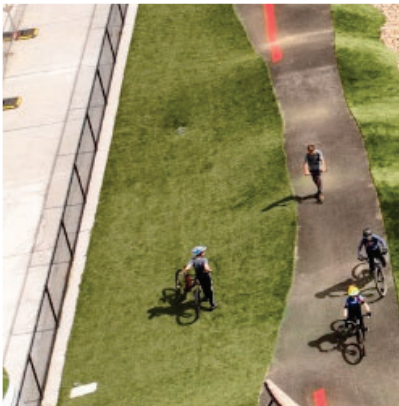


PLEASANT GROVE CITY

2025 ACFR



Annual Comprehensive Financial
Report (ACFR) for the fiscal year
ended June 30, 2025

PLEASANT GROVE CITY, UTAH

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

Prepared by: Pleasant Grove City Finance Department

Photos for this document have been provided by Pleasant Grove City staff and by residents. Resident's photos have been credited. Front cover photo by Trent Dyer.

PLEASANT GROVE CITY
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INTRODUCTORY SECTION

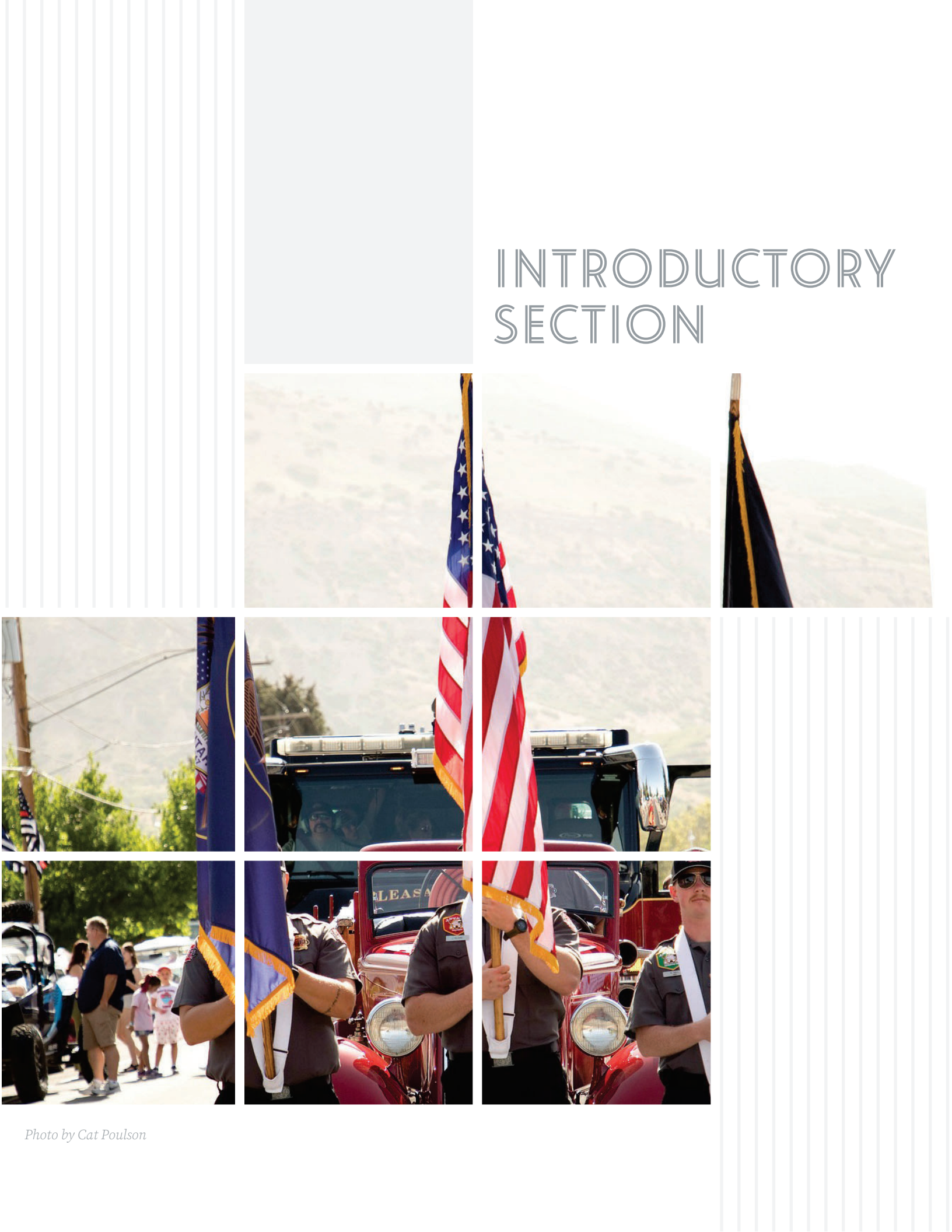


Photo by Cat Poulson



LETTER OF TRANSMITTAL

December 19, 2025

To the Honorable Mayor, City Council, and Residents of Pleasant Grove,

The Annual Comprehensive Financial Report (ACFR) of Pleasant Grove City (the City) for the fiscal year ended June 30, 2025, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the City to issue a report on its financial position and activity, and this report be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all material aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operations of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

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

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

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

Government Profile

Pleasant Grove City was incorporated in 1855. Pleasant Grove operates under the six-member council form of government. Powers under this form of government are vested in a council consisting of six members, one of which is the mayor. The mayor is the City's chief executive officer, and thus all employees report to him or her. The mayor votes as a voting member of the council on any matter for which there is a tie vote of the other council members, or when the council is voting on whether to appoint or dismiss a city administrator. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The Council Members are elected at-large and serve staggered four-year terms. The City Council is 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 City.

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.

Mission, Vision, Values

Pleasant Grove City's mission, vision, and values serve as foundational principles that guide the organization's daily operations and long-term strategic direction. These statements articulate the City's core purpose, define its aspirations for the future, and shape how employees and elected officials engage with residents, businesses, and community partners. They provide a unified framework that informs decision-making and reinforces the City's dedication to high-quality public service.

Mission. Working together to provide exceptional services.

Vision. Cultivate a safe and thriving community that gives all a sense of pride and accomplishment.

Values. Make a difference by inspiring and demonstrating integrity, dedication, accountability, and innovation.

Economic Condition and Outlook

Pleasant Grove City 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 39,604. The City's population increased rapidly from 1990-2010 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 eight years. Sales tax revenue in FY 2025 reached \$10,272,659 which was an increase of \$155,569 from FY2024. Since 2017, sales tax base has grown \$4,033,072 from \$6,239,587. License and permit revenues totaled \$687,377 which reflects a decrease of \$76,698 from FY2024. Commercial buildings continue to thrive, as residential buildings are decreasing each year as the City is approaching build out. The City is committed to using conservative budgeting principles, particularly related to building-related fees. Revenue in the past has only been used to fund growth-related costs and projects, rather than used to increase the City's base budget.

Fiscal year 2025 has been another year of moderate economic growth and commercial development for the City. Pleasant Grove City continues to attract the attention of commercial business and retailers, resulting in a strong and growing sales tax base. The sales tax is becoming more diversified, although the City's sales tax revenue is still primarily generated by the general retail sector. As discussed above, the City's sales tax revenues increased slightly during this time.

Major Initiatives

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

- **Road Infrastructure Plan.** The City adopted a road fee in April 2018 to help with road maintenance issues. This fee will be used in conjunction with Class-C Road monies to increase the pavement conditions throughout the City. Annually, the City prioritizes streets based on several factors and ultimately receives competitive bids for qualified contractors. Treatments include slurry seal, chip seal, overlays, and full reconstruction. A key component of the plan is that the utilities underneath the road be upgraded or deemed in good condition before major maintenance is completed. Furthermore, concrete curb, gutter, and sidewalk are evaluated and repaired or replaced when needed. The plan is presented to the City Council as part of the budget process which begins early in the calendar year to be implemented on July 1. The City discontinued collecting the Road Fee after a citizen group challenged the constitutionality of the fee. In May 2023, the City was notified that the implemented Road Fee was justified and after being suspended for several years, the fee was again assessed on August 2023 utility bills. On July 14, 2021, the City issued \$6.5 million of Excise Tax Revenue Bonds. The bonds were used to rehabilitate roads through the city as proposed in the road infrastructure plan presented to the Mayor and Council. Utah County, the county Pleasant Grove lies in, is implementing an additional .20% of a cent sales tax option and will be used for additional road funding. As of FY2025 all Road Bond monies have been spent.

- **5-Year Utility Fund Budgets.** The City's enterprise funds are different than the governmental funds in that they are entirely 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, Solid Waste and Sewer.
- **City-Wide Compensation and New Positions.** The pay range system based upon employee value preferences, labor market analysis, and management's pay progression philosophy continues to be evaluated. The FY2026 budget included a 5.05% cost of living adjustment to all full-time and part-time employees to stay competitive with the current job market and inflation. The budget included funding for additional positions or funding as follows: Additional Communication Director hours, a PT Fire Inspector, a PT Police Records Specialist, and PT custodial staff. A new 2% 401(K) match was added for all eligible FT employees.
- **Cook Family Park.** The City bonded for \$36,000,000 to develop 30 of the 40 acres into the following: Cook Family Park, which includes Splash Pad, Playground, Pump Track, Skate Park, expansion of the cemetery, completion of storm water detention basin, and completion of roads, sidewalks, and parking areas. The park had its grand opening in Summer of 2025.

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 2024-25, the City had several significant projects. Some of these projects are listed below:

- **Parks, Recreation Facilities and Trail upgrades.** Completion and opening of Cook Family Park, Swimming Pool renovations, Discovery West Playground, and Discovery Park Shade Covers.
- **Public Works.** The Public Works Department completed several projects during the FY2025 fiscal year: Murdock Drive (950 E – 1050 E), 600 West (400 N – 800 N), 800 North (600 W – 200 W), 400 N (600 W – 200 W), 500 East Overlay (200 S – 1100 N), 1520 West Waterline, Secondary, and complete Roadway, City-wide Roadway Preservation Improvements, 900 West Storm Drain, Well and Tank Site Security Upgrades, Seal coat, crack seal, and stripping on numerous roadways through the City.

Economic Development. The City Council recognizes the need to develop the City's economic base 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 Redevelopment Agency of Pleasant Grove City has agreed to provide tax increment for 3 entities. The qualifying provisions of the agreement generally focus on business development, job creation, sales and property tax generation.

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.

The City issued lease revenue bonds in the amount of \$35,000,000 through the LBA for the purpose of designing, engineering, bidding and construction a performing arts facility in FY2023. The Ruth and Nathan Hale Theater opened for its first production in January 2025. The City will provide \$300,000 a year as an operational subsidy.

Financial Information

Pleasant Grove's financial statements reflect growth and conservative budgeting practices. The fund balance in the City's General Fund increased by \$1,000,255 during the fiscal year, to end at \$14,392,192. The General Fund's unassigned balance of \$7,042,406 represents 25.59% of operating revenues.

During the past year period, the City's governmental funds revenues increased from \$41,267,356 to \$62,940,885. Intergovernmental revenue decreased by \$511,859 and expenditure increased from \$75,259,793 to \$76,722,616. In FY2025, the expenses included capital outlay projects in the amount of \$49,307,770. The Ruth Theatre Project, Cook Family Park, along with substantial road projects make up the substantial increases in capital expenses. Proprietary fund operating revenues increased from \$26,018,306 to \$35,145,721 as compared to fiscal year 2024, while operating

expenses rose from \$15,944,288 to \$17,889,050. Utility rate increases and state and federal grants are attributed to the growth in revenue and have 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, 2025, disclosed no material internal control weaknesses or material violations of laws and regulations.

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

A budget is prepared for each fund, and the General Fund is further divided into departments. Department heads may make transfers of appropriations within a department. Transfers in appropriations between departments or increases in revenues require the approval of the City Council. Activities of the general fund, special revenue funds, debt service funds and capital project funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level where expenditure 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, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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.

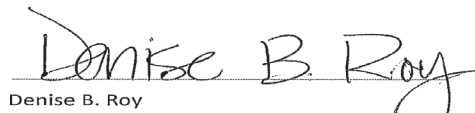
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pleasant Grove City
Utah**

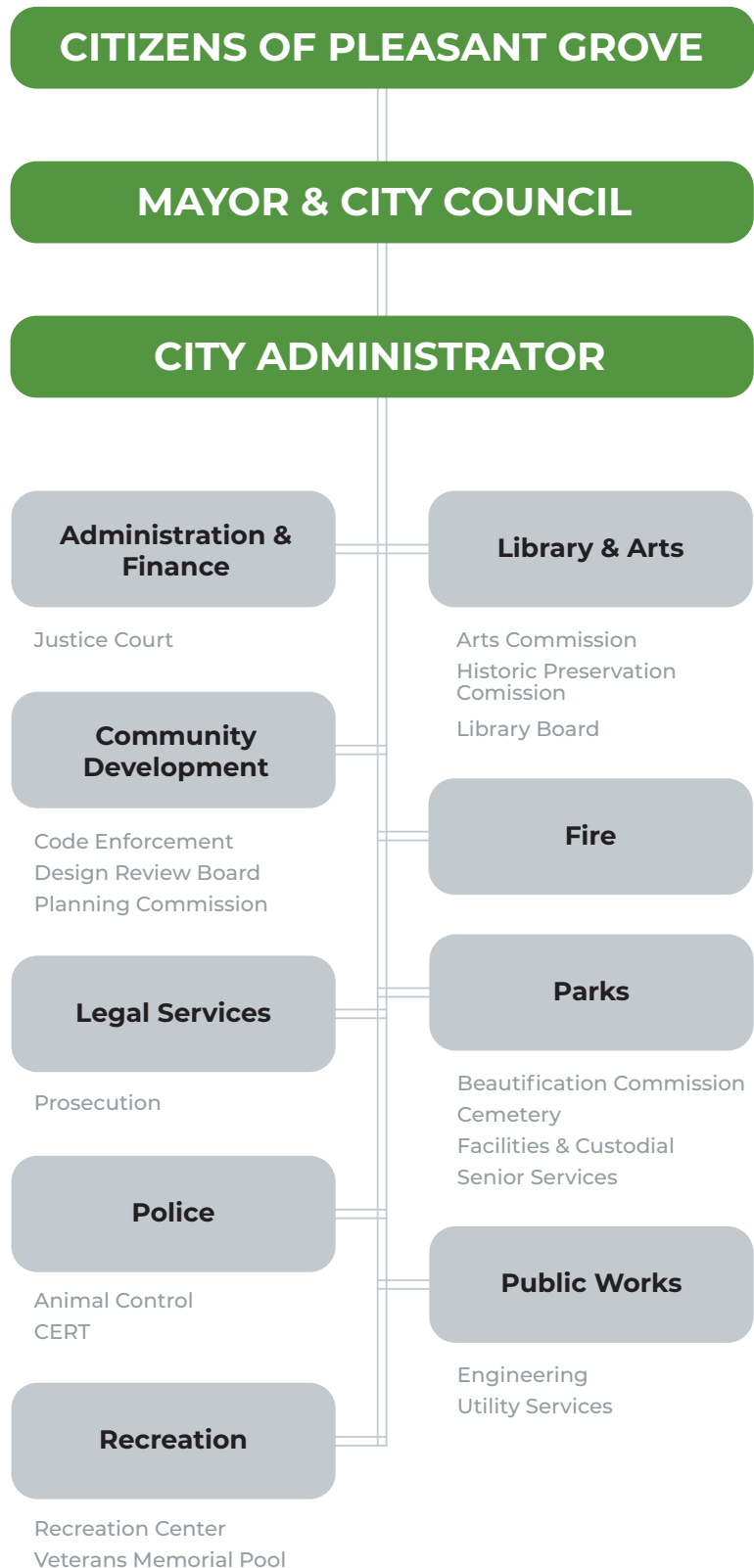
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Pleasant Grove City Organization Chart



Elected Officials & Appointed Officials

MAYOR



Guy Fugal

CITY COUNCIL



Cyd LeMone



Dianna
Anderson



Eric Jensen



Steve Rogers



Todd Williams

APPOINTED OFFICIALS

City Administrator

Scott Darrington

City Attorney

Tina Peterson

Finance Director

Denise Roy

City Recorder

Wendy Thorpe

City Treasurer

Mike Gourley

Police Chief

Keldon Brown

Fire Chief

Andrew Engemann

Parks Director

Deon Giles

Community Development Director

Daniel Cardenas

Public Works Director

Neal Winterton

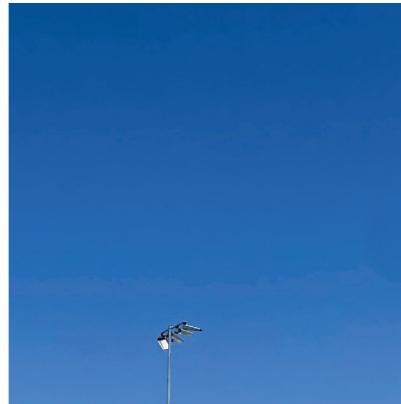
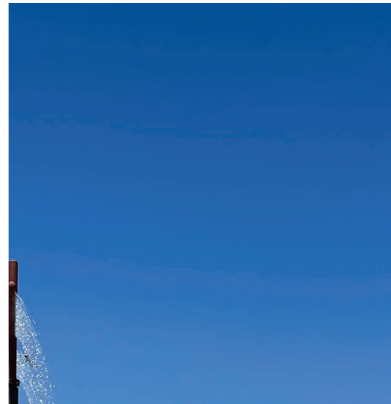
Recreation Director

Megan Zollinger

Library & Arts Director Sheri
Britsch

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FINANCIAL SECTION





COMMITTED. EXPERIENCED. TRUSTED.

INDEPENDENT AUDITOR'S REPORT

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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* (GAS), 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 13-23, the budgetary comparison information on pages 71-73, and pension schedules on pages 74-76 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 were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025 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.

NBMC, LLC

December 18, 2025
Bountiful, Utah

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pleasant Grove City (the City), we offer readers of Pleasant Grove City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$372,890,028. This was an increase of 19.51% from prior year's net position of \$312,011,883. There are significant projects that are currently listed as construction in progress that have increased the assets such as: The Ruth Theatre, Cook Family Park, City Pool Project, significant road projects city-wide, Gateway Well Project, Secondary Metering Project and significant public work projects city-wide.
- As of the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$38,112,118. This is a substantial decrease of 25.17% from the prior year's amount of \$50,934,029 primarily due to the completion of Cook Family Park construction proceeds being spent down. Of this amount, \$7,042,406 (18.48%) is available for spending at the government's discretion (unassigned fund balance). The City's sales and property tax base had minimal growth.
- Total governmental fund balance decreased by \$12,821,911. Overall revenues were up from the prior year by \$21,673,529. The largest increase is from cash contributions received to pay capital outlay costs related to The Ruth Theatre. Taxes, licenses and intergovernmental reported slight decreases. Expenditures increased from the prior year, with wage increases given to employees, operational increases and debt payments.
- Utah law restricts an amount a municipality can maintain in its General Fund unrestricted (committed, assigned and unassigned) fund balance to 35% of the total revenue of the general fund for the fiscal year under audit. As of June 30, 2025, the City's unassigned and assigned balance equals 31.11% of General Fund revenues. This balance consists of monies received from sales and property taxes, permit fees, charges for services, and other sources.

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 required supplementary information and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The statement of net position presents information on all 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 considered regardless of when cash is received or paid.

Both 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 25-26.

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 the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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

The City maintains the following twelve individual governmental funds:

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

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

The governmental fund financial statements can be found on pages 27-30 of this report.

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

The basic proprietary fund financial statements can be found on pages 31-33 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 35 of this report.

Required Supplementary Information (RSI) – This section contains information for the City's pension, retirement programs and schedules of revenue, expenditures, and changes in fund balance – budget and actual. The RSI begins on page 71.

Other Information – In addition to the above-mentioned statements and reports, this report also presents other supplementary information and a statistical section, which give additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City's nonmajor 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 77, and the statistical section begins on page 89. 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 \$372,890,028. This is an increase of \$60,878,145.

