

**PLEASANT VIEW CITY  
BASIC FINANCIAL STATEMENTS AND  
REQUIRED SUPPLEMENTARY INFORMATION  
WITH INDEPENDENT AUDITOR'S REPORTS  
YEAR ENDED JUNE 30, 2023**

## TABLE OF CONTENTS

Independent Auditor’s Report .....	1-3
Management’s Discussion and Analysis .....	4-11

### Basic Financial Statements:

Government Wide Financial Statements:	
Statement of Net Position .....	12
Statement of Activities .....	13
Governmental Funds Statements:	
Balance Sheet – Governmental Funds .....	14
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position .....	15
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities .....	17
Proprietary Fund Statements:	
Statement of Net Position – Proprietary Funds .....	18
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	19
Statement of Cash Flows – Proprietary Funds .....	20
Notes to the Financial Statements .....	21-50

### Required Supplementary Information:

Schedule of Revenues, Expenditures, and Changes to Fund Balances Budget and Actual – General Fund .....	51-52
Schedule of the Proportionate Share of the Net Pension Liability Utah Retirement Systems .....	53
Schedule of Contributions Utah Retirement Systems .....	54
Notes to the Required Supplementary Information Utah Retirement Systems .....	55

### Supplementary Information:

Combining Balance Sheet – Nonmajor funds .....	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor funds .....	57

### Auditor’s Reports and Findings:

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 <i>Government Auditing Standards</i> .....	58-59
Independent Auditor’s Report in Accordance with the <i>State Compliance Audit Guide</i> on Compliance with General State Compliance Requirements and Internal Control over Compliance .....	60-62



## INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council of  
Pleasant View City

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Pleasant View City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pleasant View City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Pleasant View City, as of June 30, 2023, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Pleasant View 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***

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 Pleasant View 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 generally accepted auditing standards and *Government Auditing Standards* 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 generally accepted auditing standards and *Government Auditing Standards*, 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 Pleasant View 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, budgetary comparison information, schedule of contributions, schedule of the proportionate share of net pension liability, and notes to the required supplementary information on pages 4-11 and 51-55 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 Pleasant View City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the 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 11, 2023, on our consideration of Pleasant View 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 Pleasant View City's 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 Pleasant View City's internal control over financial reporting and compliance.

*Child Richards CPAs & Advisors*

Ogden, Utah  
December 11, 2023

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**PLEASANT VIEW CITY, UTAH**  
**MANAGEMENT’S DISCUSSION & ANALYSIS**  
**JUNE 30, 2023**

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**INTRODUCTION**

The following is a discussion and analysis of Pleasant View City’s financial performance and activities for the year ended June 30, 2023. When read in conjunction with the notes to the financial statements, this section’s financial highlights, overview, and analysis should assist the reader to gain a more complete knowledge of the City’s financial performance. Starting with the year ended June 30, 2004 the City implemented new reporting standards established by the Governmental Accounting Standards Board (GASB). These new standards significantly changed the content and structure of the financial statements from earlier years. The new presentations are intended to give current answers to the ongoing questions of “what is the City’s financial condition,” “what are the resources of the City,” “how much do specific City services cost,” and “who pays for which service.”

**HIGHLIGHTS**

During the 2023 fiscal year, the governmental activities saw an decrease in property taxes in the General Fund of \$34,920; the majority of property taxes in the RDA Fund have been reclassified as contributions from other governmental entities. There was an increase in sales tax revenue of \$156,983. Sales taxes, property taxes, and franchise taxes now make up 54.68% of all governmental activity revenues excluding capital contributions.

The business-type activities saw a stable growth in user fees in the sewer, solid waste, and storm sewer funds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This presentation is intended to serve as an introduction to the basic financial statements of Pleasant View City. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, this report also contains the required supplementary information, as well as additional supplementary information informative to the various users of the report.

The government-wide view of the City’s finances is a requirement under the GASB Statement 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, and became effective for the City for 2004. Fund financial statements have been reported in the past.

**Government-wide Statements – Reporting the City as a Whole**

The Statement of Net Position and the Statement of Activities on pages 12 and 13 comprise the government-wide financial statements. These statements provide a broad overview with a long-term focus of the City’s finances as a whole and are prepared using the *full-accrual* basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or disbursed, and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The statement of net position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position measure whether the City’s overall financial condition is getting better or worse. In evaluating the government’s overall condition, however, additional non-financial factors should be considered such as the City’s economic outlook, changes in its demographics, and the condition of its capital assets and infrastructure.

**PLEASANT VIEW CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2023**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Government-wide Statements – Reporting the City as a Whole (continued)**

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide 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 most of their costs through user fees and charges (*business-type activities*). Pleasant View City's ongoing governmental activities include general government, public safety, public works, and parks and recreation services. Governmental activities also include the City's effort to accumulate and use resources for significant infrastructure, parks, and facilities. The City has four business-type activities – 1) storm sewer, 2) solid waste, 3) water, and 4) sewer.

The government-wide statements also include information about the Redevelopment Agency, which is a blended *component unit* of Pleasant View City. A detailed explanation of the reporting entity is part of the notes to the financial statements.

**Fund Financial Statements**

The fund financial statements beginning on page 14 provide detailed information about individual funds. A fund is a group of related accounts that the City uses to keep track of specific resources that are segregated for a specific purpose. Some funds are required by law to exist, while others are established internally to maintain control over a particular activity. All of the City's funds can be divided into two types: governmental funds, and proprietary funds.

*Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the *modified accrual* basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This *short-term* view of the City's financial position helps determine whether the City has sufficient resources to cover expenditures for its basic services in the near future.

*Proprietary Funds* – Proprietary funds are presented using the *full-accrual* basis of accounting. Pleasant View City uses one type of proprietary fund, which are *Enterprise funds*. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City has four enterprise funds – Storm Sewer Fund, Solid Waste Fund, Water Fund and the Sewer Fund.

**Reconciliation between Government-wide and Fund Statements**

Because the focus of governmental funds (modified accrual accounting, short-term focus) is narrower than that of the government-wide financial statements (full-accrual accounting, long-term focus), it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison on pages 15 and 17 of this report.



**PLEASANT VIEW CITY, UTAH  
MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2023**

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**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Reconciliation between Government-wide and Fund Statements (continued)**

Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- The value of developers infrastructure contributions are reported as revenue on the government-wide statements but are not reported on the governmental fund statements.

**Notes to the Financial Statements**

The notes beginning on page 21 provide additional schedules and information that are essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

**OVERALL FINANCIAL ANALYSIS OF THE CITY**

The opportunity to live in a growing, active family-oriented community continues to bring citizens to Pleasant View. The City's total net position increased \$3,459,888 or 5.94% over the prior year. Net position of governmental activities increased \$2,303,440 or 7.00%. Net position of business-type activities increased \$1,156,448 or 4.57%.

**Net Position**

The largest component of the City's net position, \$40,223,206 or 65.22%, reflects investments in capital assets (land, buildings, equipment, roads, and other infrastructure) less all-outstanding debt that was issued to buy or build those assets. As capital assets, these resources are not available for future spending, nor can they all be readily liquidated to pay off the related liabilities. Resources needed to repay capital-related debt are intended to be provided from other sources.

Restricted net position comprises \$7,994,091 or 12.96% of total net position. This portion of net position is subject to external restrictions on how they may be used. These are accumulated from State road taxes, impact fees placed on new development, donor restricted contributions, state liquor funds, and bonding. They are the funding source to pay for the major improvements needed as the population of the City grows.

The amount of unrestricted net position at June 30, 2023 is \$13,457,078 or 21.82% of total net position. This may be used at the City's discretion for future spending.

**PLEASANT VIEW CITY, UTAH  
MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2023**

**OVERALL FINANCIAL ANALYSIS OF THE CITY (CONTINUED)**

The following presentation summarizes the City's financial position as of June 30, 2023 compared with 2022.

	<b>Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and other assets	\$15,256,788	\$12,383,857	\$ 9,958,502	\$ 8,504,309	\$25,215,290	\$20,888,166
Capital assets	<u>23,593,411</u>	<u>24,031,609</u>	<u>17,736,793</u>	<u>18,208,090</u>	<u>41,330,204</u>	<u>42,239,699</u>
Total assets	<u>38,850,199</u>	<u>36,415,466</u>	<u>27,695,295</u>	<u>26,712,399</u>	<u>66,545,494</u>	<u>63,127,865</u>
Deferred outflows of resources	<u>458,724</u>	<u>333,259</u>	<u>124,227</u>	<u>90,250</u>	<u>582,951</u>	<u>423,509</u>
Current and other liabilities	1,617,943	1,019,978	541,603	369,091	2,159,546	1,389,069
Long-term liabilities	<u>746,231</u>	<u>464,434</u>	<u>813,136</u>	<u>849,358</u>	<u>1,559,367</u>	<u>1,313,792</u>
Total liabilities	<u>2,364,174</u>	<u>1,484,412</u>	<u>1,354,739</u>	<u>1,218,449</u>	<u>3,718,913</u>	<u>2,702,861</u>
Deferred inflows of resources	<u>1,732,533</u>	<u>2,355,537</u>	<u>2,624</u>	<u>278,489</u>	<u>1,735,157</u>	<u>2,634,026</u>
Net position:						
Net investment in capital assets	23,443,184	23,702,087	16,780,022	17,088,090	40,223,206	40,790,177
Restricted	5,713,825	4,096,783	2,280,266	1,591,481	7,994,091	5,688,264
Unrestricted	<u>6,055,207</u>	<u>5,109,906</u>	<u>7,401,871</u>	<u>6,626,140</u>	<u>13,457,078</u>	<u>11,736,046</u>
Total net position	<u>\$35,212,216</u>	<u>\$32,908,776</u>	<u>\$ 26,462,159</u>	<u>\$25,305,711</u>	<u>\$61,674,375</u>	<u>\$58,214,487</u>

Significant decreases occurred in capital assets of government and business type activities combined of \$909,495. Accumulated depreciation increased by \$470,900 in the business-type activities, and \$415,393 in the governmental activities. Disposals resulted in a net decrease to capital assets of \$568,291 in the governmental activities and \$124,612 in the business-type activities.

