

**PLEASANT VIEW CITY
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council and Management 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, 2022, 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, 2022, 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 the 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 Pleasant View City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, schedule of the proportionate share of the net pension liability, the schedule of contributions, the notes to required supplementary information, and budgetary comparison information on pages 4-11 and 52-56 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 12, 2022 on our consideration of the 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 12, 2022

**MANAGEMENT'S DISCUSSION AND
ANALYSIS**

PLEASANT VIEW CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2022

INTRODUCTION

The following is a discussion and analysis of Pleasant View City's financial performance and activities for the year ended June 30, 2022. 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 2022 fiscal year, the governmental activities saw an decrease in property taxes in the General Fund of \$2,237; 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 \$298,532. Sales taxes, property taxes, and franchise taxes now make up 48.7% 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, 2022

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, 2022

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 \$5,202,725 or 9.81% over the prior year. Net position of governmental activities increased \$3,869,649 or 13.33%. Net position of business-type activities increased \$1,333,076 or 5.56%.

Net Position

The largest component of the City's net position, \$40,790,177 or 70.07%, 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 \$5,688,264 or 9.77% 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, 2022 is \$11,736,046 or 20.16% 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, 2022

OVERALL FINANCIAL ANALYSIS OF THE CITY (CONTINUED)

The following presentation summarizes the City's financial position as of June 30, 2022 compared with 2021.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 12,383,857	\$ 9,106,994	\$ 8,504,309	\$ 7,371,192	\$ 20,888,166	\$ 16,478,186
Capital assets	24,031,609	22,997,982	18,208,090	17,963,402	42,239,699	40,961,384
Total assets	36,415,466	32,104,976	26,712,399	25,334,594	63,127,865	57,439,570
Deferred outflows of resources	333,259	258,575	90,250	70,026	423,509	328,601
Current and other liabilities	1,019,978	1,300,539	369,091	232,600	1,389,069	1,533,139
Long-term liabilities	464,434	653,881	849,358	1,065,507	1,313,792	1,719,388
Total liabilities	1,484,412	1,954,420	1,218,449	1,298,107	2,702,861	3,252,527
Deferred inflows of resources	2,355,537	1,370,004	278,489	133,878	2,634,026	1,503,882
Net position:						
Net investment in capital assets	23,702,087	22,705,092	17,088,090	16,681,436	40,790,177	39,386,528
Restricted	4,096,783	2,793,277	1,591,481	1,267,849	5,688,264	4,061,126
Unrestricted	5,109,906	3,540,758	6,626,140	6,023,350	11,736,046	9,564,108
Total net position	\$ 32,908,776	\$ 29,039,127	\$ 25,305,711	\$ 23,972,635	\$ 58,214,487	\$ 53,011,762

Significant increases occurred in capital assets of government and business type activities combined of \$2,603,788. Accumulated depreciation increased by \$578,820 in the business-type activities, and \$746,653 in the governmental activities. Disposals resulted in a net decrease to capital assets of \$18,200 in the governmental activities.

PLEASANT VIEW CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2022

OVERALL FINANCIAL ANALYSIS OF THE CITY (CONTINUED)

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
General revenues:						
Taxes	\$ 3,939,041	\$ 3,582,492	\$ -	\$ -	\$ 3,939,041	\$ 3,582,492
Other revenues	279,513	1,018,525	-	(18,216)	279,513	1,000,309
Interest revenue	43,027	31,064	37,308	36,314	80,335	67,378
Program revenues:						
Charges for services	1,520,347	1,184,730	3,942,777	3,455,141	5,463,124	4,639,871
Operating grants	2,301,327	1,583,348	-	-	2,301,327	1,583,348
Capital grants	537,885	609,706	320,821	191,373	858,706	801,079
Total revenues	8,621,140	8,009,865	4,300,906	3,664,612	12,922,046	11,674,477
Expenses:						
General government	1,081,932	1,713,626	-	-	1,081,932	1,713,626
Public safety	1,666,999	1,485,736	-	-	1,666,999	1,485,736
Public works	1,568,205	1,455,106	-	-	1,568,205	1,455,106
Parks and recreation	448,470	440,201	-	-	448,470	440,201
Storm sewer	-	-	372,404	331,579	372,404	331,579
Solid waste	-	-	493,455	467,024	493,455	467,024
Water	-	-	1,090,640	865,007	1,090,640	865,007
Sewer	-	-	1,011,331	966,849	1,011,331	966,849
Total expenses	4,765,606	5,094,669	2,967,830	2,630,459	7,733,436	7,725,128
Other financing sources (uses)						
Gain (loss) on sale of assets	14,115	(12,937)	-	-	14,115	(12,937)
Transfers in (out)	-	(250,000)	-	250,000	-	-
Change in net position	3,869,649	2,652,259	1,333,076	1,284,153	5,202,725	3,936,412
Net position - beginning	29,039,127	26,386,868	23,972,635	22,688,482	53,011,762	49,075,350
Net position - ending	\$ 32,908,776	\$ 29,039,127	\$ 25,305,711	\$ 23,972,635	\$ 58,214,487	\$ 53,011,762

Changes in Net Position

The overall change in Net Position for the City was an increase of \$5,202,725.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Fund balances in the City's governmental funds increased by \$2,569,324.

PLEASANT VIEW CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2022

BUDGET CHANGES

Budgeted revenues and expenditures were increased due to the economy improving more than previously anticipated. Actual expenditures for the year were \$4,183,226, \$1,039,489 below final budgeted expenditures. The General Fund was able to transfer \$700,000 to the Equipment Replacement 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 \$1,789,423 in new capital assets in the governmental funds, and \$823,508 in new capital assets in the Enterprise funds during the year ended June 30, 2022.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 2,145,309	\$ 3,300	\$ -	\$ 2,148,609
Construction in progress	2,884,996	993,658	(9,143)	3,869,511
Total capital assets, not being depreciated	<u>5,030,305</u>	<u>996,958</u>	<u>(9,143)</u>	<u>6,018,120</u>
Capital assets, being depreciated				
Land improvements	3,538,461	9,790	-	3,548,251
Buildings	2,575,536	-	-	2,575,536
Machinery & equipment	2,358,305	345,791	(18,200)	2,685,896
Right of use asset -vehicles	-	93,463	-	93,463
Infrastructure	16,442,195	343,421	-	16,785,616
Total capital assets, being depreciated	<u>24,914,497</u>	<u>792,465</u>	<u>(18,200)</u>	<u>25,688,762</u>
Accumulated depreciation for:				
Land improvements	(572,241)	(73,503)	-	(645,744)
Buildings	(661,411)	(56,473)	-	(717,884)
Machinery & equipment	(1,397,376)	(271,848)	18,200	(1,651,024)
Infrastructure	(4,315,792)	(344,829)	-	(4,660,621)
Total accumulated depreciation	<u>(6,946,820)</u>	<u>(746,653)</u>	<u>18,200</u>	<u>(7,675,273)</u>
Total capital assets, being depreciated, net	<u>17,967,677</u>	<u>45,812</u>	<u>-</u>	<u>18,013,489</u>
Governmental activities capital assets, net	<u>\$ 22,997,982</u>	<u>\$ 1,042,770</u>	<u>\$ (9,143)</u>	<u>\$ 24,031,609</u>