By far, the largest portion of the City's net position (84.44%) reflects its investment in capital assets (e.g., land, buildings, infrastructure assets, and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's overall liabilities increased from the prior year, the City issued additional debt in the Business-type activities.

The following table summarizes the City's net position.

PLEASANT GROVE CITY NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current And Other Assets	\$ 99,618,123	\$ 108,473,518	\$ 36,165,061	\$ 51,116,319	\$ 135,783,184	\$ 159,589,837
Capital Assets	233,999,240	188,526,089	180,554,937	136,645,426	414,554,177	325,171,515
Total Assets	333,617,363	296,999,607	216,719,998	187,761,745	550,337,361	484,761,352
Total Deferred Outflows Of Resources	2,435,698	2,425,906	511,301	527,513	2,946,999	2,953,419
Long-term Debt Outstanding	72,048,153	74,636,563	44,022,088	41,264,360	116,070,241	115,900,923
Other Liabilities	20,739,725	16,441,900	2,343,453	1,899,304	23,083,178	18,341,204
Total Liabilities	92,787,878	91,078,463	46,365,541	43,163,664	139,153,419	134,242,127
Total Deferred Inflows of Resources	41,234,438	41,453,821	6,475	6,940	41,240,913	41,460,761
Net Investment In Capital Assets	174,994,147	142,047,416	139,859,389	109,862,806	314,853,536	251,910,222
Restricted	17,551,613	15,903,236	8,082,715	16,552,652	25,634,328	32,455,888
Unrestricted	9,484,985	8,942,577	22,917,179	18,703,196	32,402,164	27,645,773
Total Net Position	202,030,745	\$ 166,893,229	\$ 170,859,283	\$ 145,118,654	\$ 372,890,028	\$ 312,011,883

An additional portion of the City's net position (6.87%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$32,402,164 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2025, the City can report positive balances in all three categories of net position as a total, and for governmental and business-type activities individually.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2025.

PLEASANT GROVE CITY CHANGE IN NET POSITION

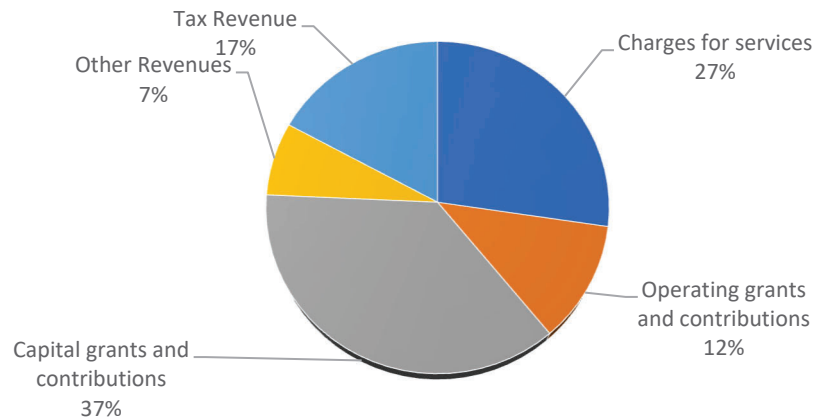
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<u>Revenues</u>						
Program revenues:						
Charges for services	\$ 6,362,633	\$ 6,242,410	\$ 23,588,538	\$ 21,560,109	\$ 29,951,171	\$ 27,802,519
Operating grants and contributions	2,297,114	1,405,577	10,504,699	4,332,473	12,801,813	5,738,050
Capital grants and contributions	31,051,912	13,110,763	9,143,914	5,043,447	40,195,826	18,154,210
General Revenues:						
Taxes	18,804,940	18,825,415	-	-	18,804,940	18,825,415
Other revenues	6,264,433	6,478,666	1,549,616	1,756,372	7,814,049	8,235,038
Total revenues	64,781,032	46,062,831	44,786,767	32,692,401	109,567,799	78,755,232
<u>Expenses</u>						
General government	4,393,405	4,116,762	-	-	4,393,405	4,116,762
Community development	1,707,819	1,791,612	-	-	1,707,819	1,791,612
Public works	3,502,493	3,050,776	-	-	3,502,493	3,050,776
Public safety	10,348,739	9,351,907	-	-	10,348,739	9,351,907
Parks & recreation	7,014,290	5,978,801	-	-	7,014,290	5,978,801
Interest on long-term debt	2,676,770	3,546,958	-	-	2,676,770	3,546,958
Water	-	-	6,673,349	6,420,248	6,673,349	6,420,248
Metropolitan Water District	-	-	361,777	325,586	361,777	325,586
Storm Drain	-	-	2,601,398	2,589,489	2,601,398	2,589,489
Sewer	-	-	7,370,079	5,837,363	7,370,079	5,837,363
Sanitation	-	-	2,039,535	1,985,598	2,039,535	1,985,598
Total expenses	29,643,516	27,836,816	19,046,138	17,158,284	48,689,654	44,995,100
Increase (decrease) in net position before transfers	35,137,516	18,226,015	25,740,629	15,534,117	60,878,145	33,760,132
Transfers, net	-	-	-	-	-	-
Increase (decrease) in net position	35,137,516	18,226,015	25,740,629	15,534,117	60,878,145	33,760,132
Net position - beginning	166,893,229	148,667,214	145,118,654	129,584,537	312,011,883	278,251,751
Net position - ending	\$ 202,030,745	\$ 166,893,229	\$ 170,859,283	\$ 145,118,654	\$ 372,890,028	\$ 312,011,883

Net position for governmental activities increased by \$35,137,516 and business-type activities increased by \$25,740,629 from the prior year. Factors contributing to an increase in net position in Governmental Activities include increases in operating grants/contributions and capital grants/contributions. Taxes are the primary source of general revenue in the amount of \$18,804,940. Capital contributions consist of infrastructure built by developers and donated to the City, impact fee revenue, road funding, state and federal grants. This amount also includes capital contributions for capital outlay related to a joint venture arts facility in the Local Building Authority Fund.

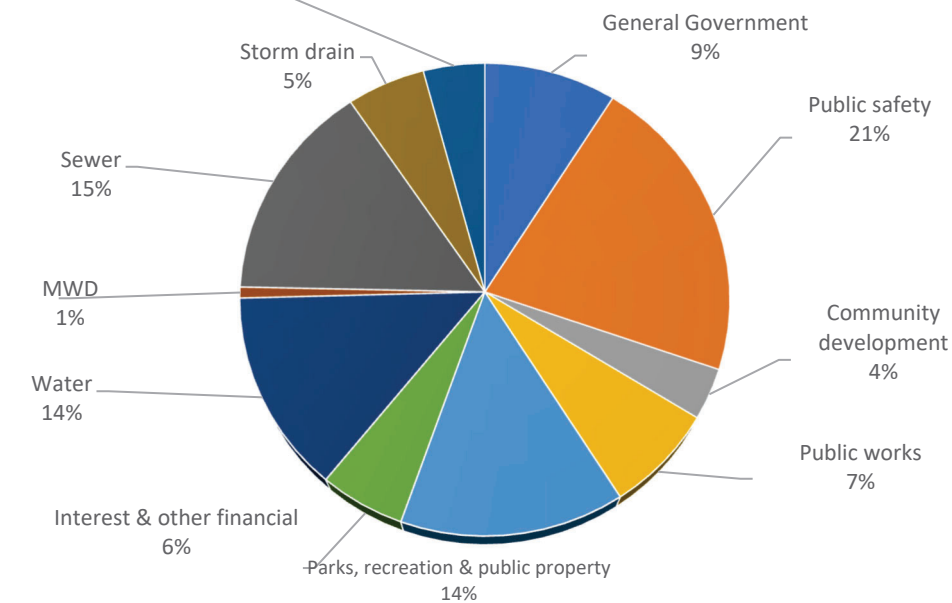
Most of the City's operating grants are related to public safety and community grants in fiscal year 2025. Charges for services was considerably more in business-type activities than the prior year, which contributed to the increase of net position. The City reviews the need for utility increases each year to cover ongoing operational and debt expenses, and capital project needs. Water, Storm Drain and Sanitation were increased by 3%, and Sewer by 21%. Total expenses increased in both the governmental activities and business-type activities from the prior year. The majority of the expenses are to cover ongoing compensation and operational increases.

The following two graphs display the City's government-wide revenues and expenses for the fiscal year ended June 30, 2025.

**Total Revenues
Government-Wide Operations of
Pleasant Grove City**



**Total Expenses
Government-Wide Operations of
Pleasant Grove City**



Financial Analysis of Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds reported combined fund balances of \$38,112,118 of this total amount (18.48%) 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 (if applicable): non-spendable, restricted, committed, or assigned. Non-spendable 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.

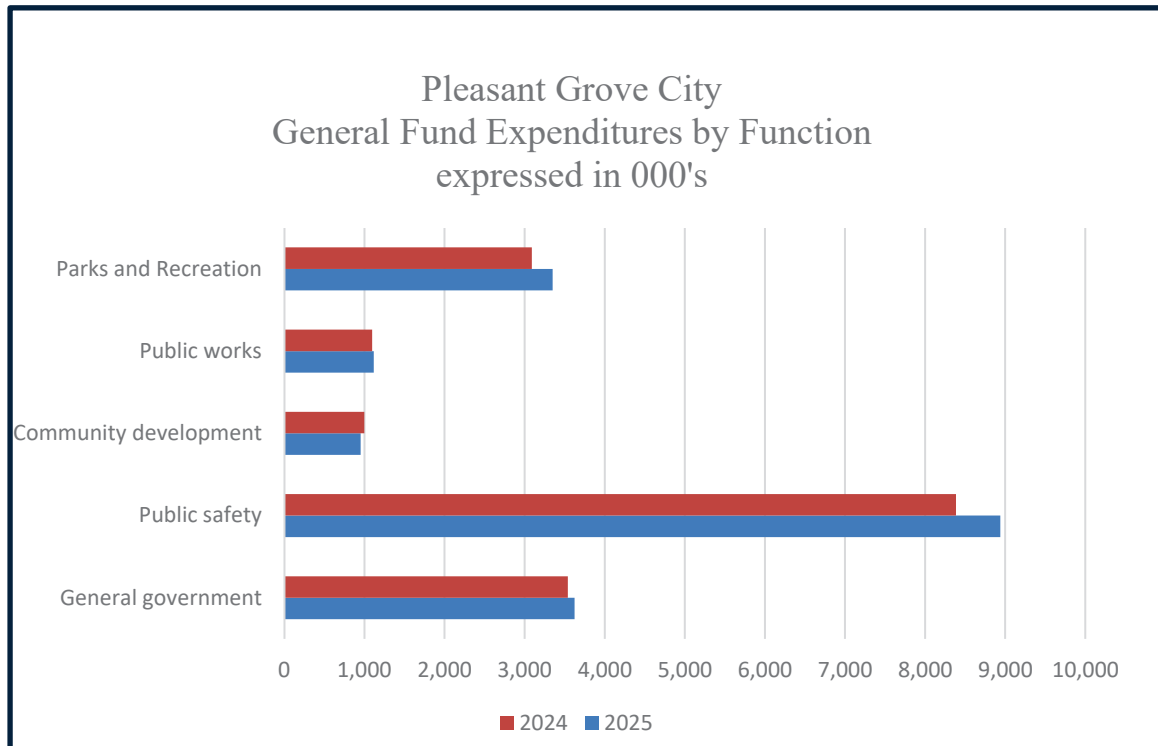
General Fund

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 \$7,042,406 while total fund balance reached \$14,392,192.

Taxes are the largest source of revenue in the General Fund, representing 63.24% of total General Fund revenues. The largest component is sales tax, which represents 59.03% of total tax revenue and 37.33% of total General Fund revenue. Overall, revenues decreased by 7.92% and expenditures decreased by 16.53% from 2024. The City and the State of Utah have developed a strong sales tax base that continues to grow. The City sales tax increased by 1.54%. Fiscal year 2025 has been a year of slower economic growth for sales tax, but commercial development for the City continues to expand in our business corridor. The City continues to attract the attention of commercial business and retailers resulting in a strong 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.

Expenses decreased substantially from the prior year by 16.53%. The significant decrease was due to less capital outlay for streets. The prior year, we had construction proceeds from a bond and fund balance to spend down. The City provided a 5.35% cost of living raise to all full and part-time employees, to stay competitive with the current job market and inflation. In addition, two new park operator positions were hired, and a Fire wage study were implemented.

The following chart compares general fund expenditures by function between 2024 and 2025.



Other Governmental Funds

The fund balance in the Redevelopment Agency Fund increased by \$1,459,694 during the year to bring the fund to a balance of \$6,221,033. The revenue for this fund comes from property tax assessments based on three special tax areas. As per various RDA agreements, some outside entities in the tax areas pay their property tax bill, and when the provisions of their agreement are met, the agreed amount is rebated to the recipient entity. Completion of projects in the area increase the property tax assessments to the City, resulting in increased property tax remittance to the City.

In the *Capital Projects Fund*, \$18,592,284 was spent on projects, the largest project being the construction on Cook Family Park and the Swimming Pool renovation. 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 \$563,558. Impact fees are restricted to projects governed by the laws of the State of Utah. Monies for additional capital projects in this fund come from a transfer from the General Fund or issuance of debt.

The *Local Building Authority Fund* was established for the construction of The Ruth Theater in our community. The project was constructed with the issuance of debt from the City and an outside entity. The project is completed and opened in January 2025. The City will pay the debt service on the City's bond each year with lease revenue received from the operation of the facility. The agreement also requires various reserve accounts to be funded by the facility and held by the City. The reserve accounts will grow over time based on lease agreement guidelines, outside of these accounts, the fund should not see significant changes in fund balance.

The *Debt Service Fund* is established to collect property taxes directed to pay for the two outstanding general obligation bonds. The amount collected from property taxes covers principal, interest and any bond agent fees. Interest income is also accrued each year in this fund.

Enterprise Funds. The City maintains enterprise funds to account for the business-type activities of the City. The information is found in the Proprietary Fund Statements in detail.

Net position of the Water Fund increased from \$74,707,733 to \$93,858,425. Sewer net position increased from 29,711,965 to \$30,056,238. Storm Drain net position increased from \$29,791,543 to \$35,604,141. Sanitation net position increased from \$69,647 to \$122,567. The Metropolitan Water District net position increased from \$10,837,766 to \$11,217,912. Net position increases in 2025 were assisted mainly in continued growth of charges for services, impact fees, intergovernmental revenue and developer contributions. Overall, in the enterprise funds, net position increased by \$25,740,629.

The *Water Fund* received over \$10 million in intergovernmental revenues, an approximate \$6.2 million increase from the prior year, from grant project funding. The monies were used toward completing the Secondary Metering Project mandated by the State of Utah, and the Mill Ditch and Weir Project. The fund also had an increase in charges for services of \$516,540 during fiscal year 2025, from a 3% rate increase and other fees for providing water services. Expenses were only up approximately \$250,000, while developer contributions of infrastructure assets increased over \$2 million. This resulted in a change in net position increase of approximately \$8.5 million in 2025 (\$5.87 million in 2024).

The *Sewer Fund* received increased revenue (approximately \$1.075 million) from utility increases to be used to offset significant increases in charges for services from the Timp Special Service District (approximately \$1.24 million in 2025). Developer contributions also went from \$1,037,578 in 2024 to \$441,538 in 2025. Other operating expenses, such as wages and benefits which had increases of over 5% for salaries, were also up in 2025 with increased inflation and cost of service and supply all increasing from 2024.

The *Storm Drain* Fund received \$1 million in one-time intergovernmental revenue during 2025 to use towards the completion of the I-15 Outfall to the Lake Project. Developer contributions of infrastructure also increased from \$593,392 in 2024 to \$2,564,430 in 2025, which helped the net position increase from approximately \$2.4 million in 2024 to \$5.8 million in 2025. The fund bonded during 2023 for \$13.68 million for significant capital projects, which was mainly used during 2025 as construction in progress grew from \$902,580 to \$20,080,658.

The *Sanitation Fund* was relatively comparable between fiscal year 2025 and 2024 as they were able to post positive changes in net position of \$52,920 in 2025 and \$22,167 in 2024 after having a loss during 2023.

The *Metropolitan Water District* had similar operations between fiscal years. Changes in net position went from \$493,945 in 2024 to \$380,146 in 2025 with developer contributions decreasing by \$178,246.

General Fund Budgetary Highlights

During the fiscal year, the General Fund's original budget was amended from an original budgeted expenditure (including transfers) total of \$ 27,973,158 to final budgeted expenditures (including transfers) of \$31,040,263. The major increases are summarized as follows:

- Appropriation in the amount of \$263,618 for Wildland Fire deployments.
- Carryover from FY2024 in the amount of \$1,809,807.
- Transfer to Capital Projects Fund in the amount of \$985,000

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, 2025, amounts to \$414,554,177 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, construction in progress, and water shares. The total increase in the City's capital assets (net of depreciation) was 27.49% (24.12% increase for governmental activities and a 32.13% increase for business-type activities).

PLEASANT GROVE CITY CAPITAL ASSETS (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 66,751,089	\$ 65,779,153	\$ 8,672,934	\$ 8,672,934	\$ 75,424,023	\$ 74,452,087
Water Shares	-	-	13,397,010	12,998,946	13,397,010	12,998,946
Buildings	19,644,561	19,378,300	-	-	19,644,561	19,378,300
Equipment	4,957,732	4,676,884	1,972,867	1,962,628	6,930,599	6,639,512
Infrastructure	53,209,050	50,493,148	100,698,435	99,191,415	153,907,485	149,684,563
Construction in Progress	89,436,808	48,198,604	55,813,691	13,819,503	145,250,499	\$ 62,018,107
Total capital assets	\$ 233,999,240	\$ 188,526,089	\$ 180,554,937	\$ 136,645,426	\$ 414,554,177	\$ 325,171,515

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

- The Ruth Theater - \$23,031,341
- Cook Family Park - \$13,052,166
- Swimming Pool Renovation - \$3,130,428
- Street Improvements - \$6.7 million
- Infrastructure improvements with more than \$42 million in Water, Sewer and Storm Drain funds (CIP)

Additional information on the City's capital assets can be found in note 5 on pages 49-50 of this report.

Long-term debt. At the end of the current year, the city had total bonded debt (excluding premiums) outstanding of \$108,498,000, \$100,279,000 is secured by specific revenue sources, while total general obligation bonds outstanding total \$8,219,000. The chart below displays transactions related to the City's bonds and other debt for the year.

PLEASANT GROVE CITY OUTSTANDING DEBT GENERAL OBLIGATION AND REVENUE BONDS

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General Obligation	\$ 8,219,000	\$ 8,889,000	\$ -	\$ -	\$ 8,219,000	\$ 8,889,000
Revenue Bonds	59,319,172	61,490,137	42,578,585	39,930,502	101,897,757	101,420,639
Notes and Leases	1,403,942	1,469,250	156,475	170,371	1,560,417	1,639,621
Total revenues	\$ 68,942,114	\$ 71,848,387	\$ 42,735,060	\$ 40,100,873	\$ 111,677,174	\$ 111,949,260

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 \$281,368,000 which is significantly more than the City's outstanding general obligation debt. In addition, state statutes allow 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 \$844,105,000 which again significantly exceeds the level of outstanding debt.

Additional information on the City's long-term debt can be found in note 8 on pages 52-55 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 3.8%. The state unemployment rate of 3.4%, while the national rate was 4.4%. The previous year's rates were 3.7%, 3.0%, and 4.1% 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, the increases were implemented in August. Utility rate increases were made for all business type funds.
- The General Fund budgeted operating expenditures have increased from the prior year. Fiscal year-ending June 30, 2026 original budget reflects an increase of \$1,196,826 from the year ending, June 30, 2025. The 2026 budget included raises for a 5.05% cost of living adjustment and merit for all full-time and part-time employees, insurance increases, addition of PT Fire Inspector, PT Police Records and PT seasonal staff. The budget also included a 2% 401k match for eligible employees and operational increases of \$116,350. The economy is still strong in the area which will lead to increased sales and property tax revenue for growth.