**PLEASANT VIEW CITY, UTAH  
MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2023**

**OVERALL FINANCIAL ANALYSIS OF THE CITY (CONTINUED)**

	<b>Changes in Net Position</b>				<b>Total</b>	
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>2023</b>	<b>2022</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>		
<b>Revenues:</b>						
General revenues:						
Taxes	\$ 4,297,116	\$ 3,939,041	\$ -	\$ -	\$ 4,297,116	\$ 3,939,041
Other revenues	54,569	279,513	30,359	-	84,928	279,513
Interest revenue	441,346	43,027	317,460	37,308	758,806	80,335
Program revenues:						
Charges for services	1,547,416	1,520,347	4,061,350	3,942,777	5,608,766	5,463,124
Operating grants	1,483,509	2,301,327	-	-	1,483,509	2,301,327
Capital grants	34,320	537,885	-	320,821	34,320	858,706
Total revenues	<u>7,858,276</u>	<u>8,621,140</u>	<u>4,409,169</u>	<u>4,300,906</u>	<u>12,267,445</u>	<u>12,922,046</u>
<b>Expenses:</b>						
General government	1,306,101	1,081,932	-	-	1,306,101	1,081,932
Public safety	2,000,374	1,666,999	-	-	2,000,374	1,666,999
Public works	1,770,901	1,568,205	-	-	1,770,901	1,568,205
Parks and recreation	560,940	448,470	-	-	560,940	448,470
Storm sewer	-	-	419,139	372,404	419,139	372,404
Solid waste	-	-	678,738	493,455	678,738	493,455
Water	-	-	973,304	1,090,640	973,304	1,090,640
Sewer	-	-	1,181,540	1,011,331	1,181,540	1,011,331
Total expenses	<u>5,638,316</u>	<u>4,765,606</u>	<u>3,252,721</u>	<u>2,967,830</u>	<u>8,891,037</u>	<u>7,733,436</u>
<b>Other financing sources (uses)</b>						
Gain (loss) on sale of assets	83,480	14,115	-	-	83,480	14,115
Transfers in (out)	-	-	-	-	-	-
<b>Change in net position</b>	<u>2,303,440</u>	<u>3,869,649</u>	<u>1,156,448</u>	<u>1,333,076</u>	<u>3,459,888</u>	<u>5,202,725</u>
<b>Net position - beginning</b>	<u>32,908,776</u>	<u>29,039,127</u>	<u>25,305,711</u>	<u>23,972,635</u>	<u>58,214,487</u>	<u>53,011,762</u>
<b>Net position - ending</b>	<u>\$ 35,212,216</u>	<u>\$ 32,908,776</u>	<u>\$ 26,462,159</u>	<u>\$ 25,305,711</u>	<u>\$ 61,674,375</u>	<u>\$ 58,214,487</u>

**Changes in Net Position**

The overall change in Net Position for the City was an increase of \$3,459,888.

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

Fund balances in the City's governmental funds increased by \$2,415,860.

**PLEASANT VIEW CITY, UTAH**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**  
**JUNE 30, 2023**

**BUDGET CHANGES**

Budgeted revenues and expenditures were increased due to the economy improving more than previously anticipated. Actual expenditures for the year were \$4,746,768, \$594,657 below final budgeted expenditures. The General Fund was able to transfer to various Capital Funds including \$700,000 to the Equipment Replacement Fund, \$200,000 to the Roads Fund, and \$100,000 to the City Hall Building Fund for future projects and equipment.

**CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION**

**Capital Assets**

Pleasant View City added \$628,785 in new capital assets in the governmental funds, and \$366,749 in new capital assets in the Enterprise funds during the year ended June 30, 2023.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,148,609	\$ -	\$ -	\$ 2,148,609
Construction in progress	3,869,512	282,481	-	4,151,993
Total capital assets, not being depreciated	<u>6,018,120</u>	<u>282,481</u>	<u>-</u>	<u>6,300,602</u>
Capital assets, being depreciated				
Land improvements	3,548,251	-	-	3,548,251
Buildings	2,575,536	-	-	2,575,536
Machinery & equipment	2,685,896	280,082	(568,291)	2,397,687
Right of use asset -vehicles	93,463	66,222	(83,300)	76,385
Infrastructure	16,785,616	-	-	16,785,616
Total capital assets, being depreciated	<u>25,688,762</u>	<u>346,304</u>	<u>(651,591)</u>	<u>25,383,475</u>
Accumulated depreciation for:				
Land improvements	(645,744)	(82,127)	-	(727,871)
Buildings	(717,884)	(52,996)	-	(770,880)
Machinery & equipment	(1,651,024)	(322,827)	387,976	(1,585,875)
Infrastructure	(4,660,621)	(345,419)	-	(5,006,040)
Total accumulated depreciation	<u>(7,675,273)</u>	<u>(803,369)</u>	<u>387,976</u>	<u>(8,090,666)</u>
Total capital assets, being depreciated, net	<u>18,013,489</u>	<u>(457,065)</u>	<u>(263,615)</u>	<u>17,292,809</u>
Governmental activities capital assets, net	<u>\$ 24,031,609</u>	<u>\$ (174,584)</u>	<u>\$ (263,615)</u>	<u>\$ 23,593,411</u>

**PLEASANT VIEW CITY, UTAH  
MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2023**

**CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION (CONTINUED)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,155,029	\$ 13,696	\$ -	\$ 2,168,725
Construction in progress	361,296	69,640	(242,418)	188,518
Total capital assets, not being depreciated	<u>2,516,325</u>	<u>83,336</u>	<u>(242,418)</u>	<u>2,357,243</u>
Capital assets, being depreciated				
Buildings	1,123,695	-	-	1,123,695
Utility systems	21,257,258	243,826	-	21,501,084
Machinery & equipment	1,404,012	39,587	(124,612)	1,318,987
Total capital assets, being depreciated	<u>23,785,081</u>	<u>283,413</u>	<u>(124,612)</u>	<u>23,943,766</u>
Accumulated depreciation for:				
Buildings	(502,379)	(21,195)	-	(523,574)
Utility systems	(6,829,349)	(432,220)	-	(7,261,569)
Machinery & equipment	(761,588)	(135,055)	117,570	(779,073)
Total accumulated depreciation	<u>(8,093,316)</u>	<u>(588,470)</u>	<u>117,570</u>	<u>(8,564,216)</u>
Total capital assets, being depreciated, net	<u>15,691,765</u>	<u>(305,057)</u>	<u>(7,042)</u>	<u>15,379,550</u>
Business-type activities capital assets, net	<u>\$ 18,208,090</u>	<u>\$ (221,721)</u>	<u>\$ (249,460)</u>	<u>\$ 17,736,793</u>

**Long-term Debt**

Long-term debt in the governmental activities consists of compensated absences, net pension liability, and capital leases. The governmental activities reduced their outstanding debt by \$250,776 by making payments on the capital leases and changes in compensated absences. There was additions of \$66,222 in capital leases of four new trucks and \$466,351 in net pension liability.

The business-type activities paid down their water revenue bonds by \$165,000 by making payments on outstanding bonds payable.

	<u>Balance 06/30/22</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/23</u>	<u>Amounts Due Within One Year</u>
<b>Governmental activities:</b>					
Capital leases	\$ 331,312	\$ 66,222	\$ (247,307)	\$ 150,227	\$ 82,830
Net pension liability	-	466,351	-	466,351	-
Compensated absences	133,122	-	(3,469)	129,653	129,653
<i>Total governmental activities</i>	<u>\$ 464,434</u>	<u>\$ 532,573</u>	<u>\$ (250,776)</u>	<u>\$ 746,231</u>	<u>\$ 212,483</u>

**PLEASANT VIEW CITY, UTAH  
MANAGEMENT'S DISCUSSION & ANALYSIS  
JUNE 30, 2023**

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**CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION (CONTINUED)**

**Long-term Debt (continued)**

<b>Business-type activities:</b>	<b>Balance 06/30/22</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 06/30/23</b>	<b>Amounts Due Within One Year</b>
Water revenue bonds, series 2012	\$ 117,000	\$ -	\$ (117,000)	\$ -	\$ -
Water revenue bonds, series 2019	703,000	-	(48,000)	655,000	51,000
Total debt	820,000	-	(165,000)	655,000	51,000
Net pension liability	-	126,292	-	126,292	-
Compensated absences	29,358	2,486	-	31,844	31,844
<i>Total business-type activities</i>	<u>\$ 849,358</u>	<u>\$ 128,778</u>	<u>\$ (165,000)</u>	<u>\$ 813,136</u>	<u>\$ 82,844</u>

**REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of Pleasant View City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information in this report or any other matters related to the City's finances should be addressed to:

Pleasant View City  
520 West Elberta Drive  
Pleasant View, Utah 84414

# **BASIC FINANCIAL STATEMENTS**

**PLEASANT VIEW CITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,411,809	\$ 7,280,102	\$ 14,691,911
Accounts receivable (net of allowance for uncollectibles)	469,131	313,871	783,002
Accounts receivable - intergovernmental	1,601,463	-	1,601,463
Inventory	-	20,000	20,000
Restricted cash	5,774,385	2,280,266	8,054,651
Prepaid expenses	-	64,263	64,263
Net pension asset	-	-	-
Capital assets, net of accumulated depreciation:			
Land	2,148,609	2,168,725	4,317,334
Construction in progress	4,151,993	188,518	4,340,511
Land improvements	2,820,380	-	2,820,380
Buildings	1,804,656	600,121	2,404,777
Machinery and equipment	811,812	539,914	1,351,726
Right of use asset	76,385	-	76,385
Utility systems	-	14,239,515	14,239,515
Infrastructure	11,779,576	-	11,779,576
Total capital assets, net	<u>23,593,411</u>	<u>17,736,793</u>	<u>41,330,204</u>
Total assets	<u>38,850,199</u>	<u>27,695,295</u>	<u>66,545,494</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources relating to pension	458,724	124,227	582,951
Total deferred outflows of resources	<u>458,724</u>	<u>124,227</u>	<u>582,951</u>
<b>LIABILITIES</b>			
Accounts payable	1,179,002	364,017	1,543,019
Customer deposits	393,417	177,586	571,003
Other accrued liabilities	45,524	-	45,524
Noncurrent liabilities:			
Due within one year	212,483	82,844	295,327
Due in more than one year	67,397	604,000	671,397
Net pension liability	466,351	126,292	592,643
Total liabilities	<u>2,364,174</u>	<u>1,354,739</u>	<u>3,718,913</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources relating to pensions	9,689	2,624	12,313
Unavailable revenue - property taxes	950,936	-	950,936
Unavailable revenue - ARPA Act funding	771,908	-	771,908
Total deferred inflows of resources	<u>1,732,533</u>	<u>2,624</u>	<u>1,735,157</u>
<b>NET POSITION</b>			
Net investment in capital assets	23,443,184	16,780,022	40,223,206
Restricted for:			
Class "C" roads	945,405	-	945,405
Transportation tax	422,563	-	422,563
Alcoholic beverage enforcement and treatment	-	-	-
Park development impact fee	-	-	-
Redevelopment	3,819,480	-	3,819,480
City hall building	526,377	-	526,377
Sewer impact fees	-	404,252	404,252
Storm sewer impact fees	-	1,876,014	1,876,014
Unrestricted	6,055,207	7,401,871	13,457,078
Total net position	<u>\$ 35,212,216</u>	<u>\$ 26,462,159</u>	<u>\$ 61,674,375</u>

The accompanying notes are an integral part of these financial statements.