PLEASANT VIEW CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2022

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 2,155,029	\$ -	\$ -	\$ 2,155,029
Construction in progress	38,089	323,207	-	361,296
Total capital assets, not being depreciated	<u>2,193,118</u>	<u>323,207</u>	<u>-</u>	<u>2,516,325</u>
Capital assets, being depreciated				
Buildings	1,123,695	-	-	1,123,695
Utility systems	20,901,909	355,349	-	21,257,258
Machinery & equipment	1,259,176	144,952	-	1,404,128
Total capital assets, being depreciated	<u>23,284,780</u>	<u>500,301</u>	<u>-</u>	<u>23,785,081</u>
Accumulated depreciation for:				
Buildings	(481,184)	(21,195)	-	(502,379)
Utility systems	(6,401,120)	(428,229)	-	(6,829,349)
Machinery & equipment	<u>(632,192)</u>	<u>(129,396)</u>	<u>-</u>	<u>(761,588)</u>
Total accumulated depreciation	<u>(7,514,496)</u>	<u>(578,820)</u>	<u>-</u>	<u>(8,093,316)</u>
Total capital assets, being depreciated, net	<u>15,770,284</u>	<u>(78,519)</u>	<u>-</u>	<u>15,691,765</u>
Business-type activities capital assets, net	<u>\$ 17,963,402</u>	<u>\$ 244,688</u>	<u>\$ -</u>	<u>\$ 18,208,090</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 \$282,910 by making payments on the capital leases and changes in net pension liability. There was additions of \$93,463 in capital leases of three new trucks.

The business-type activities paid down their water revenue bonds by \$161,000 by making payments on outstanding bonds payable.

	<u>Balance 06/30/21</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 06/30/22</u>	<u>Amounts Due Within One Year</u>
Governmental activities:					
Capital leases	\$ 292,890	\$ 93,463	\$ (55,041)	\$ 331,312	\$ 136,170
Net pension liability	226,079	-	(226,079)	-	-
Compensated absences	<u>134,912</u>	<u>-</u>	<u>(1,790)</u>	<u>133,122</u>	<u>133,122</u>
Total governmental activities	<u>\$ 653,881</u>	<u>\$ 93,463</u>	<u>\$ (282,910)</u>	<u>\$ 464,434</u>	<u>\$ 269,292</u>

PLEASANT VIEW CITY, UTAH
MANAGEMENT'S DISCUSSION & ANALYSIS
JUNE 30, 2022

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION (CONTINUED)

Long-term Debt (continued)

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Amounts Due Within One Year
Business-type activities:					
Water revenue bonds, series 2012	\$ 231,000	\$ -	\$ (114,000)	\$ 117,000	\$ 117,000
Water revenue bonds, series 2019	750,000	-	(47,000)	703,000	48,000
Total debt	981,000	-	(161,000)	820,000	165,000
Net pension liability	61,225	-	(61,225)	-	-
Compensated absences	23,282	6,076	-	29,358	29,358
<i>Total business-type activities</i>	<u>\$ 1,065,507</u>	<u>\$ 6,076</u>	<u>\$ (222,225)</u>	<u>\$ 849,358</u>	<u>\$ 194,358</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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,034,968	\$ 6,408,676	\$ 12,443,644
Accounts receivable (net of allowance for uncollectibles)	28,281	275,731	304,012
Accounts receivable - intergovernmental	2,347,090	-	2,347,090
Inventory	-	20,000	20,000
Restricted cash	3,436,959	1,591,481	5,028,440
Prepaid expenses	-	63,115	63,115
Net pension asset	536,559	145,306	681,865
Capital assets, net of accumulated depreciation:			
Land	2,148,609	2,155,029	4,303,638
Construction in progress	3,869,512	361,297	4,230,809
Land improvements	2,902,507	-	2,902,507
Buildings	1,857,652	621,315	2,478,967
Machinery and equipment	1,034,871	642,540	1,677,411
Right of use asset	93,463	-	93,463
Utility systems	-	14,427,909	14,427,909
Infrastructure	12,124,995	-	12,124,995
Total capital assets, net	24,031,609	18,208,090	42,239,699
Total assets	36,415,466	26,712,399	63,127,865
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources relating to pension	333,259	90,250	423,509
Total deferred outflows of resources	333,259	90,250	423,509
LIABILITIES			
Accounts payable	556,621	200,755	757,376
Customer deposits	382,687	168,336	551,023
Other accrued liabilities	80,670	-	80,670
Noncurrent liabilities:			
Due within one year	269,292	194,358	463,650
Due in more than one year	195,142	655,000	850,142
Net pension liability	-	-	-
Total liabilities	1,484,412	1,218,449	2,702,861
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources relating to pensions	1,028,358	278,489	1,306,847
Unavailable revenue - property taxes	922,681	-	922,681
Unavailable revenue - CARES Act funding	404,498.00000	-	404,498.00000
Total deferred inflows of resources	2,355,537	278,489	2,634,026
NET POSITION			
Net investment in capital assets	23,702,087	17,088,090	40,790,177
Restricted for:			
Class "C" roads	464,851	-	464,851
Transportation tax	428,007	-	428,007
Alcoholic beverage enforcement and treatment	-	-	-
Park development impact fee	-	-	-
Redevelopment	2,796,341	-	2,796,341
City hall building	407,584	-	407,584
Sewer impact fees	-	347,744	347,744
Storm sewer impact fees	-	1,243,737	1,243,737
Unrestricted	5,109,906	6,626,140	11,736,046
Total net position	\$ 32,908,776	\$ 25,305,711	\$ 58,214,487

