

City of Pleasant Grove, Utah

Annual Comprehensive Financial Report

For the Year Ending June 30, 2023

Dee Austroy

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CITY OF PLEASANT GROVE, UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ending June 30, 2022



Prepared by:
Pleasant Grove City, Finance Department

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PLEASANT GROVE CITY
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Introductory Section

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Drew Armstrong

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December 2, 2022

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, 2022, 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 City's 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.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

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.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Governmental Structure

The City operates under the six-member Council form of government. Powers under this form of government are vested in a Governing Council (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.

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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 38,570. 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 six years. Sales tax revenue in fiscal year 2022 reached \$8,527,433 which was an increase of \$934,865 from fiscal year 2021. Since 2017, sales tax base has grown over \$3,101,980 from \$5,425,453. License and permit revenues totaled \$1,229,881, an increase of \$288,739 from fiscal year 2021. 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 FY2023, with the substantial increase of sales tax, the city provided substantial wage increases and added 6.5 full time positions.

Fiscal year 2022 has been another year of strong economic growth and commercial development for the City, with the COVID-19 health pandemic not having a substantial effect on the City and its operations. 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 and building-related fees continued to increase during this time. The City was notified during fiscal year 2021 that they will be receiving monies from The American Rescue Plan Act of 2021 in the amount of \$4,527,858. As of July 15, 2022, the City had received \$4,527,858. The City has designated that these funds be used for a storm drain infrastructure project, Outfall to the Lake.

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 principals 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 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 are currently in litigation. The City is no longer collecting the fee, and may not spend the collected fees while in litigation. On July 14, 2021, the City issued \$6.5 million of Excise Tax Revenue Bonds. The bonds will be used to reconstruct roads through the city as proposed in the road infrastructure plan presented to the Mayor and Council.
- **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 is still in progress with an estimated completion of February 2023.

- **5-Year Utility Fund Budgets.** The City’s enterprise funds are different than the governmental funds in that they are primarily funded through user fees, rather than taxes. The City realizes the need to maintain a long-term focus on needs of the City’s utilities related to operations, new infrastructure and replacing aging infrastructures. To keep this long-term focus, 5-year budgets will be maintained for all utility funds and will be included in the City’s annual budget document. Rates will then be evaluated each year, considering all future expenditures for operations, debt, and capital improvements. Utility rate increases were made to Water, Secondary Water, Storm Drain and Solid Waste.
- **City-Wide Compensation 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 Police Division of Public Safety. The FY2023 budget included an 8% 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: Parks Operator, Human Resources Manager, Building Permit Technician, Two police officers and Two fire fighters.
- **Pipe Plant Development.** The City’s plan currently is to bond for approximately \$30,000,000 to develop 30 of the 40 acres into the following: Kindness Park, which includes splash pad and playground, 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 2021-22, 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: Veterans Memorial sidewalk, Discovery Park tennis/pickleball courts, Anderson Park improvements, cemetery expansion, pool improvements, City-wide parking lot renovations, community center restroom addition, and permanent outdoor lighting at the community center and clock tower.
- **Public Works.** The Public Works Department completed several projects during the FY2022 fiscal year: street rehabilitation of Mohican Street area and 1100 North, 1100 North water line, 600 North detention basin, Manila Pond pump station, 400 East sidewalk, Murdock Drive detention basin, and the Boulevard well (in progress). Seal cost and crack seal on numerous roadways throughout 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 increased by \$8,759,938 during the fiscal year, to end at \$18,542,142. The \$6.5 million of bonds issues contributed to the substantial increase of fund balance, along with the increase in sales tax and permits revenue. The City budgeted a General Fund transfer of \$2,308,043 in FY2023 to fund capital projects. The intent is to move additional, excess fund balance during the fiscal year to fund additional capital needs. The General fund’s unassigned balance of \$6,226,842 represents 29.70% of operating revenues.

During the past two-year period, the City’s governmental funds revenues increased from \$28,329,611 to \$42,360,203, \$12,923,388 of the amount was for a one-time loan repayment and expenditures increased from \$24,807,055 to \$38,153,555. The one-time loan repayment was used to pay off a debt obligation. Growth in proprietary funds has

increased over this same period. Proprietary fund operating revenues increased from \$18,569,424 to \$19,760,703 as compared to fiscal year 2021, while operating expenses rose from \$12,730,128 to 12,887,064. 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, 2022, 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 FY2023, the City Council proposed a small property tax increase to fund public safety, emergency services, and critical road maintenance. The increase will generate approximately \$650,000 yearly, with a cost to the average household of \$4.50 per month. An open house and required truth in taxation public hearing was held on August 2, 2022, and the increased was adopted.

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, 2021. 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**

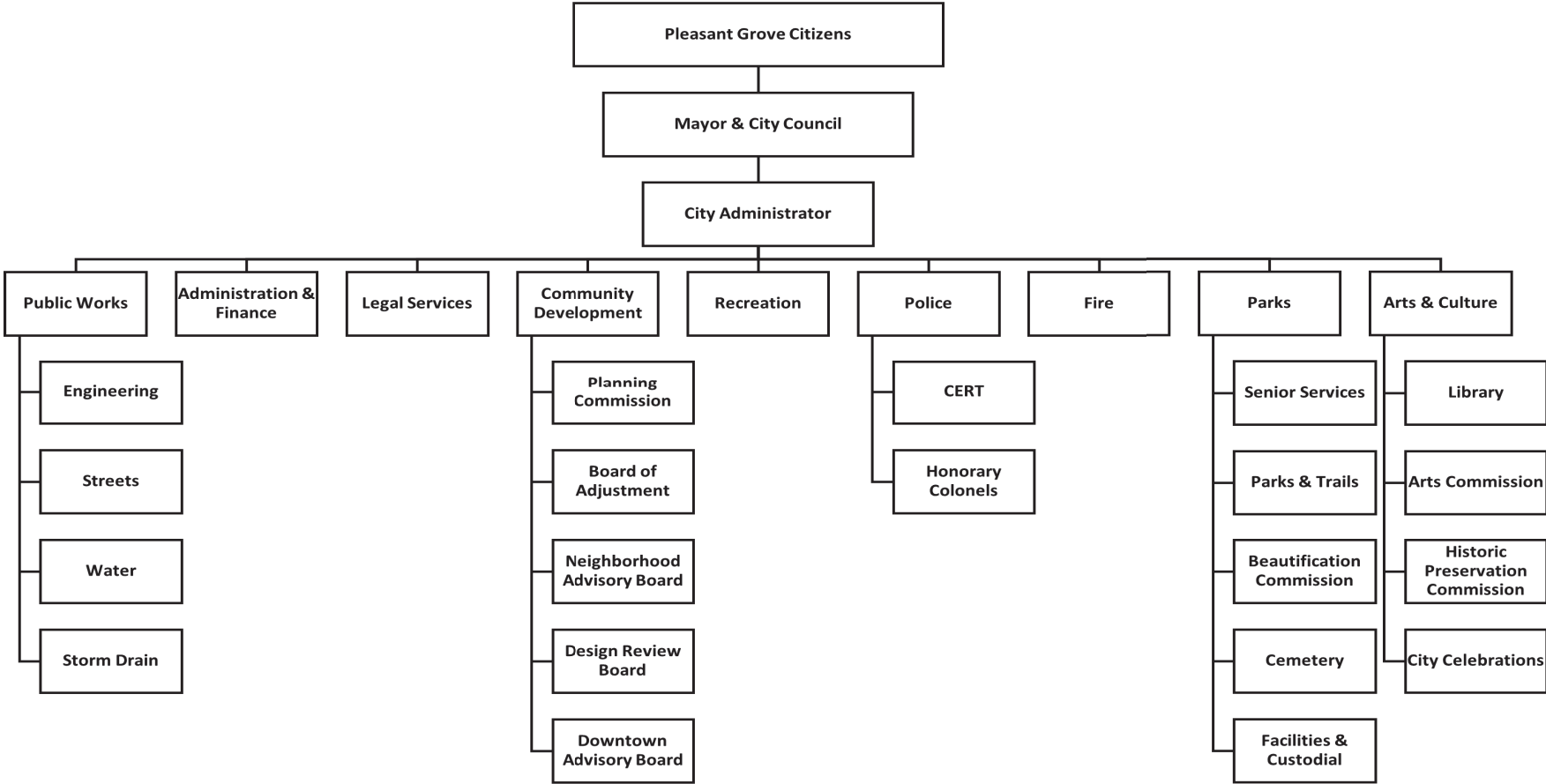
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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 - DaSheek Akwenye

Arts & Culture Director - Sheri Britsch

Debra Armstrong

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Financial Section



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COMMITTED. EXPERIENCED. TRUSTED

INDEPENDENT AUDITOR’S REPORT

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and Members of the City Council
Pleasant Grove City

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasant Grove City (the City), as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and major special revenue redevelopment agency fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 17-26 and pension schedules on pages 79-81 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

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

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBMC, LLC

November 29, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pleasant Grove City (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$254,345,933, this was an increase of 8.74% from the prior year of \$233,901,526. Contributed capital from developers accounted for \$2,508,490 of the total capital assets in the Governmental Activities, and \$983,148 in Business-type Activities.
- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$29,836,008. This is a substantial increase of 48.52% from the prior year, of \$20,088,731. Substantial increases were from monies received from sales tax, permit fees, and impact fees, as well as \$6,500,000 in bonds issued for road reconstruction projects. \$6,266,842 (21%) 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.
- Overall governmental revenues were up from the prior year by \$14,030,593. \$12,923,388 of this revenue was from a developer to pay for the debt service of the RDA bonds payable related to the Gateway CDA Project. Governmental expenditures increased \$13,346,500 from the prior year, due to wage increases, capital outlay related to construction projects, equipment purchased, and debt service on the tax increment revenue bonds of \$12,560,000.
- State law restricts the amount a municipality in Utah can maintain in its general fund unrestricted fund balance (defined as the committed, assigned and unassigned portions) to 35% of the total revenue of the general fund (increased from 25% in FY2021). As of June 30, 2022, this percentage equaled 41.9% of general fund revenues. The City Council amended its budget in FY2023 to ensure the excess portion was allocated.

REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The 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 supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information on all of the 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 the 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 the 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 29 & 30.

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. The City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

The City maintains the following eleven individual governmental funds:

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

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

The governmental fund financial statements can be found on pages 31-36 of this report.

Proprietary funds – The City maintains one type of proprietary fund; enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The 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 37-39 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 40 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 supplementary 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 79, and the statistical section begins on page 101. 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 the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$254,345,933.

By far, the largest portion of the City's net position (80.98%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets, that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's overall liabilities decreased from the prior year, and the City issued additional debt in the form of 2021 Excise Tax Bonds and 2022 Water Revenue Bonds during fiscal year 2022.

The following table summarizes the City's net position.

PLEASANT GROVE CITY NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 49,058,244	\$ 47,300,047	\$ 26,620,572	\$ 21,437,880	\$ 75,678,816	\$ 68,737,927
Capital assets	123,177,970	119,428,930	124,044,449	119,360,953	247,222,419	238,789,883
Total assets	<u>172,236,214</u>	<u>166,728,977</u>	<u>150,665,021</u>	<u>140,798,833</u>	<u>322,901,235</u>	<u>307,527,810</u>
Total deferred outflows of resources	1,189,805	947,104	357,891	323,126	1,547,696	1,270,230
Long-term debt outstanding	17,881,537	25,574,926	28,392,169	29,322,877	46,273,706	54,897,803
Other liabilities	11,656,186	10,677,858	1,185,878	1,321,273	12,842,064	11,999,131
Total liabilities	<u>29,537,723</u>	<u>36,252,784</u>	<u>29,578,047</u>	<u>30,644,150</u>	<u>59,115,770</u>	<u>66,896,934</u>
Total deferred inflows of resources	10,242,766	7,609,323	744,462	390,257	10,987,228	7,999,580
Net investment in capital assets	110,922,075	93,393,570	95,037,549	90,284,906	205,959,624	183,678,476
Restricted	18,950,197	13,184,893	9,454,435	5,510,601	28,404,632	18,695,494
Unrestricted	<u>3,773,258</u>	<u>17,235,511</u>	<u>16,208,419</u>	<u>14,292,045</u>	<u>19,981,677</u>	<u>31,527,556</u>
Total net position	<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>

An additional portion of the City's net position (11.17%) represents resources that are subject to external restriction on how they may be used (restricted). The remaining portion of net position of \$19,891,677 may be used to meet the City's ongoing obligations to citizens and creditors.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2022.

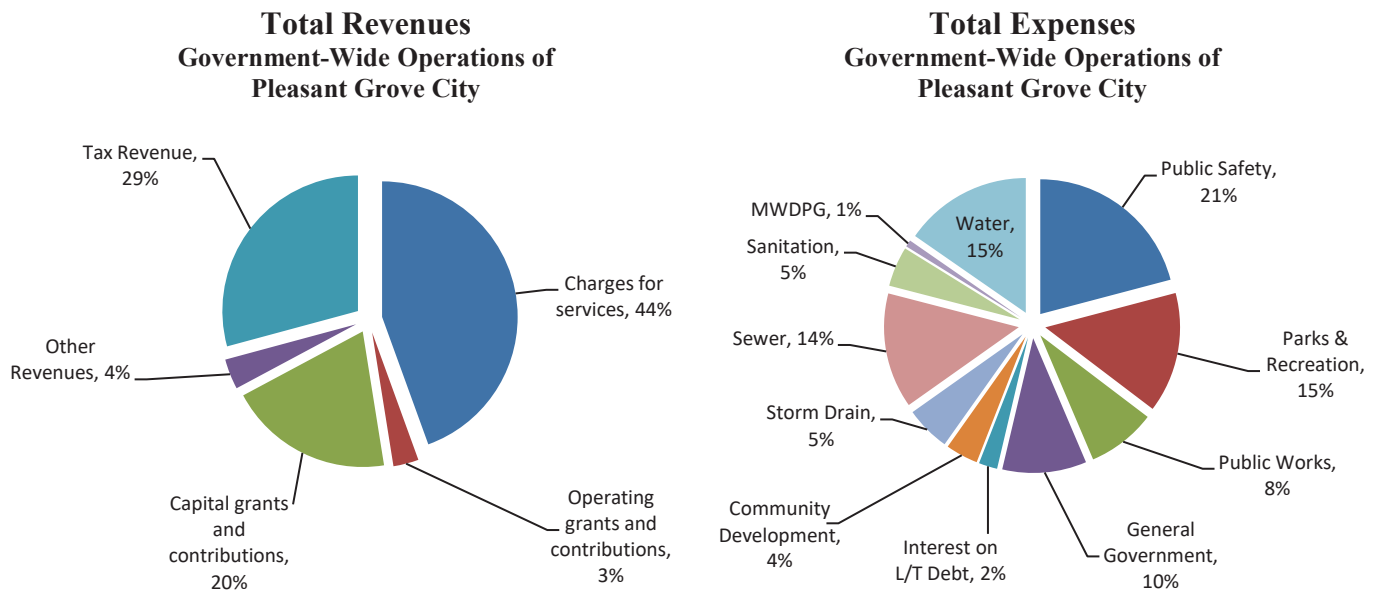
PLEASANT GROVE CITY CHANGE IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Charges for services	\$ 5,520,553	\$ 5,206,493	\$ 18,709,218	\$ 17,605,943	\$ 24,229,771	\$ 22,812,436
Operating grants and contributions	1,406,104	2,533,811	241,076	779,583	1,647,180	3,313,394
Capital grants and contributions	8,569,255	5,870,608	2,167,211	2,531,103	10,736,466	8,401,711
General revenues:						
Taxes	15,913,272	14,946,613	-	-	15,913,272	14,946,613
Other revenues	1,059,732	1,924,501	913,633	318,889	1,973,365	2,243,390
Total revenues	<u>32,468,916</u>	<u>30,482,026</u>	<u>22,031,138</u>	<u>21,235,518</u>	<u>54,500,054</u>	<u>51,717,544</u>
Expenses						
General government	3,457,542	2,533,979	-	-	3,457,542	2,533,979
Community development	1,332,144	1,341,451	-	-	1,332,144	1,341,451
Public works	2,826,970	3,815,216	-	-	2,826,970	3,815,216
Public safety	6,973,857	6,716,318	-	-	6,973,857	6,716,318
Parks and recreation	4,945,200	3,957,595	-	-	4,945,200	3,957,595
Interest	762,718	1,113,209	-	-	762,718	1,113,209
Water	-	-	5,254,144	5,217,786	5,254,144	5,217,786
Metropolitan Water District	-	-	280,803	292,668	280,803	292,668
Storm drain	-	-	1,843,305	1,652,175	1,843,305	1,652,175
Sewer	-	-	4,736,548	4,643,368	4,736,548	4,643,368
Sanitation	-	-	1,642,416	1,678,144	1,642,416	1,678,144
Total expenses	<u>20,298,431</u>	<u>19,477,768</u>	<u>13,757,216</u>	<u>13,484,141</u>	<u>34,055,647</u>	<u>32,961,909</u>
Increase in net position before transfers	12,170,485	11,004,258	8,273,922	7,751,377	20,444,407	18,755,635
Transfers, net	(2,338,929)	(269,085)	2,338,929	269,085	-	-
Increase in net position	9,831,556	10,735,173	10,612,851	8,020,462	20,444,407	18,755,635
Net position - beginning	123,813,974	113,078,801	110,087,552	102,067,090	233,901,526	215,145,891
Net position - ending	<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 for governmental activities increased by \$9,831,556 from the prior year. Revenues increased \$1,986,890 from the prior year due primarily to increases in capital grants and contributions. Capital grants consist primarily of Class C road funds in the amount of \$2,247,740 and American Rescue Plan Act (ARPA) monies of \$2,247,740. Capital contributions consist of infrastructure built by developers and donated to the City in the amount of \$2,525,489, as well as impact fee revenues. Tax revenue also increased from the prior year by \$966,659. Taxes are the primary source of general revenue. Total expenses, including the transfer of ARPA monies to the storm drain fund, increased by \$2,890,507.