**PLEASANT VIEW CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2023**

	General	Roads (Capital)	Equipment Replacement (Capital)	RDA	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 3,363,450	\$ 1,173,366	\$ 2,525,692	\$ -	\$ 349,301	\$ 7,411,809
Restricted cash	1,367,968	-	-	3,880,040	526,377	5,774,385
Accounts receivable	444,437	16,994	-	7,700	-	469,131
Accounts receivable - intergovernmental	1,599,915	-	-	1,548	-	1,601,463
Prepaid expenses	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 6,775,770</b>	<b>\$ 1,190,360</b>	<b>\$ 2,525,692</b>	<b>\$ 3,889,288</b>	<b>\$ 875,678</b>	<b>\$ 15,256,788</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,055,594	\$ 8,433	\$ 38,059	\$ 69,808	\$ 7,108	\$ 1,179,002
Customer deposits	393,417	-	-	-	-	393,417
Other accrued liabilities	45,524	-	-	-	-	45,524
<b>TOTAL LIABILITIES</b>	<b>1,494,535</b>	<b>8,433</b>	<b>38,059</b>	<b>69,808</b>	<b>7,108</b>	<b>1,617,943</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	950,936	-	-	-	-	950,936
Unavailable revenue - ARPA funding	771,908	-	-	-	-	771,908
<b>TOTAL DEFERRED INFLOWS OF RESOURCE</b>	<b>1,722,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,722,844</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted for:						
Class C roads	945,405	-	-	-	-	945,405
Transportation tax	422,563	-	-	-	-	422,563
Park development impact fees	-	-	-	-	-	-
Alcoholic beverage enforcement and treatment	-	-	-	-	-	-
Redevelopment	-	-	-	3,819,480	-	3,819,480
City hall building	-	-	-	-	526,377	526,377
Assigned for:						
Park improvements	-	-	-	-	342,193	342,193
Equipment replacement	-	-	2,487,633	-	-	2,487,633
Roads and sidewalks	-	698,749	-	-	-	698,749
Unassigned	2,190,423	483,178	-	-	-	2,673,601
<b>TOTAL FUND BALANCES</b>	<b>3,558,391</b>	<b>1,181,927</b>	<b>2,487,633</b>	<b>3,819,480</b>	<b>868,570</b>	<b>11,916,001</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 6,775,770</b>	<b>\$ 1,190,360</b>	<b>\$ 2,525,692</b>	<b>\$ 3,889,288</b>	<b>\$ 875,678</b>	<b>\$ 15,256,788</b>

The accompanying notes are an integral part of these financial statements.

**PLEASANT VIEW CITY  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

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

Total fund balances--total governmental funds	\$ 11,916,001
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund financial statements.	23,517,026
Right of use assets	76,385
Net pension assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	-
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	458,724
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements. Those liabilities consist of:	
Compensated absences	(129,653)
Net pension liability	(466,351)
Lease obligations	(150,227)
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.	(9,689)
Net position of governmental activities	<u><u>\$ 35,212,216</u></u>

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The accompanying notes are an integral part of these financial statements.

**PLEASANT VIEW CITY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	General	Roads (Capital)	Equipment Replacement (Capital)	RDA	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 4,212,372	\$ -	\$ -	\$ -	\$ -	\$ 4,212,372
Licenses and permits	319,196	-	-	84,744	-	403,940
Intergovernmental	1,100,983	-	-	127,993	12,302	1,241,278
Charges for services	253,859	173,462	-	962,059	-	1,389,380
Fines	190,840	-	-	-	-	190,840
Impact fees	-	-	-	-	22,018	22,018
Interest income	153,514	37,226	91,146	-	31,467	313,353
Other revenues	80,924	4,171	-	-	-	85,095
<b>Total revenues</b>	<b>6,311,688</b>	<b>214,859</b>	<b>91,146</b>	<b>1,174,796</b>	<b>65,787</b>	<b>7,858,276</b>
<b>EXPENDITURES</b>						
<b>Current operating:</b>						
General government	1,270,647	4,057	-	-	-	1,274,704
Public safety	1,951,435	-	-	-	-	1,951,435
Public works	1,017,198	59,003	69,340	45,097	-	1,190,638
Parks and recreation	463,739	-	-	-	10,522	474,261
<b>Debt service:</b>						
Principal	-	-	247,308	-	-	247,308
Interest and fees	-	-	5,302	-	-	5,302
<b>Capital outlay:</b>						
General government	-	-	63,617	-	35,794	99,411
Public safety	-	-	93,222	-	-	93,222
Public works	43,749	96,266	149,066	106,560	-	395,641
Parks and recreation	-	-	5,763	-	34,748	40,511
<b>Total expenditures</b>	<b>4,746,768</b>	<b>159,326</b>	<b>633,618</b>	<b>151,657</b>	<b>81,064</b>	<b>5,772,433</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,564,920</b>	<b>55,533</b>	<b>(542,472)</b>	<b>1,023,139</b>	<b>(15,277)</b>	<b>2,085,843</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Lease proceeds	-	-	66,222	-	-	66,222
Proceeds from sale of assets	-	-	263,795	-	-	263,795
Transfers-in	-	200,000	700,000	-	100,000	1,000,000
Transfers-out	(1,000,000)	-	-	-	-	(1,000,000)
<b>Total other financing sources (uses)</b>	<b>(1,000,000)</b>	<b>200,000</b>	<b>1,030,017</b>	<b>-</b>	<b>100,000</b>	<b>330,017</b>
<b>Net change in fund balances</b>	<b>564,920</b>	<b>255,533</b>	<b>487,545</b>	<b>1,023,139</b>	<b>84,723</b>	<b>2,415,860</b>
<b>Fund balances at beginning of year, as restated</b>	<b>2,993,471</b>	<b>926,394</b>	<b>2,000,088</b>	<b>2,796,341</b>	<b>783,847</b>	<b>9,500,141</b>
<b>Fund balances at end of year</b>	<b>\$ 3,558,391</b>	<b>\$ 1,181,927</b>	<b>\$ 2,487,633</b>	<b>\$ 3,819,480</b>	<b>\$ 868,570</b>	<b>\$ 11,916,001</b>

The accompanying notes are an integral part of these financial statements.

**PLEASANT VIEW CITY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

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Net change in fund balance, total governmental funds	\$	2,415,860
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
<p>Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Right of use assets	66,222	
Amortization	(83,300)	
Capital outlays	562,563	
Depreciation expense	(803,369)	(257,884)
<p>The liabilities for compensated absences are not recorded in the governmental funds, but are reported in the statement of net position. This is the current year change in the liability, reported as an expense in the statement of activities.</p>		
		3,469
<p>Capital assets contributed by developers constitute revenues on the government-wide</p>		
		-
<p>The governmental funds report the proceeds from the sale of assets as revenues, while the government-wide financial statements report the difference between the sale proceeds and the net book value of the assets sold as a gain or loss.</p>		
Net book value of assets sold		(180,315)
<p>The Statement of Activities includes the net pension benefit (expense) from the adoption of GASB 68, which is not included in the fund financial statements.</p>		
		141,224
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position. This amount is the net effect of these differences in the treatment of long term debt.</p>		
Issuance of debt		(66,222)
Repayment of debt		247,308
Change in net position of governmental activities	\$	2,303,440

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The accompanying notes are an integral part of these financial statements.

**PLEASANT VIEW CITY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023**

	<u>Storm Sewer</u>	<u>Solid Waste</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 1,256,653	\$ 144,656
Accounts receivable (net)	41,655	61,509
Prepaid expenses	-	-
Inventory	-	-
Total current assets	<u>1,298,308</u>	<u>206,165</u>
<b>Noncurrent assets:</b>		
Restricted cash	1,876,014	-
Net pension asset	-	-
<b>Capital assets, net of accumulated depreciation:</b>		
Land	1,040,774	300,000
Construction in progress	70,654	-
Buildings	103,822	-
Utility systems	4,683,048	-
Machinery and equipment	302,812	1,296
Total capital assets, net	<u>6,201,110</u>	<u>301,296</u>
Total noncurrent assets	<u>8,077,124</u>	<u>301,296</u>
Total assets	<u>9,375,432</u>	<u>507,461</u>
<b>Deferred outflows of resources:</b>		
Deferred outflows of resources relating to pensions	28,122	13,005
Total assets and deferred outflows of resources	<u>9,403,554</u>	<u>520,466</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	16,759	77,535
Customer deposits	-	-
Current portion of long-term obligations	4,884	4,868
Total current liabilities	<u>21,643</u>	<u>82,403</u>
<b>Noncurrent liabilities:</b>		
Long-term obligations, net of current portion	-	-
Net pension liability	28,589	13,222
Total liabilities	<u>50,232</u>	<u>95,625</u>
<b>Deferred inflows of resources:</b>		
Deferred inflows of resources relating to pensions	594	275
Total liabilities and deferred inflows of resources	<u>50,826</u>	<u>95,900</u>
<b>NET POSITION</b>		
Net investment in capital assets	6,201,110	1,296
Restricted for impact fees	1,876,014	-
Unrestricted	1,275,604	423,270
Total net position	<u>\$ 9,352,728</u>	<u>\$ 424,566</u>

The accompanying notes are an integral part of these financial statements.