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

PLEASANT VIEW CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Revenues		Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities Business-type Activities Total
Functions/programs					
Governmental activities					
General government	\$ 1,081,932	\$ 51,299	\$ 1,811,067	\$ -	\$ 780,434
Public safety	1,666,999	133,985	7,783	-	(1,525,231)
Public works	1,568,205	1,278,072	482,477	351,823	544,167
Parks and recreation	448,470	56,991	-	186,062	(205,417)
Total governmental activities	4,765,606	1,520,347	2,301,327	537,885	(406,047)
Business-type activities					
Storm sewer	372,404	699,727	-	106,920	434,243
Solid waste	493,455	550,866	-	-	57,411
Water	1,090,640	1,496,638	-	110,505	516,503
Sewer	1,011,331	1,195,546	-	103,396	287,611
Total business-type activities	2,967,830	3,942,777	-	320,821	1,295,768
Total government	\$ 7,733,436	\$ 5,463,124	\$ 2,301,327	\$ 858,706	\$ 889,721
General revenues:					
Taxes					
Property				970,895	970,895
Sales and use				2,175,563	2,175,563
Fee in lieu				57,597	57,597
Franchise				734,986	734,986
Interest and investment earnings				43,027	80,335
Gain (loss) on sale of assets				14,115	14,115
Miscellaneous				279,513	279,513
Total general revenues and transfers				4,275,696	4,313,004
Transfers in/out				-	-
Change in net position				3,869,649	5,202,725
Net position at beginning of year				29,039,127	53,011,762
Net position at end of year				\$ 32,908,776	\$ 58,214,487

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

PLEASANT VIEW CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2022

	General	Roads (Capital)	Equipment Replacement (Capital)	RDA	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 2,729,851	\$ 909,253	\$ 1,663,854	\$ -	\$ 732,010	\$ 6,034,968
Restricted cash	892,858	-	-	2,136,517	407,584	3,436,959
Accounts receivable	9,268	16,451	-	2,562	-	28,281
Accounts receivable - intergovernmental	1,531,170	8,502	-	807,418	-	2,347,090
Prepaid expenses	-	-	-	-	-	-
TOTAL ASSETS	\$ 5,163,147	\$ 934,206	\$ 1,663,854	\$ 2,946,497	\$ 1,139,594	\$ 11,847,298
LIABILITIES						
Accounts payable	\$ 379,140	\$ 7,812	\$ 13,766	\$ 150,156	\$ 5,747	\$ 556,621
Customer deposits	382,687	-	-	-	-	382,687
Other accrued liabilities	80,670	-	-	-	-	80,670
TOTAL LIABILITIES	842,497	7,812	13,766	150,156	5,747	1,019,978
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	922,681	-	-	-	-	922,681
Unavailable revenue - ARPA funding	404,498	-	-	-	-	404,498
TOTAL DEFERRED INFLOWS OF RESOURCE	1,327,179	-	-	-	-	1,327,179
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted for:						
Class C roads	464,851	-	-	-	-	464,851
Transportation tax	428,007	-	-	-	-	428,007
Park development impact fees	-	-	-	-	-	-
Alcoholic beverage enforcement and treatment	-	-	-	-	-	-
Redevelopment	-	-	-	2,796,341	-	2,796,341
City hall building	-	-	-	-	407,584	407,584
Assigned for:						
Park improvements	-	-	-	-	726,263	726,263
Equipment replacement	-	-	1,650,088	-	-	1,650,088
Roads and sidewalks	-	698,749	-	-	-	698,749
Unassigned	2,100,613	227,645	-	-	-	2,328,258
TOTAL FUND BALANCES	2,993,471	926,394	1,650,088	2,796,341	1,133,847	9,500,141
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,163,147	\$ 934,206	\$ 1,663,854	\$ 2,946,497	\$ 1,139,594	\$ 11,847,298

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, 2022

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

Total fund balances--total governmental funds	\$ 9,500,141
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund fund financial statements.	24,031,609
Net pension assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	536,559
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	333,259
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	(133,122)
Net pension liability	-
Lease obligations	(331,312)
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.	(1,028,358)
Net position of governmental activities	<u>\$ 32,908,776</u>

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, 2022

	General	Roads (Capital)	Equipment Replacement (Capital)	RDA	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 3,873,073	\$ -	\$ -	\$ -	\$ -	\$ 3,873,073
Licenses and permits	535,340	-	-	65,968	-	601,308
Intergovernmental	780,437	8,502	-	8,828	64,381	862,148
Charges for services	361,138	170,600	-	1,811,067	-	2,342,805
Fines	133,985	-	-	-	-	133,985
Impact fees	-	-	-	-	121,681	121,681
Interest income	17,483	5,604	7,415	-	3,697	34,199
Other revenues	305,530	3,090	-	-	-	308,620
Total revenues	6,006,986	187,796	7,415	1,885,863	189,759	8,277,819
EXPENDITURES						
Current operating:						
General government	1,116,662	3,960	-	-	-	1,120,622
Public safety	1,746,287	-	-	-	-	1,746,287
Public works	758,233	72,113	98,962	125,790	-	1,055,098
Parks and recreation	385,863	-	-	-	7,944	393,807
Debt service:						
Principal	-	-	55,041	-	-	55,041
Interest and fees	-	-	8,257	-	-	8,257
Capital outlay:						
General government	-	-	57,248	-	30,485	87,733
Public safety	-	-	73,228	-	-	73,228
Public works	176,181	-	150,232	930,802	-	1,257,215
Parks and recreation	-	-	-	-	18,785	18,785
Total expenditures	4,183,226	76,073	442,968	1,056,592	57,214	5,816,073
Excess of revenues over (under) expenditures	1,823,760	111,723	(435,553)	829,271	132,545	2,461,746
OTHER FINANCING SOURCES (USES)						
Lease proceeds	-	-	93,463	-	-	93,463
Proceeds from sale of assets	-	-	14,115	-	-	14,115
Transfers-in	-	-	700,000	-	100,000	800,000
Transfers-out	(800,000)	-	-	-	-	(800,000)
Total other financing sources (uses)	(800,000)	-	807,578	-	100,000	107,578
Net change in fund balances	1,023,760	111,723	372,025	829,271	232,545	2,569,324
Fund balances at beginning of year	1,969,711	814,671	1,278,063	1,967,070	901,302	6,930,817
Fund balances at end of year	\$ 2,993,471	\$ 926,394	\$ 1,650,088	\$ 2,796,341	\$ 1,133,847	\$ 9,500,141

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, 2022

Net change in fund balance, total governmental funds \$ 2,569,324

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

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.

Right of use assets	93,463	
Capital outlays	1,343,498	
Depreciation expense	<u>(746,653)</u>	690,308

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. 1,789

Capital assets contributed by developers constitute revenues on the government-wide 343,321

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.
Net book value of assets sold -

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. 303,329

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.