Net position for business-type activities increased by \$10,612,851 from the prior year. Revenues, including net transfers, increased \$2,865,464 from the prior year, due primarily to the transfer of ARPA monies in the amount of \$2,247,740 from governmental activities to the storm drain fund. Total expenses remained consistent with the prior year, with a slight increase of \$273,075.

The following two graphs display the City’s government-wide revenues and expenses for the fiscal year ended June 30, 2022.



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 \$29,836,008, \$6,266,842 of this total amount (21%), constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remainder of fund balance is classified as one of the following: nonspendable, restricted, committed, or assigned. Nonspendable fund balance refers to resources that either cannot be spent because of their form or cannot be spent because they must remain intact. Restricted fund balance means that the resources have externally enforceable limitations on their use. Committed fund balance occurs when the City has placed self-imposed limitations on its use. Assigned fund balance comes from the establishment of an intended use for certain funds by the City.

General Fund

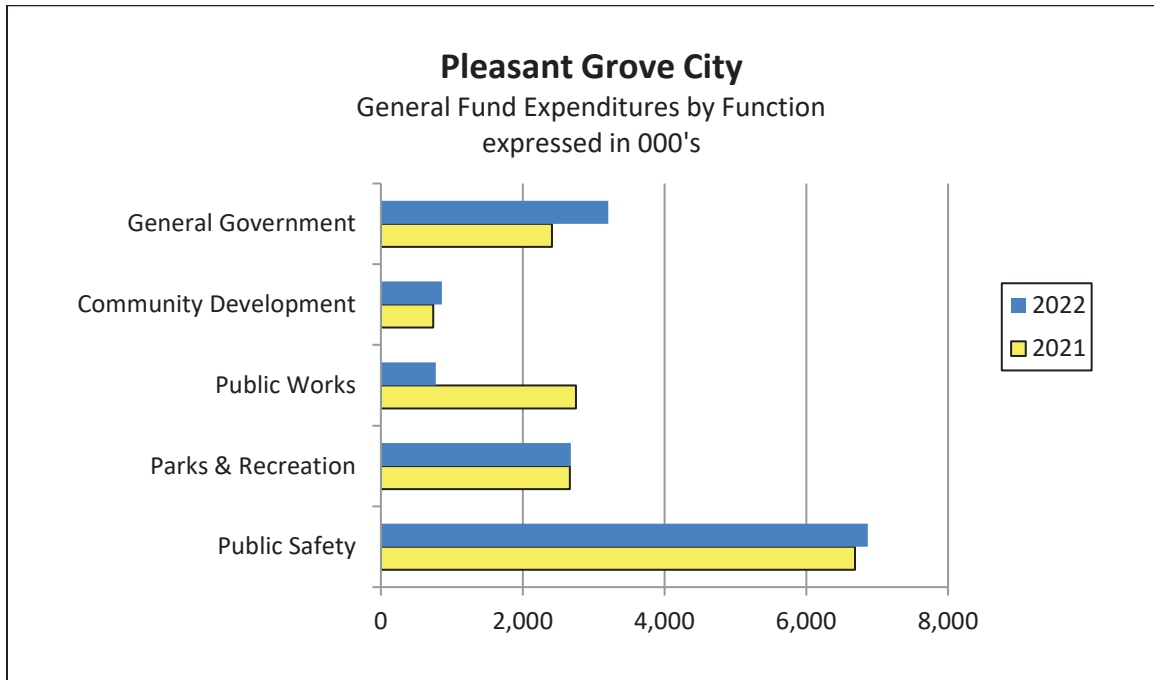
The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance in the general fund was \$6,266,842, while total fund balance amounted to \$18,542,142.

Taxes are the largest source of revenue in the General Fund, representing 69.48% of total General Fund revenues. The largest component is sales tax, which represents 58.16% of total tax revenue and 40.41% of total General Fund revenue. Overall, revenues decreased by 0.82% and expenditures increased by 15.95% from 2021. The City and the State of Utah have developed a strong sales tax base that continues to grow. The City sales tax increased by 12.31%. Property tax increases are minimal, unless the City opts to hold a truth in taxation hearing to raise the tax rate. A hearing was held in the adoption of the FY2023 budget to increase the property tax rate on residential and

commercial properties from .000878 to .001053. This rate increase is expected to generate additional revenues of \$652,230 in FY2023.

Expenses increased substantially from the prior year. The City increased wages 8%, for all full-time employees, as well as various increases to part-time employees, to stay competitive with the current job market and inflation. \$2,561,540 of capital outlay expenses consisted of street improvements, an expansion at the cemetery, and an equipment purchase in the parks department.

The following chart compares general fund expenditures by function between fiscal years 2021 and 2022.



Other Governmental Funds

The fund balance in the Redevelopment Agency fund increased by \$835,298 during the year, bringing the fund to a balance of \$3,310,951. 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.

\$2,765,713 was spent from the Capital Projects fund on projects, the largest project being the Discovery Park Tennis/Pickleball Court Project. 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 \$1,532,096. 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 \$54,667,580 to \$59,238,332. Sewer net position increased from \$25,360,875 to \$26,823,822. Storm Drain net position increased from \$20,249,117 to \$24,636,936. Sanitation net position increased from \$36,326 to \$81,695. Net position increases

in 2022 were assisted mainly by continued growth of charges for services, impact fees and developer contributions. Storm Drain received ARPA monies in the amount of \$2,263,929, that has been designated to aid in the funding of an Outfall to the Lake Project, by transfer from the Capital Projects Fund. Overall, in the enterprise funds, net position increased by \$10,612,851.

General Fund Budgetary Highlights

During the fiscal year, the General Fund’s original budget was amended from \$27,045,393 to final budgeted expenditures (including transfers) of \$27,514,828. These major increases can be briefly summarized as follows:

- Communities that Care Grant Award of \$55,721 that use prevention science to prevent youth problem behaviors before they start.
- Utah Department of Transportation Grants of \$110,000 for transportation master plans and traffic studies.
- Grant award increases for Police Department in the amount of \$10,553.
- Fire monies in the amount of \$73,474 from EMAC monies for fire coverage.
- Surplus proceeds of \$18,000 in the Parks Division for mower purchase.
- Additional monies appropriated for Cemetery expansion costs of \$102,606.
- Transfers made to the Capital Projects Fund for \$50,000 to cover additional costs related to purchase of a brush truck for Fire Department.

Capital Assets and Debt Administration

Capital Assets - The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$247,222,419. 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 3.53% (3.14% increase for governmental activities and a 3.92% increase for business-type activities).

PLEASANT GROVE CITY CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 46,765,823	\$ 46,765,823	10,936,863	\$ 11,044,999	\$ 57,702,686	\$ 57,810,822
Water shares	-	-	12,040,691	11,605,004	12,040,691	11,605,004
Buildings	20,558,351	21,166,994	-	-	20,558,351	21,166,994
Equipment	3,792,562	2,744,572	1,485,564	1,386,531	5,278,126	4,131,103
Infrastructure	51,173,311	46,236,487	92,969,013	91,253,977	144,142,324	137,490,464
Construction in progress	887,923	2,515,054	6,612,318	4,070,442	7,500,241	6,585,496
Total capital assets	\$ 123,177,970	\$ 119,428,930	\$ 124,044,449	\$ 119,360,953	\$ 247,222,419	\$ 238,789,883

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

- Cemetery Expansion - \$399,090
- Street and Signal Improvements - \$2,006,251
- Infrastructure improvements more than \$4.4 million in Water, Sewer and Storm Drain funds
- Contributed infrastructure assets from developers - \$2,508,489

Additional information on the City’s capital assets can be found in note 3 on pages 53-54 of this report.

Long-term debt - At the end of the current year, the City had total bonded debt outstanding of \$42,943,000, \$32,783,000 is secured by specific revenue sources. General obligation bonds outstanding totaled \$10,160,000. The chart below displays transactions related to the City’s bonds for the year.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation	\$ 10,160,000	\$ 10,761,000	\$ -	\$ -	\$ 10,160,000	\$ 10,761,000
Revenue bonds	6,228,000	13,235,500	26,555,000	27,335,500	32,783,000	40,571,000
Total bonds	\$ 16,388,000	\$ 23,996,500	\$ 26,555,000	\$ 27,335,500	\$ 42,943,000	\$ 51,332,000

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 \$186,632,000, 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 \$590,376,000, 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 56-60 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 1.8%. The state unemployment rate was 2%, compared to the national rate of 3.5%. The previous year’s rates were 2.3%, 2.2%, and 4.6% respectively.
- The City analyzes 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, with increases implemented in October. Utility rate increases were made for all business-type funds, except for Sewer.

- The General Fund budgeted operating expenditures increased substantially from the prior year. For the fiscal year ended June 30, 2023, the original budget reflects an increase of \$5,906,620 from the year ended June 30, 2022. The 2023 budget included raises for employees in the amount of a minimum \$1.00 per hour for part-time employees, and a 8% cost of living adjustment for all full-time employees in the amount of \$1,040,000, medical insurance increase of \$62,450, the additional of 6.5 FTEs in the amount of \$617,600, Mag Project of \$2,295,171 and a transfer of \$2,308,043 to the capital project fund.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City'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.

BASIC FINANCIAL STATEMENTS



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PLEASANT GROVE CITY
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments:			
Unrestricted	\$ 19,858,219	\$ 21,339,661	\$ 41,197,880
Restricted	15,500,072	2,725,126	18,225,198
Receivables (net of allowance for uncollectables)	8,057,265	1,992,756	10,050,021
Intergovernmental receivables	2,196,659	88,082	2,284,741
Internal balances	(19,383)	19,383	-
Inventories	-	99,686	99,686
Prepays	477,082	-	477,082
Notes receivable	-	99,580	99,580
Net pension asset	2,988,330	256,298	3,244,628
Capital assets not being depreciated	47,653,746	29,589,872	77,243,618
Capital assets, net of accumulated depreciation	75,524,224	94,454,577	169,978,801
Total assets	<u>172,236,214</u>	<u>150,665,021</u>	<u>322,901,235</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	1,189,805	242,167	1,431,972
Deferred loss on refunding	-	115,724	115,724
Total deferred outflows of resources	<u>1,189,805</u>	<u>357,891</u>	<u>1,547,696</u>
LIABILITIES			
Accounts payable and other accrued liabilities	3,783,420	60,963	3,844,383
Accrued interest payable	80,464	224,376	304,840
Deposits payable	6,010,086	49,500	6,059,586
Noncurrent liabilities:			
Due within one year: bonds and other	2,745,263	2,142,536	4,887,799
Due in more than one year:			
Bonds payable	15,136,274	26,249,633	41,385,907
Other	1,782,216	851,039	2,633,255
Total liabilities	<u>29,537,723</u>	<u>29,578,047</u>	<u>59,115,770</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax related	6,308,393	-	6,308,393
Pension related	3,934,373	744,462	4,678,835
Total deferred inflows of resources	<u>10,242,766</u>	<u>744,462</u>	<u>10,987,228</u>
NET POSITION			
Net investment in capital assets	110,922,075	95,037,549	205,959,624
Restricted for:			
Library purposes	31,279	-	31,279
Debt service	249,640	2,725,126	2,974,766
Donations	138,525	-	138,525
Capital projects and improvements	9,462,310	6,729,309	16,191,619
Roads	9,068,443	-	9,068,443
Unrestricted	3,773,258	16,208,419	19,981,677
Total net position	<u>\$ 133,645,530</u>	<u>\$ 120,700,403</u>	<u>\$ 254,345,933</u>

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

PLEASANT GROVE CITY
Statement of Activities
For the Year Ended June 30, 2022

Function/Programs:	Program Revenues				Net (Expense) Revenues and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary Government:							
Governmental activities:							
General government	\$ 3,457,542	\$ 727,374	\$ 166,678	\$ 4,511,670	\$ 1,948,180		\$ 1,948,180
Public safety	6,973,857	879,489	132,094	-	(5,962,274)		(5,962,274)
Community development	1,332,144	1,465,912	1,060,190	-	1,193,958		1,193,958
Public works	2,826,970	414,382	-	3,733,128	1,320,540		1,320,540
Parks, recreation and public property	4,945,200	2,033,396	47,142	324,457	(2,540,205)		(2,540,205)
Interest on long-term debt	762,718	-	-	-	(762,718)		(762,718)
Total governmental activities	20,298,431	5,520,553	1,406,104	8,569,255	(4,802,519)		(4,802,519)
Business-type activities							
Water	5,254,144	8,490,234	241,076	716,032		\$ 4,193,198	4,193,198
Metropolitan Water District	280,803	303,104	-	120,607		142,908	142,908
Sewer	4,736,548	5,538,627	-	637,977		1,440,056	1,440,056
Storm drain	1,843,305	2,689,468	-	692,595		1,538,758	1,538,758
Sanitation	1,642,416	1,687,785	-	-		45,369	45,369
Total business-type activities	13,757,216	18,709,218	241,076	2,167,211		7,360,289	7,360,289
General Revenues and transfers							
General revenues:							
Property taxes					5,168,671	-	5,168,671
Sales taxes					8,527,433	-	8,527,433
Telecommunications and franchise taxes					2,217,168	-	2,217,168
Unrestricted investment earnings					494,396	103,224	597,620
Miscellaneous					498,553	810,409	1,308,962
Gain on sale of assets					66,783	-	66,783
Transfers					(2,338,929)	2,338,929	-
Total general revenue and transfers					14,634,075	3,252,562	17,886,637
Change in net position					9,831,556	10,612,851	20,444,407
Net position - beginning					123,813,974	110,087,552	233,901,526
Net position - ending					\$ 133,645,530	\$ 120,700,403	\$ 254,345,933