Water	Sewer	Total
\$ 3,471,761	\$ 2,407,032	\$ 7,280,102
95,658	115,049	313,871
64,263	-	64,263
20,000	-	20,000
<u>3,651,682</u>	<u>2,522,081</u>	<u>7,678,236</u>
-	404,252	2,280,266
-	-	-
619,618	208,333	2,168,725
114,695	3,169	188,518
457,299	39,000	600,121
6,825,285	2,731,182	14,239,515
181,049	54,757	539,914
<u>8,197,946</u>	<u>3,036,441</u>	<u>17,736,793</u>
<u>8,197,946</u>	<u>3,440,693</u>	<u>20,017,059</u>
<u>11,849,628</u>	<u>5,962,774</u>	<u>27,695,295</u>
<u>61,239</u>	<u>21,861</u>	<u>124,227</u>
<u>11,910,867</u>	<u>5,984,635</u>	<u>27,819,522</u>
67,040	202,683	364,017
176,786	800	177,586
65,441	7,651	82,844
<u>309,267</u>	<u>211,134</u>	<u>624,447</u>
604,000	-	604,000
62,257	22,224	126,292
<u>975,524</u>	<u>233,358</u>	<u>1,354,739</u>
1,293	462	2,624
<u>976,817</u>	<u>233,820</u>	<u>1,357,363</u>
7,540,078	3,037,538	16,780,022
-	404,252	2,280,266
3,393,972	2,309,025	7,401,871
<u>\$ 10,934,050</u>	<u>\$ 5,750,815</u>	<u>\$ 26,462,159</u>

PLEASANT VIEW CITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Storm Sewer	Solid Waste
<b>Operating revenues:</b>		
Charges for services	\$ 418,521	\$ 621,074
Other operating revenues	-	2,680
<b>Total operating revenues</b>	<b>418,521</b>	<b>623,754</b>
<b>Operating expenses:</b>		
Personnel services	161,719	157,602
Contractual services	10,000	465,823
Office supplies and expense	10,887	8,498
Supplies	951	-
Lease	-	-
Professional services	17,698	2,945
Utilities	2,265	469
Equipment and maintenance	18,937	41,351
Depreciation	196,682	2,050
<b>Total operating expenses</b>	<b>419,139</b>	<b>678,738</b>
<b>Operating income (loss)</b>	<b>(618)</b>	<b>(54,984)</b>
<b>Nonoperating revenues (expenses)</b>		
Impact fees	597,220	-
Interest revenue	99,726	15,363
Gain or (loss) on disposition of asset	4,204	12,377
Interest expense	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>701,150</b>	<b>27,740</b>
<b>Net income (loss) before contributions and transfers</b>	<b>700,532</b>	<b>(27,244)</b>
Transfers in (out)	-	-
Capital contributions	-	-
<b>Change in net position</b>	<b>700,532</b>	<b>(27,244)</b>
<b>Total net position - beginning</b>	<b>8,652,196</b>	<b>451,810</b>
<b>Total net position - ending</b>	<b>\$ 9,352,728</b>	<b>\$ 424,566</b>

The accompanying notes are an integral part of these financial statements.



Water	Sewer	Total
\$ 1,044,780	\$ 1,183,425	\$ 3,267,800
18,566	-	21,246
<u>1,063,346</u>	<u>1,183,425</u>	<u>3,289,046</u>
277,197	175,709	772,227
127,378	784,274	1,387,475
17,993	13,295	50,673
3,732	2,174	6,857
-	-	-
57,215	8,591	86,449
55,328	1,176	59,238
147,663	73,430	281,381
<u>266,959</u>	<u>122,891</u>	<u>588,582</u>
<u>953,465</u>	<u>1,181,540</u>	<u>3,232,882</u>
<u>109,881</u>	<u>1,885</u>	<u>56,164</u>
127,899	47,185	772,304
118,437	83,934	317,460
-	13,778	30,359
<u>(19,839)</u>	<u>-</u>	<u>(19,839)</u>
<u>226,497</u>	<u>144,897</u>	<u>1,100,284</u>
<u>336,378</u>	<u>146,782</u>	<u>1,156,448</u>
-	-	-
-	-	-
<u>336,378</u>	<u>146,782</u>	<u>1,156,448</u>
<u>10,597,672</u>	<u>5,604,033</u>	<u>25,305,711</u>
<u>\$ 10,934,050</u>	<u>\$ 5,750,815</u>	<u>\$ 26,462,159</u>

PLEASANT VIEW CITY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023

	Storm Sewer	Solid Waste
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 417,267	\$ 614,129
Cash paid to suppliers	(46,114)	(476,519)
Cash paid to employees	(170,395)	(160,872)
Net cash provided (used) by operating activities	<u>200,758</u>	<u>(23,262)</u>
<b>Cash flows from noncapital financing activities</b>		
Transfers in/out	-	-
Net cash used in noncapital financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(51,636)	-
Principal payments - bonds	-	-
Proceeds from sale of assets	4,800	15,500
Interest paid	-	-
Impact fees collected	597,220	-
Net cash provided (used) in capital and related financing activities	<u>550,384</u>	<u>15,500</u>
<b>Cash flows from investing activities</b>		
Interest on investments	99,726	15,363
Net cash provided by investing activities	<u>99,726</u>	<u>15,363</u>
Net increase (decrease) in cash	850,868	7,601
Cash - July 1	2,281,799	137,055
Cash - June 30	<u>\$ 3,132,667</u>	<u>\$ 144,656</u>
As reported on the statement of net position:		
Cash and cash equivalents	1,256,653	144,656
Restricted cash	1,876,014	-
	<u>\$ 3,132,667</u>	<u>\$ 144,656</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>		
Operating income (loss)	\$ (618)	\$ (54,984)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	196,682	2,050
Changes in assets and liabilities:		
Accounts receivable	(1,254)	(9,625)
Prepaid expenses	-	-
Net pension liability	(8,658)	(4,003)
Customer deposits	-	-
Compensated absences	(18)	733
Accounts payable	14,624	42,567
Net cash provided by operating activities	<u>\$ 200,758</u>	<u>\$ (23,262)</u>
<b>Noncash investing and financing activities:</b>		
Capital contributions	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Water	Sewer	Total
\$ 1,055,029	\$ 1,173,732	\$ 3,260,157
(493,561)	(693,765)	(1,709,959)
(293,183)	(183,536)	(807,986)
<u>268,285</u>	<u>296,431</u>	<u>742,212</u>
-	-	-
-	-	-
(66,440)	(6,250)	(124,326)
(165,000)	-	(165,000)
-	17,100	37,400
(19,839)	-	(19,839)
127,899	47,185	772,304
<u>(123,380)</u>	<u>58,035</u>	<u>500,539</u>
118,437	83,934	317,460
<u>118,437</u>	<u>83,934</u>	<u>317,460</u>
263,342	438,400	1,560,211
<u>3,208,419</u>	<u>2,372,884</u>	<u>8,000,157</u>
<u>\$ 3,471,761</u>	<u>\$ 2,811,284</u>	<u>\$ 9,560,368</u>
3,471,761	2,407,032	7,280,102
-	404,252	2,280,266
<u>\$ 3,471,761</u>	<u>\$ 2,811,284</u>	<u>\$ 9,560,368</u>
\$ 109,881	\$ 1,885	\$ 56,164
266,959	122,891	588,582
(17,567)	(9,693)	(38,139)
(1,148)	-	(1,148)
(18,853)	(6,730)	(38,244)
9,250	-	9,250
2,867	(1,097)	2,485
(83,104)	189,175	163,262
<u>\$ 268,285</u>	<u>\$ 296,431</u>	<u>\$ 742,212</u>
\$ -	\$ -	\$ -

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. General Statement**

Pleasant View City is incorporated under the laws of the State of Utah and operates within the classification of a fifth-class City. The City government is operated under a mayor and five-member council who are elected for four-year terms. Appointed officers are the city recorder, city treasurer, and the police chief. In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and no component units.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB. The more significant accounting policies established in GAAP and used by the City are discussed below.

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds.

**B. Basic Financial Statements**

The City's basic financial statements consist of the government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government-Wide Financial Statements**

*Statement of Net Position* - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end.

*Statement of Activities* - The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basic Financial Statements (Continued)**

Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

**Fund Financial Statements**

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**C. Fund Accounting**

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary. The following fund types are used by the City:

**Governmental Funds:**

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following describes the major governmental fund of the City:

**General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Road (Capital Projects) Fund** is used to accumulate and spend financial resources for the construction and improvements on roads that are not business-type.

**Equipment Replacement (Capital Projects) Fund** is used to accumulate and spend financial resources for new equipment and other new capital facilities and improvements that are not business-type.

**Redevelopment Fund** helps eliminate "blighted" areas within the designated project area. The City receives tax increment revenue for the fund. The Redevelopment Fund is a special revenue fund.

The following describes the nonmajor governmental funds of the City:

**Park Development (Capital Projects) Fund** is used to account for financial resources to be used for the acquisition or construction of park improvements as designate by the governing body (other than those financed by business-type/proprietary funds).

**City Hall Fund** is used to account for financial resources to be used for the acquisition or construction of improvements to the City Hall as designated by the governing body.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Accounting (Continued)**

**Proprietary Funds:**

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

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-in-lieu of taxes and other charges between the government's various departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The following is a description of the proprietary funds of the City.

**Enterprise Funds** account for those operations that are financed and operated in a manner similar to private business enterprises or where the governing body had decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's enterprise funds include the Water Fund, Sewer Fund, Storm Sewer, and the Solid Waste Fund.

**D. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Government-wide financial statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled utility services which are accrued. Expenses are recognized at the time liability is incurred. Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available").

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

---

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus/Basis of Accounting (Continued)**

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**E. Assets, Liabilities and Equity**

**1. Deposits and Investments**

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

**2. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**3. Receivables and Payables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

**4. Inventories and Prepaid Items**

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities and Equity (Continued)**

**5. Capital Assets**

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Interest has not been capitalized during the construction period on property, plant and equipment.