REQUEST FOR INFORMATION

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

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PLEASANT GROVE CITY
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents, and investments:			
Unrestricted	\$ 21,247,043	\$ 24,710,307	\$ 45,957,350
Restricted	33,230,759	6,145,204	39,375,963
Receivables (net of allowance for uncollectables)	8,169,821	2,515,613	10,685,434
Intergovernmental receivables	2,656,300	2,148,520	4,804,820
Internal balances	22,206	(22,206)	-
Inventories	-	667,623	667,623
Prepays	1,575	-	1,575
Lease receivable	34,087,000	-	34,087,000
Net pension asset	203,419	-	203,419
Capital assets not being depreciated	156,187,897	77,883,635	234,071,532
Capital assets, net of accumulated depreciation	77,811,343	102,671,302	180,482,645
Total assets	<u>333,617,363</u>	<u>216,719,998</u>	<u>550,337,361</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	2,435,698	415,998	2,851,696
Deferred charge on refunding	-	95,303	95,303
Total deferred outflows of resources	<u>2,435,698</u>	<u>511,301</u>	<u>2,946,999</u>
LIABILITIES			
Accounts payable and other accrued liabilities	7,513,290	1,919,628	9,432,918
Accrued interest payable	861,904	306,325	1,168,229
Deposits payable	12,364,531	117,500	12,482,031
Noncurrent liabilities:			
Due within one year: bonds and other	4,139,302	2,785,904	6,925,206
Due in more than one year:			
Net pension liability	2,031,565	346,975	2,378,540
Bonds payable	64,634,512	39,950,245	104,584,757
Other	1,242,774	938,964	2,181,738
Total liabilities	<u>92,787,878</u>	<u>46,365,541</u>	<u>139,153,419</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax related	7,109,524	-	7,109,524
Pension related	37,914	6,475	44,389
Lease related	34,087,000	-	34,087,000
Total deferred inflows of resources	<u>41,234,438</u>	<u>6,475</u>	<u>41,240,913</u>
NET POSITION			
Net investment in capital assets	174,994,147	139,859,389	314,853,536
Restricted for:			
Library purposes	49,158	-	49,158
Debt service	289,983	6,027,704	6,317,687
Donations	37,774	-	37,774
Capital projects and improvements	8,804,846	-	8,804,846
Roads	5,791,394	-	5,791,394
Impact fees	2,375,039	2,055,011	4,430,050
Net pension asset	203,419	-	203,419
Unrestricted	9,484,985	22,917,179	32,402,164
Total net position	<u>\$ 202,030,745</u>	<u>\$ 170,859,283</u>	<u>\$ 372,890,028</u>

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

PLEASANT GROVE CITY
Statement of Activities
For the Year Ended June 30, 2025

Function/Programs:	Program Revenues				Net (Expense) Revenues and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 4,393,405	\$ 984,128	\$ 130,909	\$ 1,842,015	\$ (1,436,353)		\$ (1,436,353)
Public safety	10,348,739	1,047,578	373,626	-	(8,927,535)		(8,927,535)
Community development	1,707,819	902,814	1,735,152	-	930,147		930,147
Public works	3,502,493	1,505,824	-	29,054,815	27,058,146		27,058,146
Parks, recreation and public property	7,014,290	1,922,289	57,427	155,082	(4,879,492)		(4,879,492)
Interest	2,676,770	-	-	-	(2,676,770)		(2,676,770)
Total governmental activities	29,643,516	6,362,633	2,297,114	31,051,912	10,068,143		10,068,143
Business-type activities							
Water	6,673,349	9,911,812	10,504,699	4,541,564		\$ 18,284,726	18,284,726
Metropolitan Water District	361,777	509,168	-	211,315		358,706	358,706
Sewer	7,370,079	6,799,527	-	606,023		35,471	35,471
Storm Drain	2,601,398	4,275,576	-	3,785,012		5,459,190	5,459,190
Sanitation	2,039,535	2,092,455	-	-		52,920	52,920
Total business-type activities	19,046,138	23,588,538	10,504,699	9,143,914		24,191,013	24,191,013
Total primary government	\$ 48,689,654	\$ 29,951,171	\$ 12,801,813	\$ 40,195,826	10,068,143	24,191,013	34,259,156
General Revenues							
General revenues:					6,029,060	-	6,029,060
Property taxes					10,272,659	-	10,272,659
Sales taxes					2,503,221	-	2,503,221
Telecommunications and franchise taxes					2,786,323	1,418,032	4,204,355
Unrestricted investment earnings					3,158,311	52,484	3,210,795
Miscellaneous					319,799	79,100	398,899
Gain on sale of assets					25,069,373	1,549,616	26,618,989
Total general revenue					35,137,516	25,740,629	60,878,145
Change in net position					166,893,229	145,118,654	312,011,883
Net position - beginning					\$ 202,030,745	\$ 170,859,283	\$ 372,890,028
Net position - ending							

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

PLEASANT GROVE CITY
Balance Sheet – Governmental Funds
June 30, 2025

			Special Revenue			Total	Total
	General	Capital Projects	Debt Service	Redevelopment Agency	Local Building Authority	Nonmajor Funds	Governmental Funds
ASSETS							
Cash, cash equivalents, and investments							
Unrestricted	\$ 12,473,181	\$ 24,000	\$ -	\$ 6,221,033	\$ -	\$ 2,528,829	\$ 21,247,043
Restricted	10,268,909	15,975,297	289,983	-	6,236,356	460,214	33,230,759
Receivables (net of allowance)	4,899,553	-	933,138	2,045,453	167,061	124,616	8,169,821
Intergovernmental receivables	2,656,300	-	-	-	-	-	2,656,300
Lease receivable	-	-	-	-	34,087,000	-	34,087,000
Due from other funds	900,596	-	-	-	-	-	900,596
Prepaid and other assets	1,575	-	-	-	-	-	1,575
Total assets	<u>\$ 31,200,114</u>	<u>\$ 15,999,297</u>	<u>\$ 1,223,121</u>	<u>\$ 8,266,486</u>	<u>\$ 40,490,417</u>	<u>\$ 3,113,659</u>	<u>\$ 100,293,094</u>
LIABILITIES							
Accounts payable	\$ 1,393,499	\$ 4,917,055	\$ -	\$ -	\$ 60,473	\$ 204,109	\$ 6,575,136
Accrued liabilities	786,340	-	-	-	-	151,814	938,154
Deposits	10,268,909	-	-	-	2,095,622	-	12,364,531
Due to other fund	-	878,390	-	-	-	-	878,390
Total liabilities	<u>12,448,748</u>	<u>5,795,445</u>	<u>-</u>	<u>-</u>	<u>2,156,095</u>	<u>355,923</u>	<u>20,756,211</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - lease receivable	-	-	-	-	34,087,000	-	34,087,000
Unavailable revenue - ambulance billing	228,241	-	-	-	-	-	228,241
Unavailable revenue - property taxes	4,130,933	-	933,138	2,045,453	-	-	7,109,524
Total deferred inflows of resources	<u>4,359,174</u>	<u>-</u>	<u>933,138</u>	<u>2,045,453</u>	<u>34,087,000</u>	<u>-</u>	<u>41,424,765</u>
FUND BALANCES							
Nonspendable	1,575	-	-	-	-	-	1,575
Restricted:							
Capital projects	-	7,828,813	-	6,221,033	4,247,322	444,699	18,741,867
Donations	37,774	-	-	-	-	-	37,774
Debt service	-	-	289,983	-	-	-	289,983
Library purposes	-	-	-	-	-	49,158	49,158
Class C roads	5,791,394	-	-	-	-	-	5,791,394
Impact fees	-	2,375,039	-	-	-	-	2,375,039
Assigned:							
Future capital improvements	605,291	-	-	-	-	1,838,918	2,444,209
Community events	-	-	-	-	-	424,961	424,961
Employee benefits	913,752	-	-	-	-	-	913,752
Unassigned	<u>7,042,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,042,406</u>
Total fund balances	<u>14,392,192</u>	<u>10,203,852</u>	<u>289,983</u>	<u>6,221,033</u>	<u>4,247,322</u>	<u>2,757,736</u>	<u>38,112,118</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,200,114</u>	<u>\$ 15,999,297</u>	<u>\$ 1,223,121</u>	<u>\$ 8,266,486</u>	<u>\$ 40,490,417</u>	<u>\$ 3,113,659</u>	<u>\$ 100,293,094</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, 2025

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

Total Fund Balances - Total Governmental Funds	\$ 38,112,118
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Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$293,476,142 less the accumulated depreciation of \$59,476,902.	233,999,240
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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	(8,219,000)	
Premium on general obligation and sales tax revenue bonds	(266,212)	
Lease revenue bonds	(34,087,000)	
Excise tax revenue bonds	(4,005,000)	
Sales tax revenue bonds	(20,960,960)	
Compensated absences	(1,074,474)	
Purchase agreements payable	(1,403,942)	
Accrued interest payable on long-term debt	(861,904)	
Total long-term liabilities		(70,878,492)

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

Net pension asset	203,419	
Deferred outflows - pension related	2,435,698	
Net pension liability	(2,031,565)	
Deferred inflows - pension related	(37,914)	
Total pension related activity		569,638

Deferred inflows of resources associated with the General Fund's ambulance billings are removed in the Statement of Net Position	228,241
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Net Position - Governmental Activities	\$ 202,030,745
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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, 2025

			Special Revenue			Total	Total
	General	Capital Projects	Debt Service	Redevelopment Agency	Local Building Authority	Nonmajor Funds	Governmental Funds
REVENUES							
Taxes	\$ 17,401,231	\$ -	\$ 935,339	\$ 468,370	\$ -	\$ -	\$ 18,804,940
Licenses and permits	687,377	-	-	-	-	-	687,377
Intergovernmental	5,982,579	57,427	-	1,735,152	-	885,654	8,660,812
Charges for services	1,699,569	-	-	-	-	3,734,149	5,433,718
Fines and forfeitures	241,538	-	-	-	-	-	241,538
Investment earnings	939,189	1,496,894	12,152	-	276,796	61,292	2,786,323
Impact fees	-	563,558	-	-	-	-	563,558
Cash contributions for capital outlay	-	-	-	-	22,604,308	-	22,604,308
Miscellaneous	564,618	356,934	-	-	2,118,965	117,794	3,158,311
Total revenues	27,516,101	2,474,813	947,491	2,203,522	25,000,069	4,798,889	62,940,885
EXPENDITURES							
Current:							
General government	3,622,568	-	2,333	-	-	-	3,624,901
Public safety	8,940,284	-	-	-	-	339,089	9,279,373
Community development	952,620	-	-	743,828	-	-	1,696,448
Public works	1,116,927	-	-	-	-	-	1,116,927
Parks, recreation, and public property	3,349,251	-	-	-	-	2,159,056	5,508,307
Capital outlay	4,908,649	18,592,284	-	-	23,031,341	2,775,496	49,307,770
Debt service:							
Principal	635,000	1,253,908	670,000	-	913,000	-	3,471,908
Interest	64,960	886,933	265,339	-	1,498,000	-	2,715,232
Issuance costs	-	-	-	-	1,750	-	1,750
Total expenditures	23,590,259	20,733,125	937,672	743,828	25,444,091	5,273,641	76,722,616
Excess (deficiency) of revenues over expenditures	3,925,842	(18,258,312)	9,819	1,459,694	(444,022)	(474,752)	(13,781,731)
OTHER FINANCING SOURCES (USES)							
Purchase agreement	-	587,820	-	-	-	-	587,820
Sale of general capital assets	-	372,000	-	-	-	-	372,000
Transfers in	-	2,753,410	-	-	-	544,048	3,297,458
Transfers out	(2,925,587)	-	-	-	(326,871)	(45,000)	(3,297,458)
Total other financing sources (uses)	(2,925,587)	3,713,230	-	-	(326,871)	499,048	959,820
Net change in fund balances	1,000,255	(14,545,082)	9,819	1,459,694	(770,893)	24,296	(12,821,911)
Fund balances - beginning	13,391,937	24,748,934	280,164	4,761,339	5,018,215	2,733,440	50,934,029
Fund balances - ending	\$ 14,392,192	\$ 10,203,852	\$ 289,983	\$ 6,221,033	\$ 4,247,322	\$ 2,757,736	\$ 38,112,118

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, 2025

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

Net change in fund balances - total governmental funds	\$(12,821,911)
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Governmental funds report capital outlays as expenditures and exclude capital contributions, as they are not financial assets. However, in the statement of activities the cost of capital outlays is allocated over their estimated useful lives and reported as depreciation expense, and capital contributions are reported as assets and revenue. This is the amount by which capital outlays and contributions exceeded depreciation in the current period.

Capital outlays	50,345,465	
Depreciation expense	<u>(4,820,113)</u>	
		45,525,352

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.

Purchase agreements issued	(587,820)	
Principal paid on bonds	2,818,780	
Principal paid on purchase agreements	<u>653,128</u>	
		2,884,088

Long-term debt, compensated absence, and pension related expenses in the statement of activities do not use current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest on long-term debt	18,027	
Amortization of bond premiums	22,185	
Compensated absences	39,354	
Change in pension assets, liabilities, and related deferred outflows and inflows of resources	<u>(462,831)</u>	
		(383,265)

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

Proceeds from the sale of assets is a decrease to net position	<u>(52,201)</u>
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Change in net position of governmental activities	<u><u>\$ 35,137,516</u></u>
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The accompanying notes are an integral part of this financial statement.

PLEASANT GROVE CITY
Statement of Net Position – Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	Total
ASSETS						
Current assets:						
Cash and cash equivalents						
Unrestricted	\$ 14,279,914	\$ 4,600,418	\$ 5,127,042	\$ -	\$ 702,933	\$ 24,710,307
Restricted	3,533,841	-	2,611,363	-	-	6,145,204
Accounts receivable, net	1,216,699	741,337	375,369	182,208	-	2,515,613
Intergovernmental receivables	2,148,520	-	-	-	-	2,148,520
Inventories	667,623	-	-	-	-	667,623
Total current assets	21,846,597	5,341,755	8,113,774	182,208	702,933	36,187,267
Noncurrent assets:						
Capital assets:						
Land and rights of way	1,788,232	25,000	6,859,702	-	-	8,672,934
Water shares	1,981,938	-	-	-	11,415,072	13,397,010
Construction in progress	33,246,001	2,487,032	20,080,658	-	-	55,813,691
Infrastructure	89,604,639	31,392,852	26,775,418	-	-	147,772,909
Automobiles, machinery and equipment	1,587,177	1,003,135	1,867,388	-	-	4,457,700
Less: accumulated depreciation	(32,625,632)	(9,623,958)	(7,309,717)	-	-	(49,559,307)
Total noncurrent assets	95,582,355	25,284,061	48,273,449	-	11,415,072	180,554,937
Total assets	117,428,952	30,625,816	56,387,223	182,208	12,118,005	216,742,204
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refundings	-	-	95,303	-	-	95,303
Pension related	169,695	158,418	87,885	-	-	415,998
Total deferred outflows of resources	169,695	158,418	183,188	-	-	511,301
LIABILITIES						
Current liabilities:						
Accounts payable	1,065,839	488,196	207,973	37,435	-	1,799,443
Accrued liabilities	56,006	42,393	21,786	-	-	120,185
Accrued interest payable	142,702	-	162,512	-	1,111	306,325
Due to other fund	-	-	-	22,206	-	22,206
Bonds payable	1,836,000	-	792,340	-	-	2,628,340
Other long-term liabilities	62,343	47,106	34,469	-	13,646	157,564
Total current liabilities	3,162,890	577,695	1,219,080	59,641	14,757	5,034,063
Noncurrent liabilities:						
Bonds payable	20,289,216	-	19,661,029	-	-	39,950,245
Other long-term liabilities	26,436	15,702	11,490	-	136,404	190,032
Net pension liability	141,539	132,133	73,303	-	-	346,975
Unearned revenue	-	-	-	-	748,932	748,932
Deposits payable	117,500	-	-	-	-	117,500
Total noncurrent liabilities	20,574,691	147,835	19,745,822	-	885,336	41,353,684
Total liabilities	23,737,581	725,530	20,964,902	59,641	900,093	46,387,747
DEFERRED INFLOWS OF RESOURCES						
Pension related	2,641	2,466	1,368	-	-	6,475
Total deferred inflows of resources	2,641	2,466	1,368	-	-	6,475
NET POSITION						
Net investment in capital assets	74,305,233	25,171,916	29,866,150	-	10,516,090	139,859,389
Restricted for:						
Impact fees	988,926	717,680	348,405	-	-	2,055,011
Debt service	3,416,341	-	2,611,363	-	-	6,027,704
Unrestricted	15,147,925	4,166,642	2,778,223	122,567	701,822	22,917,179
Total net position	\$ 93,858,425	\$ 30,056,238	\$ 35,604,141	\$ 122,567	\$ 11,217,912	\$ 170,859,283

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, 2025

	Business-type Activities - Enterprise Funds					Total
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	
OPERATING REVENUES						
Charges for services	\$ 9,911,812	\$ 6,799,527	\$ 4,275,576	\$ 2,092,455	\$ 509,168	\$ 23,588,538
Intergovernmental	10,504,699	-	1,000,000	-	-	11,504,699
Miscellaneous	6,113	45,640	731	-	-	52,484
Total operating revenues	<u>20,422,624</u>	<u>6,845,167</u>	<u>5,276,307</u>	<u>2,092,455</u>	<u>509,168</u>	<u>35,145,721</u>
OPERATING EXPENSES						
Wages and benefits	1,455,426	1,086,597	565,963	-	-	3,107,986
Cost of services and supplies	1,773,730	4,694,037	158,009	1,781,119	353,916	8,760,811
Administration	1,046,374	870,131	360,195	258,416	4,300	2,539,416
Depreciation	1,959,615	719,314	801,908	-	-	3,480,837
Total operating expenses	<u>6,235,145</u>	<u>7,370,079</u>	<u>1,886,075</u>	<u>2,039,535</u>	<u>358,216</u>	<u>17,889,050</u>
Operating income (loss)	<u>14,187,479</u>	<u>(524,912)</u>	<u>3,390,232</u>	<u>52,920</u>	<u>150,952</u>	<u>17,256,671</u>
NONOPERATING REVENUES (EXPENSES)						
Interest	(438,204)	-	(715,323)	-	(3,561)	(1,157,088)
Investment earnings	799,453	244,462	352,677	-	21,440	1,418,032
Gain on disposal of property	60,400	18,700	-	-	-	79,100
Total nonoperating revenues (expenses)	<u>421,649</u>	<u>263,162</u>	<u>(362,646)</u>	<u>-</u>	<u>17,879</u>	<u>340,044</u>
Income before capital contributions and transfers	14,609,128	(261,750)	3,027,586	52,920	168,831	17,596,715
Developer contributions	4,169,953	441,538	2,564,430	-	211,315	7,387,236
Developer impact fees	371,611	164,485	220,582	-	-	756,678
Change in net position	19,150,692	344,273	5,812,598	52,920	380,146	25,740,629
Total net position - beginning	<u>74,707,733</u>	<u>29,711,965</u>	<u>29,791,543</u>	<u>69,647</u>	<u>10,837,766</u>	<u>145,118,654</u>
Total net position - ending	<u>\$ 93,858,425</u>	<u>\$ 30,056,238</u>	<u>\$ 35,604,141</u>	<u>\$ 122,567</u>	<u>\$ 11,217,912</u>	<u>\$ 170,859,283</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, 2025