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

PLEASANT GROVE CITY
Balance Sheet – Governmental Funds
June 30, 2022

	General	Capital Projects	Debt Service	Special Revenue Redevelopment Agency	Total Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash, cash equivalents, and investments						
Unrestricted	\$ 12,306,113	\$ 2,608,677	\$ -	\$ 3,310,951	\$ 1,632,478	\$ 19,858,219
Restricted	12,938,882	-	249,640	-	2,311,550	15,500,072
Receivables (net of allowance)	4,431,421	1,236,962	929,500	1,459,382	-	8,057,265
Intergovernmental receivables	2,196,659	-	-	-	-	2,196,659
Due from other funds	70,031	-	-	-	-	70,031
Prepaid and other assets	477,082	-	-	-	-	477,082
Total assets	<u>\$ 32,420,188</u>	<u>\$ 3,845,639</u>	<u>\$ 1,179,140</u>	<u>\$ 4,770,333</u>	<u>\$ 3,944,028</u>	<u>\$ 46,159,328</u>
LIABILITIES						
Accounts payable	\$ 2,655,399	\$ -	\$ -	\$ -	\$ -	\$ 2,655,399
Accrued liabilities	1,071,629	-	-	-	56,392	1,128,021
Deposits and retainage payable	6,010,086	-	-	-	-	6,010,086
Due to other fund	89,414	-	-	-	-	89,414
Total liabilities	<u>9,826,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,392</u>	<u>9,882,920</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - ambulance billing	132,007	-	-	-	-	132,007
Unavailable revenue - property taxes	3,919,511	-	929,500	1,459,382	-	6,308,393
Total deferred inflows of resources	<u>4,051,518</u>	<u>-</u>	<u>929,500</u>	<u>1,459,382</u>	<u>-</u>	<u>6,440,400</u>
FUND BALANCES						
Nonspendable	477,082	-	-	-	-	477,082
Restricted:						
Capital projects	-	3,845,639	-	3,310,951	2,305,720	9,462,310
Donations	138,525	-	-	-	-	138,525
Debt service	-	-	249,640	-	-	249,640
Library purposes	-	-	-	-	31,279	31,279
Class C roads	9,068,443	-	-	-	-	9,068,443
Assigned:						
Future capital improvements	2,591,250	-	-	-	1,432,760	4,024,010
Community events	-	-	-	-	117,877	117,877
Unassigned	<u>6,266,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,266,842</u>
Total fund balances	<u>18,542,142</u>	<u>3,845,639</u>	<u>249,640</u>	<u>3,310,951</u>	<u>3,887,636</u>	<u>29,836,008</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 32,420,188</u>	<u>\$ 3,845,639</u>	<u>\$ 1,179,140</u>	<u>\$ 4,770,333</u>	<u>\$ 3,944,028</u>	<u>\$ 46,159,328</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, 2022

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

Total Fund Balances - Total Governmental Funds		\$ 29,836,008
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$170,648,659 less the accumulated depreciation of \$47,470,689.		123,177,970
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	(10,160,000)	
Premium on general obligation and sales tax revenue bonds	(333,274)	
Excise tax revenue bonds	(5,885,000)	
Sales tax revenue bonds payable	(343,000)	
Notes payable	(470,426)	
Compensated absences	(920,688)	
Lease payable	(1,551,365)	
Accrued interest payable on long-term debt	(80,464)	
Total long-term liabilities	(19,744,217)	(19,744,217)
Pension liabilities and assets are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension asset	2,988,330	
Deferred outflows - pension related	1,189,805	
Deferred inflows - pension related	(3,934,373)	
Total pension related activity	243,762	243,762
Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position		132,007
Net Position - Governmental Activities		\$ 133,645,530

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, 2022

	Special Revenue					Total Governmental Funds
	General	Capital Projects	Debt Service	Redevelopment Agency	Total Nonmajor Funds	
REVENUES						
Taxes	\$ 14,660,856	\$ -	\$ 928,385	\$ 324,031	\$ -	\$ 15,913,272
Licenses and permits	1,229,881	-	-	-	-	1,229,881
Intergovernmental	2,575,435	2,263,930	-	1,060,190	18,219	5,917,774
Charges for services	1,835,582	-	-	-	2,093,523	3,929,105
Fines and forfeitures	268,126	-	-	-	-	268,126
Investment earnings	73,694	26,688	29,627	-	999	131,008
Impact fees	-	1,532,096	-	-	-	1,532,096
Loan repayment income	-	-	-	12,923,388	-	12,923,388
Cash contributions for capital outlay	17,000	-	-	-	-	17,000
Miscellaneous	441,135	-	105	-	57,313	498,553
Total revenues	21,101,709	3,822,714	958,117	14,307,609	2,170,054	42,360,203
EXPENDITURES						
Current:						
General government	3,206,055	-	-	-	-	3,206,055
Public safety	6,867,220	-	-	-	282,687	7,149,907
Community development	861,676	-	-	547,049	-	1,408,725
Public works	773,120	-	-	-	-	773,120
Parks, recreation, and public property	2,677,291	-	-	-	1,670,662	4,347,953
Capital outlay	2,561,540	2,765,713	-	-	88,659	5,415,912
Debt service:						
Principal	615,000	894,189	933,500	12,560,000	-	15,002,689
Interest and other financial	86,919	13,939	344,824	365,262	-	810,944
Issuance costs	38,250	-	-	-	-	38,250
Total expenditures	17,687,071	3,673,841	1,278,324	13,472,311	2,042,008	38,153,555
Excess (deficiency) of revenues over expenditures	3,414,638	148,873	(320,207)	835,298	128,046	4,206,648
OTHER FINANCING SOURCES (USES)						
Purchase agreement	-	1,236,962	-	-	-	1,236,962
Bonds issued	6,500,000	-	-	-	-	6,500,000
Sale of general capital assets	64,837	77,759	-	-	-	142,596
Transfers in	103,044	612,000	347,778	-	680,581	1,743,403
Transfers out	(1,322,581)	(2,714,751)	-	-	(45,000)	(4,082,332)
Total other financing sources (uses)	5,345,300	(788,030)	347,778	-	635,581	5,540,629
Net change in fund balances	8,759,938	(639,157)	27,571	835,298	763,627	9,747,277
Fund balances - beginning	9,782,204	4,484,796	222,069	2,475,653	3,124,009	20,088,731
Fund balances - ending	\$ 18,542,142	\$ 3,845,639	\$ 249,640	\$ 3,310,951	\$ 3,887,636	\$ 29,836,008

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, 2022

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

Net change in fund balances - total governmental funds		\$ 9,747,277
<p>Governmental funds report capital outlays as expenditures and exclude capital contributions, as they are not financial assets. However, in the statement of activities the cost of capital outlays is allocated over their estimated useful lives and reported as depreciation expense, and capital contributions are reported as assets and revenue. This is the amount by which capital outlays and contributions exceeded depreciation in the current period.</p>		
Capital outlays	7,924,401	
Depreciation expense	<u>(4,099,548)</u>	3,824,853
<p>Principal payments from recipients on certain notes are recorded as revenue in the governmental funds. However, these payments are recorded as a decrease in the notes receivable and an increase in interest income in the Statement of Net Position.</p>		
		(12,560,000)
<p>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.</p>		
Issuance of bonds	(6,500,000)	
Leases issued	(1,236,962)	
Principal paid on bonds	14,108,500	
Principal paid on leases	511,635	
Principal paid on note	<u>378,198</u>	7,261,371
<p>Pension related expenses in the statement of activities do not use current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Accrued interest on long-term debt	59,908	
Amortization of bond premiums	30,924	
Compensated absences	16,102	
Change in pension assets, liabilities, and related deferred outflows and inflows of resources	<u>1,433,493</u>	1,540,427
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		93,441
<p>Proceeds from the sale of assets is a decrease to net position</p>		
		<u>(75,813)</u>
Change in net position of governmental activities		<u><u>\$ 9,831,556</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 3,819,325	\$ 3,819,325	\$ 3,916,255	\$ 96,930
Sales	7,400,000	7,400,000	8,527,433	1,127,433
Other	2,047,243	2,047,243	2,217,168	169,925
Licenses and permits	516,000	516,000	1,229,881	713,881
Intergovernmental	2,160,000	2,270,000	2,575,435	305,435
Charges for services	1,405,600	1,405,600	1,835,582	429,982
Fines and forfeitures	301,500	301,500	268,126	(33,374)
Investment earnings	155,000	155,000	73,694	(81,306)
Donations	-	-	17,000	17,000
Miscellaneous	329,784	331,784	441,135	109,351
Total revenues	<u>18,134,452</u>	<u>18,246,452</u>	<u>21,101,709</u>	<u>2,855,257</u>
EXPENDITURES				
General government:				
City council	218,443	218,443	218,048	395
Courts	192,909	192,909	175,484	17,425
Facilities	414,400	414,400	354,194	60,206
Administrative	1,141,738	1,197,459	719,994	477,465
Engineering	465,829	575,829	386,832	188,997
City attorney	458,051	458,051	281,606	176,445
Cemetery	105,562	105,562	92,350	13,212
Custodial	317,359	317,359	129,942	187,417
Non-departmental	1,411,064	1,411,064	847,605	563,459
Public safety:				
Police and dispatch	4,429,504	4,449,638	4,347,112	102,526
Fire	2,353,518	2,426,992	2,432,931	(5,939)
Animal control	110,834	110,834	87,177	23,657
Community development:				
Community development	865,207	865,207	861,676	3,531
Economic development	30,000	30,000	-	30,000
Public works:				
Streets	891,459	891,459	604,264	287,195
Class C roads	168,856	168,856	168,856	-
Capital outlay	8,189,644	8,206,144	2,418,493	5,787,651
Parks and recreation:				
Library	861,852	864,852	779,296	85,556
Other	2,013,628	2,033,628	1,897,995	135,633
Capital outlay	600	121,206	143,047	(21,841)
Debt service				
Principal	615,000	615,000	615,000	-
Interest and other financial	86,919	86,919	86,919	-
Issuance costs	38,250	38,250	38,250	-
Total expenditures	<u>25,380,626</u>	<u>25,800,061</u>	<u>17,687,071</u>	<u>8,112,990</u>
Excess (deficiency) of revenues over expenditures	(7,246,174)	(7,553,609)	3,414,638	10,968,247
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	64,837	64,837
Bonds issued	6,355,000	6,355,000	6,500,000	145,000
Transfers in	396,964	396,964	103,044	(293,920)
Transfers out	(1,664,767)	(1,714,767)	(1,322,581)	392,186
Net change in fund balance	<u>\$ (2,158,977)</u>	<u>\$ (2,516,412)</u>	<u>8,759,938</u>	<u>\$ 11,276,350</u>
Fund balance - beginning			<u>9,782,204</u>	
Fund balance - ending			<u>\$ 18,542,142</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, 2022

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 1,450,000	\$ 1,450,000	\$ 324,031	\$ (1,125,969)
Intergovernmental	-	-	1,060,190	1,060,190
Loan repayment income	12,923,612	12,923,612	12,923,388	(224)
Total revenues	<u>14,373,612</u>	<u>14,373,612</u>	<u>14,307,609</u>	<u>(66,003)</u>
EXPENDITURES				
Community development	800,000	800,000	547,049	252,951
Debt service				
Principal	12,923,612	12,923,612	12,560,000	363,612
Interest and other financial	-	-	365,262	(365,262)
Total expenditures	<u>13,723,612</u>	<u>13,723,612</u>	<u>13,472,311</u>	<u>251,301</u>
Net change in fund balance	<u>\$ 650,000</u>	<u>\$ 650,000</u>	\$ 835,298	<u>\$ 185,298</u>
Fund balance - beginning			<u>2,475,653</u>	
Fund balance - ending			<u>\$ 3,310,951</u>	

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

PLEASANT GROVE CITY
Statement of Net Position – Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds					Total
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	
ASSETS						
Current assets:						
Cash and cash equivalents						
Unrestricted	\$ 10,100,793	\$ 4,996,601	\$ 5,553,073	\$ -	\$ 689,194	\$ 21,339,661
Restricted	2,088,294	-	636,832	-	-	2,725,126
Accounts receivable, net	1,033,512	565,696	241,822	151,726	-	1,992,756
Intergovernmental receivables	88,082	-	-	-	-	88,082
Inventories	99,686	-	-	-	-	99,686
Total current assets	13,410,367	5,562,297	6,431,727	151,726	689,194	26,245,311
Noncurrent assets:						
Notes receivable	-	-	99,580	-	-	99,580
Due from other funds	-	89,414	-	-	-	89,414
Net pension asset	107,203	77,971	71,124	-	-	256,298
Capital assets:						
Land and rights of way	1,788,232	25,000	9,123,631	-	-	10,936,863
Water shares	1,981,938	-	-	-	10,058,753	12,040,691
Construction in progress	6,341,085	-	271,233	-	-	6,612,318
Infrastructure	80,842,931	28,498,221	21,905,094	-	-	131,246,246
Automobiles, machinery and equipment	1,353,132	484,436	1,352,265	-	-	3,189,833
Less: accumulated depreciation	(27,091,180)	(7,653,870)	(5,236,452)	-	-	(39,981,502)
Total noncurrent assets	65,323,341	21,521,172	27,586,475	-	10,058,753	124,489,741
Total assets	78,733,708	27,083,469	34,018,202	151,726	10,747,947	150,735,052
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refundings	-	-	115,724	-	-	115,724
Pension related	99,165	92,833	50,169	-	-	242,167
Total deferred outflows of resources	99,165	92,833	165,893	-	-	357,891
LIABILITIES						
Current liabilities:						
Accrued liabilities	27,048	18,340	15,575	-	-	60,963
Accrued interest payable	83,851	140	138,969	-	1,416	224,376
Due to other fund	-	-	-	70,031	-	70,031
Bonds payable	1,464,800	58,800	514,400	-	-	2,038,000
Other long-term liabilities	35,806	23,411	31,759	-	13,560	104,536
Total current liabilities	1,611,505	100,691	700,703	70,031	14,976	2,497,906
Noncurrent liabilities:						
Bonds payable	17,593,738	-	8,655,895	-	-	26,249,633
Other long-term liabilities	19,296	7,804	10,586	-	178,489	216,175
Unearned revenue	-	-	-	-	634,864	634,864
Deposits payable	49,500	-	-	-	-	49,500
Total noncurrent liabilities	17,662,534	7,804	8,666,481	-	813,353	27,150,172
Total liabilities	19,274,039	108,495	9,367,184	70,031	828,329	29,648,078
DEFERRED INFLOWS OF RESOURCES						
Pension related	320,502	243,985	179,975	-	-	744,462
NET POSITION						
Net investment in capital assets	46,149,522	21,294,987	18,361,200	-	9,231,840	95,037,549
Restricted for:						
Capital projects	2,602,537	521,550	3,605,222	-	-	6,729,309
Debt service	2,088,294	-	636,832	-	-	2,725,126
Unrestricted	8,397,979	5,007,285	2,033,682	81,695	687,778	16,208,419
Total net position	\$ 59,238,332	\$ 26,823,822	\$ 24,636,936	\$ 81,695	\$ 9,919,618	\$ 120,700,403

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, 2022

	Business-type Activities - Enterprise Funds					Total
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	
OPERATING REVENUES						
Charges for services	\$ 8,490,234	\$ 5,538,627	\$ 2,689,468	\$ 1,687,785	\$ 303,104	\$ 18,709,218
Intergovernmental	241,076	-	-	-	-	241,076
Miscellaneous	316,299	-	494,110	-	-	810,409
Total operating revenues	<u>9,047,609</u>	<u>5,538,627</u>	<u>3,183,578</u>	<u>1,687,785</u>	<u>303,104</u>	<u>19,760,703</u>
OPERATING EXPENSES						
Wages and benefits	845,842	592,028	553,716	-	-	1,991,586
Cost of services and supplies	1,201,985	2,753,111	144,254	1,383,996	274,411	5,757,757
Administration	831,502	778,003	258,716	258,420	1,925	2,128,566
Depreciation	1,807,342	612,421	589,392	-	-	3,009,155
Total operating expenses	<u>4,686,671</u>	<u>4,735,563</u>	<u>1,546,078</u>	<u>1,642,416</u>	<u>276,336</u>	<u>12,887,064</u>
Operating income (loss)	<u>4,360,938</u>	<u>803,064</u>	<u>1,637,500</u>	<u>45,369</u>	<u>26,768</u>	<u>6,873,639</u>
NONOPERATING REVENUES (EXPENSES)						
Interest and other financial	(567,473)	(985)	(248,012)	-	(4,467)	(820,937)
Investment earnings	61,255	22,891	16,022	-	3,056	103,224
Loss on disposal of property	-	-	(49,215)	-	-	(49,215)
Total nonoperating revenues (expenses)	<u>(506,218)</u>	<u>21,906</u>	<u>(281,205)</u>	<u>-</u>	<u>(1,411)</u>	<u>(766,928)</u>
Income (loss) before capital contributions and transfers	3,854,720	824,970	1,356,295	45,369	25,357	6,106,711
Developer contributions	250,443	407,542	204,556	-	120,607	983,148
Developer impact fees	465,589	230,435	488,039	-	-	1,184,063
Transfers in	-	-	2,338,929	-	-	2,338,929
Change in net position	4,570,752	1,462,947	4,387,819	45,369	145,964	10,612,851
Total net position - beginning	<u>54,667,580</u>	<u>25,360,875</u>	<u>20,249,117</u>	<u>36,326</u>	<u>9,773,654</u>	<u>110,087,552</u>
Total net position - ending	<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>