The City capitalizes assets with an original cost of \$2,500 or more and a useful life of more than three years, except for infrastructure. Land improvements with an original cost of \$12,500 or more are capitalized. Buildings and building improvements with an original cost of \$25,000 or more and infrastructure with an original cost of \$100,000 or more are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	50
Utility Systems	50
Infrastructure	50
Machinery & Equipment	5-20

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**6. 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.

**7. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category. It is the deferred contributions and differences between projected and actual earnings on its pension plan assets.



**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities and Equity (Continued)**

**7. Deferred Outflows and Inflows of Resources (Continued)**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only three types of items reported under this category. First, unavailable revenue-property taxes are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. The second type is related to the City's pension plan. The City participates in the Utah Retirement Systems and has deferred inflows of resources associated with differences between expected and actual experience and changes in assumptions. The third type is money from the ARPA act funding received from the federal government but not yet spent within the audited year.

**8. Compensated Absences**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. If an employee has more than 20 years of service with the Utah Retirement System, the city accrues 20% of the employee's available sick leave hours. Vacation pay is accrued when incurred and is reported as a liability. Amounts not expected to be liquidated with expendable available financial resources are reported in the Statement of Net Position as a noncurrent liability.

**9. Long-term Liabilities**

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of notes payable and bonds payable.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**10. Equity Classifications**

*Fund financial statements*

In February 2009, GASB issued Statement No. 54 on Fund Balance Reporting and Governmental Fund Type Definitions. The statement is effective for years beginning after June 15, 2010. The statement applies only to governmental fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The governmental fund balances may be classified as follows:

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities and Equity (Continued)**

**10. Equity Classifications (Continued)**

- a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.
- c. Committed fund balance – Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.
- d. Assigned fund balance – Fund balances are reported as assigned when the City Council or Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.
- e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

It is the City’s policy to first apply restricted resources rather than unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities and Equity (Continued)**

**11. Interfund Transactions**

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as non-operating transfers.

**12. Property Tax**

Real property taxes are collected by the County Treasurer and remitted to the City after collection. Taxes are due and payable on November 1st and delinquent after 12 o'clock noon on November 30th of each year. The tax levy is established by June 15th with a lien date of January 1st. Property tax revenue is not recognized when levied, because it is not expected to be collected within 60 days after the end of the fiscal year and is not available for use in the year in which the taxes are levied.

**13. Operating Revenues and Expenses**

Operating revenues and expenses in the proprietary funds consist of those revenues that result from the ongoing principal operations of the City. Operating revenues consist of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

**14. Leases as a lessee / Subscription Based Information Technology Arrangements (SBITAs):**

The City recognizes a liability and an intangible right-to-use assets in the government-wide financial statements. At the commencement of a lease / SBITA, the City initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct / implementation costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases / SBITAs include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) term, and (3) payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The term includes the noncancellable period of the lease /SBITA. Payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. In determining the term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the term if the lease / SBITA is reasonably certain to be extended (or not terminated). The City monitors changes in circumstances that would require a remeasurement of its lease / SBITAs and will

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Liabilities and Equity (Continued)**

**14. Leases as a lessee / Subscription Based Information Technology Arrangements (SBITAs) (Continued):**

remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. Assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position. Payments due under the lease / SBITA contracts are fixed payments. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the City under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the City exercising that option.

Payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in leases / SBITAs to maximize operational flexibility in terms of managing the assets used in the City's operations. The majority of extension and termination options held are exercisable only by the City and not by the respective lessor. The payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the City's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. Leases as a Lessor: The City is a lessor for noncancellable leases of office space and land.

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budget Information**

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act for Utah Cities" by the Pleasant View City Municipal Council prior to June 22<sup>nd</sup> for the following fiscal year, which begins on July 1. Budgets may be increased by resolution of the Municipal Council at any time during the year, following a public hearing. Budgets are adopted at sub-department levels; however budget amendments by resolution are generally required only if the department desires to exceed its total budget appropriation.

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

1. On or before the first regularly scheduled council meeting in May, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to the formal adoption of the budget the City Council will hold budget workshop meetings, which are open to the public.
3. Prior to June 22<sup>nd</sup> the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 7 days prior to the budget hearing. At the conclusion of the budget hearing the budget, as amended, is legally enacted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and Enterprise Funds.
5. Budgets for the General Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types is not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the fiscal year.
6. Unencumbered budget appropriations lapse at the end of the fiscal year.

**B. Fund Equity Restrictions**

Restricted for Class "C" Road - Restriction required to be kept that accounts for the receipt of class "C" road revenues and expenditures.

Restricted for Alcoholic Beverage Enforcement and Treatment - Restriction required to be kept that accounts for the receipt of State Liquor revenues and expenditures.

Restricted for Impact Fees - The City Council passed an ordinance providing for specific impact fees on all new construction. Impact fees include fees for fire, parks (open space and park development), sanitary sewer, water, and storm sewer. These fees are to be restricted for costs of development.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**B. Fund Equity Restrictions (Continued)**

Restricted for Redevelopment - The Redevelopment Fund receives property taxes with the intent to spend the funds on redeveloping the City.

Restricted for Grants - The City receives grants associated with specific equipment purchases or construction projects.

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS**

**A. Deposits and Investments**

Deposits & Investments

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents" which also includes cash accounts that are separately held by some of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

The follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. This Act requires the depositing of funds in a "qualified depository".

The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the deposits may not be returned to it. The does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, \$189,259 of the City's bank balances of \$439,259 was uninsured and uncollateralized.

**Investments**

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

The follows the requirements of the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**A. Deposits and Investments (Continued)**

The Money Management Act defines the types of securities authorized as appropriate investments for the City’s funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated “A” or higher, or the equivalent of “A” or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers’ Investment Fund.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code*, Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. 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 operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

*Fair Value of Investments*

The measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

At June 30, 2023, the City had the following recurring fair value measurements:

	<b>Fair Value Measurements Using</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Investments by fair value level</b>				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$22,115,024	\$ -	\$22,115,024	\$ -
Total debt securities	\$22,115,024	\$ -	\$22,115,024	\$ -

**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**A. Deposits and Investments (Continued)**

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

**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's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2023, the City's investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
PTIF Investments	\$22,115,024	\$22,115,024	-	-	-
	<u>\$22,115,024</u>	<u>\$22,115,024</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

At June 30, 2023, the City's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	22,115,024	-	-	-	22,115,024
	<u>22,115,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,115,024</u>



**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The does not have a formal policy for custodial credit risk.

The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Cash on hand and on deposit:

Deposits	\$ 631,538
PTIF investment	<u>22,115,024</u>
Total cash and investments	<u><u>\$ 22,746,562</u></u>

Cash and investments are included in the accompanying combined statement of net position as follows:

Cash and cash equivalents	\$ 14,691,911
Restricted cash	<u>8,054,651</u>
Total cash and investments	<u><u>\$ 22,746,562</u></u>

**B. Accounts Receivable**

Intergovernmental accounts receivable for governmental, including the applicable allowance for uncollectible accounts at June 30, 2023, are as follows:

<b>Intergovernmental activities:</b>	<b>General</b>
Receivables:	
Sales tax	\$ 420,873
Class C road	119,858
Property tax	9,103
Deferred property tax	950,936
Other taxes	<u>100,693</u>
Gross receivables	1,601,463
Less: allowance for uncollectibles	<u>-</u>
Net total receivables	<u><u>\$ 1,601,463</u></u>

<b>Governmental-type:</b>	<b>General</b>	<b>Roads</b>	<b>RDA</b>	<b>Total</b>
Accounts receivables	\$ 444,437	\$ 16,994	\$ 7,700	\$ 469,131
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u><u>\$ 444,437</u></u>	<u><u>\$ 16,994</u></u>	<u><u>\$ 7,700</u></u>	<u><u>\$ 469,131</u></u>

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**B. Accounts Receivable (Continued)**

The accounts receivables in the Proprietary funds have the following balances:

<b>Business-type activities:</b>	<b>Storm Sewer</b>	<b>Water</b>	<b>Sewer</b>	<b>Solid Waste</b>	<b>Total</b>
Accounts receivables	\$ 42,655	\$ 96,986	\$ 117,049	\$ 62,509	\$ 319,199
Less: allowance for uncollectibles	(1,000)	(1,328)	(2,000)	(1,000)	(5,328)
Net total receivables	<b><u>\$ 41,655</u></b>	<b><u>\$ 95,658</u></b>	<b><u>\$ 115,049</u></b>	<b><u>\$ 61,509</u></b>	<b><u>\$ 313,871</u></b>

**C. Capital Assets**

A summary of changes in capital assets follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,148,609	\$ -	\$ -	\$ 2,148,609
Construction in progress	3,869,512	282,481	-	4,151,993
Total capital assets, not being depreciated	<u>6,018,120</u>	<u>282,481</u>	<u>-</u>	<u>6,300,602</u>
Capital assets, being depreciated				
Land improvements	3,548,251	-	-	3,548,251
Buildings	2,575,536	-	-	2,575,536
Machinery & equipment	2,685,896	280,082	(568,291)	2,397,687
Right of use asset -vehicles	93,463	66,222	(83,300)	76,385
Infrastructure	16,785,616	-	-	16,785,616
Total capital assets, being depreciated	<u>25,688,762</u>	<u>346,304</u>	<u>(651,591)</u>	<u>25,383,475</u>
Accumulated depreciation for:				
Land improvements	(645,744)	(82,127)	-	(727,871)
Buildings	(717,884)	(52,996)	-	(770,880)
Machinery & equipment	(1,651,024)	(322,827)	387,976	(1,585,875)
Infrastructure	(4,660,621)	(345,419)	-	(5,006,040)
Total accumulated depreciation	<u>(7,675,273)</u>	<u>(803,369)</u>	<u>387,976</u>	<u>(8,090,666)</u>
Total capital assets, being depreciated, net	<u>18,013,489</u>	<u>(457,065)</u>	<u>(263,615)</u>	<u>17,292,809</u>
Governmental activities capital assets, net	<b><u>\$ 24,031,609</u></b>	<b><u>\$ (174,584)</u></b>	<b><u>\$ (263,615)</u></b>	<b><u>\$ 23,593,411</u></b>