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Sanitation	Metropolitan Water District	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 21,486,166	\$ 6,718,328	\$ 5,239,234	\$ 2,089,162	\$ 509,168	\$ 36,042,058
Payments to suppliers	(949,858)	(4,592,494)	(96,887)	(1,783,948)	(353,916)	(7,777,103)
Interfund services	(1,046,374)	(870,131)	(299,073)	(258,416)	(4,300)	(2,478,294)
Payments to employees	(1,409,176)	(1,051,302)	(545,765)	-	-	(3,006,243)
Net cash provided by operating activities	18,080,758	204,401	4,297,509	46,798	150,952	22,780,418
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Due from (to) other funds	-	-	-	(46,798)	-	(46,798)
Net cash used by noncapital financing activities	-	-	-	(46,798)	-	(46,798)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES						
Impact fees	371,611	164,485	220,582	-	-	756,678
Purchase of capital assets	(17,758,289)	(2,796,640)	(19,261,434)	-	(156,011)	(39,972,374)
Proceeds from sale of assets	60,400	18,700	-	-	-	79,100
Proceeds from capital debt	5,125,000	-	-	-	-	5,125,000
Principal paid on capital debt	(1,582,564)	-	(768,220)	-	(13,332)	(2,364,116)
Interest and fees paid on capital debt	(469,065)	-	(779,341)	-	(3,665)	(1,252,071)
Net cash used by capital and related financing activities	(14,252,907)	(2,613,455)	(20,588,413)	-	(173,008)	(37,627,783)
CASH FLOW FROM INVESTING ACTIVITIES						
Investment earnings	799,453	244,462	352,677	-	21,440	1,418,032
Net cash provided by investing activities	799,453	244,462	352,677	-	21,440	1,418,032
Net increase (decrease) in cash and cash equivalents	4,627,304	(2,164,592)	(15,938,227)	-	(616)	(13,476,131)
Cash and cash equivalents - beginning	13,186,451	6,765,010	23,676,632	-	703,549	44,331,642
Cash and cash equivalents - ending	\$ 17,813,755	\$ 4,600,418	\$ 7,738,405	\$ -	\$ 702,933	\$ 30,855,511
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 14,187,479	\$ (524,912)	\$ 3,390,232	\$ 52,920	\$ 150,952	\$ 17,256,671
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	1,959,615	719,314	801,908	-	-	3,480,837
(Increase) decrease in receivables	897,905	(126,839)	(26,220)	(3,293)	-	741,553
(Increase) decrease in inventories	780,372	-	-	-	-	780,372
Increase (decrease) in accounts payable and accrued liabilities	209,137	101,543	111,391	(2,829)	-	419,242
Increase (decrease) in compensated absences and pensions	46,250	35,295	20,198	-	-	101,743
Total adjustments	3,893,279	729,313	907,277	(6,122)	-	5,523,747
Net cash provided by operating activities	\$ 18,080,758	\$ 204,401	\$ 4,297,509	\$ 46,798	\$ 150,952	\$ 22,780,418
Schedule of non-cash capital and related financing activities:						
Contributions of capital assets from developers	\$ 4,169,953	\$ 441,538	\$ 2,564,430	\$ -	\$ 211,315	\$ 7,387,236

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

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PLEASANT GROVE CITY
Notes to the Financial Statements
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

Component Units

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

The Local Building Authority of Pleasant Grove City (LBA) was authorized for the purpose of issuing lease revenue bonds to construct and furnish public projects in the City. The LBA is governed by a board of trustees composed of the City Mayor and members of the City Council. Although it is a legally separate entity from the City, the LBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the LBA. All the LBA's debt outstanding is expected to be repaid with the resources of the City. The LBA is included in these financial statements as the Local Building Authority Special Revenue Fund. Separate financial statements are not issued for the LBA.

The Metropolitan Water District of Pleasant Grove (MWDPG) was established to locate, develop, and protect water resources for the exclusive benefit of the City. MWDPG's governing board, while separate from the City's, is appointed by City officials. The Board adopts a separate budget from the City's and is presented with audited financial statements each year. The MWDPG is included in these financial statements as the Metropolitan Water District of Pleasant Grove Enterprise Fund. Separate financial statements for the MWDPG can be obtained by contacting: Metropolitan Water District, Finance Director, 70 South 100 East, Pleasant Grove, Utah 84062.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

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, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The City reports the following major governmental funds:

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

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

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

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

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

The government reports the following major enterprise funds:

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

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

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

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

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

The nonmajor governmental funds consist of the following:

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 a transfer from the CARE Tax Fund 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 are received 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.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 approximately 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, 2025, 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, 2025 is \$29,086.

Inventory

Inventory represents mainly supplies and parts used for various water fund projects and is valued at cost and accounted for 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.

Lease Receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 \$10,000 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.

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	2 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. For GASB 101 implementation, sick leave was analyzed for usage based on historical and projected percentages and accrued using the LIFO basis of accounting.

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. Items that qualify for reporting here are the resources related to pensions and losses related to bond refundings.

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. The City reports unavailable revenue for property taxes and leases on the government-wide Statement of Net Position and governmental

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Inflows and Outflows of Resources (Continued)

funds Balance Sheet. This later statement also reports unavailable revenue due to ambulance billings. In addition, the Statement of Net Position reports resources related to pensions.

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.

Fund Balance and Net Position

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.

Net position is classified in the government-wide and proprietary financial statements in three components:

Net investment in capital assets consists of capital assets, net of accumulated depreciation, and is also reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Any unspent debt proceeds and deferred bond refunding losses are added back.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Fund Balance and Net Position (Continued)

Restricted net position consists of constraints placed on the use of resources by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) laws through constitutional provisions or enabling legislation.

Unrestricted net position consists of all other net position that does not meet the two definitions above.

Restricted Assets

Restricted assets are comprised of cash restricted as deposits held for ongoing projects, for future payments of principal and interest on debt service, and 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 101

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*, to improve the recognition and measurement of liabilities for compensated absences, including vacation, sick leave, and other paid leave benefits. During the fiscal year, the City implemented GASB 101. All leave policies were analyzed in relation to the new standard. The City also evaluated the effects of this implementation on the compensated absences for the fiscal year ended June 30, 2024, and determined that no significant or material adjustment to any reported fund or entity-wide activity were noted and, therefore, no restatement was required. As such, the impacts on the City's financial position, result of operation, and cash flows have been reported in the current year.

Per the criteria outlined by GASB 101, all other potential leave benefits (i.e. holiday, bereavement, military, etc.) have been deemed insignificant to the City's respective reporting funds as they do not result in any termination or retirement payments, but are rather a use-it or lose-it benefit to the employees and are dependent upon the occurrence of a sporadic event. As such, they are recognized more appropriately when the leave commences and is used.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

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, 2025

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 31.1 percent of the total revenue of the City's General Fund.

State law states the governing body of any city may not make any appropriation in the final budget of any fund in excess of the estimated expendable revenue, including reserves, for the budget period of the fund. As of June 30, 2025, no fund reported a negative fund balance.

Excess of expenditures over appropriations

For the year ended June 30, 2025, expenditures exceeded appropriations in the Dispatch, Swimming Pool, Community Center, and Cultural Arts Funds by \$47,003, \$55,384, \$8,732, and \$37,311, respectively.

3. CASH, CASH EQUIVALENTS, 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, 2025

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (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, one 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, 2025, 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)	\$ 83,806,710	\$ 83,806,710	\$ -	\$ -	\$ -
	<u>\$ 83,806,710</u>	<u>\$ 83,806,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

At June 30, 2025, 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)	\$ 83,806,710	\$ -	\$ -	\$ -	\$ 83,806,710
	<u>\$ 83,806,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,806,710</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (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	\$ 45,957,350
Restricted	<u>39,375,963</u>
	<u>\$ 85,333,313</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, 2025, the City had \$83,806,710 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, 2025

4. RECEIVABLES

Receivables as of June 30, 2025 for the City's individual major funds and nonmajor funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds

	General	Capital Projects	RDA	LBA	Debt Service	Total Nonmajor Funds	Total
Receivables:							
Accounts	\$ 895,897	\$ -	\$ -	\$ -	\$ -	\$ 124,616	\$ 1,020,513
Property tax	4,202,253	-	2,045,453	167,061	933,138	-	7,347,905
Intergovernmental	2,656,300	-	-	-	-	-	2,656,300
Gross receivables	7,754,450	-	2,045,453	167,061	933,138	124,616	11,024,718
Less: allowance for uncollectibles	(198,597)	-	-	-	-	-	(198,597)
Net total receivables	<u>\$ 7,555,853</u>	<u>\$ -</u>	<u>\$ 2,045,453</u>	<u>\$ 167,061</u>	<u>\$ 933,138</u>	<u>\$ 124,616</u>	<u>\$ 10,826,121</u>

Business-type Funds

	Water	Sewer	Storm Drain	Sanitation	Total
Receivables:					
Accounts	\$ 1,231,056	\$ 748,034	\$ 380,299	\$ 185,310	\$ 2,544,699
Intergovernmental	2,148,520	-	-	-	2,148,520
Gross receivables	3,379,576	748,034	380,299	185,310	4,693,219
Less: allowance for uncollectibles	(14,357)	(6,697)	(4,930)	(3,102)	(29,086)
Net total receivables	<u>\$ 3,365,219</u>	<u>\$ 741,337</u>	<u>\$ 375,369</u>	<u>\$ 182,208</u>	<u>\$ 4,664,133</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:

	Deferred	Unavailable
Property taxes receivable (Governmental Funds)	\$ -	\$ 7,109,524
Lease receivable (Governmental Funds)	-	34,087,000
Deferred ambulance billing (Governmental Funds)	-	228,241
Developer contributions (Metropolitan Water District)	748,932	-
Total deferred/unearned revenue	<u>\$ 748,932</u>	<u>\$ 41,424,765</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

4. RECEIVABLES (CONTINUED)

Lease Receivable and Reserve Accounts

During fiscal year 2023, the City issued lease revenue bonds in the amount of \$35,000,000 through the LBA for the purpose of designing, engineering, bidding, and constructing a performing arts facility, which include costs associated with construction, equipment, theater furnishings, debt service reserves, and bond issuance. The City intends to service this debt with lease revenue received through a lease agreement with Hale Center Foundation for the Arts and Education. Semi-annual lease payments, including interest, began in December 2024, and continue through December 2046. Annual lease revenue ranges from \$913,000 to \$2,341,000 and directly offsets the LBA's debt service obligations.

As part of the lease agreement for the performing arts facility, the Hale Center Foundation is required to fund three reserve accounts: a Capital Reserve, a Tenant Operations Reserve, and a Tenant Stabilization Reserve.

As detailed in the lease agreement, these reserve accounts will be funded by the Hale Center Foundation in installment payments until each reaches the required reserve amount; \$1,650,000 in the Capital Reserve (subject to adjustment if actual project costs differ from budgeted amounts), \$2,000,000 in the Tenant Operations Reserve, and \$2,800,000 in the Tenant Stabilization Reserve. The Capital Reserve is to be used to fund capital repairs, replacements, and other improvements. The Tenant Operations Reserve is to be used for any unpaid operating expenses. The Tenant Stabilization Reserve is to be used to pay any unpaid rent, cure any other tenant default, or pay any rebatable arbitrage. If any of the reserve funds are used, the Hale Center Foundation must restore it to its full amount, and any remaining balance at the time of retirement or defeasance of the Lease Revenue Bond will be returned to the Hale Center Foundation.

As of year-end, the balances in the Capital Reserve, Tenant Operations Reserve, and Tenant Stabilization Reserve were \$1,334,000, \$100,000, and \$661,622, respectively, and are reported as deposits in the LBA fund.

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

	Principal	Interest	Totals
2026	\$ 953,000	\$ 1,438,529	\$ 2,391,529
2027	995,000	1,396,842	2,391,842
2028	1,038,000	1,353,336	2,391,336
2029	1,084,000	1,307,925	2,391,925
2030	1,131,000	1,260,524	2,391,524
2031 - 2035	6,441,000	5,516,043	11,957,043
2036 - 2040	7,979,000	3,978,709	11,957,709
2041 - 2045	9,882,000	2,074,516	11,956,516
2046 - 2047	4,584,000	198,292	4,782,292
	<u>\$ 34,087,000</u>	<u>\$ 18,524,717</u>	<u>\$ 52,611,717</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

5. **CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2025 was as follows:

	07/01/24	Increases	Decreases	06/30/25
<u>Governmental activities</u>				
Capital assets, not depreciated:				
Land	\$ 65,779,153	\$ 971,936	\$ -	\$ 66,751,089
Construction in progress	48,198,604	42,620,875	(1,382,671)	89,436,808
Total capital assets, not depreciated	113,977,757	43,592,811	(1,382,671)	156,187,897
Capital assets, depreciated:				
Buildings and improvements	29,112,740	1,071,699	-	30,184,439
Infrastructure	88,895,445	5,355,834	-	94,251,279
Automobiles, machinery, and equipment	11,527,547	1,707,792	(382,812)	12,852,527
Total capital assets, depreciated	129,535,732	8,135,325	(382,812)	137,288,245
Accumulated depreciation:				
Buildings and improvements	(9,734,440)	(805,438)	-	(10,539,878)
Infrastructure	(38,402,297)	(2,639,932)	-	(41,042,229)
Automobiles, machinery, and equipment	(6,850,663)	(1,374,743)	330,611	(7,894,795)
Total accumulated depreciation	(54,987,400)	(4,820,113)	330,611	(59,476,902)
Total capital assets, depreciated (net)	74,548,332	3,315,212	(52,201)	77,811,343
Net governmental capital assets	\$ 188,526,089	\$ 46,908,023	\$ (1,434,872)	\$ 233,999,240
	07/01/24	Increases	Decreases	06/30/25
<u>Business-type activities</u>				
Capital assets, not depreciated:				
Land and rights of way	\$ 8,672,934	\$ -	\$ -	\$ 8,672,934
Water shares	12,998,946	419,105	(21,041)	13,397,010
Construction in progress	13,819,503	41,994,188	-	55,813,691
Total capital assets, not depreciated	35,491,383	42,413,293	(21,041)	77,883,635
Capital assets, depreciated:				
Infrastructure	143,227,019	4,545,890	-	147,772,909
Automobiles, machinery, and equipment	4,139,606	452,206	(134,112)	4,457,700
Total capital assets, depreciated	147,366,625	4,998,096	(134,112)	152,230,609
Accumulated depreciation:				
Infrastructure	(44,035,604)	(3,038,870)	-	(47,074,474)
Automobiles, machinery, and equipment	(2,176,978)	(441,967)	134,112	(2,484,833)
Total accumulated depreciation	(46,212,582)	(3,480,837)	134,112	(49,559,307)
Total capital assets, depreciated (net)	101,154,043	1,517,259	-	102,671,302
Net business-type capital assets	\$ 136,645,426	\$ 43,930,552	\$ (21,041)	\$ 180,554,937

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

5. CAPITAL ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 622,851
Public safety	838,557
Streets and public improvements	2,145,100
Parks, recreation, and public property	<u>1,213,605</u>
Total depreciation expense - governmental activities	<u>\$ 4,820,113</u>
Business-type activities:	
Water	\$ 1,959,615
Sewer	719,314
Storm drain	<u>801,908</u>
Total depreciation expense - business-type activities	<u>\$ 3,480,837</u>

6. 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, 2025, \$33,000 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 2025, the City subsidized Fox Hollow to help with both debt service and operations in the amount of \$225,000.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At June 30, 2025, the following interfund balances existed:

<u>Due to</u>	<u>Due from</u>	<u>Amount</u>
General fund	Sanitation fund	\$ 22,206

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, 2025 were as follows:

<u>Fund Transferring Out</u>	<u>Fund Receiving Transfer</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 544,048
General fund	Capital projects fund	2,381,539
Local Building Authority	Capital projects fund	326,871
Nonmajor governmental funds	Capital projects fund	45,000
		<u>\$ 3,297,458</u>

The City transferred monies between funds to support additional operating needs in the Dispatch, Swimming Pool and Cultural Arts 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, 2025

8. LONG-TERM LIABILITIES

General Obligation Bonds

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

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount at 6/30/25
General Obligation, Series 2016	\$ 3,750,000	\$35,000 to \$324,000	2.21%	10/1/2031	\$ 2,059,000
General Obligation, Series 2017	<u>9,060,000</u>	\$300,000 to \$605,000	2.00%	4/1/2037	<u>\$ 6,160,000</u>
	<u>\$ 12,810,000</u>				<u>\$ 8,219,000</u>

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

	Principal	Interest	Totals
2026	\$ 690,000	\$ 243,138	\$ 933,138
2027	716,000	220,160	936,160
2028	745,000	196,361	941,361
2029	770,000	176,152	946,152
2030	793,000	155,295	948,295
2031 - 2035	3,315,000	470,190	3,785,190
2036 - 2037	<u>1,190,000</u>	<u>58,338</u>	<u>1,248,338</u>
	<u>\$ 8,219,000</u>	<u>\$ 1,519,634</u>	<u>\$ 9,738,634</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

8. LONG-TERM LIABILITIES (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, 2025 by issue are as follows:

Bond Description	Original Issue	Annual Principal	Interest Rate	Final Due Date	Amount at 6/30/25
<u>Tax Revenue Bonds</u>					
Excise Tax Revenue, Series 2021	\$ 6,500,000	\$615,000 to \$690,000	1.40%	6/15/2031	\$ 4,005,000
Lease Revenue, Series 2022A	35,000,000	\$913,000 to \$2,341,000	4.28%	1/1/2027	34,087,000
Sales Tax, Series 2023:					
Governmental funds portion (62%)	22,320,000	\$600,780 to \$1,370,200	2.45% to 5.00%	12/1/2047	20,960,960
Enterprise funds portion (38%)	13,680,000	\$368,220 to \$839,800	2.45% to 5.00%	12/1/2047	12,847,040
<u>Water Revenue Bonds</u>					
Series 2004	1,520,000	\$64,000 to \$75,000	1.70%	12/1/2025	89,000
Series 2006	350,000	\$15,000 to \$21,000	1.70%	12/1/2026	24,000
Series 2010 (BAB)*	1,000,000	\$38,000 to \$64,000	2.71%	12/1/2031	413,000
Series 2015	8,995,000	\$160,000 to \$705,000	2.00% to 4.00%	12/1/2031	4,395,000
Series 2016	8,945,000	\$80,000 to \$690,000	2.70%	12/1/2033	5,600,000
Series 2019	2,300,000	\$14,000 to \$21,000	2.00%	12/1/2039	1,699,000
Series 2020	1,048,000	\$34,000 to \$50,000	1.00%	12/1/2044	873,000
Series 2022	2,700,000	\$51,360 to \$69,600	1.60%	7/1/2043	4,786,000
Series 2023	1,000,000	\$52,026 to \$76,601	1.00%	12/1/2039	3,825,000
<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	6,675,000
	<u>\$ 114,123,000</u>				<u>\$ 100,279,000</u>

*Build America Bonds (BAB) are federally taxable but the City receives a subsidy from the Internal Revenue Service equal to 33% of the interest paid.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

8. LONG-TERM LIABILITIES (CONTINUED)

Revenue Bonds (Continued)

Revenue bond debt service requirements to maturity are as follows:

	Principal	Interest	Totals
2026	\$ 4,842,000	\$ 3,548,986	\$ 8,390,986
2027	4,870,000	3,424,052	8,294,052
2028	5,027,000	3,276,878	8,303,878
2029	5,177,000	3,123,383	8,300,383
2030	5,325,000	2,963,670	8,288,670
2031 - 2035	23,541,000	12,381,472	35,922,472
2036 - 2040	20,462,000	8,696,902	29,158,902
2041 - 2045	20,119,000	4,886,965	25,005,965
2046 - 2050	10,916,000	772,822	11,688,822
	<u>\$ 100,279,000</u>	<u>\$ 43,075,130</u>	<u>\$ 143,354,130</u>

Notes Payable

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, 2025, the outstanding balance was \$6,425.

The MWDPG currently has a note payable due to the Provo Reservoir Water Users Association (PReWUA) for water share storage and utility relocation costs, maturing in 2035. The PReWUA note bears interest of 2.33% with annual installments of \$16,997. The outstanding balance as of June 30, 2025 was \$150,050.

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 \$57,382 to \$120,916 per month, including interest (1.19% to 5.04%).