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, 2022

	Business-type Activities - Enterprise Funds					Total
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 9,687,939	\$ 5,553,658	\$ 3,183,201	\$ 1,679,785	\$ 303,104	\$ 20,407,687
Payments to suppliers	(1,203,183)	(2,719,260)	(144,254)	(1,383,996)	(291,408)	(5,742,101)
Interfund services	(831,502)	(778,003)	(258,716)	(258,420)	(1,925)	(2,128,566)
Payments to employees	(875,897)	(633,522)	(551,756)	-	-	(2,061,175)
Net cash provided by operating activities	6,777,357	1,422,873	2,228,475	37,369	9,771	10,475,845
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due from (to) other funds	-	88,370	-	(37,369)	-	51,001
Transfers from other funds	-	-	2,338,929	-	-	2,338,929
Net cash provided (used) by noncapital financing activities	-	88,370	2,338,929	(37,369)	-	2,389,930
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Impact fees	465,589	230,435	488,039	-	-	1,184,063
Purchase of capital assets	(4,794,075)	(466,931)	(1,286,127)	-	(336,132)	(6,883,265)
Proceeds from sale of assets	-	-	103,495	-	-	103,495
Proceeds from capital debt	1,200,000	-	-	-	-	1,200,000
Payment of bond issuance costs	(86,904)	-	-	-	-	(86,904)
Principal paid on capital debt	(1,425,526)	(57,000)	(498,500)	-	(13,272)	(1,994,298)
Interest and fees paid on capital debt	(540,115)	(2,619)	(312,856)	-	(4,564)	(860,154)
Net cash provided (used) by capital and related financing activities	(5,181,031)	(296,115)	(1,505,949)	-	(353,968)	(7,337,063)
CASH FLOW FROM INVESTING ACTIVITIES						
Payments on notes receivable	-	-	49,790	-	-	49,790
Investment earnings	61,255	22,891	16,022	-	3,056	103,224
Net cash provided by investing activities	61,255	22,891	65,812	-	3,056	153,014
Net increase (decrease) in cash and cash equivalents	1,657,581	1,238,019	3,127,267	-	(341,141)	5,681,726
Cash and cash equivalents - beginning	10,531,506	3,758,582	3,062,638	-	1,030,335	18,383,061
Cash and cash equivalents - ending	\$ 12,189,087	\$ 4,996,601	\$ 6,189,905	\$ -	\$ 689,194	\$ 24,064,787
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 4,360,938	\$ 803,064	\$ 1,637,500	\$ 45,369	\$ 26,768	\$ 6,873,639
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	1,807,342	612,421	589,392	-	-	3,009,155
(Increase) decrease in receivables	635,278	15,031	(814)	(8,000)	-	641,495
(Increase) decrease in prepaid expense	-	30,744	-	-	-	30,744
(Increase) decrease in inventories	(17,698)	-	-	-	-	(17,698)
Increase (decrease) in accounts payable and accrued liabilities	21,552	3,107	437	-	(16,997)	8,099
Increase (decrease) in compensated absences and pensions	(30,055)	(41,494)	1,960	-	-	(69,589)
Total Adjustments	2,416,419	619,809	590,975	(8,000)	(16,997)	3,602,206
Net cash provided by operating activities	\$ 6,777,357	\$ 1,422,873	\$ 2,228,475	\$ 37,369	\$ 9,771	\$ 10,475,845
Schedule of non-cash capital and related financing activities:						
Contributions of capital assets from developers	\$ 250,443	\$ 407,542	\$ 204,556	\$ -	\$ 120,607	\$ 983,148

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

PLEASANT GROVE CITY
Notes to the Financial Statements
June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Component Units

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

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

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

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

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

The government reports the following major enterprise funds:

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

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

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

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

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

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

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022

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, 2022, 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, 2022 is \$39,406.

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, 2022

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, 2022

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 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which establishes criteria for identifying and properly reporting Leases for all state and local governments. The Statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an asset.

The City has adopted this standard for the fiscal year ended June 30, 2022. However, an in-depth analysis of the City's agreements found no lease arrangements which are subject to GASB 87.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022

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, 2022, 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, 2022

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, 2022, 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)	\$ 57,234,921	\$ 57,234,921	\$ -	\$ -	\$ -
	<u>\$ 57,234,921</u>	<u>\$ 57,234,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2022, 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)	\$ 57,234,921	\$ -	\$ -	\$ -	\$ 57,234,921
	<u>\$ 57,234,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,234,921</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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	\$ 41,197,880
Restricted	<u>18,225,198</u>
	<u>\$ 59,423,078</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, 2022, the City had \$57,234,921 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, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Receivables

Receivables as of June 30, 2022 for the City’s individual major funds and non-major funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds

	<u>General</u>	<u>Capital Projects</u>	<u>RDA</u>	<u>Debt Service</u>	<u>Total</u>
Receivables:					
Accounts	554,252	1,236,962	-	-	\$ 1,791,214
Property tax	4,019,930	-	929,500	1,459,382	6,408,812
Intergovernmental	2,196,659	-	-	-	2,196,659
Gross receivables	6,770,841	1,236,962	929,500	1,459,382	10,396,685
Less: allowance for uncollectibles	(142,761)	-	-	-	(142,761)
Net total receivables	<u>\$ 6,628,080</u>	<u>\$ 1,236,962</u>	<u>\$ 929,500</u>	<u>\$ 1,459,382</u>	<u>\$ 10,253,924</u>

Business-type Funds

	<u>Water</u>	<u>Sewer</u>	<u>Storm Drain</u>	<u>Sanitation</u>	<u>Total</u>
Receivables:					
Accounts	\$ 1,058,468	\$ 570,239	\$ 249,825	\$ 153,630	\$ 2,032,162
Gross receivables	1,058,468	570,239	249,825	153,630	2,032,162
Less: allowance for uncollectibles	(24,956)	(4,543)	(8,003)	(1,904)	(39,406)
Net total receivables	<u>\$ 1,033,512</u>	<u>\$ 565,696</u>	<u>\$ 241,822</u>	<u>\$ 151,726</u>	<u>\$ 1,992,756</u>

Deferred Revenue

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

	<u>Deferred</u>	<u>Unavailable</u>
Property taxes receivable (Governmental Funds)	\$ -	\$ 6,308,393
Deferred ambulance billing (Governmental Funds)	-	132,007
Developer contributions (Metropolitan Water District)	634,864	-
Total deferred/unearned revenue	<u>\$ 634,864</u>	<u>\$ 6,440,400</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Notes Receivable

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

The current agreement called for the developer to pay certain monies to the City as consideration for the performance extensions of the contract, to be used for annual debt service payments on the RDA Bonds. Each fiscal year, the developer remitted the annual debt service payment due on the bonds. During 2018, the original third-party developer filed for reorganization under Chapter 11 of the federal bankruptcy laws but included the debt service in its bankruptcy budget and reorganization plan. All debt service payments were made in a timely fashion during the pendency of the reorganization. A new developer filed a Joint and Consolidated Chapter 11 Plan of Reorganization for All Debtors and assumed all obligations and liabilities under the previous agreements of the original developer. The new developer is under obligation to pay all debt service on the Series 2011 Bonds as such payment become due and payable under the Indenture and has made the first required payment under the Assignment/Assumption Agreement. Each fiscal year, the developer remits the annual debt service payments due on the bonds. The RDA is eligible to receive these contributions until such time as the developer has constructed the Project. During the year ended June 30, 2022, the note receivable was paid in full. For the year ended June 30, 2022, the developers (original and new) contributed \$12,923,388.

The second agreement is with North Utah County Water Conservancy District (NUCWCD). The original amount of \$497,900 is to reimburse the City for improvements made to the Grove Creek and Battle Creek basins. The funds were paid out of the Storm Drain fund. The terms are ten payments of \$49,790 annually for 10 years at 0% interest, beginning January 2013. During 2016, the original terms were modified to defer certain payments from NUCWCD, extending the final payment to January 2024. As of June 30, 2022, the outstanding balance of \$99,580 is considered noncurrent. A payment of \$49,790 was received in 2022.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	07/01/21	Increases	Decreases	06/30/22
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 46,765,823	\$ -	\$ -	\$ 46,765,823
Construction in progress	2,515,054	723,137	(2,350,268)	887,923
Total capital assets, not depreciated	49,280,877	723,137	(2,350,268)	47,653,746
Capital assets, depreciated:				
Buildings and improvements	28,604,046	138,956	-	28,743,002
Infrastructure	77,754,954	7,396,325	-	85,151,279
Automobiles, machinery and equipment	7,479,364	2,016,251	(394,983)	9,100,632
Total capital assets, depreciated	113,838,364	9,551,532	(394,983)	122,994,913
Accumulated depreciation:				
Buildings and improvements	(7,437,052)	(747,599)	-	(8,184,651)
Infrastructure	(31,518,467)	(2,459,501)	-	(33,977,968)
Automobiles, machinery and equipment	(4,734,792)	(892,448)	319,170	(5,308,070)
Total accumulated depreciation	(43,690,311)	(4,099,548)	319,170	(47,470,689)
Total capital assets, depreciated (net)	70,148,053	5,451,984	(75,813)	75,524,224
Net governmental capital assets	\$ 119,428,930	\$ 6,175,121	\$ (2,426,081)	\$ 123,177,970
	07/01/21	Increases	Decreases	06/30/22
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Land and rights of way	\$ 11,044,999	\$ 44,574	\$ (152,710)	\$ 10,936,863
Water shares	11,605,004	435,687	-	12,040,691
Construction in progress	4,070,442	3,746,522	(1,204,646)	6,612,318
Total capital assets, not depreciated	26,720,445	4,226,783	(1,357,356)	29,589,872
Capital assets, depreciated:				
Infrastructure	126,813,963	4,432,283	-	131,246,246
Automobiles, machinery and equipment	2,798,892	390,941	-	3,189,833
Total capital assets, depreciated	129,612,855	4,823,224	-	134,436,079
Accumulated depreciation:				
Infrastructure	(35,559,986)	(2,717,247)	-	(38,277,233)
Automobiles, machinery and equipment	(1,412,361)	(291,908)	-	(1,704,269)
Total accumulated depreciation	(36,972,347)	(3,009,155)	-	(39,981,502)
Total capital assets, depreciated (net)	92,640,508	1,814,069	-	94,454,577
Net business-type capital assets	\$ 119,360,953	\$ 6,040,852	\$ (1,357,356)	\$ 124,044,449

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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	\$ 685,883
Public safety	528,204
Highways and public improvements	2,098,928
Parks, recreation, and public property	<u>786,533</u>
Total depreciation expense - governmental activities	<u>\$ 4,099,548</u>
Business-type activities:	
Water	\$ 1,807,342
Sewer	612,421
Storm drain	<u>589,392</u>
Total depreciation expense - business-type activities	<u>\$ 3,009,155</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, 2022, \$21,950 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 2022, the City subsidized Fox Hollow to help with both debt service and operations in the amount of \$235,000.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Interfund Receivable, Payables and Transfers

At June 30, 2022, the following interfund balances existed:

Due to	Due from	Amount
Sewer fund	General fund	\$ 89,414
General fund	Sanitation fund	70,031
		\$ 159,445

Interfund loan between General Fund and Sewer Fund is for repayment of street light loan. Loan will be paid in full as of June 30, 2023. 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, were as follows:

Fund Transferring Out	Fund Receiving Transfer	Amount
General fund	Nonmajor governmental funds	\$ 680,581
General fund	Capital projects fund	567,000
General fund	Storm drain fund	75,000
Capital projects fund	Debt service fund	347,778
Capital projects fund	General fund	103,044
Capital projects fund	Storm drain fund	2,263,929
Nonmajor governmental funds	Capital projects fund	45,000
		\$ 4,082,332

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, 2022

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 on page 116. 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 6/30/22
General Obligation, Series 2016	\$ 3,750,000	\$35,000 to \$324,000	2.21%	10/1/2031	\$ 2,815,000
General Obligation, Series 2017	<u>9,060,000</u>	\$300,000 to \$605,000	2.00%	4/1/2037	<u>7,345,000</u>
	<u>\$ 12,810,000</u>				<u>\$ 10,160,000</u>

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

	Principal	Interest	Totals
2023	\$ 622,000	\$ 307,500	\$ 929,500
2024	649,000	286,820	935,820
2025	670,000	265,340	935,340
2026	690,000	243,139	933,139
2027	716,000	220,161	936,161
2028 - 2032	3,968,000	773,260	4,741,260
2033 - 2037	2,845,000	283,075	3,128,075
2038 - 2039	-	-	-
	<u>\$ 10,160,000</u>	<u>\$ 2,379,295</u>	<u>\$ 12,539,295</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount at 6/30/22
<u>Tax Revenue Bonds</u>					
Tax Increment, Series 2011	\$ 18,383,000	\$511,000 to \$12,560,000	5.79%	12/1/2021	\$ -
Excise Tax Revenue, Series 2021	6,500,000	\$615,000 to \$690,000	1.40%	6/15/2031	5,885,000
Sales Tax, Series 2012:					
Governmental funds portion (70%)	3,073,000	\$35,000 to \$343,000	2.00% to 3.00%	12/1/2022	343,000
Enterprise funds portion (30%)	1,317,000	\$15,000 to \$147,000	2.00% to 3.00%	12/1/2022	147,000
<u>Water Revenue Bonds</u>					
Series 2004	1,520,000	\$64,000 to \$75,000	1.70%	12/1/2025	346,000
Series 2006	350,000	\$15,000 to \$21,000	1.70%	12/1/2026	82,000
Series 2010 (BAB)*	1,000,000	\$38,000 to \$64,000	2.71%	12/1/2031	567,000
Series 2015	8,995,000	\$160,000 to \$705,000	2.00% to 4.00%	12/1/2031	6,040,000
Series 2016	8,945,000	\$80,000 to \$690,000	2.70%	12/1/2033	7,185,000
Series 2019	2,300,000	\$14,000 to \$21,000	2.00%	12/1/2039	1,999,000
Series 2020	1,048,000	\$34,000 to \$50,000	1.00%	12/1/2044	979,000
Series 2022	1,200,000	\$51,360 to \$69,600	1.60%	7/1/2043	1,200,000
<u>Storm Water Revenue Bonds</u>					
Series 2020 (refunding)	8,765,000	\$215,000 to \$645,000	2.00% to 4.00%	7/15/2038	8,010,000
	<u>\$ 63,396,000</u>				<u>\$ 32,783,000</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, 2022

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>
2023	\$ 3,001,000	\$ 788,905	\$ 3,789,905
2024	2,406,000	755,878	3,161,878
2025	2,454,360	694,419	3,148,779
2026	2,531,320	639,166	3,170,486
2027	2,486,040	579,873	3,065,913
2028 - 2032	12,864,160	1,926,656	14,790,816
2033 - 2037	5,478,200	572,925	6,051,125
2038 - 2042	1,276,920	68,069	1,344,989
2043 - 2044	285,000	6,282	291,282
	<u>\$ 32,783,000</u>	<u>\$ 6,032,172</u>	<u>\$ 38,815,172</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, \$2,429,574 has been remitted to the County. As of June 30, 2022, the outstanding balance was \$470,426. During 2022, \$378,198 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, 2022, the outstanding balance was \$8,604.