Issuance of debt	(93,463)	
Repayment of debt	<u>55,041</u>	

Change in net position of governmental activities \$ 3,869,649

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

PLEASANT VIEW CITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Storm Sewer	Solid Waste	Water	Sewer	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,038,062	\$ 137,055	\$ 3,208,419	\$ 2,025,140	\$ 6,408,676
Accounts receivable (net)	40,400	51,882	78,091	105,358	275,731
Prepaid expenses	-	-	63,115	-	63,115
Inventory	-	-	20,000	-	20,000
Total current assets	1,078,462	188,937	3,369,625	2,130,498	6,767,522
Noncurrent assets:					
Restricted cash	1,243,737	-	-	347,744	1,591,481
Net pension asset	32,893	15,213	71,630	25,570	145,306
Capital assets, net of accumulated depreciation:					
Land	1,040,774	300,000	605,922	208,333	2,155,029
Construction in progress	46,102	-	312,026	3,169	361,297
Buildings	106,460	-	474,855	40,000	621,315
Utility systems	4,819,010	-	6,786,282	2,822,617	14,427,909
Machinery and equipment	334,407	6,470	219,379	82,284	642,540
Total capital assets, net	6,346,753	306,470	8,398,464	3,156,403	18,208,090
Total noncurrent assets	7,623,383	321,683	8,470,094	3,529,717	19,944,877
Total assets	8,701,845	510,620	11,839,719	5,660,215	26,712,399
Deferred outflows of resources:					
Deferred outflows of resources relating to pensions	20,430	5,448	44,490	15,882	90,250
Total assets and deferred outflows of resources	8,722,275	520,068	11,884,209	5,676,097	26,802,649
LIABILITIES					
Current liabilities:					
Accounts payable	2,135	34,967	150,144	13,509	200,755
Customer deposits	-	-	167,536	800	168,336
Current portion of long-term obligations	4,902	4,135	176,573	8,748	194,358
Total current liabilities	7,037	39,102	494,253	23,057	563,449
Noncurrent liabilities:					
Long-term obligations, net of current portion	-	-	655,000	-	655,000
Net pension liability	-	-	-	-	-
Total liabilities	7,037	39,102	1,149,253	23,057	1,218,449
Deferred inflows of resources:					
Deferred inflows of resources relating to pensions	63,042	29,156	137,284	49,007	278,489
Total liabilities and deferred inflows of resources	70,079	68,258	1,286,537	72,064	1,496,938
NET POSITION					
Net investment in capital assets	6,346,753	6,470	7,578,464	3,156,403	17,088,090
Restricted for impact fees	1,243,737	-	-	347,744	1,591,481
Restricted bond proceeds	-	-	-	-	-
Unrestricted	1,061,706	445,340	3,019,208	2,099,886	6,626,140
Total net position	\$ 8,652,196	\$ 451,810	\$ 10,597,672	\$ 5,604,033	\$ 25,305,711

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

PLEASANT VIEW CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Storm Sewer	Solid Waste	Water	Sewer	Total
Operating revenues:					
Charges for services	\$ 412,484	\$ 539,562	\$ 1,030,143	\$ 1,112,855	\$ 3,095,044
Other operating revenues	-	11,304	69,789	-	81,093
Total operating revenues	412,484	550,866	1,099,932	1,112,855	3,176,137
Operating expenses:					
Personnel services	103,481	69,230	233,886	92,791	499,388
Contractual services	-	397,553	124,091	706,424	1,228,068
Office supplies and expense	8,857	6,435	18,633	12,622	46,547
Supplies	714	-	2,255	985	3,954
Lease	-	-	-	-	-
Professional services	22,705	890	30,485	30,316	84,396
Utilities	3,961	-	52,804	1,189	57,954
Equipment and maintenance	39,763	14,457	336,176	50,786	441,182
Depreciation	192,923	4,890	264,789	116,218	578,820
Total operating expenses	372,404	493,455	1,063,119	1,011,331	2,940,309
Operating income (loss)	40,080	57,411	36,813	101,524	235,828
Nonoperating revenues (expenses)					
Impact fees	287,243	-	396,706	82,691	766,640
Interest revenue	10,214	557	15,338	11,199	37,308
Gain or (loss) on disposition of asset	-	-	-	-	-
Interest expense	-	-	(27,521)	-	(27,521)
Total nonoperating revenues (expenses)	297,457	557	384,523	93,890	776,427
Net income (loss) before contributions and transfers	337,537	57,968	421,336	195,414	1,012,255
Transfers in (out)	-	-	-	-	-
Capital contributions	106,920	-	110,505	103,396	320,821
Change in net position	444,457	57,968	531,841	298,810	1,333,076
Total net position - beginning	8,207,739	393,842	10,065,831	5,305,223	23,972,635
Total net position - ending	\$ 8,652,196	\$ 451,810	\$ 10,597,672	\$ 5,604,033	\$ 25,305,711

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

PLEASANT VIEW CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Storm Sewer	Solid Waste	Water	Sewer	Total
Cash flows from operating activities					
Cash received from customers	\$ 412,853	\$ 544,671	\$ 1,117,677	\$ 1,099,272	\$ 3,174,473
Cash paid to suppliers	(83,413)	(409,953)	(443,204)	(801,379)	(1,737,949)
Cash paid to employees	(122,482)	(76,810)	(270,566)	(105,598)	(575,456)
Net cash provided (used) by operating activities	206,958	57,908	403,907	192,295	861,068
Cash flows from noncapital financing activities					
Transfers in/out	-	-	-	-	-
Net cash used in noncapital financing activities	-	-	-	-	-
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	(83,566)	-	(378,906)	(40,216)	(502,688)
Bond proceeds	-	-	-	-	-
Principal payments - bonds	-	-	(161,000)	-	(161,000)
Proceeds from sale of assets	-	-	-	-	-
Interest paid	-	-	(27,521)	-	(27,521)
Impact fees collected	287,243	-	396,706	82,691	766,640
Net cash provided (used) in capital and related financing activities	203,677	-	(170,721)	42,475	75,431
Cash flows from investing activities					
Interest on investments	10,214	557	15,338	11,199	37,308
Net cash provided by investing activities	10,214	557	15,338	11,199	37,308
Net increase (decrease) in cash	420,849	58,465	248,524	245,969	973,807
Cash - July 1	1,860,950	78,590	2,959,895	2,126,915	7,026,350
Cash - June 30	\$ 2,281,799	\$ 137,055	\$ 3,208,419	\$ 2,372,884	\$ 8,000,157
As reported on the statement of net position:					
Cash and cash equivalents	1,038,062	137,055	3,208,419	2,025,140	6,408,676
Restricted cash	1,243,737	-	-	347,744	1,591,481
	\$ 2,281,799	\$ 137,055	\$ 3,208,419	\$ 2,372,884	\$ 8,000,157
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 40,080	\$ 57,411	\$ 36,813	\$ 101,524	\$ 235,828
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	192,923	4,890	264,789	116,218	578,820
Changes in assets and liabilities:					
Accounts receivable	369	(6,195)	7,545	(13,583)	(11,864)
Prepaid expenses	-	-	(2,139)	-	(2,139)
Net pension liability	(18,595)	(8,600)	(40,494)	(14,455)	(82,144)
Customer deposits	-	-	10,200	-	10,200
Compensated absences	(406)	1,020	3,814	1,648	6,076
Accounts payable	(7,413)	9,382	123,379	943	126,291
Net cash provided by operating activities	\$ 206,958	\$ 57,908	\$ 403,907	\$ 192,295	\$ 861,068
Noncash investing and financing activities:					
Capital contributions	\$ 106,920	\$ -	\$ 110,505	\$ 103,396	\$ 320,821