Depreciation expense was charged to functions/departments of the primary government as follows:

**Governmental activities:**

General government	\$ 67,305
Public safety	42,003
Public works	593,170
Parks and recreation	100,891
Total depreciation expense	<b><u>\$ 803,369</u></b>

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**C. Capital Assets (Continued)**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,155,029	\$ 13,696	\$ -	\$ 2,168,725
Construction in progress	361,296	69,640	(242,418)	188,518
Total capital assets, not being depreciated	<u>2,516,325</u>	<u>83,336</u>	<u>(242,418)</u>	<u>2,357,243</u>
Capital assets, being depreciated				
Buildings	1,123,695	-	-	1,123,695
Utility systems	21,257,258	243,826	-	21,501,084
Machinery & equipment	1,404,012	39,587	(124,612)	1,318,987
Total capital assets, being depreciated	<u>23,785,081</u>	<u>283,413</u>	<u>(124,612)</u>	<u>23,943,766</u>
Accumulated depreciation for:				
Buildings	(502,379)	(21,195)	-	(523,574)
Utility systems	(6,829,349)	(432,220)	-	(7,261,569)
Machinery & equipment	(761,588)	(135,055)	117,570	(779,073)
Total accumulated depreciation	<u>(8,093,316)</u>	<u>(588,470)</u>	<u>117,570</u>	<u>(8,564,216)</u>
Total capital assets, being depreciated, net	<u>15,691,765</u>	<u>(305,057)</u>	<u>(7,042)</u>	<u>15,379,550</u>
Business-type activities capital assets, net	<u>\$ 18,208,090</u>	<u>\$ (221,721)</u>	<u>\$ (249,460)</u>	<u>\$ 17,736,793</u>

Depreciation expense was charged to functions/departments of the primary business-type activities as follows:

**Business-type activities:**

Storm sewer	\$ 196,682
Solid waste	2,050
Water	266,959
Sewer	122,779
Total depreciation expense	<u>\$ 588,470</u>

**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**D. Interfund Transfers/Balances**

Transfers for the year June 30, 2023 were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>			
	<b>Equipment Replacement (Capital)</b>	<b>City Hall Building</b>	<b>Roads – (Capital)</b>	<b>Total</b>
<b>General fund</b>	\$ 700,000	\$ 100,000	\$ 200,000	\$ 1,000,000
<b>Totals</b>	<u>\$ 700,000</u>	<u>\$ 100,000</u>	<u>\$ 200,000</u>	<u>\$ 1,000,000</u>

The above transfers resulted from the normal course of the City's operation.

**E. Long-term Liabilities**

Changes in Long-term Liabilities - During the year, the following changes occurred in long-term liabilities for the governmental activities:

<b>Governmental activities:</b>	<b>Balance 06/30/22</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 06/30/23</b>	<b>Amounts Due Within One Year</b>
Capital leases	\$ 331,312	\$ 66,222	\$ (247,307)	\$ 150,227	\$ 82,830
Net pension liability	-	466,351	-	466,351	-
Compensated absences	133,122	-	(3,469)	129,653	129,653
<i>Total governmental activities</i>	<u>\$ 464,434</u>	<u>\$ 532,573</u>	<u>\$ (250,776)</u>	<u>\$ 746,231</u>	<u>\$ 212,483</u>

**Lease agreements are summarized as follows:**

Description	Original Date	Term	Payment Amount	Interest Rate	Original Lease Liability	Balance June 30, 2023
2021 Police Vehicles	9/15/2021	5 years	9,018	229.00%	97,808	76,254
2022 Police Vehicles 1&2	6/8/2022	3 years	9,593	5.60%	76,000	9,084
2022 Police Vehicles 3-7	6/23/2022	3 years	23,274	5.60%	190,000	22,039
2023 Police Vehicles	9/30/2022	3 years	23,372	6.00%	42,850	42,850
						<u>\$150,227</u>

The police vehicles are leased for the public safety at the beginning of the year each year. The beginning of the leases are noted in the table above as well as the interest rates. The leases are renewable and the guaranteed a residual value varies for each vehicle at the end of the lease.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

Annual requirements to amortize long-term obligations and related interest are as follows:

2021 Police Vehicles:

Year Ending June 30:	Principal	Interest	Total
2024	\$ 24,844	\$ 1,746	\$ 26,590
2025	25,414	1,177	26,591
2026	25,996	595	26,591
	\$ 76,254	\$ 3,518	\$ 79,772

2022 Police Vehicles 1&2:

Year Ending June 30:	Principal	Interest	Total
2024	\$ 4,542	\$ -	\$ 4,542
2025	4,542	-	4,542
	\$ 9,084	\$ -	\$ 9,084

2022 Police Vehicles 3-7:

Year Ending June 30:	Principal	Interest	Total
2024	\$ 11,019	\$ -	\$ 11,019
2025	11,020	-	11,020
	\$ 22,039	\$ -	\$ 22,039

2023 Police Vehicles:

Year Ending June 30:	Principal	Interest	Total
2024	\$ 21,425	\$ -	\$ 21,425
2025	21,425	-	21,425
	\$ 42,850	\$ -	\$ 42,850

Changes in Long-Term Liabilities - During the year, the following changes occurred in long-term liabilities for the business-type activities:

<b>Business-type activities:</b>	<b>Balance 06/30/22</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 06/30/23</b>	<b>Amounts Due Within One Year</b>
Water revenue bonds, series 2012	\$ 117,000	\$ -	\$ (117,000)	\$ -	\$ -
Water revenue bonds, series 2019	703,000	-	(48,000)	655,000	51,000
Total debt	820,000	-	(165,000)	655,000	51,000
Net pension liability	-	126,292	-	126,292	-
Compensated absences	29,358	2,486	-	31,844	31,844
<i>Total business-type activities</i>	\$ 849,358	\$ 128,778	\$ (165,000)	\$ 813,136	\$ 82,844

**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**E. Long-Term Liabilities (Continued)**

**Water Revenue Bond, Series 2012.** The City issued Series 2012 bonds to provide funds for improvements and construction of a culinary water project. The total settlement amount is \$1,144,000.

The Series bonds' interest rate is set at 1.74% and is due semi-annually on April 1st and October 1<sup>st</sup>.  
Principal payments are due on October 1<sup>st</sup> of each year.  
The bonds mature on October 1, 2023.

**\$ 0**

**Water Revenue Bond, Series 2018.** The City refinanced the Series 2015 bonds on September 25, 2018. The settlement amount is \$839,000

The Series bonds' interest rate is set at 3.30% and is due semi-annually on April 1st and October 1<sup>st</sup>.  
Principal payments are due on October 1<sup>st</sup> of each year.  
The bonds mature on October 1, 2033.

**\$ 655,000**

The annual requirements to amortize the obligation are as follows:

<b>Year Ended June 30,</b>	<b>Series 2018 Water Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2024	\$ 51,000	\$ 20,774	\$ 71,774
2025	52,000	19,074	71,774
2026	53,000	17,342	71,074
2027	56,000	17,342	70,342
2028	58,000	13,662	71,662
2029-2033	317,000	38,033	355,033
2034	68,000	1,122	69,122
<b>Totals</b>	<b><u>\$ 655,000</u></b>	<b><u>\$ 127,348</u></b>	<b><u>\$ 780,780</u></b>

**F. Redevelopment Agency**

In 2002, the City created a redevelopment agency fund to account for revenues derived from specific taxes, which are designated to finance particular functions of the city. The current year's actual expenditures for the fund consisted of the following:

1. \$35,156 for professional and technical expenses.
2. \$7,101 for memberships and subscriptions and supplies.
3. \$109,400 for construction work on Rulon White Blvd.

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan**

General Information about the Pension Plan

**Plan Description:**

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost sharing, public employees, retirement systems.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple employer 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 on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the 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](http://www.urs.org).

**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

**Summary of Benefits by System:**

*Benefits provided:* URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

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% to 4% depending on the employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65*	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65*	1.5% per year to June 2020; 2.0 % per year July 2020 to present	Up to 2.5%

\* with actuarial reductions

\*\* 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 URS 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 VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

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

**Utah Retirement Systems**

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Government Division Tier 2	N/A	16.01%	0.18%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	17.97%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	2.59	25.83%	N/A
Noncontributory			
43 - Other Div A with 2.5% COLA	N/A	34.04%	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.19%	10.00%
222 - Public Safety	N/A	11.83%	14.00%

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

For the fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 150,766	\$ -
Public Safety System	160,406	-
Tier 2 Public Employees System	83,092	-
Tier 2 Public Safety and Firefighter	74,892	7,510
Tier 2 DC Only System	7,222	-
	<u>\$ 476,378</u>	<u>\$ 7,510</u>

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

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

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

At June 30, 2023, we reported a net pension asset of \$0 and a net pension liability of \$592,643.

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory System	\$ -	\$ 151,489	0.0884476%	0.0716588%	0.0167888%
Public Safety System	-	410,335	0.3173324%	0.3235731%	-0.0062407%
Tier 2 Public Employees System	-	23,443	0.0215296%	0.0148185%	0.0067111%
Tier 2 Public Safety and Firefighter System	-	7,376	0.0884256%	0.0476163%	0.0408093%
<b>Total Net Pension Asset/Liability</b>	<b>\$ -</b>	<b>\$ 592,643</b>			

The net pension asset and liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, we recognized pension expense of \$297,195.

