ LLC | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Brundage-Bone Concrete Pumping | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - |
| Canyon Grove Academy | - | - | - | - | 50-99 | 50-99 | - | - | - | - |
| Central Elementary | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Chubby's Café | - | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Climb Concrete LLC | 50-99 | - | - | - | - | - | - | - | - | - |
| Close to My Heart | 100-249 | 100-249 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 100-249 | 100-249 |
| Costa Vida Holdings, LLC | 50-99 | 50-99 | 50-99 | - | 50-99 | - | - | - | - | - |
| Crust Club | - | 50-99 | - | - | - | - | - | - | - | - |
| Culinary Crafts Catering | 100-249 | 50-99 | 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 | 100-249 | 100-249 | - | - | - | - | - | - |
| Disruptive Advertising | 50-99 | 100-249 | 100-249 | - | - | - | - | - | - | - |
| doTerra International | 2000-2999 | 2000-2999 | 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 | 250-499 | 250-499 | - | - | - | - | - |
| Elite Grounds | 50-99 | 50-99 | 50-99 | - | - | 50-99 | 50-99 | - | 50-99 | - |
| Event Production | - | - | - | - | 50-99 | 50-99 | 50-99 | - | - | - |
| Evermore Park, LLC | 100-249 | 50-99 | 50-99 | - | - | - | - | - | - | - |
| EZARC Welding Inc. | 50-99 | 50-99 | - | - | - | - | - | - | - | - |
| Extinct, LLC | - | - | - | - | - | - | 50-99 | - | - | - |
| Faulkner Media Group, LLC | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - | - |
| First Colony Mortgage Corporation | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - | - |
| Foreup | 50-99 | 50-99 | 50-99 | - | - | - | - | - | - | - |
| Fortem Technologies, INC. | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Grovecrest Elementary | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Growpro, LLC | - | 50-99 | 50-99 | 50-99 | - | - | - | - | - | - |
| Horrocks Engineers, Inc. | 250-499 | 250-499 | 250-499 | 250-499 | 250-499 | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 |
| Instructure, Inc. | - | 50-99 | 50-99 | 50-99 | 100-249 | - | - | - | - | - |
| JD Steel | - | - | - | - | - | 100-249 | - | - | - | - |
| Jersey Mike's Subs | 50-99 | - | - | - | - | - | - | - | - | - |
| Kenect, LLC | 100-249 | 50-99 | 50-99 | 50-99 | - | - | - | - | - | - |
| Klas | 100-249 | 100-249 | - | - | - | - | - | - | - | - |
| Lincoln Academy | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 | 50-99 |
| Lopez Trading | - | - | - | - | - | 50-99 | 50-99 | - | - | - |
| Loveland Innovations, LLC | - | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Maceys | - | 100-249 | 100-249 | - | - | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 |
| Manila Elementary | - | 50-99 | 50-99 | - | 50-99 | - | - | - | - | - |
| Marys Culinary Crafts LLC | - | - | - | - | - | - | 50-99 | 50-99 | 50-99 | - |

PLEASANT GROVE CITY

Principal Employers
Last Ten Fiscal Years

| <u>Employer</u> | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> | <u>Range of Employees</u> |
| 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 | - | - | - | - |
| Mount Mahogany LLC | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Mtrade Services | 50-99 | 50-99 | - | - | - | - | - | - | - | - |
| Niels Fugal Sons Company | 100-249 | 100-249 | 100-249 | 100-249 | 100-249 | 250-499 | 100-249 | 100-249 | 100-249 | 100-249 |
| Observepoint, Inc. | 50-99 | 50-99 | - | - | - | - | - | - | - | - |
| Peak Living LLC | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - | - |
| People's Intermountain Bank | - | - | - | - | 50-99 | - | - | - | - | - |
| PF Staffing Services, LLC | 1000-1999 | 1000-1999 | 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 | 100-249 | 100-249 | - | - | - | - | - |
| Pleasant Grove JR High | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - |
| Professional Dental | - | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - |
| Q Sciences | 100-249 | 50-99 | - | - | - | - | - | - | - | - |
| Quail Run Primary School | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - | - | - |
| Smith's Food and Drug | 100-249 | 100-249 | 100-249 | 50-99 | - | 100-249 | 50-99 | 50-99 | 50-99 | 50-99 |
| Stratton & Bratt Landscape LLC | 50-99 | 100-249 | 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 | 100-249 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 |
| Test Out Corporation | 100-249 | 100-249 | 100-249 | 100-249 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 |
| The Watt Stopper, Inc. | - | 50-99 | - | - | - | - | - | - | - | - |
| The Void | - | - | - | - | - | - | 50-99 | 50-99 | - | - |
| Told Plumbing LLC | 50-99 | 50-99 | 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 | - | 50-99 | - | - | - | - | - |
| Utah Fertility Center | 100-249 | 100-249 | 50-99 | 100-249 | 50-99 | 50-99 | - | - | - | - |
| Utah Recreation Company | 100-249 | 100-249 | 100-249 | - | - | - | - | - | - | - |
| Valley View Elementary | - | - | - | 50-99 | - | - | - | - | - | - |
| Veracity Insurance Solutions, LLC | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - | - | - | - |
| Walmart | 100-249 | 100-249 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 | - |
| Watt Stopper Inc. | 50-99 | - | - | - | - | - | - | - | - | - |
| Whistic | 50-99 | 50-99 | - | - | - | - | - | - | - | - |
| Warburtons | - | - | - | - | - | 50-99 | 50-99 | 50-99 | 50-99 | 50-99 |
| Zident | - | 50-99 | 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 2014