The MWDPG currently has notes payable due to the Provo River Water Users Association (PRiWUA) for its share of the Deer Creek Dam construction project, maturing in 2024, as well as to the Provo Reservoir Water Users Association (PReWUA) for water share storage and utility relocation costs, maturing in 2035. The PRiWUA note is interest free with annual installments between \$776 and \$2,082. The outstanding balance as of June 30, 2022 was \$2,917. The PReWUA note bears interest of 2.33% with annual installments of 16,997. The outstanding balance as of June 30, 2022 was \$189,123.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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 \$15,835 to \$158,196 per month, including interest (1.19% to 2.56%).

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

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 469,747	\$ 23,377	\$ -	\$ -
2024	292,106	16,715	-	-
2025	229,031	12,801	-	-
2026	136,361	9,520	-	-
2027	138,837	7,043	-	-
2028 - 2032	285,283	6,477	-	-
	\$ 1,551,365	\$ 75,933	\$ -	\$ -

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	07/01/21	Increases	Decreases	06/30/22	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation	\$ 10,761,000	\$ -	(601,000)	\$ 10,160,000	\$ 622,000
Tax increment revenue	12,560,000	-	(12,560,000)	-	-
Excise tax revenue	-	6,500,000	(615,000)	5,885,000	620,000
Sales tax revenue	675,500	-	(332,500)	343,000	343,000
Add: unamortized premium	364,198	-	(30,924)	333,274	-
Total bonds payable	24,360,698	6,500,000	(14,139,424)	16,721,274	1,585,000
Other long-term liabilities:					
Compensated absences	936,790	566,296	(582,398)	920,688	690,516
Purchase agreements	826,038	1,236,962	(511,635)	1,551,365	469,747
Note payable	848,624	-	(378,198)	470,426	-
Governmental activities, long-term liabilities	<u>\$ 26,972,150</u>	<u>\$ 8,303,258</u>	<u>\$ (15,611,655)</u>	<u>\$ 19,663,753</u>	<u>\$ 2,745,263</u>
<u>Business-type activities</u>					
Bonds payable:					
Water revenue	\$ 18,566,000	\$ 1,200,000	\$ (1,368,000)	\$ 18,398,000	\$ 1,406,000
Storm Water revenue	8,480,000	-	(470,000)	8,010,000	485,000
Sales tax revenue	289,500	-	(142,500)	147,000	147,000
Add: unamortized premium	1,863,080	-	(130,444)	1,732,636	-
Total bonds payable	29,198,580	1,200,000	(2,110,944)	28,287,636	2,038,000
Other long-term liabilities:					
Compensated absences	147,334	104,628	(131,378)	120,584	90,438
Notes payable:					
Provo reservoir	8,604	-	(526)	8,078	538
MWDPG agreements	205,321	-	(13,272)	192,049	13,560
Business-type activities, long-term liabilities	<u>\$ 29,559,839</u>	<u>\$ 1,304,628</u>	<u>\$ (2,256,120)</u>	<u>\$ 28,608,347</u>	<u>\$ 2,142,536</u>

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022 there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2022 which exceeded its insurance coverage.

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

Redevelopment Agency

In connection with the activities of the Redevelopment Agency (RDA), intergovernmental revenues from property tax increments of other governmental entities totaling \$324,031 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2022, funds expended by the RDA were limited to the categories of redevelopment, administration costs, and debt service. Administrative costs totaled \$547,049, and debt service costs totaled \$12,925,262. The redevelopment cost was funded with bond proceeds from a prior year issuance, with the annual debt service paid with certain contributions from a developer (see note 3, *Note Receivable*).

Employee Retirement Systems and Pension Plans

General Information about the Pension Plan

Plan Description

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022

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, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

Utah Retirement Systems

Contribution rates as of June 30, 2022 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
111- Local Governmental Division Tier 2	N/A	16.07%	0.62%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System			
<i>Contributory</i>			
122- Tier 2 DB Hybrid Public Safety	2.27	25.83%	N/A
<i>Noncontributory</i>			
43- Other Div A with 2.5% COLA	N/A	34.04%	N/A
Firefighters Retirement System			
31- Other Division A	15.05	4.61%	N/A
132- Tier 2 DB Hybrid Firefighters	2.27	14.08%	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.69%	10.00%
222- Public Safety	N/A	11.83%	14.00%
232- Firefighters	N/A	0.08%	14.00%

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

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 433,603	N/A
Public Safety System	297,165	-
Firefighters System	24,544	-
Tier 2 Public Employees System	240,520	-
Tier 2 Public Safety and Firefighter	246,952	-
Tier 2 DC Only System	26,472	N/A
Tier 2 DC Public Safety and Firefighter System	12,270	N/A
 Total Contributions	 <u>\$ 1,281,526</u>	 <u>\$ -</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, 2022

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, 2022, the City reported a net pension asset of \$3,244,627 and a net pension liability of \$0.

	Measurement Date: December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	\$ 1,718,542	\$ -	0.3000715%	0.3066804%	-0.0066089%
Public Safety System	\$ 577,474	\$ -	0.7110505%	0.6517659%	0.0592846%
Firefighters System	\$ 890,025	\$ -	1.5260637%	1.3682898%	0.1577739%
Tier 2 Public Employees System	\$ 34,006	\$ -	0.0803463%	0.0750450%	0.0053013%
Tier 2 Public Safety and Firefighter	\$ 24,580	\$ -	0.4863296%	0.4775238%	0.0088058%
Total Net Pension Asset / Liability	<u>\$ 3,244,627</u>	<u>\$ -</u>			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 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, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

For the year ended June 30, 2022, the City recognized pension expense of (\$196,103).

At June 30, 2022, 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	\$ 329,257	\$ 16,380
Changes in assumptions	409,320	21,790
Net difference between projected and actual earnings on pension plan investments	-	4,583,287
Changes in proportion and differences between contributions and proportionate share of contributions	106,789	57,377
Contributions subsequent to the measurement date	586,606	-
Total	\$ 1,431,972	\$ 4,678,834

\$586,606 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, 2021.

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
2022	\$ (729,273)
2023	(1,349,295)
2024	(1,089,351)
2025	(737,765)
2026	11,587
Thereafter	60,630

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

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

For the year ended June 30, 2022, the City recognized pension expense of (\$289,717).

At June 30, 2022, 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	\$ 179,999	\$ -
Changes in assumptions	161,291	11,093
Net difference between projected and actual earnings on pension plan investments	-	2,313,786
Changes in proportion and differences between contributions and proportionate share of contributions	209	30,856
Contributions subsequent to the measurement date	199,909	-
	<hr/>	<hr/>
Total	<u>\$ 541,408</u>	<u>\$ 2,355,735</u>

\$199,909 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, 2021.

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
2022	\$ (399,282)
2023	(669,770)
2024	(560,739)
2025	(384,445)
2026	-
Thereafter	-

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022, the City recognized pension expense of \$27,055.

At June 30, 2022, 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	\$ 49,149	\$ -
Changes in assumptions	101,244	6,007
Net difference between projected and actual earnings on pension plan investments	-	1,560,891
Changes in proportion and differences between contributions and proportionate share of contributions	66,719	-
Contributions subsequent to the measurement date	133,755	-
Total	<u>\$ 350,867</u>	<u>\$ 1,566,898</u>

\$133,756 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, 2021.

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
2022	\$ (214,933)
2023	(490,840)
2024	(385,231)
2025	(258,782)
2026	-
Thereafter	-

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

3. DETAILED NOTES FOR ALL FUNDS (CONTINUED)

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

For the year ended June 30, 2022, the City recognized pension expense of (\$181,252).

At June 30, 2022, 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	\$ 62,525	\$ 7,961
Changes in assumptions	87,494	-
Net difference between projected and actual earnings on pension plan investments	-	549,456
Changes in proportion and differences between contributions and proportionate share of contributions	11,898	23,375
Contributions subsequent to the measurement date	11,357	-
	<hr/>	<hr/>
Total	<u>\$ 173,274</u>	<u>\$ 580,792</u>

\$11,357 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, 2021.

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
2022	\$ (82,883)
2023	(148,682)
2024	(113,363)
2025	(75,652)
2026	1,704
Thereafter	-

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022, the City recognized pension expense of \$118,206.

At June 30, 2022, 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	\$ 16,521	\$ 4,381
Changes in assumptions	31,708	321
Net difference between projected and actual earnings on pension plan investments	-	84,023
Changes in proportion and differences between contributions and proportionate share of contributions	19,687	218
Contributions subsequent to the measurement date	119,295	-
Total	\$ 187,211	\$ 88,943

\$119,295 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, 2021.

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
2022	\$ (15,662)
2023	(20,114)
2024	(14,557)
2025	(8,328)
2026	6,705
Thereafter	30,931

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2022, the City recognized pension expense of \$129,605.

At June 30, 2022, 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	\$ 21,063	\$ 4,038
Changes in assumptions	27,583	4,369
Net difference between projected and actual earnings on pension plan investments	-	75,131
Changes in proportion and differences between contributions and proportionate share of contributions	8,276	2,928
Contributions subsequent to the measurement date	122,290	-
	<hr/>	<hr/>
Total	<u>\$ 179,212</u>	<u>\$ 86,466</u>

\$122,229 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to fiscal year end, but subsequent to the measurement date of December 31, 2021.

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
2022	\$ (16,513)
2023	(19,889)
2024	(15,461)
2025	(10,558)
2026	3,178
Thereafter	29,699

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2022

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, 2021, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37.00%	6.58%	2.43%
Debt securities	20.00%	-28.00%	-0.06%
Real assets	15.00%	5.77%	0.87%
Private equity	12.00%	9.85%	1.18%
Absolute return	16.00%	2.91%	0.47%
Cash and cash equivalents	0.00%	-1.01%	0.00%
Totals	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

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, 2022

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. The discount rate was reduced from 6.95% to 6.85% from the prior measurement period.

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

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 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	\$ 924,112	\$ (1,718,542)	\$ (3,923,321)
Public Safety System	1,424,242	(577,474)	(2,203,006)
Firefighters System	(217,947)	(890,025)	(1,434,767)
Tier 2 Public Employees System	202,613	(34,006)	(215,679)
Tier 2 Public Safety and Firefighter	197,195	(24,580)	(200,640)
Total	<u>\$ 2,530,215</u>	<u>\$ (3,244,627)</u>	<u>\$ (7,977,413)</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, 2022

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

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

401(k) Plan	2022	2021	2020
Employer Contributions	\$ 65,725	\$ 46,478	\$ 50,127
Employee Contributions	96,714	86,679	13,782

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, 2022

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 2022 revenues from franchise tax were \$2,047,524. If the City is called upon to make a pledge payment, the payment amount would require 52.09% of pledged revenues. UIA has sufficient revenue to service the debt, and it is unlikely the City's pledge will be required.

5. TAX ABATEMETNS

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 2022	Taxes abated in prior years	Total Max Tax Abatement	Primary Purpose of Abatement	Abatement Expires
1300 West CDA	\$ 314,442	\$ 1,948,519	\$ 4,750,000	Property & sales tax revenues	2031
Gateway CDA*	-	-	30,345,153	Jobs, property & sales tax revenues	2031
Grove Tower CRA#1	143,651	291,820			
Grove Tower CRA#2	82,666	111,317			
	<u>226,317</u>	<u>403,137</u>	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, 2022

6. SUBSEQUENT EVENTS

On July 27, 2022 the City received a distribution in the amount of \$2,263,929 from the State of Utah (the State) from the American Rescue Plan Act of 2021 (ARPA). The City has received a total of \$4,527,858. The City has designated these funds for the storm drain outfall to the lake project.

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

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

Subsequent events have been evaluated through November 29, 2022, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Noncontributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
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 8 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%
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%
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%
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%
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%
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%
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%

*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, 2022

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Changes in Assumptions

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

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SUPPLEMENTARY INFORMATION

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PLEASANT GROVE CITY
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2022

	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	\$ 269,518	\$ 479,023	\$ 365,693	\$ 52,877	\$ 25,449	\$ 439,918	\$ -	\$ 1,632,478
Restricted	-	-	-	-	5,830	-	2,305,720	2,311,550
Total assets	<u>\$ 269,518</u>	<u>\$ 479,023</u>	<u>\$ 365,693</u>	<u>\$ 52,877</u>	<u>\$ 31,279</u>	<u>\$ 439,918</u>	<u>\$ 2,305,720</u>	<u>\$ 3,944,028</u>
LIABILITIES								
Accrued liabilities	\$ -	\$ 31,741	\$ 24,651	\$ -	\$ -	\$ -	\$ -	\$ 56,392
Total liabilities	<u>-</u>	<u>31,741</u>	<u>24,651</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,392</u>
FUND BALANCES								
Restricted:								
Capital projects	-	-	-	-	-	-	2,305,720	2,305,720
Library purposes	-	-	-	-	31,279	-	-	31,279
Assigned:								
Future capital improvements	269,518	447,282	341,042	-	-	374,918	-	1,432,760
Community events	-	-	-	52,877	-	65,000	-	117,877
Unassigned								
-	-	-	-	-	-	-	-	-
Total fund balances	<u>269,518</u>	<u>447,282</u>	<u>341,042</u>	<u>52,877</u>	<u>31,279</u>	<u>439,918</u>	<u>2,305,720</u>	<u>3,887,636</u>
Total liabilities and fund balances	<u>\$ 269,518</u>	<u>\$ 479,023</u>	<u>\$ 365,693</u>	<u>\$ 52,877</u>	<u>\$ 31,279</u>	<u>\$ 439,918</u>	<u>\$ 2,305,720</u>	<u>\$ 3,944,028</u>

PLEASANT GROVE CITY
Combining Statement of Revenues, Expenses, and Changes in Net Position –
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	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	-	358,564	1,141,293	38,413	-	555,253	-	2,093,523
Investment earnings	895	-	-	-	104	-	-	999
Miscellaneous	-	-	53,963	25	3,325	-	-	57,313
Total revenues	895	358,564	1,195,256	38,438	3,429	573,472	-	2,170,054
EXPENDITURES								
Current:								
Public safety	282,687	-	-	-	-	-	-	282,687
Parks, recreation, and public property	-	442,629	1,143,133	61,314	-	23,586	-	1,670,662
Capital outlay	-	19,719	30,508	-	-	38,432	-	88,659
Total expenditures	282,687	462,348	1,173,641	61,314	-	62,018	-	2,042,008
Excess (deficiency) of revenues over expenditures	(281,792)	(103,784)	21,615	(22,876)	3,429	511,454	-	128,046
OTHER FINANCING SOURCES (USES)								
Transfers in	292,086	186,261	171,622	30,612	-	-	-	680,581
Transfers out	-	-	(45,000)	-	-	-	-	(45,000)
Total other financing sources (uses)	292,086	186,261	126,622	30,612	-	-	-	635,581
Net change in fund balances	10,294	82,477	148,237	7,736	3,429	511,454	-	763,627
Fund balances - beginning	259,224	364,805	192,805	45,141	27,850	(71,536)	2,305,720	3,124,009
Fund balances - ending	\$ 269,518	\$ 447,282	\$ 341,042	\$ 52,877	\$ 31,279	\$ 439,918	\$ 2,305,720	\$ 3,887,636