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

	Governmental Activities	
	Principal	Interest
2026	\$ 429,786	\$ 32,487
2027	544,079	27,360
2028	286,151	7,744
2029	143,926	1,955
	<u>\$ 1,403,942</u>	<u>\$ 69,546</u>

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

8. LONG-TERM LIABILITIES (CONTINUED)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025 was as follows:

	07/01/24	Increases, net	Decreases, net	06/30/25	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation	\$ 8,889,000	\$ -	\$ (670,000)	\$ 8,219,000	\$ 690,000
Lease revenue	35,000,000	-	(913,000)	34,087,000	953,000
Excise tax revenue	4,640,000	-	(635,000)	4,005,000	645,000
Sales tax revenue	21,561,740	-	(600,780)	20,960,960	615,660
Add: unamortized premium	288,397	-	(22,185)	266,212	-
Total bonds payable	70,379,137	-	(2,840,965)	67,538,172	2,903,660
Other long-term liabilities:					
Compensated absences*	1,113,828	-	(39,354)	1,074,474	805,856
Purchase agreements	1,469,250	587,820	(653,128)	1,403,942	429,786
Governmental activities, long-term liabilities	<u>\$ 72,962,215</u>	<u>\$ 587,820</u>	<u>\$ (3,533,447)</u>	<u>\$ 70,016,588</u>	<u>\$ 4,139,302</u>
<u>Business-type activities</u>					
Bonds payable:					
Water revenue	\$ 18,161,000	\$ 5,125,000	\$ (1,582,000)	\$ 21,704,000	\$ 1,836,000
Storm Water revenue	7,075,000	-	(400,000)	6,675,000	415,000
Sales tax revenue	13,215,260	-	(368,220)	12,847,040	377,340
Add: unamortized premium	1,479,242	-	(126,697)	1,352,545	-
Total bonds payable	39,930,502	5,125,000	(2,476,917)	42,578,585	2,628,340
Other long-term liabilities:					
Compensated absences*	151,682	39,439	-	191,121	143,341
Unearned water shares	718,194	51,780	(21,042)	748,932	-
Notes payable:					
Provo reservoir	6,989	-	(564)	6,425	577
MWDPG agreements	163,382	-	(13,332)	150,050	13,646
Business-type activities, long-term liabilities	<u>\$ 40,970,749</u>	<u>\$ 5,216,219</u>	<u>\$ (2,511,855)</u>	<u>\$ 43,675,113</u>	<u>\$ 2,785,904</u>

*The change in compensated absences above is a net change for the year.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

9. 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, 2025 there were no outstanding unpaid claims. Also, the City had no claim settlements during the three years ending June 30, 2025 which exceeded its insurance coverage.

10. REDEVELOPMENT AGENCY

In connection with the activities of the Redevelopment Agency (RDA), intergovernmental revenues from property tax increments of other governmental entities totaling \$1,735,152 were generated. The RDA was not required to pay any portion of this revenue to other taxing agencies.

During the year ended June 30, 2025, funds expended by the RDA were limited to the categories of redevelopment and administration costs. Tax increment and administrative costs totaled \$743,828. The redevelopment cost was funded with bond proceeds from a prior year issuance.

11. 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:

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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/general/publications.

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, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

Utah Retirement Systems

Contribution rates as of June 30, 2025 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
111- Local Governmental Division Tier 2	0.70	15.19	-
Noncontributory System			
15- Local Governmental Division Tier 1	-	16.97	-
Public Safety System			
<i>Contributory</i>			
122- Tier 2 DB Hybrid Public Safety	4.73	25.33	-
<i>Noncontributory</i>			
43- Other Div A with 2.5% COLA	-	33.54	-
Firefighters Retirement System			
31- Other Division A	15.05	1.61	-
132- Tier 2 DB Hybrid Firefighters	4.73	14.08	-
Tier 2 DC Only			
211- Local Government	-	5.19	10.00%
222- Public Safety	-	11.33	14.00%
232- Firefighters	-	0.08	14.00%

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

For fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 388,633	\$ -
Public Safety System	300,593	-
Firefighters System	7,297	68,208
Tier 2 Public Employees System	399,808	17,730
Tier 2 Public Safety and Firefighter	401,918	93,486
Tier 2 DC Public Employees Plan	43,264	-
Tier 2 DC Public Safety and Firefighter Plan	19,518	-
Total Contributions	\$ 1,561,031	\$ 179,424

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, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

At June 30, 2025, the City reported a net pension asset of \$2,378,540 and a net pension liability of \$203,419.

	Measurement Date: December 31, 2024				
	Net Pension Liability	Net Pension Asset	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)/Increase
Noncontributory System	\$ 897,247	\$ -	0.2829437%	0.2843345%	-0.0013908%
Public Safety System	\$ 1,048,557	\$ -	0.6776681%	0.6982274%	-0.0205593%
Firefighters System	\$ -	\$ 203,419	1.1580774%	1.3655662%	-0.2074888%
Tier 2 Public Employees System	\$ 253,008	\$ -	0.0848341%	0.0818115%	0.0030226%
Tier 2 Public Safety and Firefighter	\$ 179,728	\$ -	0.3973748%	0.3998231%	-0.0024483%
Total Net Pension Asset / Liability	<u>\$ 2,378,540</u>	<u>\$ 203,419</u>			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 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.

For the year ended June 30, 2025, the City recognized pension expense of \$2,083,272.

At June 30, 2025, 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	\$ 1,087,115	\$ 11,186
Changes in assumptions	275,832	2,848
Net difference between projected and actual earnings on pension plan investments	537,704	-
Changes in proportion and differences between contributions and proportionate share of contributions	169,735	30,355
Contributions subsequent to the measurement date	<u>781,310</u>	<u>-</u>
Total	<u>\$ 2,851,696</u>	<u>\$ 44,389</u>

\$781,310 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, 2024.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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
2025	\$ 812,978
2026	1,024,443
2027	(96,592)
2028	16,854
2029	94,986
Thereafter	173,327

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

For the year ended June 30, 2025, the City recognized pension expense of \$815,408.

At June 30, 2025, 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	\$ 534,630	\$ -
Changes in assumptions	74,219	-
Net difference between projected and actual earnings on pension plan investments	270,265	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	4,233
Contributions subsequent to the measurement date	194,087	-
Total	<u>\$ 1,073,201</u>	<u>\$ 4,233</u>

\$194,087 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, 2024.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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
2025	\$ 511,283
2026	493,289
2027	(109,665)
2028	(20,026)

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

For the year ended June 30, 2025, the City recognized pension expense of \$658,196.

At June 30, 2025, 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	\$ 110,802	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	181,474	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	7,886
Contributions subsequent to the measurement date	142,750	-
Total	<u>\$ 435,026</u>	<u>\$ 7,886</u>

\$142,750 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, 2024.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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
2025	\$ 113,873
2026	257,590
2027	(73,711)
2028	(13,362)

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

For the year ended June 30, 2025, the City recognized pension expense of \$73,769.

At June 30, 2025, 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	\$ 223,495	\$ -
Changes in assumptions	16,316	-
Net difference between projected and actual earnings on pension plan investments	58,145	-
Changes in proportion and differences between contributions and proportionate share of contributions	111,586	7,859
Contributions subsequent to the measurement date	3,648	-
Total	<u>\$ 413,190</u>	<u>\$ 7,859</u>

\$3,648 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, 2024.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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
2025	\$ 138,399
2026	197,041
2027	55,830
2028	10,414

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

For the year ended June 30, 2025, the City recognized pension expense of \$276,291.

At June 30, 2025, 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	\$ 109,378	\$ 1,743
Changes in assumptions	84,502	26
Net difference between projected and actual earnings on pension plan investments	16,171	-
Changes in proportion and differences between contributions and proportionate share of contributions	39,252	3,699
Contributions subsequent to the measurement date	<u>222,416</u>	<u>-</u>
Total	<u>\$ 471,719</u>	<u>\$ 5,468</u>

\$222,416 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, 2024.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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
2025	\$ 29,127
2026	45,004
2027	19,359
2028	23,819
2029	56,574
Thereafter	69,950

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

For the year ended June 30, 2025, the City recognized pension expense of \$259,608.

At June 30, 2025, 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	\$ 108,810	\$ 9,443
Changes in assumptions	100,795	2,822
Net difference between projected and actual earnings on pension plan investments	11,649	-
Changes in proportion and differences between contributions and proportionate share of contributions	18,897	6,678
Contributions subsequent to the measurement date	218,409	-
Total	<u>\$ 458,560</u>	<u>\$ 18,943</u>

\$218,409 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, 2024.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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
2025	\$ 20,296
2026	31,519
2027	11,595
2028	16,009
2029	38,412
Thereafter	103,377

Actuarial Assumptions

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.5 - 9.5 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, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale 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, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2023.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35.00%	7.01%	2.45%
Debt securities	20.00%	2.54%	0.51%
Real assets	18.00%	5.45%	0.98%
Private equity	12.00%	10.05%	1.21%
Absolute return	15.00%	4.36%	0.65%
Cash and cash equivalents	0.00%	0.49%	0.00%
Totals	100.00%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

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.

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.

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 3,794,619	\$ 897,247	\$ (1,532,710)
Public Safety System	3,221,318	1,048,557	(724,382)
Firefighters System	442,697	(203,419)	(730,252)
Tier 2 Public Employees System	755,674	253,008	(138,016)
Tier 2 Public Safety and Firefighter	612,856	179,728	(166,564)
Total	\$ 8,827,164	\$ 2,175,121	\$ (3,291,924)

Pension Plan Fiduciary Net Position

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

Defined Contribution Pension Plans

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

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

- 401(k) Plan
- 457(b) Plan

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

11. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

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

401(k) Plan	2025	2024	2023
Employer Contributions	\$ 115,801	\$ 97,308	\$ 82,443
Employee Contributions	220,191	162,044	127,399
457 Plan	2025	2024	2023
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	58,420	51,821	16,151
Roth IRA Plan	2025	2024	2023
Employer Contributions	N/A	N/A	N/A
Employee Contributions	18,146	-	-
Traditional IRA	2025	2024	2023
Employer Contributions	N/A	N/A	N/A
Employee Contributions	275	-	-

12. COMMITMENTS AND CONTINGENCIES

Litigation

The City is a defendant in various legal actions, pending lawsuits, or other 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 these cases will not have a material effect on the financial condition of the City.

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.

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

PLEASANT GROVE CITY
Notes to the Financial Statements (Continued)
June 30, 2025

total amount of the City's pledge through maturity is \$26,922,350. Fiscal year 2025 revenues from franchise tax were \$2,313,653. If the City is called upon to make a pledge payment, the payment amount would require 46% of pledged revenues. UIA has sufficient revenue to service the debt, and it is unlikely the City's pledge will be required.

13. **TAX ABATEMENTS**

As of June 30, 2025, 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:

<u>Tax Abatement Program</u>	<u>Tax Abated 2025</u>	<u>Taxes abated in prior years</u>	<u>Total Max Tax Abatement</u>	<u>Primary Purpose of Abatement</u>	<u>Abatement Expires</u>
1300 West CDA	\$ 434,236	\$ 3,120,422	\$ 4,750,000	Property & sales tax revenues	2031
Gateway CDA*	-	-	30,345,153	Jobs, property & sales tax revenues	2031
Grove Tower CRA#1	181,759	733,017			
Grove Tower CRA#2	123,083	412,074			
	304,842	1,145,091	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.

15. **SUBSEQUENT EVENTS**

In August 2025, the City entered into a purchase agreement for \$404,291 for 8 police vehicles, servers/computer replacements, and cardio equipment. The City will make 6 semi-annual payments of \$71,739, which includes interest of 3.99%, ending in July 2028.

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REQUIRED SUPPLEMENTARY INFORMATION

PLEASANT GROVE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 5,069,896	\$ 5,069,896	\$ 4,625,351	\$ (444,545)
Sales	10,124,364	10,124,364	10,272,659	148,295
Other	2,440,910	2,440,910	2,503,221	62,311
Licenses and permits	480,000	480,000	687,377	207,377
Intergovernmental	3,024,000	3,024,000	5,982,579	2,958,579
Charges for services	1,499,600	1,499,600	1,699,569	199,969
Fines and forfeitures	229,000	229,000	241,538	12,538
Investment earnings	100,000	100,000	939,189	839,189
Miscellaneous	262,100	262,100	564,618	302,518
Total revenues	<u>23,229,870</u>	<u>23,229,870</u>	<u>27,516,101</u>	<u>4,286,231</u>
EXPENDITURES				
General government:				
City council	274,728	274,728	173,716	101,012
Courts	225,394	225,394	192,078	33,316
Facilities	459,230	459,230	398,836	60,394
Administrative	1,508,585	1,508,585	892,108	616,477
Engineering	737,782	737,782	453,021	284,761
City attorney	551,089	551,089	296,542	254,547
Cemetery	134,234	134,234	122,073	12,161
Custodial	395,493	395,493	202,911	192,582
Non-departmental	1,578,794	1,578,794	891,283	687,511
Public safety:				
Police and dispatch	5,648,600	5,657,200	5,626,462	30,738
Fire	3,073,913	3,337,531	3,169,013	168,518
Animal control	113,676	113,676	144,809	(31,133)
Community development:				
Community development	1,040,539	1,040,539	952,620	87,919
Public works:				
Streets	881,723	881,723	844,680	37,043
Class C roads	-	272,247	272,247	-
Capital outlay	4,575,000	6,112,640	4,908,649	1,203,991
Parks and recreation:				
Library	1,086,371	1,086,371	1,005,477	80,894
Other	2,511,067	2,511,067	2,343,774	167,293
Debt service				
Principal	635,000	635,000	635,000	-
Interest	64,960	64,960	64,960	-
Total expenditures	<u>25,496,178</u>	<u>27,578,283</u>	<u>23,590,259</u>	<u>3,988,024</u>
Excess (deficiency) of revenues over expenditures	(2,266,308)	(4,348,413)	3,925,842	8,274,255
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Transfers out	(2,476,980)	(3,461,980)	(2,925,587)	536,393
Net change in fund balance	<u>\$ (4,743,288)</u>	<u>\$ (7,810,393)</u>	<u>1,000,255</u>	<u>\$ 8,810,648</u>
Fund balance - beginning			13,391,937	
Fund balance - ending			<u>\$ 14,392,192</u>	

PLEASANT GROVE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Redevelopment Agency
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Taxes:				
Property	\$ 1,465,000	\$ 1,465,000	\$ 468,370	\$ (996,630)
Intergovernmental	-	-	1,735,152	1,735,152
Total revenues	<u>1,465,000</u>	<u>1,465,000</u>	<u>2,203,522</u>	<u>738,522</u>
EXPENDITURES				
Community development	<u>1,465,000</u>	<u>1,465,000</u>	<u>743,828</u>	<u>721,172</u>
Total expenditures	<u>1,465,000</u>	<u>1,465,000</u>	<u>743,828</u>	<u>721,172</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,459,694	<u>\$ 1,459,694</u>
Fund balance - beginning			<u>4,761,339</u>	
Fund balance - ending			<u>\$ 6,221,033</u>	

PLEASANT GROVE CITY
Statement of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Local Building Authority
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment earnings	\$ -	\$ -	\$ 276,796	\$ 276,796
Cash contributions for capital outlay	-	-	22,604,308	22,604,308
Miscellaneous	-	-	2,118,965	2,118,965
Total revenues	-	-	25,000,069	25,000,069
EXPENDITURES				
Capital outlay	-	24,723,273	23,031,341	1,691,932
Debt service:				
Principal	913,000	913,000	913,000	-
Interest	1,498,000	1,498,000	1,498,000	-
Issuance costs	-	-	1,750	(1,750)
Total expenditures	2,411,000	27,134,273	25,444,091	1,690,182
Excess (deficiency) of revenues over expenditures	(2,411,000)	(27,134,273)	(444,022)	26,690,251
OTHER FINANCING SOURCES AND (USES)				
Transfers out	-	-	(326,871)	(326,871)
Total other financing sources (uses)	-	-	(326,871)	(326,871)
Net change in fund balance	\$ (2,411,000)	\$ (27,134,273)	(770,893)	\$ 26,363,380
Fund balance - beginning			5,018,215	
Fund balance - ending			\$ 4,247,322	

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

Measurement Date of December 31,

	Noncontributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
2024					
Proportion of the net pension liability (asset)	0.2829437%	0.6776681%	1.1580774%	0.0848341%	0.3973748%
Proportionate share of the net pension liability (asset)	\$ 897,247	\$ 1,048,557	\$ (203,419)	\$ 253,008	\$ 179,728
Covered payroll	\$ 2,327,040	\$ 1,167,174	\$ 468,828	\$ 2,512,975	\$ 1,813,903
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	38.56%	89.84%	-43.39%	10.07%	9.91%
Plan fiduciary net position as a percentage of its covered payroll	96.02%	93.30%	104.64%	87.44%	90.10%
2023					
Proportion of the net pension liability (asset)	0.2843345%	0.6982274%	1.3655662%	0.0818115%	0.3998231%
Proportionate share of the net pension liability (asset)	\$ 659,533	\$ 998,580	\$ (320,491)	\$ 159,236	\$ 150,610
Covered payroll	\$ 2,362,840	\$ 1,183,421	\$ 521,398	\$ 2,115,109	\$ 1,514,949
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.91%	84.38%	-61.47%	7.53%	9.94%
Plan fiduciary net position as a percentage of its covered payroll	96.90%	93.44%	106.79%	89.58%	89.10%
2022					
Proportion of the net pension liability (asset)	0.2886334%	0.6508207%	1.5377085%	0.0745294%	0.4042039%
Proportionate share of the net pension liability (asset)	\$ 494,357	\$ 841,560	\$ (399,349)	\$ 81,155	\$ 33,720
Covered payroll	\$ 2,444,901	\$ 957,605	\$ 561,423	\$ 1,621,310	\$ 1,243,646
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.22%	87.88%	-71.13%	5.01%	2.71%
Plan fiduciary net position as a percentage of its covered payroll	97.50%	93.60%	108.40%	92.30%	96.40%
2021					
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%
2020					
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%
2019					
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%
2018					
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%
2017					
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%
2016					
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%
2015					
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%

PLEASANT GROVE CITY
Notes to the Required Supplementary Information
June 30, 2025

	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	2016	\$ 486,144	\$ 486,144	\$ -	\$ 2,634,168	18.46%
	2017	515,887	515,887	-	2,793,102	18.47%
	2018	487,588	487,588	-	2,640,263	18.47%
	2019	472,895	472,895	-	2,565,743	18.43%
	2020	465,778	465,778	-	2,529,249	18.42%
	2021	449,498	449,498	-	2,451,832	18.33%
	2022	433,603	433,603	-	2,372,860	18.27%
	2023	443,261	443,261	-	2,504,157	17.70%
	2024	419,085	419,085	-	2,367,778	17.70%
	2025	388,633	388,633	-	2,322,609	16.73%
Public Safety System	2016	\$ 349,418	\$ 349,418	\$ -	\$ 1,126,726	31.01%
	2017	339,946	339,946	-	1,128,538	30.12%
	2018	309,547	309,547	-	1,044,979	29.62%
	2019	282,446	282,446	-	946,335	29.85%
	2020	281,540	281,540	-	933,990	30.14%
	2021	293,343	293,343	-	931,512	31.49%
	2022	297,165	297,165	-	946,923	31.38%
	2023	323,913	323,913	-	1,081,070	29.96%
	2024	357,562	357,562	-	1,231,904	29.03%
	2025	300,593	300,593	-	1,108,152	27.13%
Firefighters System	2016	\$ 27,924	\$ 27,924	\$ -	\$ 674,191	4.14%
	2017	20,773	20,773	-	634,954	3.27%
	2018	18,178	18,178	-	562,284	3.23%
	2019	22,523	22,523	-	591,197	3.81%
	2020	20,657	20,657	-	554,319	3.73%
	2021	20,463	20,463	-	512,425	3.99%
	2022	24,544	24,544	-	538,133	4.56%
	2023	21,433	21,433	-	594,917	3.60%
	2024	17,511	17,511	-	485,083	3.61%
	2025	7,297	7,297	-	453,211	1.61%
Tier 2 Public Employees System*	2016	\$ 79,135	\$ 79,135	\$ -	\$ 530,720	14.91%
	2017	90,679	90,679	-	608,176	14.91%
	2018	112,976	112,976	-	749,130	15.08%
	2019	171,248	171,248	-	1,101,983	15.54%
	2020	198,251	198,251	-	1,266,641	15.65%
	2021	202,486	202,486	-	1,281,944	15.80%
	2022	240,520	240,520	-	1,496,706	16.07%
	2023	303,198	303,198	-	1,893,811	16.01%
	2024	379,172	379,172	-	2,368,345	16.01%
	2025	399,808	399,808	-	2,632,050	15.19%
Tier 2 Public Safety and Firefighter System*	2016	\$ 86,505	\$ 86,505	\$ -	\$ 465,652	18.58%
	2017	86,505	86,505	-	465,652	18.58%
	2018	113,873	113,873	-	614,366	18.54%
	2019	137,444	137,444	-	729,899	18.83%
	2020	160,826	160,826	-	851,379	18.89%
	2021	231,527	231,527	-	1,062,247	21.80%
	2022	246,952	246,952	-	1,156,262	21.36%
	2023	298,905	298,905	-	1,419,194	21.06%
	2024	347,573	347,573	-	1,667,413	20.85%
	2025	401,918	401,918	-	1,976,450	20.34%
Tier 2 Public Employees DC Only System*	2016	\$ 15,198	\$ 15,198	\$ -	\$ 227,177	6.69%
	2017	15,198	15,198	-	227,177	6.69%
	2018	14,215	14,215	-	212,478	6.69%
	2019	7,898	7,898	-	118,206	6.68%
	2020	13,282	13,282	-	200,322	6.63%
	2021	18,024	18,024	-	270,121	6.67%
	2022	26,472	26,472	-	395,699	6.69%
	2023	36,004	36,004	-	581,636	6.19%
	2024	42,752	42,752	-	690,661	6.19%
	2025	43,264	43,264	-	833,602	5.19%
Tier 2 Public Safety and Firefighter DC Only System*	2016	\$ -	\$ -	\$ -	\$ -	0.00%
	2017	1,107	1,107	-	9,360	11.83%
	2018	4,894	4,894	-	41,371	11.83%
	2019	9,764	9,764	-	82,540	11.83%
	2020	10,749	10,749	-	93,956	11.44%
	2021	5,885	5,885	-	49,744	11.83%
	2022	12,270	12,270	-	103,721	11.83%
	2023	14,882	14,882	-	125,802	11.83%
	2024	17,009	17,009	-	143,782	11.83%
	2025	19,518	19,518	-	174,329	11.20%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems.