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

| <u>Function/Program</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> | <u>2022</u> | <u>2023</u> |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General government | | | | | | | | | | |
| Management services | 2.0 | 2.0 | 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 | 4.0 | 4.0 | 4.0 | 4.0 |
| Planning | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 |
| Building | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 |
| Legal | 2.0 | 2.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Municipal Court | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 |
| Other | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 7.0 | 7.0 | 7.0 |
| Police | | | | | | | | | | |
| Officers | 26.0 | 25.0 | 27.0 | 28.0 | 27.0 | 28.0 | 28.0 | 28.0 | 30.0 | 30.0 |
| Civilians | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 | 9.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 14.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 17.0 | 17.0 |
| Refuse collections | | | | | | | | | | |
| Other public works | | | | | | | | | | |
| Engineering | 1.0 | 1.0 | 2.0 | 3.0 | 3.0 | 5.0 | 4.0 | 6.0 | 6.0 | 6.0 |
| Streets | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Storm Drain | 3.0 | 3.0 | 4.0 | 3.0 | 3.0 | 4.0 | 4.0 | 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 | 14.0 | 16.0 | 16.0 | 16.0 | 16.0 | 18.0 | | | | |
| Parks | | | | | | | 12.0 | 13.0 | 14.0 | 14.0 |
| Recreation | | | | | | | 4.0 | 4.0 | 4.0 | 4.0 |
| Library | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| Water/Sewer | 10.0 | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 | 10.0 | 11.0 | 11.0 | 11.0 |
| Total | 101.0 | 104.0 | 109.0 | 110.0 | 109.0 | 117.0 | 109.0 | 115.0 | 123.0 | 123.0 |

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 | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| General government | | | | | | | | | | |
| Building permits issued | 372 | *311 | 589 | 524 | 599 | 537 | 559 | 777 | 655 | 588 |
| Building inspections conducted | 3,387 | *3,005 | 2,788 | 2,236 | 2,651 | 2,989 | 3,254 | 3,208 | 2,967 | 2,517 |
| Police | | | | | | | | | | |
| Physical arrests | 1,409 | 1,241 | 1,034 | 1,120 | 1,176 | 1,115 | 1,066 | 1,684 | 850 | 930 |
| Parking violations | 2 | - | 123 | - | 155 | 177 | 99 | 185 | 224 | 105 |
| Traffic violations | 2,566 | 2,264 | 2,187 | 1,860 | 1,613 | 2,499 | 2,552 | 2,961 | 2,721 | 3,141 |
| Fire | | | | | | | | | | |
| Emergency responses | 1,330 | 1,486 | 1,401 | 1,453 | 1,500 | 1,594 | 1,938 | 1,744 | 1,163 | 1,814 |
| Number of Transports | 579 | 494 | 578 | 574 | 601 | 619 | 698 | 674 | 709 | 711 |
| Average Response Time (Minutes) | 4:51 | 3:36 | 3:29 | 3:62 | 4:48 | 3:39 | 4:04 | 5:16 | 6:14 | 6:04 |
| Other public works | | | | | | | | | | |
| Potholes repaired (tons of asphalt) | 478 | 500 | 650 | 2,100 | 889 | 1,235 | 33 | 48 | 25 | 30 |
| Parks and recreation | | | | | | | | | | |
| Daily program participants- Community Center | 33,084 | 20,072 | 18,096 | 17,227 | 17,344 | 20,882 | 18,213 | 26,199 | 8,953 | 9,031 |
| Community center admissions | 169,744 | 190,511 | 207,133 | 208,954 | 222,636 | 207,315 | 176,227 | 182,913 | 288,264 | 309,043 |
| Daily pool passes | | | | 1,111 | ** | 13,616 | 15,461 | 19,965 | 8,048 | 14,726 |
| Pool bulk tickets | | | | 3,372 | ** | 2,064 | 1,203 | - | - | - |
| Pool Punch Passes (took place of bulk tickets) | | | | | | | | 272 | - | 52 |
| Pool admissions | | | | 24,274 | 47,863 | 32,431 | 35,884 | 43,378 | 11,032 | 12,575 |
| Library | | | | | | | | | | |
| Public service hours | | | | 3,248 | 3,248 | 3,248 | 2,195 | 3,328 | 3,328 | 3,328 |
| Library visits | | | | 194,393 | 154,928 | 162,060 | 121,861 | 65,485 | 119,062 | 125,967 |
| Material circulation | | | | 401,574 | 386,548 | 404,756 | 336,893 | 316,337 | 311,798 | 364,146 |
| Library collection | | | | 117,000 | 107,736 | 165,243 | 319,289 | 278,501 | 319,106 | 407,479 |
| Library programs | | | | 690 | 644 | 589 | 369 | 271 | 630 | 400 |
| Library program attendance | | | | 26,577 | 22,463 | 22,763 | 14,595 | 6,312 | 14,482 | 13,855 |
| Uses of wireless network | | | | 5,736 | 10,742 | 62,913 | 15,803 | 40,690 | 53,216 | 54,815 |
| Water | | | | | | | | | | |
| New connections | 170 | 176 | 160 | 183 | 56 | 148 | 299 | 177 | 198 | 118 |
| Culinary Water Breaks | 127 | 140 | 106 | 190 | 200 | 96 | 76 | 63 | 110 | 113 |
| PI Water Breaks | 115 | 35 | 33 | 50 | 50 | 26 | 25 | 30 | 35 | 48 |
| Culinary Water ** | | | 4,080 | 3,893 | 4,118 | 4,016 | 4,680 | 5,102 | 4,383 | 4,856 |
| Pressurized Irrigation ** | | | 5,530 | 5,640 | 5,730 | 3,955 | 5,260 | 5,960 | 5,359 | 5,757 |