At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,676	\$ 3,377
Changes in assumptions	48,108	1,405
Net difference between projected and actual earnings on pension plan investments	212,138	-
Changes in proportion and differences between contributions and proportionate share of contributions	24,053	7,531
Contributions subsequent to the measurement date	233,976	-
<b>Total</b>	<b>\$ 582,951</b>	<b>\$ 12,313</b>

\$233,976 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

<u>Year ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (81,666)
2024	(3,436)
2025	86,534
2026	321,879
2027	2,375
Thereafter	\$ 10,978

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

For the year ended June 30, 2023, we recognized pension expense of 68,580. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 51,383	\$ -
Changes in assumptions	24,827	606
Net difference between projected and actual earnings on pension plan investments	99,923	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,973	2,198
Contributions subsequent to the measurement date	76,295	-
Total	<u>\$ 264,401</u>	<u>\$ 2,804</u>

\$76,295 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

<u>Year ended December 31,</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ (17,511)
2024	9,227
2025	40,135
2026	153,452
2027	-
Thereafter	\$ -

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

For the year ended June 30, 2023, we recognized pension expense of \$151,797. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,817	\$ -
Changes in assumptions	11,005	-
Net difference between projected and actual earnings on pension plan investments	95,109	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,690	2,740
Contributions subsequent to the measurement date	75,212	-
Total	\$ 189,833	\$ 2,740

\$75,212 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2023	\$ (66,052)
2024	(16,854)
2025	39,648
2026	155,138
2027	-
Thereafter	\$ -

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

For the year ended June 30, 2023, we recognized pension expense of \$44,835. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,918	\$ 931
Changes in assumptions	7,611	60
Net difference between projected and actual earnings on pension plan investments	9,452	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,100	694
Contributions subsequent to the measurement date	48,511	-
Total	\$ 76,592	\$ 1,685

\$48,511 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

**PLEASANT VIEW CITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2023	\$ 1,237
2024	2,726
2025	4,395
2026	8,435
2027	1,955
Thereafter	\$ 7,648

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

For the year ended June 30, 2023, we recognized pension expense of \$31,983. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,558	\$ 2,446
Changes in assumptions	4,665	739
Net difference between projected and actual earnings on pension plan investments	7,654	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,290	1,899
Contributions subsequent to the measurement date	33,959	-
Total	\$ 52,126	\$ 5,084

\$33,959 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2023	\$ 660
2024	1,465
2025	2,356
2026	4,854
2027	420
Thereafter	\$ 3,329

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

**Actuarial assumptions:**

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

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	35%	6.58%	2.30%
Debt Securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	2.91%	0.44%
Cash and Cash Equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
	Inflation		2.50%
	Expected arithmetic nominal return		7.67%

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

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 VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

**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 used a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

<u>System</u>	<u>1% Decrease (5.85%)</u>	<u>Discount Rate (6.85%)</u>	<u>1% Increase (7.85%)</u>
Noncontributory System	\$ 954,731	\$ 151,489	\$ (519,663)
Public Safety System	1,321,485	410,335	(330,645)
Tier 2 Public Employees System	102,435	23,443	(37,049)
Tier 2 Public Safety and Firefighter	59,050	7,376	(33,691)
Total	<u>\$ 2,437,701</u>	<u>\$ 592,643</u>	<u>\$ (921,048)</u>

**Pension Plan Fiduciary Net Position:**

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

**Defined Contribution Savings 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 View City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (CONTINUED)**

**G. Pension Plan (Continued)**

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

<b>401(k) Plan</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Employer Contributions	\$ 100,215	\$ 66,053	\$ 63,394
Employee Contributions	\$ 44,694	\$ 40,076	\$ 29,822
<b>457 Plan</b>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 12,995	\$ 16,555	\$ 20,346
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 5,930	\$ 6,645	\$ 5,330
<b>Traditional IRA</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 650	\$ 850	\$ 1,690

**IV. CHANGE IN ACCOUNTING PRINCIPLE**

The City implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. The City has no software arrangements that require recognition under GASBS No. 96. The effect of these changes to the financials were significant, but restatements were not made by the implementation of this principle.

**V. OTHER INFORMATION**

**A. Unavailable Revenue**

Unavailable revenues are funds where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The unavailable revenue consists of three elements:

1. The City places a lien on property within its taxing jurisdiction for property taxes on January 1<sup>st</sup>. On that date the property taxes are recognized as a receivable, but are not recognized as revenue until the taxes have been levied and are within the year in which the taxes are to be used to finance the City's operations.



**PLEASANT VIEW CITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

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**IV. OTHER INFORMATION (CONTINUED)**

**A. Unavailable Revenue (Continued)**

2. The City receives property taxes in advance of the year in which the taxes are to be used to finance the City's operations. These funds are recorded as deferred revenue.

Pleasant View City unavailable revenue as of June 30, 2023 is as follows:

Property Taxes:	<u>Amount</u>
Subject to a lien	\$ 950,936
ARPA funds	\$ 771,908
Total	<u>\$ 1,722,844</u>

**B. Risk Management – Claims and Judgments**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The City maintains commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior year.

**C. Stewardship, Compliance, and Accountability**

State code requires the General fund to maintain its actual expenditures below an approved budget in each department. All the expenditures were within the budgeted amounts for the year ending June 30, 2023.

**D. Subsequent Events**

Subsequent events have been evaluated through December 11, 2023, the date the financial statements were available to be issued.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**PLEASANT VIEW CITY  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Current year property taxes	\$ 922,681	\$ 920,000	\$ 914,865	\$ (5,135)
Redemptions	20,000	20,000	25,430	5,430
Fee in lieu	73,000	57,000	57,150	150
Sales and use taxes	2,333,000	2,350,000	2,332,546	(17,454)
Franchise taxes	707,400	833,000	882,381	49,381
	<u>4,056,081</u>	<u>4,180,000</u>	<u>4,212,372</u>	<u>32,372</u>
<b>Licenses and permits:</b>				
Business licenses	15,000	16,000	16,396	396
Building permits	408,000	281,000	295,946	14,946
Other licenses	8,203	6,650	6,854	204
	<u>431,203</u>	<u>303,650</u>	<u>319,196</u>	<u>15,546</u>
<b>Intergovernmental:</b>				
Other intergovernmental	967,983	723,025	579,533	(143,492)
Class "C" road fund allotment	500,000	500,000	510,151	10,151
State liquor allotment	7,785	11,300	11,299	(1)
	<u>1,475,768</u>	<u>1,234,325</u>	<u>1,100,983</u>	<u>(133,342)</u>
<b>Charges for services:</b>				
Inspection fees	11,125	11,000	11,725	725
Plan check fees	216,500	156,000	166,650	10,650
Zoning and subdivision fees	18,000	10,000	9,775	(225)
Founder's day	14,000	16,800	17,510	710
Park and recreation fees	38,000	47,300	47,319	19
Other fees	1,000	1,300	880	(420)
	<u>298,625</u>	<u>242,400</u>	<u>253,859</u>	<u>11,459</u>
<b>Fines and forfeitures</b>	<u>130,000</u>	<u>177,000</u>	<u>190,840</u>	<u>13,840</u>
<b>Other revenues:</b>				
Interest earnings	10,500	125,000	153,514	28,514
Rents and concessions	31,720	30,300	30,526	226
Miscellaneous revenue	18,750	46,300	50,398	4,098
	<u>60,970</u>	<u>201,600</u>	<u>234,438</u>	<u>32,838</u>
<b>Total revenues</b>	<u>\$ 6,452,647</u>	<u>\$ 6,338,975</u>	<u>\$ 6,311,688</u>	<u>\$ (27,287)</u>

(continued)

**PLEASANT VIEW CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Expenditures:</b>				
<b>General government:</b>				
Legislative	\$ 744,498	\$ 479,930	\$ 351,669	\$ 128,261
Judicial	166,125	172,800	161,679	11,121
Administration	416,525	406,090	375,356	30,734
Nondepartmental	187,200	207,150	189,294	17,856
Buildings	103,485	117,625	95,535	22,090
Elections	450	200	-	200
Planning and zoning	144,390	116,205	97,114	19,091
	<u>1,762,673</u>	<u>1,500,000</u>	<u>1,270,647</u>	<u>229,353</u>
<b>Public safety:</b>				
Police department	2,059,855	2,038,750	1,949,599	89,151
Emergency response	6,000	3,500	1,836	1,664
	<u>2,065,855</u>	<u>2,042,250</u>	<u>1,951,435</u>	<u>90,815</u>
<b>Public works</b>				
Building inspection	144,575	141,995	122,354	19,641
Shop	30,875	41,875	35,586	6,289
Streets	1,369,040	1,118,300	903,007	215,293
	<u>1,544,490</u>	<u>1,302,170</u>	<u>1,060,947</u>	<u>241,223</u>
Senior citizen	9,000	21,000	21,000	-
Parks	253,375	257,275	255,730	1,545
Recreation	138,380	140,420	124,789	15,631
Community promotion	55,700	78,310	62,220	16,090
<b>Total expenditures</b>	<u>5,829,473</u>	<u>5,341,425</u>	<u>4,746,768</u>	<u>594,657</u>
<b>Other financing sources (uses):</b>				
Operating transfers in (out)	(800,000)	(1,000,000)	(1,000,000)	-
Appropriations of class "C" reserve	(2,000)	(425,000)	-	(425,000)
Appropriations of fund balances	179,366	464,294	-	464,294
<b>Total other financing sources (uses)</b>	<u>(622,634)</u>	<u>(960,706)</u>	<u>(1,000,000)</u>	<u>39,294</u>
<b>Excess (deficiency) of revenues over expenditures</b>	540	36,844	564,920	528,076
<b>Fund balance - July 1</b>	<u>2,993,471</u>	<u>2,993,471</u>	<u>2,993,471</u>	<u>-</u>
<b>Fund balance - June 30</b>	<u>\$ 2,994,011</u>	<u>\$ 3,030,315</u>	<u>\$ 3,558,391</u>	<u>\$ 528,076</u>

**PLEASANT VIEW CITY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**UTAH RETIREMENT SYSTEMS**  
**JUNE 30, 2023**  
**with a measurement date of December 31, 2022**  
Last 10 fiscal years\*