PLEASANT GROVE CITY
Notes to the Required Supplementary Information
June 30, 2025

1. BUDGETARY INFORMATION

Budgets for the general fund, redevelopment agency, and local building authority are adopted and presented on a basis consistent with Generally Accepted Accounting Principles (GAAP).

2. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Changes in Assumptions

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

SUPPLEMENTARY INFORMATION

PLEASANT GROVE CITY
Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2025

	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	\$ 480,106	\$ 307,165	\$ 339,860	\$ 34,961	\$ 43,328	\$ 1,323,409	\$ -	\$ 2,528,829
Restricted	-	-	-	-	5,830	-	454,384	460,214
Receivables (net of allowance)	-	-	-	-	-	-	124,616	124,616
Total assets	\$ 480,106	\$ 307,165	\$ 339,860	\$ 34,961	\$ 49,158	\$ 1,323,409	\$ 579,000	\$ 3,113,659
LIABILITIES								
Accounts payable	\$ 124,937	\$ 36,186	\$ 29,078	-	\$ -	\$ 4,223	\$ 9,685	\$ 204,109
Accrued liabilities	-	76,460	75,354	-	-	-	-	151,814
Total liabilities	124,937	112,646	104,432	-	-	4,223	9,685	355,923
FUND BALANCES								
Restricted:								
Capital projects	-	-	-	-	-	-	444,699	444,699
Library purposes	-	-	-	-	49,158	-	-	49,158
Assigned:								
Future capital improvements	355,169	194,519	235,428	-	-	929,186	124,616	1,838,918
Community events	-	-	-	34,961	-	390,000	-	424,961
Total fund balances	355,169	194,519	235,428	34,961	49,158	1,319,186	569,315	2,757,736
Total liabilities and fund balances	\$ 480,106	\$ 307,165	\$ 339,860	\$ 34,961	\$ 49,158	\$ 1,323,409	\$ 579,000	\$ 3,113,659

PLEASANT GROVE CITY
Combining Statement of Revenues, Expenses, and Changes in Fund Balances –
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue							Total Nonmajor Funds
	Dispatch	Swimming Pool	Community Center	Cultural Arts	Library	C.A.R.E. Tax	Transportation Utility	
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885,654	\$ 885,654
Charges for services	-	239,482	1,259,412	36,521	-	859,781	1,338,953	3,734,149
Investment earnings	12,203	-	-	-	1,665	39,975	7,449	61,292
Miscellaneous	-	-	109,602	267	5,425	2,500	-	117,794
Total revenues	12,203	239,482	1,369,014	36,788	7,090	902,256	2,232,056	4,798,889
EXPENDITURES								
Current:								
Public safety	339,089	-	-	-	-	-	-	339,089
Parks, recreation, and public property	-	471,017	1,524,126	82,923	-	80,990	-	2,159,056
Capital outlay	-	-	25,091	-	-	653,131	2,097,274	2,775,496
Total expenditures	339,089	471,017	1,549,217	82,923	-	734,121	2,097,274	5,273,641
Excess (deficiency) of revenues over expenditures	(326,886)	(231,535)	(180,203)	(46,135)	7,090	168,135	134,782	(474,752)
OTHER FINANCING SOURCES (USES)								
Transfers in	292,086	221,350	-	30,612	-	-	-	544,048
Transfers out	-	-	(45,000)	-	-	-	-	(45,000)
Total other financing sources (uses)	292,086	221,350	(45,000)	30,612	-	-	-	499,048
Net change in fund balances	(34,800)	(10,185)	(225,203)	(15,523)	7,090	168,135	134,782	24,296
Fund balances - beginning	389,969	204,704	460,631	50,484	42,068	1,151,051	434,533	2,733,440
Fund balances - ending	\$ 355,169	\$ 194,519	\$ 235,428	\$ 34,961	\$ 49,158	\$ 1,319,186	\$ 569,315	\$ 2,757,736

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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment earnings	\$ 5,000	\$ 5,000	\$ 12,203	\$ 7,203
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>12,203</u>	<u>7,203</u>
EXPENDITURES				
Public safety	<u>292,086</u>	<u>292,086</u>	<u>339,089</u>	<u>(47,003)</u>
Total expenditures	<u>292,086</u>	<u>292,086</u>	<u>339,089</u>	<u>(47,003)</u>
Excess (deficiency) of revenues over expenditures	<u>(287,086)</u>	<u>(287,086)</u>	<u>(326,886)</u>	<u>(39,800)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>292,086</u>	<u>292,086</u>	<u>292,086</u>	<u>-</u>
Total other financing sources	<u>292,086</u>	<u>292,086</u>	<u>292,086</u>	<u>-</u>
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>(34,800)</u>	<u>\$ (39,800)</u>
Fund balance - beginning			<u>389,969</u>	
Fund balance - ending			<u>\$ 355,169</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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 170,000	\$ 170,000	\$ 239,482	\$ 69,482
Total revenues	<u>170,000</u>	<u>170,000</u>	<u>239,482</u>	<u>69,482</u>
EXPENDITURES				
Parks, recreation, and public property	<u>346,151</u>	<u>415,633</u>	<u>471,017</u>	<u>(55,384)</u>
Total expenditures	<u>346,151</u>	<u>415,633</u>	<u>471,017</u>	<u>(55,384)</u>
Excess (deficiency) of revenues over expenditures	<u>(176,151)</u>	<u>(245,633)</u>	<u>(231,535)</u>	<u>14,098</u>
OTHER FINANCING SOURCES				
Transfers in	<u>221,350</u>	<u>221,350</u>	<u>221,350</u>	<u>-</u>
Total other financing sources	<u>221,350</u>	<u>221,350</u>	<u>221,350</u>	<u>-</u>
Net change in fund balance	<u>\$ 45,199</u>	<u>\$ (24,283)</u>	<u>(10,185)</u>	<u>\$ 14,098</u>
Fund balance - beginning			<u>204,704</u>	
Fund balance - ending			<u>\$ 194,519</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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 1,190,000	\$ 1,190,000	\$ 1,259,412	\$ 69,412
Donations and reimbursements	45,000	45,000	109,602	64,602
Total revenues	<u>1,235,000</u>	<u>1,235,000</u>	<u>1,369,014</u>	<u>134,014</u>
EXPENDITURES				
Capital outlay	57,557	57,557	25,091	32,466
Parks, recreation, and public property	<u>1,422,928</u>	<u>1,482,928</u>	<u>1,524,126</u>	<u>(41,198)</u>
Total expenditures	<u>1,480,485</u>	<u>1,540,485</u>	<u>1,549,217</u>	<u>(8,732)</u>
Excess (deficiency) of revenues over expenditures	<u>(245,485)</u>	<u>(305,485)</u>	<u>(180,203)</u>	<u>125,282</u>
OTHER FINANCING SOURCES AND (USES)				
Transfers in	299,643	299,643	-	(299,643)
Transfers out	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>254,643</u>	<u>254,643</u>	<u>(45,000)</u>	<u>(299,643)</u>
Net change in fund balance	<u>\$ 9,158</u>	<u>\$ (50,842)</u>	<u>(225,203)</u>	<u>\$ (174,361)</u>
Fund balance - beginning			<u>460,631</u>	
Fund balance - ending			<u>\$ 235,428</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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 15,000	\$ 15,000	\$ 36,521	\$ 21,521
Donations and reimbursements	-	-	267	267
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>36,788</u>	<u>21,788</u>
EXPENDITURES				
Parks, recreation, and public property	45,612	45,612	82,923	(37,311)
Total expenditures	<u>45,612</u>	<u>45,612</u>	<u>82,923</u>	<u>(37,311)</u>
Excess (deficiency) of revenues over expenditures	<u>(30,612)</u>	<u>(30,612)</u>	<u>(46,135)</u>	<u>(15,523)</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>\$ -</u>	<u>\$ -</u>	<u>(15,523)</u>	<u>\$ (15,523)</u>
Fund balance - beginning			<u>50,484</u>	
Fund balance - ending			<u>\$ 34,961</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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Donations and reimbursements	\$ -	\$ -	\$ 5,425	\$ 5,425
Investment earnings	-	-	1,665	1,665
Total revenues	-	-	7,090	7,090
EXPENDITURES				
Parks, recreation, and public property	34,179	34,179	-	34,179
Total expenditures	34,179	34,179	-	34,179
Net change in fund balance	<u>\$ (34,179)</u>	<u>\$ (34,179)</u>	7,090	<u>\$ 41,269</u>
Fund balance - beginning			<u>42,068</u>	
Fund balance - ending			<u><u>\$ 49,158</u></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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 705,956	\$ 705,956	\$ 859,781	\$ 153,825
Donations and reimbursements	-	-	2,500	2,500
Investment Earnings	-	-	39,975	39,975
Total revenues	<u>705,956</u>	<u>705,956</u>	<u>902,256</u>	<u>196,300</u>
EXPENDITURES				
Capital outlay	770,000	987,677	653,131	334,546
Parks, recreation, and public property	85,000	118,201	80,990	37,211
Total expenditures	<u>855,000</u>	<u>1,105,878</u>	<u>734,121</u>	<u>371,757</u>
Net change in fund balance	<u>\$ (149,044)</u>	<u>\$ (399,922)</u>	168,135	<u>\$ (175,457)</u>
Fund balance - beginning			<u>1,151,051</u>	
Fund balance - ending			<u>\$ 1,319,186</u>	

PLEASANT GROVE CITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Transportation Utility Fund (Special Revenue Fund)
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 885,654	\$ 885,654
Charges for services	1,300,000	1,300,000	1,338,953	38,953
Investment Earnings	-	-	7,449	7,449
Total revenues	<u>1,300,000</u>	<u>1,300,000</u>	<u>2,232,056</u>	<u>932,056</u>
EXPENDITURES				
Capital outlay	<u>1,050,000</u>	<u>3,604,119</u>	<u>2,097,274</u>	<u>1,506,845</u>
Total expenditures	<u>1,050,000</u>	<u>3,604,119</u>	<u>2,097,274</u>	<u>1,506,845</u>
Net change in fund balance	<u>\$ 250,000</u>	<u>\$ (2,304,119)</u>	134,782	<u>\$ 2,438,901</u>
Fund balance - beginning			<u>434,533</u>	
Fund balance - ending			<u>\$ 569,315</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, 2025

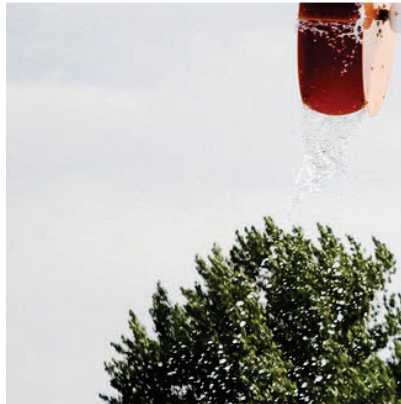
	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,496,894	\$ 1,496,894
Impact fees	300,000	300,000	563,558	263,558
Intergovernmental	-	-	57,427	57,427
Miscellaneous	326,871	326,871	356,934	30,063
Total revenues	<u>626,871</u>	<u>626,871</u>	<u>2,474,813</u>	<u>1,847,942</u>
EXPENDITURES				
Capital outlay	3,819,463	20,640,309	18,592,284	2,048,025
Debt service:				
Principal	1,514,376	1,514,376	1,253,908	260,468
Interest	1,389,371	1,389,371	886,933	502,438
Total expenditures	<u>6,723,210</u>	<u>23,544,056</u>	<u>20,733,125</u>	<u>2,810,931</u>
Excess (deficiency) of revenues over expenditures	<u>(6,096,339)</u>	<u>(22,917,185)</u>	<u>(18,258,312)</u>	<u>4,658,873</u>
OTHER FINANCING SOURCES AND (USES)				
Purchase agreement	600,000	600,000	587,820	(12,180)
Sale of general capital assets	-	-	372,000	372,000
Transfers in	2,556,629	3,406,629	2,753,410	(653,219)
Total other financing sources (uses)	<u>3,156,629</u>	<u>4,006,629</u>	<u>3,713,230</u>	<u>(293,399)</u>
Net change in fund balance	<u>\$ (2,939,710)</u>	<u>\$ (18,910,556)</u>	<u>(14,545,082)</u>	<u>\$ 4,365,474</u>
Fund balance - beginning			<u>24,748,934</u>	
Fund balance - ending			<u>\$ 10,203,852</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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Property	\$ 935,339	\$ 935,339	\$ 935,339	\$ -
Investment earnings	5,000	5,000	12,152	7,152
Total revenues	<u>940,339</u>	<u>940,339</u>	<u>947,491</u>	<u>7,152</u>
EXPENDITURES				
General government	5,000	5,000	2,333	2,667
Debt service:				
Principal	670,000	670,000	670,000	-
Interest	265,339	265,339	265,339	-
Total expenditures	<u>940,339</u>	<u>940,339</u>	<u>937,672</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	9,819	<u>\$ 7,152</u>
Fund balance - beginning			<u>280,164</u>	
Fund balance - ending			<u>\$ 289,983</u>	

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STATISTICAL SECTION



STATISTICAL SECTION

This part of the Pleasant Grove City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

CONTENTS	PAGES
Financial Trends	89-94
<i>These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.</i>	
Revenue Capacity	95-101
<i>These schedules contain information to help the reader assess the city's most significant local revenue sources: property tax, sales tax, and water revenue.</i>	
Debt Capacity	102-107
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	108-110
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.</i>	
Operating Information	111-112
<i>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.</i>	

PLEASANT GROVE CITY

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Governmental activities										
Net investment in capital assets	\$ 51,330	\$ 62,432	\$ 73,541	\$ 89,162	\$ 86,436	\$ 93,394	\$ 117,374	\$ 118,029	\$ 142,047	\$ 174,994
Restricted	5,053	13,958	13,816	8,423	8,517	13,184	18,950	22,592	15,903	17,552
Unrestricted	23,328	6,699	9,630	14,447	18,126	17,236	(2,678)	8,046	8,943	9,485
Total government activities net position	<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>	<u>148,667</u>	<u>166,893</u>	<u>202,031</u>
Business-type activities										
Net investment in capital assets	51,387	57,964	67,551	72,211	84,609	90,285	95,038	99,199	109,863	139,859
Restricted	5,538	5,966	5,517	4,010	4,976	5,511	9,454	16,191	16,553	8,083
Unrestricted	9,845	7,988	8,309	9,879	12,482	14,292	16,208	14,195	18,703	22,917
Total business-type activities net position	<u>66,770</u>	<u>71,918</u>	<u>81,377</u>	<u>86,100</u>	<u>102,067</u>	<u>110,088</u>	<u>120,700</u>	<u>129,585</u>	<u>145,119</u>	<u>170,859</u>
Primary government										
Net investment in capital assets	102,717	120,396	141,092	161,373	171,045	183,679	212,411	217,228	251,910	314,853
Restricted	10,591	19,924	19,333	12,433	13,493	18,695	28,405	38,783	32,456	25,635
Unrestricted	33,173	14,687	17,939	24,326	30,608	31,528	13,530	22,241	27,646	32,402
Total primary government net position	<u>\$ 146,481</u>	<u>\$ 155,007</u>	<u>\$ 178,364</u>	<u>\$ 198,132</u>	<u>\$ 215,146</u>	<u>\$ 233,902</u>	<u>\$ 254,346</u>	<u>\$ 278,252</u>	<u>\$ 312,012</u>	<u>\$ 372,890</u>

PLEASANT GROVE CITY

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Expenses										
Governmental activities:										
General government	\$ 4,546	\$ 4,757	\$ 4,222	\$ 4,349	\$ 2,551	\$ 2,534	\$ 3,458	\$ 3,835	\$ 4,117	\$ 4,394
Community development	970	1,115	936	971	1,309	1,341	1,332	1,564	1,791	1,708
Public works	2,902	4,435	2,586	3,192	3,167	3,815	2,827	2,431	3,051	3,502
Public safety	6,159	5,835	6,646	7,145	6,575	6,716	6,974	8,117	9,352	10,349
Parks & recreation	4,052	3,588	4,111	4,274	3,961	3,958	4,945	5,923	5,979	7,014
Interest on long-term debt	1,286	1,491	1,423	1,255	1,186	1,113	763	1,136	3,547	2,677
Total governmental activities expense	19,915	21,221	19,924	21,186	18,749	19,477	20,299	23,006	27,837	29,644
Business-type activities										
Water	5,250	5,154	5,025	4,962	6,253	5,218	5,254	5,672	6,420	6,673
MWD/PG				145	148	293	281	338	326	362
Sewer	4,502	4,531	4,409	4,767	4,636	4,643	4,737	4,925	5,837	7,370
Storm Drain	1,552	1,517	1,578	1,714	1,930	1,652	1,843	1,887	2,589	2,601
Sanitation	1,377	1,410	1,379	1,501	1,553	1,678	1,642	1,891	1,986	2,040
Total business-type activities expense	12,681	12,612	12,391	13,089	14,520	13,484	13,757	14,714	17,158	19,046
Total primary government expenses	32,596	33,833	32,315	34,275	33,269	32,961	34,056	37,720	44,995	48,690
Program Revenues										
Governmental activities:										
Charges for services:										
General government	3,210	3,326	3,837	3,524	1,923	690	727	877	971	984
Community development	-	-	-	-	-	1,220	1,466	596	999	903
Public works	-	-	-	1,444	861	255	414	361	1,556	1,506
Public safety	821	795	845	796	796	899	879	877	904	1,048
Parks & recreation	1,588	1,686	1,922	1,763	1,530	2,143	2,033	1,852	1,812	1,922
Operating grants and contributions	757	355	522	595	2,868	2,534	1,406	1,510	1,406	2,297
Capital grants and contributions	7,043	5,508	11,975	4,633	4,909	5,871	8,569	5,844	13,111	31,052
Total governmental activities programs revenues	13,419	11,670	19,101	12,755	12,887	13,612	15,494	11,915	20,759	39,712
Business-type activities:										
Charges for services:										
Water	6,407	6,677	7,235	7,510	8,013	8,226	8,490	8,876	9,395	9,912
MWD/PG							303	533	402	509
Sewer	4,642	4,889	5,075	5,164	5,325	5,467	5,539	5,570	5,725	6,800
Storm Drain	1,986	1,783	1,784	1,677	2,294	2,348	2,689	2,859	4,031	4,275
Sanitation	1,436	1,448	1,454	1,464	1,497	1,564	1,688	1,857	2,008	2,092
Operating grants and contributions	258	-	39	30	82	780	241	160	4,332	10,505
Capital grants and contributions	1,905	2,661	5,712	1,412	4,139	2,531	2,167	2,316	5,043	9,144
Total business-type activities program revenues	16,634	17,458	21,299	17,257	21,350	20,916	21,117	22,170	30,936	43,237
Total primary governmental program revenues	30,053	29,128	40,400	30,012	34,237	34,528	36,611	34,085	51,695	82,949