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>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units (sworn officers) | 26 | 27 | 27 | 27 | 28 | 28 | 28 | 28 | 28 | 30 |
| Reserve Units | | 3 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Other public works | | | | | | | | | | |
| Streets (miles) | 117 | 112 | 109 | 110 | 112 | 112 | 113 | 113 | 113 | 117 |
| Streetlights | 1,155 | 1,086 | 1,117 | 1,150 | 1,176 | 1,224 | 1,250 | 1,340 | 1,340 | 1,352 |
| Storm Drain (miles) | 72 | 98 | 95 | 96 | 97 | 111 | 112 | 113 | 113 | 114 |
| Parks and recreation | | | | | | | | | | |
| Swimming Pool | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Acreage | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 | 77 |
| Playgrounds | 7 | 7 | 7 | 7 | 6 | 7 | 7 | 7 | 7 | 7 |
| Baseball/softball diamonds | 6 | 8 | 8 | 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 | 1.62 | 1.62 |
| Murdock Trail | | | | 5.38 | 5 | 5 | 5.38 | 5.38 | 5.38 | 5.38 |
| North County Trail | | | | 1.01 | 1 | 1 | 1.00 | 1.00 | 1.00 | 1.00 |
| Rail Spur Trail | | | | 0.20 | 0 | 0 | 0.20 | 0.20 | 0.20 | 0.20 |
| Valley Vista Trail | | | | 5.78 | 6 | 3-5 | 10.62 | 10.62 | 10.62 | 10.62 |
| Library | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1.00 |
| Water | | | | | | | | | | |
| Culinary Water Lines (miles) | 156 | 154 | 145 | 146 | 149 | 158 | 159 | 160 | 160 | 161 |
| Irrigation Water Lines (miles) | 108 | 108 | 108 | 109 | 110 | 111 | 112 | 113 | 113 | 114 |
| Fire Hydrants | 1,280 | 1,355 | 1,383 | 1,420 | 1,463 | 1,493 | 1,543 | 1,569 | 1,569 | 1,578 |
| Culinary Storage (thou. of gallons) | 12,431 | 12,431 | 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 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| Wastewater | | | | | | | | | | |
| Sanitary sewers (miles) | 125 | 120 | 116 | 117 | 118 | 123 | 124 | 125 | 125 | 126 |

Source: Pleasant Grove City

GOVERNMENT COMPLIANCE SECTION

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COMMITTED. EXPERIENCED. TRUSTED.

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, 2023, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 13, 2023.

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.

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
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FOUNDERS

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GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA

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 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

December 13, 2023



COMMITTED. EXPERIENCED. TRUSTED.

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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, 2023.

State compliance requirements were tested for the year ended June 30, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Tax Levy Revenue Recognition

Opinion on Compliance

In our opinion, Pleasant Grove City complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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

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opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 to 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

NBMC, LLC

December 13, 2023