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

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022**

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.

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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 22nd 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 22nd 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, 2022**

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, 2022, \$49,234 of the City's bank balances of \$307,597 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, 2022

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 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.

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

A. Deposits and Investments (Continued)

At June 30, 2022, the City had the following recurring fair value measurements:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	\$ 17,197,738	\$ -	\$ 17,197,738	\$ -
Total debt securities	\$ 17,197,738	\$ -	\$ 17,197,738	\$ -

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, 2022 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, 2022, 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	\$17,197,738	\$17,197,738	-	-	-
	\$17,197,738	\$17,197,738	-	-	-

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

A. Deposits and Investments (Continued)

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, 2022, the City's investments had the following quality ratings:

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
PTIF Investments	17,197,738	-	-	-	17,197,738
	17,197,738	-	-	-	17,197,738

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	\$ 274,346
PTIF investment	<u>17,197,738</u>
Total cash and investments	<u><u>\$ 17,472,084</u></u>

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

Cash and cash equivalents	\$ 12,443,644
Restricted cash	<u>5,028,440</u>
Total cash and investments	<u><u>\$ 17,472,084</u></u>

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

B. Accounts Receivable

Intergovernmental accounts receivable for governmental, including the applicable allowance for uncollectible accounts at June 30, 2022, are as follows:

Intergovernmental activities:	<u>General</u>
Receivables:	
Sales tax	\$ 398,362
Class C road	107,749
Property tax	6,290
Deferred property tax	922,681
Other taxes	<u>96,088</u>
Gross receivables	1,531,170
Less: allowance for uncollectibles	<u>-</u>
Net total receivables	<u><u>\$ 1,531,170</u></u>

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

Business-type activities:	<u>Storm Sewer</u>	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Total</u>
Accounts receivables	\$ 41,401	\$ 79,416	\$ 107,361	\$ 52,881	\$ 281,059
Less: allowance for uncollectibles	<u>(1,000)</u>	<u>(1,328)</u>	<u>(2,000)</u>	<u>(1,000)</u>	<u>(5,328)</u>
Net total receivables	<u><u>\$ 40,401</u></u>	<u><u>\$ 78,088</u></u>	<u><u>\$ 105,361</u></u>	<u><u>\$ 51,881</u></u>	<u><u>\$ 275,731</u></u>

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

C. Capital Assets

A summary of changes in capital assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 2,145,309	\$ 3,300	\$ -	\$ 2,148,609
Construction in progress	2,884,996	993,658	(9,143)	3,869,511
Total capital assets, not being depreciated	<u>5,030,305</u>	<u>996,958</u>	<u>(9,143)</u>	<u>6,018,120</u>
Capital assets, being depreciated				
Land improvements	3,538,461	9,790	-	3,548,251
Buildings	2,575,536	-	-	2,575,536
Machinery & equipment	2,358,305	345,791	(18,200)	2,685,896
Right of use asset -vehicles	-	93,463	-	93,463
Infrastructure	16,442,195	343,421	-	16,785,616
Total capital assets, being depreciated	<u>24,914,497</u>	<u>792,465</u>	<u>(18,200)</u>	<u>25,688,762</u>
Accumulated depreciation for:				
Land improvements	(572,241)	(73,503)	-	(645,744)
Buildings	(661,411)	(56,473)	-	(717,884)
Machinery & equipment	(1,397,376)	(271,848)	18,200	(1,651,024)
Infrastructure	(4,315,792)	(344,829)	-	(4,660,621)
Total accumulated depreciation	<u>(6,946,820)</u>	<u>(746,653)</u>	<u>18,200</u>	<u>(7,675,273)</u>
Total capital assets, being depreciated, net	<u>17,967,677</u>	<u>45,812</u>	<u>-</u>	<u>18,013,489</u>
Governmental activities capital assets, net	<u>\$ 22,997,982</u>	<u>\$ 1,042,770</u>	<u>\$ (9,143)</u>	<u>\$ 24,031,609</u>

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

Governmental activities:

General government	\$ 32,773
Public safety	84,731
Public works	543,960
Parks and recreation	85,189
Total depreciation expense	<u>\$ 746,653</u>

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 2,155,029	\$ -	\$ -	\$ 2,155,029
Construction in progress	38,089	323,207	-	361,296
Total capital assets, not being depreciated	<u>2,193,118</u>	<u>323,207</u>	<u>-</u>	<u>2,516,325</u>
Capital assets, being depreciated				
Buildings	1,123,695	-	-	1,123,695
Utility systems	20,901,909	355,349	-	21,257,258
Machinery & equipment	1,259,176	144,952	-	1,404,128
Total capital assets, being depreciated	<u>23,284,780</u>	<u>500,301</u>	<u>-</u>	<u>23,785,081</u>
Accumulated depreciation for:				
Buildings	(481,184)	(21,195)	-	(502,379)
Utility systems	(6,401,120)	(428,229)	-	(6,829,349)
Machinery & equipment	(632,192)	(129,396)	-	(761,588)
Total accumulated depreciation	<u>(7,514,496)</u>	<u>(578,820)</u>	<u>-</u>	<u>(8,093,316)</u>
Total capital assets, being depreciated, net	<u>15,770,284</u>	<u>(78,519)</u>	<u>-</u>	<u>15,691,765</u>
Business-type activities capital assets, net	<u>\$ 17,963,402</u>	<u>\$ 244,688</u>	<u>\$ -</u>	<u>\$ 18,208,090</u>

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

Business-type activities:

Storm sewer	\$ 192,923
Solid waste	4,890
Water	264,789
Sewer	116,218
Total depreciation expense	<u>\$ 578,820</u>

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

D. Interfund Transfers/Balances

Transfers for the year June 30, 2022 were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>Equipment Replacement (Capital)</u>	<u>City Hall Building</u>	<u>Total</u>
General fund	\$ 700,000	\$ 100,000	\$ 800,000
Totals	<u>\$ 700,000</u>	<u>\$ 100,000</u>	<u>\$ 800,000</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:

Governmental activities:	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Amounts Due Within One Year
Capital leases	\$ 292,890	\$ 93,463	\$ (55,041)	\$ 331,312	\$ 136,170
Net pension liability	226,079	-	(226,079)	-	-
Compensated absences	134,912	-	(1,790)	133,122	133,122
<i>Total governmental activities</i>	<u>\$ 653,881</u>	<u>\$ 93,463</u>	<u>\$ (282,910)</u>	<u>\$ 464,434</u>	<u>\$ 269,292</u>

Lease agreements are summarized as follows:

Description	Original Date	Term	Payment Amount	Interest Rate	Original Lease Liability	Balance June 30, 2022
2019 Police Vehicles	9/17/2019	5 years	\$39,360	2.70%	\$298,452	\$173,224
2020 Police Vehicles	7/8/2020	2 years	14,920	5.60%	107,200	14,129
2021 Police Vehicles	9/15/2021	5 years	9,018	2.29%	97,808	83,362
2022 Police Vehicles 1&2	6/8/2022	3 years	9,593	5.60%	76,000	17,687
2022 Police Vehicles 3-7	6/23/2022	3 years	23,274	5.60%	190,000	42,910
						<u>\$331,312</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, 2022

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

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

2019 Police Vehicles:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 85,458	\$ 4,677	\$ 90,135
2024	87,766	2,369	90,135
	<u>\$ 173,224</u>	<u>\$ 7,046</u>	<u>\$ 180,270</u>

2020 Police Vehicles:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 14,129	\$ -	\$ 14,129
	<u>\$ 14,129</u>	<u>\$ -</u>	<u>\$ 14,129</u>

2021 Police Vehicles:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 7,109	\$ 1,909	\$ 9,018
2024	24,845	1,746	26,591
2025	25,414	1,177	26,591
2026	25,996	595	26,591
	<u>\$ 83,364</u>	<u>\$ 5,427</u>	<u>\$ 88,791</u>

2022 Police Vehicles 1&2:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 9,593	\$ -	\$ 9,593
2024	9,593	-	9,593
2025	9,593	-	9,593
	<u>\$ 28,779</u>	<u>\$ -</u>	<u>\$ 28,779</u>

2022 Police Vehicles 3-7:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 23,274	\$ -	\$ 23,274
2024	23,274	-	23,274
2025	23,274	-	23,274
	<u>\$ 69,822</u>	<u>\$ -</u>	<u>\$ 69,822</u>

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

E. Long-Term Liabilities (Continued)

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

Business-type activities:	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Amounts Due Within One Year
Water revenue bonds, series 2012	\$ 231,000	\$ -	\$ (114,000)	\$ 117,000	\$ 117,000
Water revenue bonds, series 2019	750,000	-	(47,000)	703,000	48,000
Total debt	981,000	-	(161,000)	820,000	165,000
Net pension liability	61,225	-	(61,225)	-	-
Compensated absences	23,282	6,076	-	29,358	29,358
<i>Total business-type activities</i>	<u>\$ 1,065,507</u>	<u>\$ 6,076</u>	<u>\$ (222,225)</u>	<u>\$ 849,358</u>	<u>\$ 194,358</u>

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 1st.
Principal payments are due on October 1st of each year.
The bonds mature on October 1, 2023.

\$ 117,000

The annual requirements to amortize the obligation are as follows:

Year Ended June 30,	Series 2012 Water Bonds		
	Principal	Interest	Total
2023	\$ 117,000	\$ 2,036	\$ 119,036
Totals	<u>\$ 117,000</u>	<u>\$ 2,036</u>	<u>\$ 119,036</u>

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 1st.
Principal payments are due on October 1st of each year.
The bonds mature on October 1, 2023.

\$ 703,000

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

E. Long-Term Liabilities (Continued)

The annual requirements to amortize the obligation are as follows:

Year Ended June 30,	Series 2018 Water Bonds		
	Principal	Interest	Total
2023	\$ 48,000	\$ 22,407	\$ 70,407
2024	51,000	20,774	71,774
2025	52,000	19,074	71,074
2026	53,000	17,342	70,342
2027	56,000	15,543	71,543
2028-2032	307,000	48,329	355,329
2033-2034	136,000	4,488	140,488
Totals	\$ 703,000	\$ 147,956	\$ 850,956

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 actual expenditures for the fund consisted of the following:

1. \$25,071 for professional and technical expenses.
2. \$3,007 for memberships and subscriptions and supplies.
3. \$72,246 as tax incentives to businesses.
4. \$956,268 for construction work on Rulon White Blvd.

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022

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

G. Pension Plan (Continued)

Contribution rates as of June 30, 2022 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	16.07%	0.62%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	2.27	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	6.69%	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, 2022, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 125,592	N/A
Public Safety System	167,967	-
Tier 2 Public Employees System	56,799	-
Tier 2 Public Safety and Firefighter	44,681	-
Tier 2 DC Only System	3,690	N/A
	<u>\$ 398,729</u>	<u>\$ -</u>

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

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, we reported a net pension asset of \$681,865 and a net pension liability of \$0.

(Measurement Date): December 31, 2021

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	\$ 410,398	\$ -	0.0716588%	0.0703061%	0.0013527%
Public Safety System	262,788	-	0.3235731%	0.2964125%	0.0271606%
Tier 2 Public Employees System	6,272	-	0.0148185%	0.0166750%	-0.0018565%
Tier 2 Public Safety and Firefighter System	2,407	-	0.0476163%	0.0306499%	0.0169664%
Total Net Pension Asset/Liability	<u>\$ 681,865</u>	<u>\$ -</u>			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2022, we recognized pension expense of \$10,765.

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,460	\$ 1,203
Changes in assumptions	93,138	5,869
Net difference between projected and actual earnings on pension plan investments	-	1,285,703
Changes in proportion and differences between contributions and proportionate share of contributions	49,158	14,072
Contributions subsequent to the measurement date	210,753	-
Total	<u>\$ 423,509</u>	<u>\$ 1,306,847</u>

\$210,754 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, 2021.