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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 895	\$ 895
Total revenues	<u>-</u>	<u>-</u>	<u>895</u>	<u>895</u>
EXPENDITURES				
Public safety	292,086	292,086	282,687	9,399
Total expenditures	<u>292,086</u>	<u>292,086</u>	<u>282,687</u>	<u>9,399</u>
Excess (deficiency) of revenues over expenditures	<u>(292,086)</u>	<u>(292,086)</u>	<u>(281,792)</u>	<u>10,294</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>	10,294	<u>\$ 10,294</u>
Fund balance - beginning			<u>259,224</u>	
Fund balance - ending			<u>\$ 269,518</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 254,000	\$ 254,000	\$ 358,564	\$ 104,564
Total revenues	<u>254,000</u>	<u>254,000</u>	<u>358,564</u>	<u>104,564</u>
EXPENDITURES				
Capital outlay	19,719	19,719	19,719	-
Parks, recreation, and public property	420,542	442,629	442,629	-
Total expenditures	<u>440,261</u>	<u>462,348</u>	<u>462,348</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(186,261)</u>	<u>(208,348)</u>	<u>(103,784)</u>	<u>104,564</u>
OTHER FINANCING SOURCES				
Transfers in	186,261	186,261	186,261	-
Total other financing sources	<u>186,261</u>	<u>186,261</u>	<u>186,261</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (22,087)</u>	82,477	<u>\$ 104,564</u>
Fund balance - beginning			<u>364,805</u>	
Fund balance - ending			<u>\$ 447,282</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,115,000	\$ 1,115,000	\$ 1,141,293	\$ 26,293
Donations and reimbursements	25,000	25,000	53,963	28,963
Total revenues	<u>1,140,000</u>	<u>1,140,000</u>	<u>1,195,256</u>	<u>55,256</u>
EXPENDITURES				
Capital outlay	-	-	30,508	(30,508)
Parks, recreation, and public property	1,275,523	1,275,523	1,143,133	132,390
Total expenditures	<u>1,275,523</u>	<u>1,275,523</u>	<u>1,173,641</u>	<u>101,882</u>
Excess (deficiency) of revenues over expenditures	<u>(135,523)</u>	<u>(135,523)</u>	<u>21,615</u>	<u>157,138</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	171,622	171,622	171,622	-
Transfers out	(45,000)	(45,000)	(45,000)	-
Total other financing sources (uses)	<u>126,622</u>	<u>126,622</u>	<u>126,622</u>	<u>-</u>
Net change in fund balance	<u>\$ (8,901)</u>	<u>\$ (8,901)</u>	148,237	<u>\$ 157,138</u>
Fund balance - beginning			<u>192,805</u>	
Fund balance - ending			<u>\$ 341,042</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 38,413	\$ 23,413
Donations and reimbursements	5,000	5,000	25	(4,975)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>38,438</u>	<u>18,438</u>
EXPENDITURES				
Parks, recreation, and public property	48,000	62,107	61,314	793
Total expenditures	<u>48,000</u>	<u>62,107</u>	<u>61,314</u>	<u>793</u>
Excess (deficiency) of revenues over expenditures	<u>(28,000)</u>	<u>(42,107)</u>	<u>(22,876)</u>	<u>19,231</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>\$ 2,612</u>	<u>\$ (11,495)</u>	7,736	<u>\$ 19,231</u>
Fund balance - beginning			<u>45,141</u>	
Fund balance - ending			<u>\$ 52,877</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Donations and reimbursements	\$ -	\$ -	\$ 3,325	\$ 3,325
Investment earnings	-	-	104	104
Total revenues	<u>-</u>	<u>-</u>	<u>3,429</u>	<u>3,429</u>
EXPENDITURES				
Parks, recreation, and public property	1,731	1,731	-	1,731
Total expenditures	<u>1,731</u>	<u>1,731</u>	<u>-</u>	<u>1,731</u>
Net change in fund balance	<u>\$ (1,731)</u>	<u>\$ (1,731)</u>	3,429	<u>\$ 5,160</u>
Fund balance - beginning			<u>27,850</u>	
Fund balance - ending			<u>\$ 31,279</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 18,219	\$ 18,219
Charges for services	420,000	420,000	555,253	135,253
Total revenues	420,000	420,000	573,472	153,472
EXPENDITURES				
Capital outlay	40,213	40,213	38,432	1,781
Parks, recreation, and public property	24,787	24,787	23,586	1,201
Total expenditures	65,000	65,000	62,018	2,982
Net change in fund balance	\$ 355,000	\$ 355,000	511,454	\$ 150,490
Fund balance - beginning			(71,536)	
Fund balance - ending			\$ 439,918	

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, 2022

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

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2022

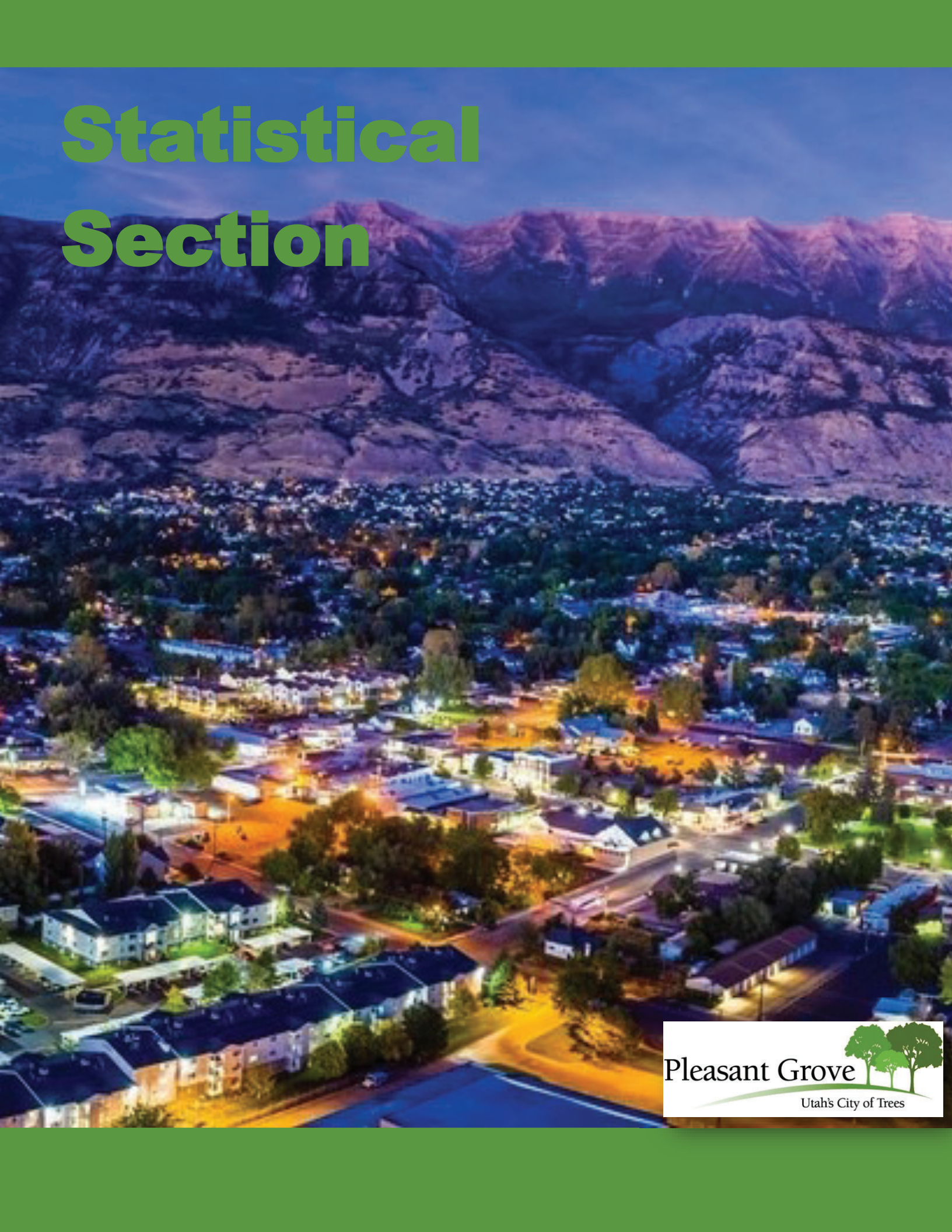
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 26,688	\$ 26,688
Impact fees	800,000	800,000	1,532,096	732,096
Intergovernmental	-	2,363,929	2,263,930	(99,999)
Total revenues	<u>800,000</u>	<u>3,163,929</u>	<u>3,822,714</u>	<u>658,785</u>
EXPENDITURES				
Capital outlay	540,000	5,494,112	2,765,713	2,728,399
Debt service:				
Principal	561,271	561,271	894,189	(332,918)
Interest and other financial	19,422	19,422	13,939	5,483
Total expenditures	<u>1,120,693</u>	<u>6,074,805</u>	<u>3,673,841</u>	<u>2,400,964</u>
Excess (deficiency) of revenues over expenditures	<u>(320,693)</u>	<u>(2,910,876)</u>	<u>148,873</u>	<u>3,059,749</u>
OTHER FINANCING SOURCES AND (USES)				
Proceeds from purchase agreement	368,000	1,236,962	1,236,962	-
Proceeds from sale of assets	172,000	77,759	77,759	-
Transfers in	562,000	612,000	612,000	-
Transfers out	(347,778)	(2,611,707)	(2,714,751)	(103,044)
Total other financing sources (uses)	<u>754,222</u>	<u>(684,986)</u>	<u>(788,030)</u>	<u>(103,044)</u>
Net change in fund balance	<u>\$ 433,529</u>	<u>\$ (3,595,862)</u>	<u>(639,157)</u>	<u>\$ 2,956,705</u>
Fund balance - beginning			<u>4,484,796</u>	
Fund balance - ending			<u>\$ 3,845,639</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 928,385	\$ 928,385	\$ 928,385	\$ -
Investment earnings	15,000	15,000	29,627	14,627
Miscellaneous	-	-	105	105
Total revenues	<u>943,385</u>	<u>943,385</u>	<u>958,117</u>	<u>14,732</u>
EXPENDITURES				
Debt service:				
Principal	933,500	933,500	933,500	-
Interest and other financial	345,962	345,962	344,824	1,138
Total expenditures	<u>1,279,462</u>	<u>1,279,462</u>	<u>1,278,324</u>	<u>1,138</u>
Excess (deficiency) of revenues over expenditures	<u>(336,077)</u>	<u>(336,077)</u>	<u>(320,207)</u>	<u>15,870</u>
OTHER FINANCING SOURCES				
Transfers in	347,778	347,778	347,778	-
Total other financing sources	<u>347,778</u>	<u>347,778</u>	<u>347,778</u>	<u>-</u>
Net change in fund balance	<u>\$ 11,701</u>	<u>\$ 11,701</u>	27,571	<u>\$ 15,870</u>
Fund balance - beginning			<u>222,069</u>	
Fund balance - ending			<u>\$ 249,640</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net Investment in Capital Assets	\$ 50,796	\$ 50,566	\$ 52,593	\$ 51,330	\$ 62,432	\$ 73,541	\$ 89,162	\$ 86,436	\$ 93,394	\$ 110,922
Restricted	3,056	4,038	4,390	5,053	13,958	13,816	8,423	8,517	13,184	18,950
Unrestricted	2,426	3,101	998	23,328	6,699	9,630	14,447	18,126	17,236	3,773
Total government activities net position	<u>56,278</u>	<u>57,705</u>	<u>57,981</u>	<u>79,711</u>	<u>83,089</u>	<u>96,987</u>	<u>112,032</u>	<u>113,079</u>	<u>123,814</u>	<u>133,646</u>
Business-type activities										
Net Investment in Capital Assets	48,324	49,572	48,630	51,387	57,964	67,551	72,211	84,609	90,285	95,038
Restricted	2,536	4,055	6,578	5,538	5,966	5,517	4,010	4,976	5,511	9,454
Unrestricted	5,927	5,858	7,222	9,845	7,988	8,309	9,879	12,482	14,292	16,208
Total business-type activities net position	<u>56,787</u>	<u>59,485</u>	<u>62,430</u>	<u>66,770</u>	<u>71,918</u>	<u>81,377</u>	<u>86,100</u>	<u>102,067</u>	<u>110,088</u>	<u>120,700</u>
Primary government										
Net Investment in Capital Assets	99,120	100,138	101,223	102,717	120,396	141,092	161,373	171,045	183,679	205,960
Restricted	5,592	8,093	10,968	10,591	19,924	19,333	12,433	13,493	18,695	28,405
Unrestricted	8,353	8,959	8,220	33,173	14,687	17,939	24,326	30,608	31,528	19,982
Total primary government net position	<u>\$ 113,065</u>	<u>\$ 117,190</u>	<u>\$ 120,411</u>	<u>\$ 146,481</u>	<u>\$ 155,007</u>	<u>\$ 178,364</u>	<u>\$ 198,132</u>	<u>\$ 215,146</u>	<u>\$ 233,902</u>	<u>\$ 254,346</u>

