NORTH OGDEN CITY

SETTLED 1851

AUDIT COMMITTEE AGENDA
APRIL 15, 2021 AT 6:30 PM
505 EAST 2600 NORTH
NORTH OGDEN, UT 84414

PUBLIC CAN ATTEND BY:
Register here or call Katie Gerard at 801-737-9830 to attend in-person. Limited to 15 participants.
Click the link below to join the webinar: https://us02web.zoom.us/j/84355331970 Webinar ID: 843 5533 1970
Or Telephone Dial: US: 1 253 215 8782 or 1 346 248 7799 or 1 669 900 9128
YouTube: https://www.youtube.com/channel/UCrigbePBxTucXEzRr6fclhQ/videos

Welcome: Council Member Swanson

Invocation & Pledge of Allegiance: Council Member Ekstrom

CONSENT AGENDA

1. Discussion and/or action to consider December 7, 2020 Audit Committee meeting minutes

ACTIVE AGENDA

2. Public Comments
3. Discussion and or/action of the Fiscal Year 2020 Audited Financial Statements
4. Discussion and/or action of the March 31, 2021 Quarterly Financial Report
5. Public Comments
6. Adjournment

Public Comments/Questions

a. Time is made available for anyone in the audience to address the committee.

b. When a member of the audience addresses the committee, he or she will come tothe podium and state his or her name.

c. Citizens will be asked to limit their remarks/questions to three (3) minuteseach.

d. The Chair shall have discretion as to who will respond to acomment/question.

e. In all cases the criteria for response will be that comments/questions must be pertinent to City business, that there are no argumentative questions and no personalattacks.

f. Some comments/questions mayhave to wait for a response until the next committee meeting.

g. The Chair will inform a citizen when he or she has used the allottedtime.

Please see notes regarding Public Comments rules and procedure

The committee at its discretion may rearrange the order of any item(s) on the agenda. Final action may be taken on any item on the agenda. In compliance with the American with Disabilities Act, needing special accommodation (including auxiliary communicative aids and service) during the meeting should notify the City Recorder at 801-782-9830 at least 48 hours prior to the meeting. In accordance with State Statute, City Ordinance, and Council Policy, one or more Council Members may be connected via speakerphone or may by two-thirds vote to go into a closed meeting.
CERTIFICATE OF POSTING
The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the North Ogden City limits on this 13th day of April, 2021 at North Ogden City Hall, on the City Hall Notice Board, on the Utah State Public Notice Website, and at https://northogdencity.com. The 2021 meeting schedule was also provided to the Standard Examiner on December 12, 2020. Katie Gerard, City Recorder

NORTH OGDEN CITY
AUDIT COMMITTEE
MEETING MINUTES

DECEMBER 7, 2020

The North Ogden City Audit Committee convened in a regular meeting on December 7, 2020 at 1:05 p.m. Due to COVID-19 the Committee met virtually on Zoom. Notice of time, place, and agenda of the meeting was posted on the bulletin board at the municipal office and posted to the Utah State Website on December 4, 2020. Notice of the annual meeting schedule was published in the Standard-Examiner on December 22, 2019.

Committee:

Phil Swanson	Committee Chairman
S. Neal Berube	Committee Member
Charlotte Ekstrom	Committee Member
Thayne Shafer	Committee Member arrived at 6:07pm
Randy Winn	Committee Member
S. Annette Spendlove	Committee Member

Staff:

Jon Call	City Manager/Attorney
Evan Nelson	Finance Director

Visitors:

Non present.

Chairman Swanson called the meeting to order and Committee Member Mayor S. Neal Berube offered the invocation and led the audience in the Pledge of Allegiance.

ACTIVE agenda

1. Public comments

None presented.

Not Approved

2. DISCUSSION ON THE QUARTERLY REPORT

Evan Nelson, Finance Director presented and stated that the State Auditor's Office implemented a process called fraud risk and we are required to undergo each year and one of the requirements is that we have a formal audit committee which the Mayor and City Council have created. This committee gives extra oversite of our financial situation. He presented the quarterly financial report through September 2020, which includes a staff report, a sheet with three different graphs, and the detailed financial report.

Chairman Swanson asked the committee what kind of information they would like presented and to introduce themselves.

Committee Member Winn's career was with retail background. He said graphs are important and he appreciates comparisons for example how we did last year.

Committee Member Shaffer is the CFO at America First Credit Union. He doesn't mind tables and numbers but wants it kept at a level that is at an advisory committee level. He suggested that the committee can ask for more information as needed.

Committee Member Ekstrom has a business here in North Ogden that is currently profitable. She stated that she has a degree in accounting from Utah State. She suggested to see what we have, what the needs are, and are needs covered. She will mostly pay attention and ask questions when they come up.

Mayor Berube is a CPA from Weber State University. Has some suggestions but open to hear what the committee says.