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

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

G. Pension Plan (Continued)

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2022	\$ (191,748)
2023	(387,047)
2024	(313,104)
2025	(212,153)
2026	1,540
Thereafter	\$ 8,423

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

For the year ended June 30, 2022, we recognized pension expense of (\$71,391). At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,985	\$ -
Changes in assumptions	38,517	2,649
Net difference between projected and actual earnings on pension plan investments	-	552,545
Changes in proportion and differences between contributions and proportionate share of contributions	3,298	11,966
Contributions subsequent to the measurement date	65,515	-
Total	<u>\$ 150,315</u>	<u>\$ 567,160</u>

\$65,516 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, 2021.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2022	\$ (98,907)
2023	(158,057)
2024	(133,587)
2025	(91,807)
2026	-
Thereafter	\$ -

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

For the year ended June 30, 2022, we recognized pension expense of \$47,679. At June 30, 2022, 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, 2022

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	\$ 22,366	\$ -
Changes in assumptions	46,072	2,733
Net difference between projected and actual earnings on pension plan investments	-	710,305
Changes in proportion and differences between contributions and proportionate share of contributions	39,893	-
Contributions subsequent to the measurement date	78,096	-
Total	<u>\$ 186,427</u>	<u>\$ 713,038</u>

\$78,096 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, 2021.

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

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2022	\$ (88,322)
2023	(223,318)
2024	(175,304)
2025	(117,763)
2026	-
Thereafter	\$ -

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

For the year ended June 30, 2022, we recognized pension expense of \$21,795. At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,047	\$ 808
Changes in assumptions	5,848	59
Net difference between projected and actual earnings on pension plan investments	-	15,497
Changes in proportion and differences between contributions and proportionate share of contributions	3,531	62
Contributions subsequent to the measurement date	37,801	-
Total	<u>\$ 50,227</u>	<u>\$ 16,426</u>

\$37,801 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, 2021.

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

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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

G. Pension Plan (Continued)

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2022	\$ (2,895)
2023	(3,716)
2024	(2,691)
2025	(1,542)
2026	1,236
Thereafter	\$ 5,610

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

For the year ended June 30, 2022, we recognized pension expense of \$12,682. At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,062	\$ 395
Changes in assumptions	2,701	428
Net difference between projected and actual earnings on pension plan investments	-	7,356
Changes in proportion and differences between contributions and proportionate share of contributions	2,436	2,043
Contributions subsequent to the measurement date	29,341	-
Total	<u>\$ 36,540</u>	<u>\$ 10,222</u>

\$29,341 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, 2021. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Deferred Outflows (Inflows) of Resources
2022	\$ (1,624)
2023	(1,955)
2024	(1,521)
2025	(1,041)
2026	304
Thereafter	\$ 2,813

The total pension liability in the December 31, 2021 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, 2022

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

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	37%	6.58%	2.43%
Debt Securities	20%	-0.28%	-0.06%
Real Assets	15%	5.77%	0.87%
Private Equity	12%	9.85%	1.18%
Absolute Return	16%	2.91%	0.47%
Cash and Cash Equivalents	0%	-1.01%	0.00%
Totals	100%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

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. The discount rate was reduced from 6.95% to 6.82% from the prior measurement date.

PLEASANT VIEW CITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 220,683	\$ (410,398)	\$ (936,912)
Public Safety System	648,120	(262,788)	(1,002,508)
Tier 2 Public Employees System	37,368	(6,272)	(39,778)
Tier 2 Public Safety and Firefighter	19,307	(2,407)	(19,645)
Total	\$ 925,478	\$ (681,865)	\$ (1,998,843)

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, 2022

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:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
401(k) Plan			
Employer Contributions	\$ 66,053	\$ 63,394	\$ 62,168
Employee Contributions	\$ 40,076	\$ 29,822	\$ 28,454
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 16,555	\$ 20,346	\$ 13,339
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 6,645	\$ 5,330	\$ 4,710
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 850	\$ 1,690	\$ 1,695

IV. CHANGE IN ACCOUNTING PRINCIPLE

For 2022, Pleasant View City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. 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 1st. 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, 2022**

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, 2022 is as follows:

	<u>Amount</u>
Property Taxes:	
Subject to a lien	\$ 922,681
ARPA funds	404,498
Total	<u>\$ 1,327,179</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, 2022.

D. Subsequent Events

Subsequent events have been evaluated through December 12, 2022, 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, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes:				
Current year property taxes	\$ 1,001,261	\$ 890,000	\$ 885,088	\$ (4,912)
Redemptions	18,000	20,000	19,839	(161)
Fee in lieu	68,000	71,000	57,597	(13,403)
Sales and use taxes	1,540,000	2,140,000	2,175,563	35,563
Franchise taxes	680,000	690,000	734,986	44,986
	<u>3,307,261</u>	<u>3,811,000</u>	<u>3,873,073</u>	<u>62,073</u>
Licenses and permits:				
Business licenses	15,000	15,000	13,370	(1,630)
Building permits	148,420	493,250	513,588	20,338
Other licenses	6,330	8,590	8,382	(208)
	<u>169,750</u>	<u>516,840</u>	<u>535,340</u>	<u>18,500</u>
Intergovernmental:				
Other intergovernmental	212,875	897,069	290,177	(606,892)
Class "C" road fund allotment	440,000	480,000	482,477	2,477
State liquor allotment	7,620	7,785	7,783	(2)
	<u>660,495</u>	<u>1,384,854</u>	<u>780,437</u>	<u>(604,417)</u>
Charges for services:				
Inspection fees	10,425	16,275	18,075	1,800
Plan check fees	74,210	261,400	262,057	657
Zoning and subdivision fees	15,000	23,000	23,575	575
Founder's day	11,000	14,000	19,070	5,070
Park and recreation fees	35,000	38,000	37,921	(79)
Other fees	300	1,000	440	(560)
	<u>145,935</u>	<u>353,675</u>	<u>361,138</u>	<u>7,463</u>
Fines and forfeitures	<u>75,000</u>	<u>126,000</u>	<u>133,985</u>	<u>7,985</u>
Other revenues:				
Interest earnings	10,000	10,500	17,483	6,983
Rents and concessions	31,000	31,720	29,107	(2,613)
Miscellaneous revenue	54,790	52,750	276,423	223,673
	<u>95,790</u>	<u>94,970</u>	<u>323,013</u>	<u>228,043</u>
Total revenues	<u>\$ 4,454,231</u>	<u>\$ 6,287,339</u>	<u>\$ 6,006,986</u>	<u>\$ (280,353)</u>

(continued)

