NORTH OGDEN CITY
SETTLED 1851

NORTH OGDEN CITY
AUDIT COMMITTEE
MEETING MINUTES

July 23, 2026

The North Ogden City Audit Committee convened at 6:00 p.m. on July 23, 2026. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah Public Notice Website on July 16, 2026. Notice of the annual meeting schedule was published in the Standard-Examiner on December 10, 2025.

Note: The time stamps indicated in blue correspond with the recording of this meeting, which can be located on YouTube:
https://www.youtube.com/channel/UCriqbePBxTucXEzRr6fclhQ/videos
or by requesting a copy of the audio file from the office of the North Ogden City Recorder.

Committee:

Chris Pulver	Committee Chairman
S. Neal Berube	Committee Member
Ryan Barker	Committee Member
Steven Nabor	Committee Member
Thayne Shafer	Committee Member (excused)
Randy Winn	Committee Member
Rian Santoro	Committee Member

Staff:

Peter Brown	Finance Director
Casey Hunsaker	Treasurer
Jon Call	City Manager/Attorney

0:00:01 Committee Chairman Pulver called the meeting to order, and Committee Member Winn offered an invocation and led the audience in the Pledge of Allegiance.

CONSENT AGENDA

1. DISCUSSION AND/OR ACTION TO CONSIDER MARCH 26, 2026, AUDIT COMMITTEE MEETING MINUTES

0:01:33 **Committee Member Winn motioned to approve March 26, 2026, Audit Committee Meeting minutes. Committee Member Berube seconded the motion.**

The motion passed unanimously.

ACTIVE AGENDA

2. PUBLIC COMMENTS

0:01:55 No public comment was made.

3. DISCUSSION ON REVIEW OF THE 2026 UTAH STATE AUDITOR'S FRAUD RISK ASSESSMENT

0:03:28 Finance Director Peter Brown presented the 2026 Utah State Auditor's Fraud Risk Assessment, which had previously been presented to the City Council in June to meet the recommended reporting timeline. The Committee reviewed several assessment questions requiring clarification, including whether an elected official with an accounting degree or professional certification qualifies as part of the City's management team. Staff will seek clarification from the auditors regarding the definition of "management team" and determine whether the assessment should be revised. It was noted that any adjustment would not change the City's overall very low-risk classification.

The Committee also discussed whether the City has a formal internal audit function. Members determined that the City has established internal controls but does not currently have a separate, independent internal audit program with a designated auditor and annual audit plan. The Committee acknowledged that a formal internal audit function may be excessive for an organization of the City's size.

The Committee reviewed risks associated with purchasing, receiving goods, and approving payments, particularly within smaller departments where the same employee may order, receive, and distribute items. Peter explained that Finance staff are revising

procedures to better separate purchase order entry, invoice approval, and verification that goods were received.
Staff are also considering designated receiving personnel within individual departments or City offices. The Committee directed staff to continue developing and documenting appropriate mitigation measures for the next assessment cycle.

4. INTRODUTION OF ROB WOOD, CPA, HBME, LLC, AND REVIEW OF THE PROPOSED 2026 AUDIT SCHEDULE

This item was originally listed as item 1 on the Consent Agenda. Because Rob had not yet joined the meeting online, the Committee temporarily skipped the item and returned to it after he joined.

0:17:39 Rob Wood introduced himself as an audit partner with HBME and reviewed the firm's experience in governmental accounting and auditing. He explained that the firm will serve as a consultant to assist and train City Finance staff in preparing government-wide financial statements, conversion entries, depreciation schedules, the Management's Discussion and Analysis, and implementation of applicable Governmental Accounting Standards Board (GASB) requirements. Rob emphasized that the City would retain responsibility for its financial statements and management disclosures, maintaining appropriate separation from the external auditor.
Rob reviewed GASB Statement No. 103, including changes to budget-to-actual reporting, the addition of a variance between the original and final budgets, expanded explanatory disclosures, and the requirement that management provide specific explanations for significant financial changes. The Committee also discussed budget appropriation violations, reporting thresholds, and the conversion of fund-level financial information to government-wide statements.
Peter reported that consulting work with Rob would begin the following month, with preparation for the external audit expected to begin in September. The Committee confirmed that the October 22 meeting will remain scheduled to review first-quarter financial results and receive an audit progress update. The external audit is targeted for completion by December 15, followed by Audit Committee review and a recommendation to the City Council before the audit is submitted to the State Auditor.