PLEASANT GROVE CITY

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 2,975	\$ 1,610	\$ 1,075	\$ 4,546	\$ 4,757	\$ 4,222	\$ 4,349	\$ 2,551	\$ 2,534	\$ 3,458
Community Development	1,234	1,321	1,422	970	1,115	936	971	1,309	1,341	1,332
Public Works	2,424	2,477	2,654	2,902	4,435	2,586	3,192	3,167	3,815	2,827
Public Safety	5,634	6,096	6,296	6,159	5,835	6,646	7,145	6,575	6,716	6,974
Parks & Recreation	3,958	4,063	4,508	4,052	3,588	4,111	4,274	3,961	3,958	4,945
Interest on long-term debt	1,489	1,441	1,335	1,286	1,491	1,423	1,255	1,186	1,113	763
Total governmental activities expense	<u>17,714</u>	<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>
Business-type activities										
Water	5,517	5,456	5,062	5,250	5,154	5,025	4,962	6,253	5,218	5,254
MWDPG							145	148	293	281
Sewer	3,632	3,583	4,267	4,502	4,531	4,409	4,767	4,636	4,643	4,737
Storm Drain	1,089	1,393	1,621	1,552	1,517	1,578	1,714	1,930	1,652	1,843
Sanitation	1,324	1,335	1,361	1,377	1,410	1,379	1,501	1,553	1,678	1,642
Total business-type activities expense	<u>11,562</u>	<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>
Total primary government expenses	<u>29,276</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	2,278	636	378	3,210	3,326	3,837	3,524	1,923	690	727
Community Development	406	694	1,019	-	-	-	-	-	1,220	1,466
Public Works	4	3	-	-	-	-	1,444	861	255	414
Public Safety	844	831	308	821	795	845	796	796	899	879
Parks & Recreation	1,611	1,643	1,595	1,588	1,686	1,922	1,763	1,530	2,143	2,033
Operating grants and contributions	376	387	431	757	355	522	595	2,868	2,534	1,406
Capital grants and contributions	2,581	3,899	3,108	7,043	5,508	11,975	4,633	4,909	5,871	8,569
Total governmental activities programs revenues	<u>8,100</u>	<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>
Business-type activities:										
Charges for services:										
Water	4,959	5,594	6,096	6,407	6,677	7,235	7,510	8,013	8,226	8,490
MWDPG	-	-	-	-	-	-	-	-	-	303
Sewer	4,280	4,367	4,563	4,642	4,889	5,075	5,164	5,325	5,467	5,539
Storm Drain	1,239	1,536	1,774	1,986	1,783	1,784	1,677	2,294	2,348	2,689
Sanitation	1,325	1,351	1,413	1,436	1,448	1,454	1,464	1,497	1,564	1,688
Operating grants and contributions	43	8	35	258	-	39	30	82	780	241
Capital grants and contributions	2,726	2,409	1,831	1,905	2,661	5,712	1,412	4,139	2,531	2,167
Total business-type activities program revenues	<u>14,572</u>	<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>
Total primary governmental program revenues	<u>22,672</u>	<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>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Net (Expense)/Revenue										
Governmental activities	\$ (9,614)	\$ (8,915)	\$ (10,451)	\$ (6,496)	\$ (9,551)	\$ (823)	\$ (8,431)	\$ (5,862)	\$ (5,865)	\$ (4,803)
Business-type activities	<u>3,010</u>	<u>3,498</u>	<u>3,401</u>	<u>3,953</u>	<u>4,846</u>	<u>8,908</u>	<u>4,168</u>	<u>6,830</u>	<u>7,432</u>	<u>7,360</u>
Total primary government net expense	<u>(6,604)</u>	<u>(5,417)</u>	<u>(7,050)</u>	<u>(2,543)</u>	<u>(4,705)</u>	<u>8,085</u>	<u>(4,263)</u>	<u>968</u>	<u>1,567</u>	<u>2,557</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	3,226	3,059	3,077	3,509	4,079	5,092	5,239	5,019	5,254	5,169
Sales taxes	3,849	4,082	4,454	5,011	5,425	5,836	6,115	6,607	7,593	8,527
Franchise taxes	1,654	1,905	1,973	-	2,059	2,041	2,000	2,028	2,100	2,217
Other taxes	316	309	306	2,100	-	-	-	-	-	-
Investment earnings	11	15	33	1,005	1,054	1,220	1,230	1,033	818	494
Miscellaneous	1,584	1,562	2,864	340	376	607	602	632	909	499
Gain on sale of assets	-	-	-	-	-	-	-	379	197	67
Transfers	-	141	(61)	(75)	(75)	(75)	175	(75)	(269)	(2,339)
Total governmental activities	<u>10,640</u>	<u>11,073</u>	<u>12,646</u>	<u>11,890</u>	<u>12,918</u>	<u>14,721</u>	<u>15,361</u>	<u>15,623</u>	<u>16,602</u>	<u>14,634</u>
Business-type activities:										
Investment earnings	35	47	46	70	109	167	327	259	97	103
Miscellaneous	-	-	15	64	118	138	154	44	184	810
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>35</u>	<u>(94)</u>	<u>122</u>	<u>209</u>	<u>302</u>	<u>381</u>	<u>412</u>	<u>421</u>	<u>588</u>	<u>3,252</u>
Total primary government	<u>10,675</u>	<u>10,979</u>	<u>12,768</u>	<u>12,099</u>	<u>13,220</u>	<u>15,102</u>	<u>15,773</u>	<u>16,044</u>	<u>17,190</u>	<u>17,886</u>
Change in Net Position										
Governmental activities	1,026	2,158	2,196	5,395	3,367	13,898	6,786	9,762	10,735	9,832
Business-type activities	3,045	3,404	3,523	4,163	5,147	9,290	4,724	7,252	8,020	10,613
Total primary government	<u>\$ 4,071</u>	<u>\$ 5,562</u>	<u>\$ 5,719</u>	<u>\$ 9,558</u>	<u>\$ 8,514</u>	<u>\$ 23,188</u>	<u>\$ 11,510</u>	<u>\$ 17,014</u>	<u>\$ 18,755</u>	<u>\$ 20,445</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund										
Nonspendable										
Prepaid Expenses	\$ 241	\$ 722	\$ 548	\$ 465	\$ 299	\$ 239	\$ 46	\$ 20	\$ 31	\$ 477
Restricted for										
Donations	361	363	366	363	388	2,397	482	35	27	139
Class C Road Funds	1,672	1,392	1,516	1,516	850	664	1,599	1,601	2,899	9,068
Assigned										
Future capital improvements	-	-	-	-	-	-	-	-	-	2,591
Unassigned	2,686	2,149	2,073	2,595	2,910	4,585	4,750	7,918	6,825	6,267
Total general fund	<u>\$ 4,960</u>	<u>\$ 4,626</u>	<u>\$ 4,503</u>	<u>\$ 4,939</u>	<u>\$ 4,447</u>	<u>\$ 7,885</u>	<u>\$ 6,877</u>	<u>\$ 9,574</u>	<u>\$ 9,782</u>	<u>\$ 18,542</u>
All Other Governmental Funds										
Nonspendable										
Prepaid Expenses	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ -
Restricted for										
Debt Service	114	239	247	114	183	185	200	217	222	250
Dispatch	302	88	57	75	96	122	-	-	-	-
Library Grants	55	64	70	47	50	15	-	-	-	-
Library Purposes	-	-	-	-	-	-	18	25	28	31
Impact Fees	552	1,891	2,133	1,904	1,638	1,537	658	1,190	1,014	1,532
Capital Projects	-	-	-	-	-	-	4,961	4,838	8,132	7,930
Assigned to										
Debt Service	5	-	-	-	-	-	-	-	-	-
Dispatch	-	-	-	-	-	-	-	225	259	-
Capital Projects	219	437	617	672	10,104	7,771	375	-	-	-
Swimming Pool	17	11	30	22	91	188	-	208	365	-
Community Center	19	20	21	42	12	80	-	146	193	-
Cultural Arts	7	16	5	28	15	20	129	31	45	-
Future capital improvements	-	-	-	-	-	-	-	-	-	1,433
Community events	-	-	-	-	-	-	-	-	-	118
Redevelopment	14	-	-	269	532	841	-	-	-	-
Unassigned	-	(195)	31	-	-	-	(1,371)	(228)	(71)	-
Total all other governmental funds	<u>\$ 1,304</u>	<u>\$ 2,571</u>	<u>\$ 3,211</u>	<u>\$ 3,243</u>	<u>\$ 12,721</u>	<u>\$ 10,759</u>	<u>\$ 4,970</u>	<u>\$ 6,652</u>	<u>\$ 10,306</u>	<u>\$ 11,294</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Taxes	\$ 9,158	\$ 9,381	\$ 9,830	\$ 10,620	\$ 11,563	\$ 12,969	\$ 13,354	\$ 13,654	\$ 14,947	\$ 15,913
Licenses, fees, and permits	480	765	673	608	638	914	692	742	941	1,230
Intergovernmental	1,367	1,496	1,465	1,850	1,636	1,816	2,144	4,783	4,666	5,918
Charges for services	4,012	2,435	2,292	4,613	4,802	5,329	4,471	4,088	3,972	3,929
Fines and penalties	354	378	336	399	366	360	324	281	255	268
Investment earnings	23	24	33	53	137	342	392	237	67	131
Impact fees	855	2,153	1,365	872	1,066	1,523	658	788	1,014	1,532
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
Miscellaneous	1,857	1,792	2,397	340	376	607	602	632	910	499
Total Revenues	18,106	18,424	18,391	20,913	22,141	25,416	24,512	26,769	28,329	42,360
Expenditures										
General government	2,883	1,498	1,717	4,259	4,571	3,948	4,001	2,263	2,411	3,206
Community Development	1,197	1,329	1,456	1,040	1,018	942	957	1,281	1,365	1,409
Public Works	566	566	844	1,410	2,168	2,248	796	558	787	773
Public Safety	5,476	5,739	7,144	6,115	6,202	6,556	6,942	6,485	6,954	7,150
Parks & Recreation	3,410	3,535	5,059	4,192	4,093	4,147	4,152	3,866	3,942	4,348
Capital outlay	1,071	1,802	-	704	833	4,105	14,070	4,621	5,879	5,416
Debt service										
Principal	1,669	1,790	1,811	2,271	3,012	3,097	2,325	2,481	2,331	15,003
Other	-	-	-	-	170	-	-	-	-	38
Interest	1,546	1,473	1,367	1,314	1,138	1,408	1,290	1,210	1,138	811
Total expenditures	17,818	17,732	19,398	21,305	23,205	26,451	34,533	22,765	24,807	38,154
Excess of revenues over (under) expenditures	288	692	(1,007)	(392)	(1,064)	(1,035)	(10,021)	4,004	3,522	4,206

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Other Financing Sources (Uses)										
Purchase agreement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,237
Issuance of long term debt	280	98	-	-	-	-	345	406	394	-
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	11	2	498	150	653	217	87	-	214	143
Proceeds from Capital Lease	-	-	1,087	786	-	-	-	-	-	-
Non-reciprocal utility revenue	-	-	-	-	-	-	2,040	-	-	-
Transfers in	1,856	2,777	2,683	2,455	11,479	2,612	5,183	2,772	6,916	1,743
Transfers out	(1,856)	(2,636)	(2,744)	(2,530)	(11,554)	(2,687)	(5,008)	(2,847)	(7,185)	(4,082)
Total other financing sources (uses)	<u>291</u>	<u>241</u>	<u>1,524</u>	<u>861</u>	<u>10,049</u>	<u>2,511</u>	<u>2,647</u>	<u>1,209</u>	<u>339</u>	<u>5,541</u>
Net change in fund balances	<u>\$ 579</u>	<u>\$ 933</u>	<u>\$ 517</u>	<u>\$ 469</u>	<u>\$ 8,985</u>	<u>\$ 1,476</u>	<u>\$ (7,374)</u>	<u>\$ 5,213</u>	<u>\$ 3,861</u>	<u>\$ 9,747</u>
Debt service as a percentage of noncapital expenditures	19%	20%	16%	17%	19%	35%	20%	20%	21%	52%

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

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)

Fiscal Year	City Direct Rates			Overlapping Rates			
	Basic Rates	General Obligation Debt Service	Total Direct Rate	Alpine School District	Utah County	No UT Co Water Conservancy	Central Utah Water Conservancy District
2013	2.035	0.280	2.315	8.828	1.324	0.029	0.455
2014	1.968	0.269	2.237	8.699	1.259	0.028	0.446
2015	1.760	0.237	1.997	8.096	1.149	0.025	0.422
2016	1.661	0.214	1.875	8.177	1.098	0.024	0.405
2017	1.585	0.190	1.775	7.718	1.049	0.023	0.400
2018	1.523	0.506	2.029	7.167	0.969	0.021	0.400
2019	1.428	0.456	1.884	7.033	0.911	0.019	0.400
2020	1.331	0.403	1.734	6.699	0.839	0.017	0.400
2021	1.237	0.365	1.602	6.800	1.202	0.016	0.400
2022	1.160	0.337	1.497	6.604	1.131	0.015	0.375

Source: Utah State Tax Commission

Principal Property Tax Payers
Current Year and Nine Years ago

Taxpayer	2022			2013		
	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	\$ 123,280,700	1	4.19%			
Valley Grove LLC	37,325,100	2	1.27%			
Valley Grove Office I LLC	33,281,600	3	1.13%			
Somerset Meadows II LL	24,739,990	4	0.84%			
Valley Grove Office II LLC	23,544,100	5	0.80%			
ThorneBerry LTD	22,738,705	6	0.77%	\$ 9,283,230	4	0.730%
Questar Gas	22,444,062	7	0.76%	9,161,851	5	0.720%
Pleasant Springs LLC	20,325,580	8	0.69%	11,028,270	2	0.870%
SLC Urban Grove Equities LLC	18,102,300	9	0.62%			
JDHQ Land Holding LLC	18,003,000	10	0.61%	9,110,700	6	0.720%
BW Inc				11,970,700	1	0.940%
Pacificorp				10,845,858	3	0.850%
Green Grove Apartments				7,576,250	7	0.600%
Quail Run Partners, LLC				7,276,600	8	0.570%
Pen & Ink, LTD				7,199,235	9	0.570%
Barnard PG, LLC				6,309,800	10	0.500%
Total	\$ 343,785,137		11.693%	\$ 89,762,494		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>
2013	\$ 2,909,989	\$ 2,669,886	91.75%	\$ 212,957	\$ 2,882,843	99.07%	\$ 27,146	0.93%
2014	2,960,247	2,736,869	92.45%	168,399	2,905,268	98.14%	54,979	1.86%
2015	2,995,956	2,761,139	92.16%	144,584	2,905,723	96.99%	90,233	3.01%
2016	3,176,536	2,942,710	92.65%	137,779	3,080,489	96.98%	96,047	3.02%
2017	3,291,115	3,072,852	93.38%	106,518	3,179,370	96.60%	111,745	3.40%
2018	4,171,320	3,935,781	94.36%	140,134	4,075,915	97.71%	95,405	2.29%
2019	4,325,140	4,024,237	93.05%	226,264	4,250,501	98.27%	74,639	1.73%
2020	4,586,423	4,277,021	93.26%	222,544	4,499,565	98.11%	86,859	1.89%
2021	4,722,114	4,386,124	92.89%	230,309	4,616,432	97.76%	105,682	2.24%
2022	4,772,289	4,485,801	94.01%	209,902	4,695,703	98.40%	76,586	1.60%

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
2013	\$ 4,398,116	\$ -	\$ -	\$ 4,398,116	0.218%	\$ 128
2014	4,251,960	-	-	4,251,960	0.201%	123
2015	4,080,000	-	-	4,080,000	0.172%	117
2016	3,925,000	-	-	3,925,000	0.147%	112
2017	13,486,000	-	-	13,486,000	0.462%	354
2018	12,475,000	184,796	-	12,290,204	0.380%	317
2019	11,916,000	199,732	399,322	12,115,590	0.339%	312
2020	11,345,000	216,664	377,137	11,505,473	0.280%	299
2021	10,761,000	222,069	364,198	10,903,129	0.242%	285
2022	10,160,000	249,640	333,274	10,243,634	0.208%	267

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

<u>Fiscal Year</u>	<u>Pleasant Grove City Direct Rate</u>	<u>Utah County</u>	<u>State of Utah</u>
2013	1.000%	0.800%	4.950%
2014	1.000%	0.800%	4.950%
2015	1.000%	0.800%	4.950%
2016	1.000%	0.800%	4.950%
2017	1.000%	0.800%	4.950%
2018	1.000%	0.800%	4.950%
2019	1.100%	1.300%	4.850%
2020	1.100%	1.300%	4.850%
2021	1.100%	1.300%	4.850%
2022	1.100%	1.050%	4.850%

Sources: Utah State Tax Commission

PLEASANT GROVE CITY
Principal Sales Tax Remitters
Fiscal Years 2013 and 2022

Fiscal Year 2022	Sales Tax ¹	Fiscal Year 2013	Sales Tax ¹
Amazon	N/A		
BMW of Pleasant Grove	N/A	BMW of Pleasant Grove	N/A
doTerra	N/A		
Lansing Building Products	N/A	Lansing Building Products	N/A
Macey's	N/A	Maceys	N/A
Shamrock Auto Group	N/A	Shamrock Group, LLC	N/A
Smiths Food & Drug	N/A	Smiths Food & Drug	N/A
USTC Motor Vehicle	N/A		
Utah Power and Light Co.	N/A		
Walmart	N/A		
		Metro Ready Mix	N/A
		Pacificorp	N/A
		Questar Gas	N/A
		UT State Alcoholic Beverage Control	N/A
		Verizon Wireless	N/A
Total	<u>\$ 2,309,238</u>	Total	<u>\$ 891,894</u>
Total Citywide Collections	\$ 6,408,918	Total Citywide Collections	\$ 2,061,776
Top 10 as a Percentage of Total Collections	36.03%	Top 10 as a Percentage of Total Collections	43.26%
Top 10 as a Percentage of Total Revenue ²	18.02%	Top 10 as a Percentage of Total Revenue ²	11.59%

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							Percentage of		
	General Obligation	Excise Tax Road Bond	Sales Tax Revenue	Unamortized Premium	Purchase Agreements	Other Long-Term Debt	RDA Tax Increment Bond	Water Revenue	Sewer Revenue	Storm Drain Revenue	Sales Tax Revenue	Unamortized Premium	Purchase Agreements	Other Long-Term Debt	Total Primary Government	Personal Income	Per Capita
2013	\$ 4,398	\$ 3,216	\$ 2,999	\$ -	\$ 1,018	\$ 3,506	\$ 17,872	\$ 23,424	\$ -	\$ 12,494	\$ 1,285	\$ -	\$ -	\$ 99	\$ 70,311	11.48%	2,037
2014	4,252	2,593	2,840	-	891	2,622	17,331	22,555	-	12,303	1,217	-	353	-	66,957	9.91%	1,914
2015	4,101	1,936	2,554	-	1,328	2,622	16,759	22,254	-	11,979	1,095	-	306	-	64,934	7.28%	1,752
2016	3,944	1,248	2,258	-	1,989	2,622	16,154	22,032	-	11,661	968	-	259	10	63,145	8.19%	1,659
2017	13,486	530	1,915	-	1,526	1,874	15,514	20,937	-	11,262	840	-	210	10	68,104	8.61%	1,757
2018	12,475	-	1,617	-	1,364	1,364	14,837	19,780	-	10,883	708	-	210	10	63,248	7.48%	1,628
2019	11,916	-	1,313	426	1,053	2,253	14,120	18,146	-	10,395	563	891	108	113	61,297	6.92%	1,595
2020	11,345	-	997	395	996	1,786	13,362	19,990	-	8,765	427	729	54	365	59,211	6.12%	1,548
2021	10,761	-	676	364	826	848	12,560	18,566	-	8,480	290	1,863	-	213	55,447	5.22%	1,445
2022	10,160	5,885	343	333	1,551	470	-	18,398	-	8,010	147	1,733	-	200	47,230	4.07%	1,225