		Noncontributory Retirement System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighters Retirement
Proportion of the net pension liability (asset)	2023	0.0884476%	0.0000000%	0.3173324%	0.2152950%	0.0884256%
	2022	0.0716588%	0.0000000%	0.3235731%	0.0148185%	0.0476163%
	2021	0.0703061%	0.0000000%	0.2964125%	0.0166750%	0.0306499%
	2020	0.0763621%	0.0000000%	0.2694282%	0.0146139%	0.0584374%
	2019	0.0763960%	0.0000000%	0.2466434%	0.0176501%	0.0389251%
	2018	0.0768539%	0.0000000%	0.2261499%	0.0177726%	0.0450631%
	2017	0.0776186%	0.0000000%	0.2306201%	0.0082659%	0.0533640%
	2016	0.0766137%	0.0000000%	0.2119931%	0.0069992%	0.0677873%
	2015	0.0676524%	0.0000000%	0.1914426%	0.3020900%	0.0242549%
	Proportion share of the net pension liability (asset)	2023	\$ 151,489	\$ -	\$ 410,335	\$ 23,443
2022		\$ (410,398)	\$ -	\$ (262,788)	\$ (6,272)	\$ (2,407)
2021		\$ 36,063	\$ -	\$ 246,094	\$ 2,398	\$ 2,749
2020		\$ 287,799	\$ -	\$ 432,599	\$ 3,287	\$ 5,497
2019		\$ 562,559	\$ -	\$ 634,511	\$ 7,559	\$ 975
2018		\$ 336,720	\$ -	\$ 354,752	\$ 1,563	\$ (521)
2017		\$ 498,406	\$ -	\$ 467,992	\$ 922	\$ (463)
2016		\$ 433,518	\$ -	\$ 379,733	\$ (15)	\$ (990)
2015		\$ 293,763	\$ -	\$ 240,755	\$ (92)	\$ (359)
Covered employee payroll		2023	\$ 800,656	\$ -	\$ 613,802	\$ 469,419
	2022	\$ 680,501	\$ -	\$ 659,796	\$ 275,452	\$ 113,868
	2021	\$ 659,265	\$ -	\$ 617,962	\$ 266,575	\$ 61,076
	2020	\$ 729,845	\$ -	\$ 506,922	\$ 203,116	\$ 96,338
	2019	\$ 706,648	\$ -	\$ 496,678	\$ 206,611	\$ 52,081
	2018	\$ 713,055	\$ -	\$ 431,706	\$ 173,063	\$ 47,575
	2017	\$ 752,632	\$ -	\$ 391,490	\$ 67,788	\$ 44,091
	2016	\$ 722,668	\$ -	\$ 355,507	\$ 45,218	\$ 40,332
	2015	\$ 683,434	\$ -	\$ 362,375	\$ 14,962	\$ 10,120
	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2023	18.92%	0.00%	66.85%	4.99%
2022		-60.31%	0.00%	-39.83%	-2.28%	-2.11%
2021		5.47%	0.00%	39.82%	0.90%	4.50%
2020		39.43%	0.00%	85.34%	1.62%	5.71%
2019		79.61%	0.00%	127.75%	3.66%	1.87%
2018		47.22%	0.00%	82.17%	0.90%	-1.10%
2017		66.22%	0.00%	119.54%	1.36%	-1.05%
2016		59.99%	0.00%	106.81%	-0.03%	-2.45%
2015		43.00%	0.00%	66.40%	-0.60%	-3.50%
Plan fiduciary net position as percentage of the total pension liability		2023	97.5%	0.0%	93.6%	92.3%
	2022	108.7%	0.0%	104.2%	103.8%	102.8%
	2021	99.2%	0.0%	95.5%	98.3%	93.1%
	2020	93.7%	0.0%	90.9%	96.5%	89.6%
	2019	87.0%	91.2%	84.7%	90.8%	95.6%
	2018	91.9%	98.2%	90.2%	97.4%	103.0%
	2017	87.3%	92.9%	86.5%	95.1%	103.6%
	2016	87.8%	0.0%	87.1%	100.2%	110.7%
	2015	90.2%	0.0%	90.5%	103.5%	120.5%

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively.

**PLEASANT VIEW CITY  
SCHEDULE OF CONTRIBUTIONS  
UTAH RETIREMENT SYSTEMS  
JUNE 30, 2023  
with a measurement date of December 31, 2022  
Last 10 fiscal years\***

	<b>As of Fiscal Year Ended June 30,</b>	<b>Actuarial Determined Contributions</b>	<b>Contributions in Relation to the Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Employee Payroll</b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
Noncontributory System	2014	\$ 102,643	\$ 102,643	\$ -	\$ 716,603	14.32%
	2015	113,936	113,936	-	671,312	16.97%
	2016	129,697	129,697	-	760,698	17.05%
	2017	124,453	124,453	-	744,351	16.72%
	2018	117,524	117,524	-	697,897	16.84%
	2019	121,911	121,911	-	730,102	16.70%
	2020	114,909	114,909	-	698,957	16.44%
	2021	106,764	106,764	-	663,448	16.09%
	2022	125,592	125,592	-	750,751	16.73%
	2023	150,766	150,766	-	871,026	17.31%
Public Safety System	2014	\$ 91,025	\$ 91,025	\$ -	\$ 393,727	23.12%
	2015	97,466	97,466	-	335,536	29.05%
	2016	109,567	109,567	-	372,309	29.43%
	2017	114,237	114,237	-	408,424	27.97%
	2018	117,913	117,913	-	469,468	25.12%
	2019	127,896	127,896	-	492,167	25.99%
	2020	151,577	151,577	-	575,185	26.49%
	2021	164,813	164,813	-	637,115	25.87%
	2022	167,967	167,967	-	634,828	26.46%
	2023	160,406	160,406	-	607,035	26.42%
Tier 2 Public Employees System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	5,466	5,466	-	36,587	14.94%
	2016	6,910	6,910	-	46,344	14.91%
	2017	16,211	16,211	-	108,728	14.91%
	2018	33,266	33,266	-	220,162	15.11%
	2019	30,734	30,734	-	197,770	15.54%
	2020	36,445	36,445	-	232,725	15.66%
	2021	44,707	44,707	-	282,954	15.80%
	2022	56,799	56,799	-	353,450	16.07%
	2023	83,092	83,902	-	521,700	15.93%
Tier 2 Public Safety and Firefighter System*	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	6,739	6,739	-	29,883	22.55%
	2016	9,420	9,420	-	41,863	22.50%
	2017	9,996	9,996	-	44,425	22.50%
	2018	11,010	11,010	-	48,781	22.57%
	2019	18,158	18,158	-	78,640	23.09%
	2020	17,409	17,409	-	75,268	23.13%
	2021	22,132	22,132	-	85,476	25.89%
	2022	44,681	44,681	-	172,981	25.83%
	2023	74,892	74,892	-	289,942	25.83%
Tier 2 Public Employees DC Only System*	2019	\$ 2,714	\$ 2,714	\$ -	\$ 40,572	6.69%
	2020	3,043	3,043	-	45,483	6.69%
	2021	3,209	3,209	-	47,967	6.69%
	2022	3,690	3,690	-	55,156	6.69%
	2023	7,222	7,222	-	116,671	6.19%

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

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

See accompanying notes to required supplementary information

**PLEASANT VIEW CITY**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**UTAH RETIREMENT SYSTEMS**  
**JUNE 30, 2023**

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*Changes in Assumptions:*

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

# **SUPPLEMENTARY INFORMATION**



**PLEASANT VIEW CITY  
COMBINING BALANCE SHEET  
NONMAJOR FUNDS  
AS OF JUNE 30, 2023**

	<u>Park Development (Capital)</u>	<u>City Hall Building</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ 349,301	\$ -	\$ 349,301
Restricted cash	-	526,377	526,377
Accounts receivable	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 349,301</b>	<b>\$ 526,377</b>	<b>\$ 875,678</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 7,108	\$ -	\$ 7,108
<b>TOTAL LIABILITIES</b>	<b>7,108</b>	<b>-</b>	<b>7,108</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
<b>Restricted for:</b>			
Impact fees	-	-	-
Redevelopment	-	-	-
City hall building	-	526,377	526,377
<b>Assigned for:</b>			
Park improvements	342,193	-	342,193
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>342,193</b>	<b>526,377</b>	<b>868,570</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 349,301</b>	<b>\$ 526,377</b>	<b>\$ 875,678</b>

**PLEASANT VIEW CITY  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - NONMAJOR FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Park Development (Capital)</u>	<u>City Hall Building</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Impact fees	\$ 22,018	\$ -	\$ 22,018
Property tax increment	-	-	-
Interest	12,674	18,793	31,467
Intergovernmental revenues	12,302	-	12,302
Miscellaneous	-	-	-
<b>Total revenues</b>	<u>46,994</u>	<u>18,793</u>	<u>65,787</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	81,064	-	81,064
<b>Total expenditures</b>	<u>81,064</u>	<u>-</u>	<u>81,064</u>
Excess of revenues over (under) expenditures	(34,070)	18,793	(15,277)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers-in or (out)	-	100,000	100,000
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
<b>Net change in fund balances</b>	<u>(34,070)</u>	<u>118,793</u>	<u>84,723</u>
<b>Fund balances at beginning of year, as restated</b>	<u>376,263</u>	<u>407,584</u>	<u>783,847</u>
<b>Fund balances at end of year</b>	<u>\$ 342,193</u>	<u>\$ 526,377</u>	<u>\$ 868,570</u>

**AUDITOR'S REPORTS AND FINDINGS**

**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***

To the Mayor and City Council of  
Pleasant View City

We have audited, in accordance with the 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, business-type activities, each major fund, and the aggregate remaining fund information of Pleasant View City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Pleasant View City’s basic financial statements, and have issued our report thereon dated December 11, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pleasant View City’s internal control over financial reporting (internal control) as a basis for designing 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 Pleasant View City’s internal control. Accordingly, we do not express an opinion on the effectiveness of Pleasant View 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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matter**

As part of obtaining reasonable assurance about whether Pleasant View 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Child Richards CPAs & Advisors*

Ogden, Utah  
December 11, 2023

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE**

To the Mayor and City Council of  
Pleasant View City

**Report On Compliance**

We have audited Pleasant View City’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended June 30, 2023.

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

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Government Fees
Justice Courts	Open and Public Meetings Act
Restricted Taxes and Related Revenues	

***Opinion on Compliance***

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

***Basis for Opinion***

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

We are required to be independent of Pleasant View 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 Pleasant View 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 Pleasant View 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 Pleasant View 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 Pleasant View 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 Pleasant View 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 Pleasant View 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 Pleasant View City's internal control over compliance. Accordingly, no such opinion is expressed.
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report On Internal Control over Compliance**

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

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

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

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 Guide. Accordingly, this report is not suitable for any other purpose.

*Child Richards CPAs & Advisors*

Ogden, Utah  
December 11, 2023