PLEASANT GROVE CITY

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	(6,496)	(9,551)	(823)	(8,431)	(5,862)	(5,865)	(4,803)	(11,091)	(7,078)	10,068
Business-type activities	3,953	4,846	8,908	4,168	6,830	7,432	7,360	7,456	13,778	24,191
Total primary government net expense	(2,543)	(4,705)	8,085	(4,263)	968	1,567	2,557	(3,634)	6,700	34,259
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	3,509	4,079	5,092	5,239	5,019	5,254	5,169	5,921	6,153	6,029
Sales taxes	5,011	5,425	5,836	6,115	6,607	7,593	8,527	9,342	10,117	10,273
Franchise taxes	-	2,059	2,041	2,000	2,028	2,100	2,217	2,567	2,556	2,503
Other taxes	2,100	-	-	-	-	-	-	-	-	-
Investment earnings	1,005	1,054	1,220	1,230	1,033	818	494	2,198	4,575	2,786
Miscellaneous	340	376	607	602	632	909	499	5,832	1,566	3,158
Gain on sale of assets	-	-	-	-	379	197	67	253	337	320
Transfers	(75)	(75)	(75)	175	(75)	(269)	(2,339)	-	-	-
Total governmental activities	11,890	12,918	14,721	15,361	15,623	16,602	14,634	26,112	25,304	25,069
Business-type activities:										
Investment earnings	70	109	167	327	259	97	103	1,152	1,544	1,418
Miscellaneous	64	118	138	154	44	184	810	277	125	53
Transfers	75	75	75	(175)	75	38	-	-	-	-
Gain on sale of assets	-	-	1	106	43	269	2,339	-	87	79
Total business-type activities	209	302	381	412	421	588	3,252	1,428	1,756	1,550
Total primary government	12,099	13,220	15,102	15,773	16,044	17,190	17,886	27,540	27,060	26,619
Change in Net Position										
Governmental activities	5,395	3,367	13,898	6,786	9,762	10,735	9,832	15,021	18,226	35,137
Business-type activities	4,163	5,147	9,290	4,724	7,252	8,020	10,613	8,885	15,534	25,741
Total primary government	\$ 9,558	\$ 8,514	\$ 23,188	\$ 11,510	\$ 17,014	\$ 18,755	\$ 20,445	\$ 23,906	\$ 33,760	\$ 60,878

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General Fund										
Nonspendable										
Prepaid expenses	\$ 465	\$ 299	\$ 239	\$ 46	\$ 20	\$ 31	\$ 477	\$ 594	\$ 74	\$ 2
Restricted for										
Donations	363	388	2,397	482	35	27	139	58	66	38
Class C road funds	1,516	850	664	1,599	1,601	2,899	9,068	8,491	5,660	5,791
Impact fees	-	-	-	-	-	-	-	1,159	-	-
Other purposes	-	-	-	-	-	-	-	728	-	-
Assigned										
Future capital improvements	-	-	-	-	-	-	2,591	442	524	605
Employee benefits	-	-	-	-	-	-	-	-	818	914
Unassigned	2,595	2,910	4,585	4,750	7,918	6,825	6,267	2,531	6,250	7,042
Total general fund	<u>\$ 4,939</u>	<u>\$ 4,447</u>	<u>\$ 7,885</u>	<u>\$ 6,877</u>	<u>\$ 9,574</u>	<u>\$ 9,782</u>	<u>\$ 18,542</u>	<u>\$ 14,003</u>	<u>\$ 13,392</u>	<u>\$ 14,392</u>
All Other Governmental Funds										
Nonspendable										
Prepaid Expenses	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ -	\$ -	\$ -	\$ -
Restricted for										
Debt service	114	183	185	200	217	222	250	266	280	290
Dispatch	75	96	122	-	-	-	-	-	-	-
Library grants	47	50	15	-	-	-	-	-	-	-
Library purposes	-	-	-	18	25	28	31	36	42	49
Impact fees	1,904	1,638	1,537	658	1,190	1,014	1,532	1,159	1,733	2,375
Capital projects	-	-	-	4,961	4,838	8,132	7,930	78,958	33,171	18,742
Assigned to										
Debt service	-	-	-	-	-	-	-	-	-	-
Dispatch	-	-	-	-	225	259	-	-	-	-
Capital projects	672	10,104	7,771	375	-	-	-	-	-	1,839
Swimming pool	22	91	188	-	208	365	-	-	-	-
Community center	42	12	80	-	146	193	-	-	-	-
Cultural arts	28	15	20	129	31	45	-	-	-	-
Future capital improvements	-	-	-	-	-	-	1,433	2,920	1,630	-
Community events	-	-	-	-	-	-	118	102	155	425
Redevelopment	269	532	841	-	-	-	-	-	-	-
Unassigned	-	-	-	(1,371)	(228)	(71)	-	-	531	-
Total all other governmental funds	<u>\$ 3,243</u>	<u>\$ 12,721</u>	<u>\$ 10,759</u>	<u>\$ 4,970</u>	<u>\$ 6,652</u>	<u>\$ 10,306</u>	<u>\$ 11,294</u>	<u>\$ 83,441</u>	<u>\$ 37,542</u>	<u>\$ 23,720</u>

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenues										
Taxes	\$ 10,620	\$ 11,563	\$ 12,969	\$ 13,354	\$ 13,654	\$ 14,947	\$ 15,913	\$ 17,829	\$ 18,825	\$ 18,805
Licenses, fees, and permits	608	638	914	692	742	941	1,230	432	764	687
Intergovernmental	1,850	1,636	1,816	2,144	4,783	4,666	5,918	6,183	9,173	8,661
Charges for services	4,613	4,802	5,329	4,471	4,088	3,972	3,929	3,837	5,192	5,434
Fines and penalties	399	366	360	324	281	255	268	248	220	242
Investment earnings	53	137	342	392	237	67	131	2,198	4,575	2,786
Impact fees	872	1,066	1,523	658	788	1,014	1,532	329	942	564
Loan repayment income	1,558	1,557	1,556	1,555	1,554	1,552	12,923	-	-	-
Cash contributions for capital outlay	-	-	-	320	10	5	17	17	10	22,604
Miscellaneous	340	376	607	602	632	910	499	5,832	1,566	3,158
Total Revenues	20,913	22,141	25,416	24,512	26,769	28,329	42,360	36,905	41,267	62,941
Expenditures										
General government	4,259	4,571	3,948	4,001	2,263	2,411	3,206	3,320	3,545	3,625
Community development	1,040	1,018	942	957	1,281	1,365	1,409	1,562	1,792	1,697
Public works	1,410	2,168	2,248	796	558	787	773	832	1,097	1,117
Public safety	6,115	6,202	6,556	6,942	6,485	6,954	7,150	7,701	8,656	9,279
Parks & recreation	4,192	4,093	4,147	4,152	3,866	3,942	4,348	5,027	4,932	5,508
Capital outlay	704	833	4,105	14,070	4,621	5,879	5,416	18,989	49,499	49,308
Debt service										
Principal	2,271	3,012	3,097	2,325	2,481	2,331	15,003	2,169	2,975	3,472
Other	-	170	-	-	-	-	38	491	-	2
Interest	1,314	1,138	1,408	1,290	1,210	1,138	811	829	2,763	2,715
Total expenditures	21,305	23,205	26,451	34,533	22,765	24,807	38,154	40,920	75,259	76,723
Excess of revenues over (under) expenditures	(392)	(1,064)	(1,035)	(10,021)	4,004	3,522	4,206	(4,015)	(33,992)	(13,782)

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other Financing Sources (Uses)										
Purchase agreement	-	-	-	-	-	-	1,237	336	639	588
Issuance of long term debt	-	-	-	345	406	394	-	57,320	-	-
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	150	653	217	87	-	214	143	288	369	372
Proceeds from capital lease	786	-	-	-	-	-	-	-	-	-
Non-reciprocal utility revenue	-	-	-	2,040	-	-	-	-	-	-
Transfers in	2,455	11,479	2,612	5,183	2,772	6,916	1,743	9,354	2,658	3,297
Transfers out	(2,530)	(11,554)	(2,687)	(5,008)	(2,847)	(7,185)	(4,082)	(9,354)	(2,658)	(3,297)
Total other financing sources (uses)	861	10,049	2,511	2,647	1,209	339	5,541	57,944	1,008	960
Net change in fund balances	\$ 469	\$ 8,985	\$ 1,476	\$ (7,374)	\$ 5,213	\$ 3,861	\$ 9,747	\$ 53,929	\$ (32,984)	\$ (12,822)
Debt service as a percentage of noncapital expenditures	17%	19%	35%	20%	20% *	21%	52%	17%	27%	23%

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
2016	\$ 1,194,483,519	\$ 5,154,800	\$ 325,978,914	\$ 96,888,618	\$ 40,291,548	\$ 28,959,101	\$ 1,691,756,500	0.001875	\$ 2,669,318,488	63.38%
2017	1,301,105,326	5,847,400	349,816,438	111,289,596	49,214,383	34,103,247	1,851,376,390	0.001775	2,916,182,312	63.49%
2018	1,433,833,276	7,745,600	383,306,370	148,605,751	48,798,315	39,669,516	2,061,958,828	0.002029	3,235,360,345	63.73%
2019	1,573,419,322	8,039,400	445,263,600	160,028,003	57,554,200	46,987,893	2,291,292,418	0.001884	3,578,894,151	64.02%
2020	1,758,970,015	8,047,000	591,113,800	162,260,448	70,104,819	48,435,652	2,638,931,734	0.001734	4,103,585,832	64.31%
2021	1,910,580,357	13,587,900	672,346,103	200,229,601	92,100,584	51,203,647	2,940,048,192	0.001602	4,503,519,415	65.28%
2022	2,125,765,285	13,466,500	695,467,110	194,476,371	101,918,388	49,181,232	3,180,274,886	0.001497	4,919,806,504	64.64%
2023	2,950,180,600	43,295,400	834,020,952	279,809,986	123,822,671	49,205,593	4,280,335,202	0.001303	6,695,186,864	63.93%
2024	2,956,198,082	40,621,600	996,615,118	249,763,300	135,465,767	37,889,323	4,416,553,190	0.001266	6,860,063,475	64.38%
2025	3,003,033,715	47,580,100	1,088,670,378	255,858,366	142,001,672	38,602,533	4,575,746,764	0.001179	7,034,211,646	65.05%

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		Total Direct Rate	Alpine		Central Utah Water Conservancy District
		Obligation	Debt Service		School District	Utah County	
2016	1.661	0.214		1.875	8.177	1.098	0.405
2017	1.585	0.190		1.775	7.718	1.049	0.400
2018	1.523	0.506		2.029	7.167	0.969	0.400
2019	1.428	0.456		1.884	7.033	0.911	0.400
2020	1.331	0.403		1.734	6.699	0.839	0.400
2021	1.237	0.365		1.602	6.800	1.202	0.400
2022	1.160	0.337		1.497	6.604	1.131	0.375
2023	1.053	0.250		1.303	5.724	0.787	0.400
2024	1.030	0.236		1.266	6.115	0.652	0.400
2025	0.962	0.217		1.179	5.774	1.019	0.400

Source: Utah State Tax Commission

PLEASANT GROVE CITY

Principal Property Tax Payers

Current Year and Nine Years ago

Taxpayer	2025				2016			
	Taxable Assessed		Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed		Rank	Percentage of Total City Taxable Assessed Value
Thyme Global LLC	\$	151,251,900	1	3.31%				
Exeter		63,622,700	2	1.39%				
Valley Grove LLC		42,813,800	3	0.94%				
Valley Grove Office I LLC		35,789,400	4	0.78%				
Viewpointe Apartments SPE LLC		35,396,570	5	0.77%				
Valley Grove Office II LLC		35,118,600	6	0.77%				
Valley Grove Office III LLC		33,067,600	7	0.72%				
ThorneBerry LTD		32,810,415	8	0.72%	\$	14,530,340	3	1.220%
Pleasant Springs, LLC		27,704,490	9	0.61%		14,041,500	5	0.83%
Residences at Mayfield, LLC		25,390,890	10	0.55%		13,914,830	6	0.74%
Questar Gas						14,041,500	4	3.460%
ThorneBerry LTD						14,530,340	3	1.220%
Valley Properties						58,571,739	1	0.86%
Somerset Meadows						20,723,780	2	0.83%
Pacificorp						13,243,708	7	0.82%
Jacqueline A Dowdy						11,331,863	10	0.78%
DMB Investments						12,600,100	8	0.69%
Econics Management, LLC						11,612,800	9	0.67%
Total	\$	482,966,365		10.55%	\$	184,642,091		10.91%

Source: Utah County

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

Calendar Year	Total Tax Levy	Percent of		Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
		Current Taxes Collected	Current Tax Collections					
2016	\$ 3,176,536		\$ 2,942,710	\$ 137,779	\$ 3,080,489	96.98%	\$ 96,047	3.02%
2017	3,291,115		3,072,852	106,518	3,179,370	96.60%	111,745	3.40%
2018	4,171,320		3,935,781	140,134	4,075,915	97.71%	95,405	2.29%
2019	4,325,140		4,024,237	226,264	4,250,501	98.27%	74,639	1.73%
2020	4,586,423		4,277,021	222,544	4,499,565	98.11%	86,859	1.89%
2021	4,722,114		4,386,124	230,309	4,616,432	97.76%	105,682	2.24%
2022	4,772,289		4,485,801	209,902	4,695,703	98.40%	76,586	1.60%
2023	5,601,298		5,204,602	286,812	5,491,414	98.04%	109,884	1.96%
2024	5,673,428		5,486,271	295,137	5,781,408	101.90% *	90,227 **	1.59%
2025	5,795,451		5,375,651	264,759	5,640,410	97.32%	134,322	2.32%

Source: Utah County

* The numbers were verified on the Utah County Website, delinquent tax collections were higher with the outstanding delinquency decreasing. Penalties and interest are not included,
 ** This number was incorrectly entered from Utah County Website.

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
2016	\$ 3,925,000	\$ -	\$ -	\$ 3,925,000	0.147%	\$ 112
2017	13,486,000	-	-	13,486,000	0.462%	354
2018	12,475,000	184,796	-	12,290,204	0.380%	317
2019	11,916,000	199,732	399,322	12,115,590	0.339%	312
2020	11,345,000	216,664	377,137	11,505,473	0.280%	299
2021	10,761,000	222,069	364,198	10,903,129	0.242%	285
2022	10,160,000	249,640	333,274	10,243,634	0.208%	267
2023	9,538,000	265,591	310,582	9,582,991	0.143%	248
2024	8,889,000	280,164	288,397	8,897,233	0.130%	233
2025	8,219,000	289,983	266,212	8,195,229	0.117%	214

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>
2016	1.000%	0.800%	4.950%
2017	1.000%	0.800%	4.950%
2018	1.000%	0.800%	4.950%
2019	1.100%	1.300%	4.850%
2020	1.100%	1.300%	4.850%
2021	1.100%	1.300%	4.850%
2022	1.100%	1.300%	4.850%
2023	1.100%	1.300%	4.850%
2024	1.100%	1.500%	4.850%
2025	1.100%	1.500%	4.850%

Sources: Utah State Tax Commission

PLEASANT GROVE CITY
Principal Sales Tax Remitters
Fiscal Years 2016 and 2025

Fiscal Year 2025		Fiscal Year 2016	
	Sales Tax ¹		Sales Tax ¹
Amazon	N/A	BMW of Pleasant Grove	N/A
BMW of Pleasant Grove	N/A	doTerra	N/A
Maceys	N/A	Maceys	N/A
Pacificorp	N/A	Metro Ready Mix	N/A
Premier Truss	N/A	Shamrock Group, LLC	N/A
Shamrock Group, LLC	N/A	Smiths Food & Drug	N/A
Smiths	N/A	UT State Motor Vehicle	N/A
Tesla Motors	N/A	Pacificorp	N/A
UT State Motor Vehicle	N/A	UT State Alcoholic Beverage Control	N/A
Walmart	N/A	Walmart	N/A
Total	\$ 4,812,744	Total	\$ 1,322,635
Total Citywide Collections	\$ 9,555,474	Total Citywide Collections	\$ 2,993,528
Top 10 as a Percentage of Total Collections	50.37%	Top 10 as a Percentage of Total Collections	44.18%
Top 10 as a Percentage of Total Revenue ²	25.18%	Top 10 as a Percentage of Total Revenue ²	13.20%

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									
	General Obligation Bond	Excise Tax Road Bond	Sales Tax Revenue	Unamortized Premium	Purchase Agreements	Other Long-Term Debt	RDA Tax Increment Bond	LBA Bond	Water Revenue	Sewer Revenue	Storm Drain Revenue	Sales Tax Revenue	Unamortized Premium	Purchase Agreements	Other Long-Term Debt	Total Primary Government	Percentage of Personal Income	Per Capita		
2016	\$ 3,944	\$ 1,248	\$ 2,258	\$ -	\$ 1,989	\$ 2,622	\$ 16,154	\$ -	\$ 22,032	\$ -	\$ 11,661	\$ 968	\$ -	\$ 259	\$ 10	\$ 63,145	8.19%	\$ 1,659		
2017	13,486	530	1,915	-	1,526	1,874	15,514	-	20,937	-	11,262	840	-	210	10	68,104	8.61%	1,757		
2018	12,475	-	1,617	-	1,364	1,364	14,837	-	19,780	-	10,883	708	-	210	10	63,248	7.48%	1,628		
2019	11,916	-	1,313	426	1,053	2,253	14,120	-	18,146	-	10,395	563	891	108	113	61,297	6.92%	1,595		
2020	11,345	-	997	395	996	1,786	13,362	-	19,990	-	8,765	427	729	54	365	59,211	6.12%	1,548		
2021	10,761	-	676	364	826	848	12,560	-	18,566	-	8,480	290	1,863	-	213	55,447	5.22%	1,445		
2022	10,160	5,885	343	333	1,551	470	-	-	18,398	-	8,010	147	1,733	-	200	47,230	4.07%	1,225		
2023	9,538	5,265	21,562	311	1,417	356	-	35,000	19,492	-	7,525	13,215	1,606	-	184	115,471	9.30%	3,020		
2024	8,889	4,640	21,562	288	1,469	-	-	35,000	18,161	-	7,075	13,215	1,479	-	170	111,948	8.05%	2,927		
2025	8,219	4,005	20,961	266	1,404	-	-	34,087	21,704	-	6,675	12,847	1,353	-	156	111,677	7.30%	2,820		

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, 2025

<u>Government Unit</u>	<u>Total Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Overlapping Debt			
Alpine School District	\$ 481,661,745	7.71%	\$ 37,144,520
Utah County	188,749,347	5.05%	9,533,220
Central Utah Water Cons. District	617,055,248	1.43%	8,825,814
Subtotal, overlapping debt			55,503,553
City direct debt			70,016,588
Total direct and overlapping debt			\$ 125,520,141

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)	\$ 7,034,212
Debt limit (4% of assessed value)	281,368
Debt applicable to limit:	
General obligation bonds	(8,219)
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	(8,219)
Legal debt margin	\$ 273,149

	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Debt limit	\$ 106,773	\$ 116,647	\$ 129,414	\$ 143,156	\$ 164,143	\$ 180,141	\$ 196,792	\$ 267,807	\$ 273,462	\$ 281,368
Total net debt applicable to limit	(3,925)	(12,985)	(12,475)	(11,916)	(11,345)	(10,761)	(10,160)	(9,538)	(8,889)	(8,219)
Legal debt margin	\$ 102,848	\$ 103,662	\$ 116,939	\$ 131,240	\$ 152,798	\$ 169,380	\$ 186,632	\$ 258,269	\$ 264,573	\$ 273,149
Total net debt applicable to the limit as a percentage of debt limit	3.68%	11.13%	9.64%	8.32%	6.91%	5.97%	5.16%	3.56%	3.25%	2.92%

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				
	Debt Service					Debt Service					Debt Service				
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Interest	Coverage	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage	Sales Tax Revenues	Principal	Interest	Coverage
2016	\$ 7,086	\$ 3,069	\$ 4,017	\$ 977	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	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	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	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	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	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	2.01	2,689	1,546	1,143	470	308	1.47	8,527	12,560	364	0.66
2023	8,876	5,132	3,744	1,465	1.90	2,859	1,595	1,264	514	299	1.55	-	-	-	-
2024	9,395	5,986	3,409	1,331	1.93	4,031	1,813	2,218	915	776	1.31	-	-	-	-
2025	9,912	6,235	3,677	1,582	1.82	4,276	1,886	2,390	768	715	1.61	-	-	-	-

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

Fiscal Year	Sales Tax Revenue				General Obligation Bonds				Excise Tax Revenue			
	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
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	323	1.00	2,248	615	87	3.20
2023	9,342	490	7	18.80	929	622	308	1.00	2,409	620	82	3.43
2024	10,117	758 *	2,354 *	3.25 *	936	649	287	1.00	2,734	625	74	3.91
2025	10,273	1,514	2,329	2.67	935	670	265	1.00	3,196	635	65	4.57

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.