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, 2022

<u>Government Unit</u>	Total Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Overlapping Debt			
Alpine School District	\$ 579,512,805	8.49%	\$ 49,228,523
Utah County	216,651,196	5.45%	11,800,857
Central Utah Water Cons. District	693,949,649	1.35%	9,347,510
Subtotal, overlapping debt			70,376,890
City direct debt			18,743,065
Total direct and overlapping debt			\$ 89,119,955

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

PLEASANT GROVE CITY

Legal Debt Margin Information

Last Ten Fiscal Years

(amounts expressed in thousands)

Assessed value (in thousands)	\$ 4,919,807
Debt limit (4% of assessed value)	196,792
Debt applicable to limit:	
General obligation bonds	(10,160)
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>(10,160)</u>
Legal debt margin	<u>\$ 186,632</u>

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	\$80,624	\$ 83,756	\$ 95,064	\$ 106,773	\$ 116,647	\$ 129,414	\$ 143,156	\$ 164,143	\$ 180,141	\$ 196,792
Total net debt applicable to limit	<u>(4,398)</u>	<u>(4,252)</u>	<u>(4,080)</u>	<u>(3,925)</u>	<u>(12,985)</u>	<u>(12,475)</u>	<u>(11,916)</u>	<u>(11,345)</u>	<u>(10,761)</u>	<u>(10,160)</u>
Legal debt margin	<u>\$ 76,226</u>	<u>\$ 79,504</u>	<u>\$ 90,984</u>	<u>\$ 102,848</u>	<u>\$ 103,662</u>	<u>\$ 116,939</u>	<u>\$ 131,240</u>	<u>\$ 152,798</u>	<u>\$ 169,380</u>	<u>\$ 186,632</u>
Total net debt applicable to the limit as a percentage of debt limit	5.45%	5.08%	4.29%	3.68%	11.13%	9.64%	8.32%	6.91%	5.97%	5.16%

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

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			
	Debt Service				Debt Service				Debt Service			
	Sales Tax Revenues	Principal	Interest	Coverage	Property Tax Revenues	Principal	Interest	Coverage	Class C Road Revenues	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	584	338	1.01	-	-	-	-
2022	8,527	475	22	17.16	928	601	327	1.00	2,248	615	84	3.22

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
2012	34,519	\$ 612,229,952	\$ 17,736	4.5%
2013	34,988	675,874,839	19,317	3.3%
2014	37,064	891,859,745	24,063	3.2%
2015	38,052	770,819,364	20,257	3.2%
2016	38,756	791,203,740	20,415	3.4%
2017	38,845	845,577,960	21,768	2.8%
2018	38,428	885,265,836	23,037	2.8%
2019	38,258	966,970,950	25,275	2.4%
2020	38,380	1,062,742,200	27,690	2.1%
2021	38,570	1,151,237,360	29,848	1.8%

Note 1: Unemployment Rate is for Utah County

PLEASANT GROVE CITY

Principal Employers
Last Ten Fiscal Years

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Employer</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	50-99	50-99	50-99	50-99	-
Allied Waste Services of North America	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Alpine Pediatrics	100-249	-	-	-	50-99	50-99	50-99	50-99	50-99	50-99
Alpine School District	-	-	-	-	250-749	300-749	300-749	300-749	300-749	300-749
Altabank	50-99	100-249	100-249	-	-	-	-	-	-	-
American Land and Leisure	50-99	-	-	-	100-249	-	-	-	-	-
ARO	100-249	100-249	100-249	100-249	-	-	-	-	-	-
ASEA, LLC	100-249	100-249	100-249	-	-	-	-	-	-	-
Asphalt Zipper	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	-	-	-	-	-	-
Blade HQ LLC	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Brundage-Bone Concrete Pumping	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	-	-	-	-	-	-
Chubby's Café	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Close to My Heart	100-249	50-99	50-99	50-99	50-99	50-99	50-99	100-249	100-249	100-249
Costa Vida Holdings, LLC	50-99	50-99	-	50-99	-	-	-	-	-	-
Crust Club	50-99	-	-	-	-	-	-	-	-	-
Culinary Crafts Catering	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	-	-	-	-	-	-	-
Disruptive Advertising	100-249	100-249	-	-	-	-	-	-	-	-
doTerra International	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	-	-	-	-	-	-
Elite Grounds	50-99	50-99	-	-	50-99	50-99	-	50-99	-	-
Event Production	-	-	-	50-99	50-99	50-99	-	-	-	-
Evermore Park, LLC	50-99	50-99	-	-	-	-	-	-	-	-
EZARC Welding Inc.	50-99	-	-	-	-	-	-	-	-	-
Extinct, LLC	-	-	-	-	-	50-99	-	-	-	-
Faulkner Media Group, LLC	50-99	50-99	50-99	-	-	-	-	-	-	-
First Colony Mortgage Corporation	50-99	50-99	50-99	-	-	-	-	-	-	-
Foreup	50-99	50-99	-	-	-	-	-	-	-	-
Fortem Technologies, INC.	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Grovecrest Elementary	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	100-249	100-249	100-249	100-249	100-249	100-249
Instructure, Inc.	50-99	50-99	50-99	100-249	-	-	-	-	-	-
JD Steel	-	-	-	-	100-249	-	-	-	-	50-99
Kenect, LLC	50-99	50-99	50-99	-	-	-	-	-	-	-
Klas	100-249	-	-	-	-	-	-	-	-	-
Lincoln Academy	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	50-99	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	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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Employer	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees	Range of Employees
McDonalds	-	-	-	-	-	50-99	50-99	50-99	50-99	-
Metro Ready Mix LLC	-	-	-	-	50-99	-	50-99	-	-	-
Mile High Contracting	-	-	-	-	-	100-249	100-249	50-99	50-99	-
Mission Health Services	-	-	-	50-99	50-99	-	-	-	-	50-99
Mount Mahogany LLC	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Mtrade Services	50-99	-	-	-	-	-	-	-	-	-
Niels Fugal Sons Company	100-249	100-249	100-249	100-249	250-499	100-249	100-249	100-249	100-249	100-249
Observepoint, Inc.	50-99	-	-	-	-	-	-	-	-	-
Peak Living LLC	50-99	50-99	50-99	-	-	-	-	-	-	-
People's Intermountain Bank	-	-	-	50-99	-	-	-	-	-	-
PF Staffing Services, LLC	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	-	-	-	-	-	-
Pleasant Grove JR High	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Professional Dental	50-99	50-99	50-99	50-99	50-99	-	-	-	-	-
Q Sciences	50-99	-	-	-	-	-	-	-	-	-
Quail Run Primary School	50-99	50-99	50-99	-	-	-	-	-	-	50-99
Smith's Food and Drug	100-249	100-249	50-99	-	100-249	50-99	50-99	50-99	50-99	50-99
Stratton & Bratt Landscape LLC	100-249	100-249	50-99	50-99	-	-	-	-	-	-
Sundes, LLC	-	-	-	-	100-249	100-249	100-249	50-99	50-99	-
Synergy Worldwide Inc	-	-	-	-	50-99	50-99	50-99	-	-	-
Taco Amigo	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-
Test Out Corporation	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	-	-	-	-	-
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	50-99	100-249	50-99	50-99	-	-	-	-	-
Utah Recreation Company	100-249	100-249	-	-	-	-	-	-	-	-
Valley View Elementary	-	-	50-99	-	-	-	-	-	-	-
Veracity Insurance Solutions, LLC	50-99	50-99	50-99	50-99	50-99	-	-	-	-	-
Walmart	100-249	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-
Whistic	50-99	-	-	-	-	-	-	-	-	-
Warburtons	-	-	-	-	50-99	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.

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

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government										
Management services	1.0	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	3.0	4.0	4.0	4.0
Planning	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Building	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Legal	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Municipal Court	2.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0
Other	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	7.0	7.0
Police										
Officers	25.0	26.0	25.0	27.0	28.0	27.0	28.0	28.0	28.0	30.0
Civilians	8.0	8.0	8.0	8.0	8.0	8.0	9.0	4.0	4.0	4.0
Fire										
Firefighters and officers	15.0	14.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	17.0
Refuse collections										
Other public works										
Engineering	1.0	1.0	1.0	2.0	3.0	3.0	5.0	4.0	6.0	6.0
Streets	5.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Storm Drain	2.0	3.0	3.0	4.0	3.0	3.0	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	15.0	14.0	16.0	16.0	16.0	16.0	18.0			
Parks								12.0	13.0	14.0
Recreation								4.0	4.0	4.0
Library	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0
Water/Sewer	10.0	10.0	11.0	11.0	11.0	11.0	11.0	10.0	11.0	11.0
Total	<u>105.0</u>	<u>101.0</u>	<u>104.0</u>	<u>109.0</u>	<u>110.0</u>	<u>109.0</u>	<u>117.0</u>	<u>109.0</u>	<u>115.0</u>	<u>123.0</u>

Source: Pleasant Grove City

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

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Building permits issued	361	372	*311	589	524	599	537	559	777	655
Building inspections conducted	4,215	3,387	*3,005	2,788	2,236	2,651	2,989	3,254	3,208	2,967
Police										
Physical arrests	581	1,409	1,241	1,034	1,120	1,176	1,115	1,066	1,684	850
Parking violations	-	2	-	123	-	155	177	99	185	224
Traffic violations	2,798	2,566	2,264	2,187	1,860	1,613	2,499	2,552	2,961	2,721
Fire										
Emergency responses	1,199	1,330	1,486	1,401	1,453	1,500	1,594	1,938	1,744	1,163
Number of Transports	500	579	494	578	574	601	619	698	674	709
Average Response Time (Minutes)	4:14	4:51	3:36	3:29	3:62	4:48	3:39	4:04	5:16	6:14
Other public works										
Potholes repaired (tons of asphalt)	457	478	500	650	2,100	889	1,235	33	48	25
Parks and recreation										
Daily program participants- Community Center	12,298	33,084	20,072	18,096	17,227	17,344	20,882	18,213	26,199	8,953
Community center admissions	141,540	169,744	190,511	207,133	208,954	222,636	207,315	176,227	182,913	288,264
Daily pool passes	-	-	-	-	1,111	**	13,616	15,461	19,965	8,048
Pool bulk tickets	-	-	-	-	3,372	**	2,064	1,203	-	-
Pool Punch Passes (took place of bulk tickets)	-	-	-	-	-	-	-	-	272	-
Pool admissions	-	-	-	-	24,274	47,863	32,431	35,884	43,378	11,032
Library										
Public service hours	-	-	-	-	3,248	3,248	3,248	2,195	3,328	3,328
Library visits	-	-	-	-	194,393	154,928	162,060	121,861	65,485	119,062
Material circulation	-	-	-	-	401,574	386,548	404,756	336,893	316,337	311,798
Library collection	-	-	-	-	117,000	107,736	165,243	319,289	278,501	319,106
Library programs	-	-	-	-	690	644	589	369	271	630
Library program attendance	-	-	-	-	26,577	22,463	22,763	14,595	6,312	14,482
Uses of wireless network	-	-	-	-	5,736	10,742	62,913	15,803	40,690	53,216
Water										
New connections	143	170	176	160	183	56	148	299	177	198
Culinary Water Breaks	127	127	140	106	190	200	96	76	63	110
PI Water Breaks	N/A	115	35	33	50	50	26	25	30	35
Average daily consumption (thousand of gallons)										
Culinary Water **	-	-	-	4,080	3,893	4,118	4,016	4,680	5,102	4,383
Pressurized Irrigation **	-	-	-	5,530	5,640	5,730	3,955	5,260	5,960	5,359

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

Function/Program	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (sworn officers)	26	26	27	27	27	28	28	28	28	28
Reserve Units			3	3	2	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	192	117	112	109	110	112	112	113	113	113
Streetlights	1,150	1,155	1,086	1,117	1,150	1,176	1,224	1,250	1,340	1,340
Storm Drain (miles)	72	72	98	95	96	97	111	112	113	113
Parks and recreation										
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Acreage	92	77	77	77	77	77	77	77	77	77
Playgrounds	8	7	7	7	7	6	7	7	7	7
Baseball/softball diamonds	7	6	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
Murdock Trail	-	-	-	-	5.38	5	5	5.38	5.38	5.38
North County Trail	-	-	-	-	1.01	1	1	1.00	1.00	1.00
Rail Spur Trail	-	-	-	-	0.20	0.20	0.20	0.20	0.20	0.20
Valley Vista Trail	-	-	-	-	5.78	6	3-5	10.62	10.62	10.62
Library	1	1	1	1	1	1	1	1	1	1
Water										
Culinary Water Lines (miles)	152	156	154	145	146	149	158	159	160	160
Irrigation Water Lines (miles)	105	108	108	108	109	110	111	112	113	113
Fire Hydrants	1,240	1,280	1,355	1,383	1,420	1,463	1,493	1,543	1,569	1,569
Culinary Storage (thou. of gallons)	11,000	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	12,200	14,000	14,000	14,000	14,000	14,000
Wastewater										
Sanitary sewers (miles)	110	125	120	116	117	118	123	124	125	125

Source: Pleasant Grove City

GOVERNMENT COMPLIANCE SECTION

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COMMITTED. EXPERIENCED. TRUSTED

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

Honorable Mayor and Members of the City Council
Pleasant Grove City

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Pleasant Grove City (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 29, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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

November 29, 2022



COMMITTED. EXPERIENCED. TRUSTED

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and Members of the City Council
Pleasant Grove City

Report on Compliance

We have audited Pleasant Grove City’s (the City) compliance with the applicable state compliance requirements described in the *Utah State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Impact Fees
- Utah Retirement Systems
- Public Treasurer’s Bond

Management’s Responsibility

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

Auditor’s Responsibility

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

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

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

Opinion on 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, 2022.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings as items 2022-1 and 2022-2. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

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

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

Purpose of This Report

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

ABMC, LLC

November 29, 2022

PLEASANT GROVE CITY
Schedule of Findings
For the Year Ended June 30, 2022

State Compliance Audit Guide Findings

2022-1:

Fund Balance Compliance

Statement of Condition

For the year ended June 30, 2022, the calculated percentage of the General Fund was:

Unrestricted General Fund Balance:	\$8,858,092
Total General Fund Revenue:	\$21,101,709
Percentage of Total Revenue:	41.9%

Criteria

Utah Code 10-6-116-(2), as interpreted by the Utah State Auditor's Office, requires that the accumulation of unrestricted fund balance in the City's General Fund may not exceed 35% of the total operating revenue of the City's General Fund for the current fiscal period.

Cause

The City failed to monitor this calculation and amend the budget accordingly.

Recommendation

The City should monitor the status of the referenced calculation and amend the budget as necessary, to ensure this percentage stays below 35%, in accordance with state law.

Management's Response

The City will review the financials in detail in June and estimate the revenue and expenses at that time, with the intent to move excess fund balance over 35% to the capital improvement fund for one-time and ongoing capital projects. The City adopted the FY2023 with the intent to transfer \$2,308,043 from the General Fund to the Capital Improvement Fund for one-time and ongoing capital projects. In the future, this will be part of a budget amendment in the current fiscal year.

PLEASANT GROVE CITY
Schedule of Findings (Continued)
For the Year Ended June 30, 2022

2022-2:

Budgetary Compliance

Statement of Condition

The City prepares and presents to the City Council quarterly detailed financial reports but does not prepare and present monthly summary financial reports.

Criteria

The City is classified as a 3rd class city, as defined by Utah Code 10-2-301 (municipality with a population of 30,000 or more by less than 65,000). Utah Code 10-6-148 requires 3rd class cities to prepare and present to the governing body monthly summary financial reports and quarterly detail financial reports, prepared in the manner prescribed in the Uniform Accounting Manual for Utah Cities.

Cause

The City believed it was in compliance by preparing and presenting quarterly detailed financial reports.

Recommendation

The City should prepare and present to the City Council monthly summary financial reports and quarterly detail financial reports, prepared in the manner prescribed in the Uniform Accounting Manual for Utah Cities, in accordance with state law.

Management's Response

The City will prepare and present monthly statements beginning July 2022 to be in accordance with state law.