Director Nelson reviewed the first graph. The sales tax trend that is better than projected. Our percent change is 27% over last year. Total revenue for the General Fund is $7,833,000. The property tax increase will be seen in December. Sales Tax is looking good. Building Permits are more than projected.

Mayor inserted that we have benefited because of grocery stores and fast-food establishments.

Director Nelson reviewed the next graph, revenues & expenditures by each fund, along with the amendment that City Council included in last City Council meeting. Nelson said that expenditures are paid out of revenues.

Not Approved

Mayor added that $350,000 was taken out of the rainy-day fund along with other items to balance the budget for this fiscal year. Nelson explained what the other items are.

Committee Member Ekstrom asked if it would be easier to just say ….in the motor pool fund along with the General Fund. Director Nelson replied by giving a suggestion of what could be done to improve the motor pool fund.

Committee Member Winn asked why we have not done this in the past. Nelson replied that it is hard to set that money aside in this fund because of all the other needs in the General Fund.

Mayor also added some explanation. He said he would like to see the commitments that the city currently has and how they will be funded.

Jon Call, City Manager said that the motor pool fund is required to be funded in the way we are funding now by city code 3-3-1.

Committee Member Shaffer asked Evan to walk through the process of amending the budget, which Director Nelson did.

Jon Call stated that the last amendment to the current fiscal year budget reduced use of the rainy-day fund to about $180,000.

3. UPDATE ON THE 2020 FISCAL YEAR AUDIT

Evan presented and stated that the 2020 annual audit is underway, and the plan is for the audit report to be made to this group on December 21st and the report to be presented to the City Council on December 22nd. He added that the City contracts with a separate firm for financial statements and years end reports.

Mayor added that State Law says our Audit is due by December 31, of each year.

4. DISCUSSION ON THE NEXT AUDIT COMMITTEE MEETING

Chairman Swanson stated that there will be a committee meeting on December 21, 2020 at 1pm and we will be discussing the 2020 Audit. Packets will go out Thursday the 17th. He added that the following items will be discussed.

Not Approved

- short presentation on the motor pool process and City Code 3-3-1.
- financial commitments the City has outstanding.
- review of reinstatement list (these are items that were taken out of the budget to make it balance)**.**

5. Public comments

None presented.

6. **COMMITTEE MEMBERS/STAFF COMMENTS**

None presented.

7. ADJOURNMENT

Committee Member Ekstrom motioned to adjourn the meeting. Committee Member Shaffer seconded the motion. All in attendance voted in favor.

The motion passed unanimously.

The meeting adjourned at 2:03 p.m.

_____
Phil Swanson, Committee Chairman

_____
Katie Gerard
City Recorder

_____
Date Approved

Not Approved

NORTH OGDEN CITY
SETTLED 1851

NORTH OGDEN CITY
STAFF REPORT

TO: North Ogden City Audit Committee

FROM: Evan Nelson, Finance Director

SUBJECT: Audited Financial Statements – FY 2020

DATE: 4/15/2020

Each year the City is required to undergo a financial audit in accordance with State guidelines. The auditor's role is to review the financial records of the City and to issue an opinion whether the financial statements are fairly presented in accordance with generally accepted accounting principles. The auditor also evaluates accounting practices, internal controls, and compliance with regulations. As appropriate the auditor may issue findings and recommendations and highlight areas for improvement. The City retained the services of Keddington and Christensen CPAs to perform the audit for Fiscal Year 2020. A copy of the audited financial statements and supplementary reports have been provided as part of the Audit Committee meeting packet.

The Financial Statement Report contains a section titled "Management Discussion and Analysis." Please refer to this section for a summary of highlights and analysis of the City's financial statements.

As outlined in the *Supplementary Reports* document, the auditors have made recommendations to improve the City's reporting and procedures. Staff has accepted these recommendations and brief responses have been provided in the report. These recommendations will be discussed with the Audit Committee.

If you have any questions or requests for information prior to the committee meeting, please feel free to email enelson@nogden.org.

NORTH OGDEN CITY

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Financial Statements

With Auditor's Report

June 30, 2020

NORTH OGDEN CITY

Financial Statements - June 30, 2020

(With Auditor's Report Thereon)

NORTH OGDEN CITY

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KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
North Ogden City
North Ogden, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Ogden City, Utah, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Ogden City, Utah as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the other schedules and notes as noted on the table of contents, be presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise North Ogden City, Utah's basic financial statements. The combining fund financial statements and budgetary comparison schedule for the Capital Projects Fund and Transportation Projects Funds are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 8, 2021 on our consideration of North Ogden City, Utah'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 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 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 North Ogden, Utah's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

April 8, 2021

Management's Discussion and Analysis

This section of North Ogden City's annual financial report presents our discussion and analysis of the City's financial performance and activities for the fiscal year ended June 30, 2020. The management's discussion and analysis is not specifically audited. The information is provided to help readers understand the impact of financial activities during the fiscal year, how the City performed compared to prior years, and to provide information on important issues concerning the City's future.