5. DISCUSSION AND REVIEW OF THE FISCAL YEAR 2026 THIRD QUARTER REPORT FOR JULY 2025 THROUGH MARCH 2026 AND CONSIDERATION OF A RECOMMENDATION TO THE CITY COUNCIL

0:52:14 Finance Director Peter Brown presented the fiscal year 2026 third-quarter financial report and explained that Capital revenues and expenditures had been separated where possible to provide clearer comparisons. He reported that revenues and expenditure were generally within expected levels throughout the third quarter. The Committee discussed a Stormwater revenue variance caused by the timing of a budgeted transfer of Stormwater Impact Fees for the Community Pond Project. Peter noted that future reports could exclude similar transfers to avoid distorting operating comparisons. The Committee discussed the purpose and timing of quarterly financial reviews and confirmed that the review is part of the City's financial oversight process. Members requested that future reports be simplified to focus on year-to-date performance, expected budget percentages, significant variances, and items requiring Committee attention. Suggestions included separating property tax and sales tax revenues, reducing unnecessary historical comparisons, and clearly identifying whether each fund is operating within budget. Peter agreed to revise and consolidate the presentation based on the Committee's feedback.
Peter identified a calculation error in one expenditure chart and stated that it would be corrected. He reported that total expenditure was approximately 69 percent of budget through the third quarter. The primary General Fund expenditure above the expected level was the Council budget due to the election contract.

Committee Member Berube Moved to recommend the fiscal year 2026 third-quarter financial report to the City Council with corrections as needed. Committee Member Barker seconded the motion.

The motion passed unanimously.

6. 2026 YEAR-END SNAPSHOT

1:21:41 Finance Director Peter Brown presented a preliminary fiscal year 2026 year-end snapshot based on financial information available as of June 30. He explained that year-end entries were still being completed and that the General Fund's preliminary deficit had decreased from approximately $362,000 to $44,000 after additional tax revenue was recorded. Additional sales tax revenue, other revenues, and remaining accounts payable expenditures have not yet been fully recorded. Peter emphasized that the report was a preliminary snapshot rather than a final year-end financial statement.

The Committee discussed the amount of investment income allocated to the General Fund and questioned whether the reported amount accurately reflected the City's cash and investment balances.

Peter explained that investment earnings had been allocated among the City's funds based on average cash balances. Casey reported that investment records showed approximately $178,398 in accrued interest income for the fiscal year. Peter agreed to review the investment income allocation, provide the allocation schedule, and confirm that the reported amounts were accurate.

The Committee clarified that the anticipated positive year-end position represented the net result of revenues and expenditure and was not solely an increase in revenue. Members also requested that a similar budget-to-actual format be considered for future quarterly reports because it more clearly shows current performance, remaining budget, and whether funds are on track. No formal action was taken.

7. DISCUSSION AND SCHEDULING OF FUTURE AUDIT COMMITTEE MEETINGS

1:42:55 The Committee discussed scheduling future audit committee meetings. The next meeting has been confirmed for October 22 and an additional meeting is scheduled for December 17 to review the audited financial statements before presentation to the City Council on December 22. The Committee agreed to discuss the January and April meeting dates at the December meeting. No formal action was taken.

8. PUBLIC COMMENTS

1:44:26 No public comment was made.

9. COMMITTEE MEMBERS/STAFF COMMENTS

1:44:38 Committee Member Winn commented that although the City remains relatively small, its financial practices are becoming more sophisticated. Committee Member Nabor agreed and complimented City staff and prior Councils for maintaining well-managed financial operations.

10. ADJOURNMENT

1:45:10 **Committee Member Winn motioned to adjourn the meeting. All in attendance voted in favor.**

The motion passed unanimously.

The meeting adjourned at 7:45 p.m.

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Chris Pulver, Committee Chairman

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Rian Santoro
City Recorder/Committee Member

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Date Approved