PLEASANT VIEW CITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Expenditures:				
General government:				
Legislative	\$ 66,382	\$ 675,816	\$ 295,227	\$ 380,589
Judicial	153,325	153,550	143,165	10,385
Administration	379,660	403,160	370,903	32,257
Nondepartmental	152,000	166,025	156,737	9,288
Buildings	57,005	60,402	49,757	10,645
Elections	22,000	6,802	6,802	-
Planning and zoning	109,400	112,130	94,071	18,059
	<u>939,772</u>	<u>1,577,885</u>	<u>1,116,662</u>	<u>461,223</u>
Public safety:				
Police department	1,807,753	1,860,155	1,743,927	116,228
Emergency response	6,000	6,000	2,360	3,640
	<u>1,813,753</u>	<u>1,866,155</u>	<u>1,746,287</u>	<u>119,868</u>
Public works				
Building inspection	130,500	153,600	141,192	12,408
Shop	24,600	28,625	25,948	2,677
Streets	1,159,109	1,170,640	767,274	403,366
	<u>1,314,209</u>	<u>1,352,865</u>	<u>934,414</u>	<u>418,451</u>
Senior citizen	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Parks	<u>276,225</u>	<u>260,400</u>	<u>227,745</u>	<u>32,655</u>
Recreation	<u>95,840</u>	<u>99,830</u>	<u>94,275</u>	<u>5,555</u>
Community promotion	<u>49,100</u>	<u>56,580</u>	<u>54,843</u>	<u>1,737</u>
Total expenditures	<u>4,497,899</u>	<u>5,222,715</u>	<u>4,183,226</u>	<u>1,039,489</u>
Other financing sources (uses):				
Operating transfers in (out)	(100,000)	(800,000)	(800,000)	-
Appropriations of class "C" reserve	46,750	(2,000)	-	(2,000)
Appropriations of fund balances	96,918	179,366	-	179,366
Total other financing sources (uses)	<u>43,668</u>	<u>(622,634)</u>	<u>(800,000)</u>	<u>177,366</u>
Excess (deficiency) of revenues over expenditures	-	441,990	1,023,760	581,770
Fund balance - July 1	<u>1,969,711</u>	<u>1,969,711</u>	<u>1,969,711</u>	<u>-</u>
Fund balance - June 30	<u>\$ 1,969,711</u>	<u>\$ 2,411,701</u>	<u>\$ 2,993,471</u>	<u>\$ 581,770</u>

PLEASANT VIEW CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS

JUNE 30, 2022
with a measurement date of December 31, 2021
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)					
2022	0.0716588%	0.0000000%	0.3235731%	0.0148185%	0.0476165%
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%	0.0177269%	0.0450631%
2017	0.0776186%	0.0000000%	0.2306201%	0.0082659%	0.0533640%
2016	0.0766137%	0.0000000%	0.2119931%	0.0069992%	0.0671873%
2015	0.0676524%	0.0000000%	0.1914426%	0.3020900%	0.0242549%
Proportion share of the net pension liability (asset)					
2022	\$ (410,398)	\$ -	\$ (262,788)	\$ (6,272)	\$ (2,407)
2021	\$ 36,063	\$ -	\$ 246,094	\$ 2,358	\$ 2,749
2020	\$ 287,799	\$ -	\$ 432,599	\$ 3,287	\$ 5,497
2019	\$ 562,559	\$ -	\$ 634,511	\$ 7,539	\$ 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					
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					
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 a percentage of the total pension liability					
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.

See accompanying notes to required supplementary information

PLEASANT VIEW CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS

JUNE 30, 2022
with a measurement date of December 31, 2021
Last 10 fiscal years*

As of Fiscal Year Ended June 30,	Contributions in Relation to the Contractually Required Contribution		Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
	Actual Determined Contributions	Contractually Required Contribution			
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%
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%
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%
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%
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%

* 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 PSI. 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, 2022

Changes in Assumptions:

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

SUPPLEMENTARY INFORMATION

**PLEASANT VIEW CITY
COMBINING BALANCE SHEET
NONMAJOR FUNDS
AS OF JUNE 30, 2022**

	<u>Park Development (Capital)</u>	<u>City Hall Building</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash	\$ 732,010	\$ -	\$ 732,010
Restricted cash	-	407,584	407,584
Accounts receivable	-	-	-
TOTAL ASSETS	<u>\$ 732,010</u>	<u>\$ 407,584</u>	<u>\$ 1,139,594</u>
LIABILITIES			
Accounts payable	\$ 5,747	\$ -	\$ 5,747
TOTAL LIABILITIES	<u>5,747</u>	<u>-</u>	<u>5,747</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
Impact fees	-	-	-
Redevelopment	-	-	-
City hall building	-	407,584	407,584
Assigned for:			
Park improvements	726,263	-	726,263
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>726,263</u>	<u>407,584</u>	<u>1,133,847</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 732,010</u>	<u>\$ 407,584</u>	<u>\$ 1,139,594</u>

PLEASANT VIEW CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Park Development (Capital)	City Hall Building	Total Nonmajor Governmental Funds
REVENUES			
Impact fees	\$ 121,681	\$ -	\$ 121,681
Property tax increment	-	-	-
Interest	1,920	1,777	3,697
Intergovernmental revenues	64,381	-	64,381
Miscellaneous	-	-	-
Total revenues	187,982	1,777	189,759
EXPENDITURES			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	57,214	-	57,214
Total expenditures	57,214	-	57,214
Excess of revenues over (under) expenditures	130,768	1,777	132,545
OTHER FINANCING SOURCES (USES)			
Transfers-in or (out)	-	100,000	100,000
Total other financing sources (uses)	-	100,000	100,000
Net change in fund balances	130,768	101,777	232,545
Fund balances at beginning of year	595,495	305,807	901,302
Fund balances at end of year	\$ 726,263	\$ 407,584	\$ 1,133,847

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 and Management of
Pleasant View City
520 West Elberta Dr
Pleasant View, UT 84414

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, 2022, 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 12, 2022.

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 Matters

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 12, 2022



**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, that could have a direct and material effect on Pleasant View City for the year ended June 30, 2022.

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

Budgetary Compliance	Fund Balance
Justice Courts	Restricted Taxes and Related Revenues
Fraud Risk Assessment	Governmental Fees
Cash Management	Impact Fees
Utah Retirement Systems	Public Treasurer's Bond

Management's Responsibility

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

Auditor's Responsibility

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

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

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, 2022.

Other Matters

The results of our auditing procedures did not identify any instances of noncompliance.

Report On Internal Control Over Compliance

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

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

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

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 *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Child, Richards CPAs & Advisors

Ogden, Utah
December 12, 2022