* FY2024 numbers were corrected from prior year report

PLEASANT GROVE CITY
Demographic and Economic Statistics
Last Ten Calendar Years

Calender Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2015	38,052	\$ 770,819,364	\$ 20,257	3.2%
2016	38,756	791,203,740	20,415	3.4%
2017	38,845	845,577,960	21,768	2.8%
2018	38,428	885,265,836	23,037	2.8%
2019	38,258	966,970,950	25,275	2.4%
2020	38,380	1,062,742,200	27,690	2.1%
2021	38,570	1,151,237,360	29,848	1.8%
2022	38,241	1,241,838,234	32,474	2.5%
2023	38,241	1,390,404,519	36,359	2.8%
2024	39,604	1,529,229,252	38,613	3.4%

Note 1: Unemployment Rate is for Utah County

PLEASANT GROVE CITY

Principal Employers
Last Ten Fiscal Years

Employer	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	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
Alpine School District	-	-	-	-	-	-	-	250-749	300-749	300-749
American Land and Leisure	-	-	-	50-99	50-99	-	-	100-249	-	-
Blade HQ LLC	-	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Canyon Grove Academy	-	-	-	-	-	50-99	50-99	50-99	-	-
Chubby's Café	-	-	-	50-99	50-99	50-99	50-99	-	-	-
Costa Vida Holdings, LLC	-	-	50-99	50-99	50-99	-	50-99	-	-	-
Crust Club	-	-	-	50-99	-	-	-	-	-	-
Daybreak Training Services	-	-	50-99	50-99	-	50-99	50-99	50-99	50-99	50-99
Event Production	-	-	-	-	-	-	50-99	50-99	50-99	-
Evermore Park, LLC	-	-	100-249	50-99	50-99	-	-	-	-	-
Extinct, LLC	-	-	-	-	-	-	-	-	50-99	-
Faulkner Media Group, LLC	-	50-99	50-99	50-99	50-99	50-99	-	-	-	-
Foreup	-	-	50-99	50-99	50-99	-	-	-	-	-
Growpro, LLC	-	-	-	50-99	50-99	50-99	-	-	-	-
Instructure, Inc.	-	-	-	50-99	50-99	50-99	100-249	-	-	-
JD Steel	-	-	-	-	-	-	-	100-249	-	-
Jersey Mike's Subs	-	-	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
Marys Culinary Crafts LLC	-	-	-	-	-	-	-	-	50-99	50-99
McDonalds	-	-	-	-	-	-	-	-	50-99	50-99
Metro Ready Mix LLC	-	-	-	-	-	-	-	-	100-249	100-249
Mile High Contracting	-	-	-	-	-	-	-	-	-	-
Mulligan Staffing, LLC	-	100-249	-	-	-	-	-	-	-	-
People's Intermountain Bank	-	-	-	-	-	-	50-99	-	-	-
Pleasant Grove Iceberg	-	50-99	-	-	-	-	-	-	-	-
Professional Dental	-	-	-	50-99	50-99	50-99	50-99	50-99	-	-
Q Sciences	-	-	100-249	50-99	-	-	-	-	-	-
Smile Systems	-	50-99	-	-	-	-	-	-	-	-
Sundesa, LLC	-	-	-	-	-	-	-	100-249	100-249	100-249
Synergy Worldwide Inc	-	-	-	-	-	-	-	50-99	50-99	50-99
Test Out Corporation	-	-	100-249	100-249	100-249	100-249	50-99	50-99	50-99	50-99
The Watt Stopper, Inc.	-	-	-	50-99	-	-	-	-	-	-
The Void	-	-	-	-	-	-	-	-	50-99	50-99
Tri City Medical Clinic	-	-	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99
Utah Recreation Company	-	-	100-249	100-249	100-249	-	-	-	-	-
Valley View Elementary	-	-	-	-	-	50-99	-	-	-	-
Watt Stopper Inc.	-	-	50-99	-	-	-	-	-	-	-
Whistic	-	50-99	50-99	-	-	-	-	-	-	-
Warburtons	-	-	-	-	-	-	-	50-99	50-99	50-99
Zident	-	-	-	50-99	50-99	50-99	-	-	-	-
doTerra International	1000-1999	2000-2999	2000-2999	2000-2999	2000-2999	2,000-2,999	2,000-2,999	1,000-1,999	1,000-1,999	1,000-1,999
PF Staffing Services, LLC	1000-1999	1000-1999	1000-1999	1000-1999	250-499	50-99	-	-	-	-
All Pro Security, LLC	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	50-99	50-99
Alpine Pediatrics	100-249	100-249	100-249	100-249	-	-	-	50-99	50-99	50-99
ARO	100-249	100-249	100-249	100-249	100-249	100-249	100-249	-	-	-
ASEA, LLC	100-249	100-249	100-249	100-249	100-249	100-249	-	-	-	-
B2 Air Systems LLC	100-249	50-99	50-99	50-99	50-99	-	50-99	-	-	-
Culinary Crafts Catering	100-249	100-249	100-249	50-99	50-99	50-99	100-249	100-249	-	-
Dental Intel, LLC	100-249	100-249	100-249	100-249	100-249	100-249	-	-	-	-
Disruptive Advertising	100-249	50-99	50-99	100-249	100-249	-	-	-	-	-
doTerra Manufacturing, LLC	100-249	250-499	250-499	250-499	250-499	250-499	250-499	-	-	-
EZARC Welding Inc.	100-249	50-99	50-99	50-99	-	-	-	-	-	-

PLEASANT GROVE CITY

Principal Employers
Last Ten Fiscal Years

Employer	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	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
John Hancock Charter School	100-249	100-249	-	-	-	-	-	-	-	-
Keneet, LLC	100-249	100-249	100-249	50-99	50-99	50-99	-	-	-	-
Klas	100-249	100-249	100-249	100-249	-	-	-	-	-	-
Lincoln Academy	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249
Niels Fugal Sons Company	100-249	100-249	100-249	100-249	100-249	100-249	100-249	250-499	100-249	100-249
North County Medical Holdings	100-249	100-249	-	-	-	-	-	-	-	-
Pleasant Grove City	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249	100-249
Pleasant Grove High	100-249	100-249	100-249	100-249	100-249	100-249	100-249	-	-	-
Premier Truss, LLC	100-249	100-249	100-249	100-249	100-249	100-249	100-249	-	-	-
Quail Run Primary School	100-249	50-99	50-99	50-99	50-99	50-99	-	-	-	-
Taco Amigo	100-249	100-249	100-249	50-99	50-99	50-99	50-99	50-99	50-99	50-99
U.S. Mechanical Limited Company	100-249	100-249	50-99	50-99	50-99	50-99	50-99	50-99	-	-
Utah Fertility Center	100-249	100-249	100-249	100-249	50-99	100-249	50-99	50-99	-	-
Vista Recreation	100-249	100-249	100-249	100-249	50-99	50-99	50-99	50-99	-	-
Walmart	100-249	100-249	100-249	100-249	50-99	50-99	50-99	50-99	50-99	50-99
Horrocks Engineers, Inc.	250-499	250-499	250-499	250-499	250-499	250-499	250-499	100-249	100-249	100-249
Allied Waste Services of North America	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Alianza	50-99	50-99	-	-	-	-	-	-	-	-
Altabank	50-99	50-99	50-99	50-99	100-249	100-249	-	-	-	-
Asphalt Zipper	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99
Brundage-Bone Concrete Pumping	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-
Capital Community Bank Inc	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Central Elementary	50-99	50-99	50-99	-	-	-	-	-	-	-
Climb Concrete LLC	50-99	50-99	50-99	100-249	50-99	50-99	50-99	50-99	50-99	50-99
Close to My Heart	50-99	100-249	100-249	100-249	50-99	50-99	50-99	50-99	-	-
Dragonsteel	50-99	-	50-99	50-99	50-99	-	-	50-99	50-99	-
Elite Grounds	50-99	50-99	50-99	50-99	50-99	-	-	-	-	-
First Colony Mortgage Corporation	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-	-
Fortem Technologies, INC.	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Grovecrest Elementary	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
I.T. Now Inc.	50-99	50-99	-	50-99	50-99	-	50-99	-	-	-
Manila Elementary	50-99	50-99	-	50-99	50-99	-	50-99	-	-	-
Mission Health Services	50-99	50-99	-	-	-	-	50-99	50-99	-	-
Mount Mahogany LLC	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Mtrade Services	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Observepoint, Inc.	50-99	50-99	50-99	50-99	-	-	-	-	-	-
Peak Living LLC	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-	-
Pleasant Grove JR High	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Premier Family Medical LLC	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-	-
Smith's Food and Drug	50-99	100-249	100-249	100-249	100-249	50-99	-	100-249	50-99	50-99
Stratton & Bratt Landscape LLC	50-99	50-99	50-99	100-249	100-249	50-99	50-99	-	-	-
Told Plumbing LLC	50-99	50-99	50-99	50-99	50-99	50-99	50-99	50-99	-	-
US Postal Service	50-99	-	-	50-99	50-99	-	50-99	-	-	-
Veracity Insurance Solutions, LLC	50-99	50-99	50-99	50-99	50-99	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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General government										
Management services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Finance	3.0	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0
Planning	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Building	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Legal	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Municipal Court	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
Other	5.0	5.0	5.0	5.0	5.0	7.0	7.0	7.0	6.0	6.0
Police										
Officers	27.0	28.0	27.0	28.0	28.0	28.0	30.0	30.0	30.0	30.0
Civilians	8.0	8.0	8.0	9.0	4.0	4.0	4.0	4.0	4.0	4.0
Fire										
Firefighters and officers	15.0	15.0	15.0	15.0	15.0	15.0	17.0	17.0	18.0	18.0
Refuse collections										
Other public works										
Engineering	2.0	3.0	3.0	5.0	4.0	6.0	6.0	6.0	7.0	7.0
Streets	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0	5.0
Storm Drain	4.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Other	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Parks and recreation	16.0	16.0	16.0	18.0						
Parks					12.0	13.0	14.0	14.0	15.0	17.0
Recreation					4.0	4.0	4.0	4.0	4.0	4.0
Library	3.0	3.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	5.0
Water/Sewer	11.0	11.0	11.0	11.0	10.0	11.0	11.0	11.0	12.0	13.0
Total	<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>	<u>123.0</u>	<u>128.0</u>	<u>133.0</u>

Source: Pleasant Grove City
Note 1: Corrections made to FY2016
Note 2: Corrections made to FY2018

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

Function/Program	Fiscal Year									
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
General government										
Building permits issued	589	524	599	537	559	777	655	588	589	802
Building inspections conducted	2,788	2,236	2,651	2,989	3,254	3,208	2,967	2,517	2,589	2,596
Police										
Physical arrests	1,034	1,120	1,176	1,115	1,066	1,684	850	930	864	865
Parking violations	123	-	155	177	99	185	224	105	357	312
Traffic violations	2,187	1,860	1,613	2,499	2,552	2,961	2,721	3,141	2,642	3,120
Fire										
Emergency responses	1,401	1,453	1,500	1,594	1,938	1,744	1,163	1,814	1,973	2,134
Number of Transports	578	574	601	619	698	674	709	711	712	775
Average Response Time (Minutes)	3:29	3:62	4:48	3:39	4:04	5:16	6:14	6:04	5:39	0
Other public works										
Potholes repaired (tons of asphalt)	650	2,100	889	1,235	33	48	25	30	787	785
Parks and recreation										
Daily program participants- Community Center	18,096	17,227	17,344	20,882	18,213	26,199	8,953	9,031	11,353	14,719
Community center admissions	207,133	208,954	222,636	207,315	176,227	182,913	288,264	309,043	320,005	314,565
Daily pool passes	-	1,111	**	13,616	15,461	19,965	8,048	14,726	8,263	9,028
Pool bulk tickets	-	3,372	**	2,064	1,203	-	-	-	-	-
Pool Punch Passes (took place of bulk tickets)	-	-	-	-	-	272	-	52	-	63
Pool admissions	-	24,274	47,863	32,431	35,884	43,378	11,032	12,575	15,156	13,031
Library										
Public service hours	-	3,248	3,248	3,248	2,195	3,328	3,328	3,328	3,328	3,328
Library visits	-	194,393	154,928	162,060	121,861	65,485	119,062	125,967	124,924	139,818
Material circulation	-	401,574	386,548	404,756	336,893	316,337	311,798	364,146	364,160	393,221
Library collection	-	117,000	107,736	165,243	319,289	278,501	319,106	407,479	454,134	522,567
Library programs	-	690	644	589	369	271	630	400	467	519
Library program attendance	-	26,577	22,463	22,763	14,595	6,312	14,482	13,855	17,711	21,333
Uses of wireless network	-	5,736	10,742	62,913	15,803	40,690	53,216	54,815	49,550	43,477
Water										
New connections	160	183	56	148	299	177	198	118	165	307
Culinary Water Breaks	106	190	200	96	76	63	110	113	87	78
PI Water Breaks	33	50	50	26	25	30	35	48	25	9
Culinary Water **	4,080	3,893	4,118	4,016	4,680	5,102	4,383	4,856	4,857	4,672
Pressurized Irrigation **	5,530	5,640	5,730	3,955	5,260	5,960	5,359	5,757	6,017	6,370

Source: Pleasant Grove City

* Amounts restated from prior year

** Correction made to reporting method

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

<u>Function/Program</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units (sworn officers)	27	27	28	28	28	28	28	30	30	30
Reserve Units	3	2	1	1	1	1	1	1	10	10
Fire Stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles)	109	110	112	112	113	113	113	113	119	119
Streetlights	1,117	1,150	1,176	1,224	1,250	1,340	1,340	1,340	1,500	1,521
Storm Drain (miles)	95	96	97	111	112	113	113	113	115	116
Parks and recreation										
Swimming Pool	1	1	1	1	1	1	1	1	1	1
Acreage	77	77	77	77	77	77	77	77	77	101
Playgrounds	7	7	6	7	7	7	7	7	7	8
Baseball/softball diamonds	8	8	8	8	8	8	8	8	8	8
Soccer/football fields	9	9	9	9	9	9	9	9	9	10
Community centers	1	1	1	1	1	1	1	1	1	1
Pickelball Courts										14
Tennis Courts										4
Splash Pad										2
Skate Park										2
Pump Track										2
Multi Use Trails (miles)										
Boulevard Trail		1.62	2	2	1.62	1.62	1.62	1.62	1.62	1.62
Murdock Trail		5.38	5	5	5.38	5.38	5.38	5.38	5.38	5.38
North County Trail		1.01	1	1	1.00	1.00	1.00	1.00	1.00	1.00
Rail Spur Trail		0.20	0	0	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	10.62	10.62	10.62
Library	1	1	1	1	1	1	1	1	1	1
Water										
Culinary Water Lines (miles)	145	146	149	158	159	160	160	161	162	154
Irrigation Water Lines (miles)	108	109	110	111	112	113	113	114	115	112
Fire Hydrants	1,383	1,420	1,463	1,493	1,543	1,569	1,569	1,578	1,578	1,655
Culinary Storage (thou. of gallons)	12,431	12,431	12,431	12,431	12,431	12,431	12,431	12,431	12,431	11,800
Irrigation Storage (thou. of gallons)	12,200	12,200	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000
Wastewater										
Sanitary sewers (miles)	116	117	118	123	124	125	125	126	127	123

Source: Pleasant Grove City

GOVERNMENT COMPLIANCE SECTION



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

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JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
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INDEPENDENT AUDITOR'S 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*

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 18, 2025.

Report on 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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 or significant deficiencies may exist that were not identified.

Report on 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 or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and responses as item 2025-001.

City's Response

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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

HBMC, LLC

December 18, 2025
Bountiful, Utah



COMMITTED. EXPERIENCED. TRUSTED.

PARTNERS

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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, 2025.

State compliance requirements were tested for the year ended June 30, 2025 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
- Crime Insurance for Public Treasurers

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, 2025.

Basis for Opinion

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

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *Guide* and which are described in the accompanying schedule of finding and recommendations as item 2025-001. Our opinion on compliance is not modified with respect to this matter.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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 to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Purpose of This Report

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

HBMC, LLC

December 18, 2025
Bountiful, Utah

PLEASANT GROVE CITY
Schedule of Findings and Responses
For the Year Ended June 30, 2025

State Compliance Audit Guide Findings

2025-001:

Budgetary Compliance

Statement of Condition

During testing procedures, the auditors noted that for the year ended June 30, 2025, the following fund had actual expenditures that exceeded final appropriated expenditures:

<u>Fund</u>	<u>Department</u>	<u>Amount</u>
Dispatch Fund	Public safety	\$47,003
Swimming Pool Fund	Parks, recreation, and public property	\$55,384
Community Center Fund	Parks, recreation, and public property	\$8,732
Cultural Arts Fund	Parks, recreation, and public property	\$37,311

Criteria

Utah State Code 10-6-123, *Expenditures or Encumbrances in Excess of Appropriations Prohibited -- Processing Claims*, stipulates that City officers and employees may not make or incur expenditures in excess of total appropriations for any fund or department, in the budget, as adopted or as subsequently amended.

Cause

These overages were a result of the City not sufficiently amending the adopted budgets during the fiscal year in the noted department and fund.

Effect

By not regularly monitoring and amending each fund's adopted budgets during the fiscal year, the City is out of compliance with state law.

Recommendation

The City should monitor the status of expenditures as compared to the budget throughout the year and amend the budget as necessary to ensure compliance with Utah State Code.

Management's Response

During the fiscal year, management received several invoices after year-end which had not been adequately accounted for in the budget. Management will continue to monitor the budgets and make necessary amendments that include amounts for ongoing projects, recently received equipment, recently purchased supplies, etc.