Financial Highlights

- North Ogden City's total net position increased during the fiscal year by $6,853,909. Net position of governmental activities increased by $4,186,297 or 10.3%. Net position of business-type activities increased by $2,667,612 or 6.1%.

- Assets and deferred outflows of North Ogden City exceed its liabilities and deferred inflows by $91,259,787. Of this amount, $10,711,234 represents unrestricted net position and may be used to meet the government's ongoing obligations.

- North Ogden City's governmental funds reported combined ending fund balances of $9,940,750 at June 30, 2020, an increase of $2,241,729 in comparison to the previous year. Of the ending fund balance, $2,283,229 was unassigned and available for spending at the City's discretion.

- As of June 30, 2020, the enterprise funds of North Ogden City had a net position of $46,492,660. Of this amount, $37,842,768 is the net amount invested in capital assets. Combined cash from Business-Type Activities in the Enterprise Funds increased $2,890,081.

- The principal balance of the Sales Tax Revenue Refunding Bonds, Series 2014 was $1,526,000 at the beginning of Fiscal Year 2020. $251,000 was paid off during the fiscal year, leaving a principal balance of $1,275,000 as of June 30, 2020. This debt will fully mature in Fiscal Year 2025.

- The City entered a lease purchase contract for the purchase of two snowplow trucks in Fiscal Year 2018. The principal balance at the beginning of Fiscal Year 2020 was $152,336. $36,988 was paid off during the year, leaving a balance of $115,348 as of June 30, 2020.

- The City has 2 reimbursement agreements with a developer for construction of water reservoirs, distribution lines, and a pump station. The balances related to these reimbursements are reported as deferred inflows in the Water Fund. The developer is paid for infrastructure investments through culinary water impact fees collected from homes that benefit from the infrastructure. The total amount owed for both agreements is $1,495,577.

- Changes in the City's accounting methods required several prior period adjustments. These adjustments are explained in the Notes to the Financial Statements, #17.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. North Ogden City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information, in addition to the basic financial statements, that will help the reader to gain a more in-depth understanding of the City.

Government-wide Financial Statements

The government-wide financial statements are designed to provide a broad overview of North Ogden's financial position, similar to consolidated financial statements in a private-sector business.

The statement of net position presents information on all of North Ogden's assets, deferred outflows, liabilities and deferred inflows, with the difference between assets and deferred outflows less liabilities and deferred inflows reported as net position. Over time, increases and decreases in net position may serve as an indicator of changes in the financial position of the City.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, 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 financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of North Ogden City include general government, public safety, economic development, streets and roads, and parks and recreation. The business-type activities of North Ogden City include services for water, sewer, storm water, solid waste, and motor pool.

Fund Financial Statements

The fund financial statements provide detailed information about individual funds. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of its assets, liabilities, fund equity and revenues and expenses. In this report all of the funds can be divided into two classes: governmental funds and proprietary funds.

Governmental Funds

Most of the City's basic services are reported in governmental funds, which use an accounting method called modified accrual accounting. Modified accrual accounting measures cash and all other financial assets that can readily be converted to cash and focus on near-term inflows and outflows of spendable resources. The City maintains a general fund, capital projects fund, aquatic center fund, transportation projects fund, and redevelopment agency fund as governmental funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the 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 between governmental funds and governmental activities.

Proprietary Funds

North Ogden City uses two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. North Ogden City has four enterprise funds-water, sewer, storm water and solid waste. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City maintains two internal service funds to account for its fleet activities. Because these services predominantly benefit government rather than business-type activities, they are included with *governmental activities* in the government-wide statements.

Differences between Government-Wide and Fund 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.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the statements for major funds.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with non-major Governmental Funds. Combining and individual fund statements and schedules can be found after the notes in the financial section.

Government-wide Financial Analysis

Change in net position offers a measuring tool of the overall financial condition of the City. The change in Fiscal Year 2020 indicates that the City's overall financial condition has improved compared to the prior year. The City's net position increased during the fiscal year by $6,853,909, or 8.1%. Net position of governmental activities increased by $4,186,297 or 10.3%. Net position of business-type activities increased by $2,667,612 or 6.1%.

The largest component of the City's net position is capital assets (land, buildings, machinery and equipment, and improvements and other infrastructure) less the outstanding related debt obligated by the City and used to purchase or build those assets. The City uses these assets to provide services to its citizens. Consequently, these resources are not available for future spending, nor can they all be readily liquidated to pay off related liabilities. Resources needed to repay debt must be provided by other sources.

Restricted net assets are subject to external restrictions on how they may be used. The City has $3,480,928 in restricted assets for impact fee uses, $1,102,610 in restricted assets for transportation projects, and $1,599,665 in restricted assets for the redevelopment projects. Unrestricted net position however may be used at the City's discretion to meet its ongoing obligations to citizens and creditors. Unrestricted net position equal $10,711,234, which is 11.7% of total net position.

Statement of Net Position
June 30, 2020

Assets	Governmental Activities 2019	Governmental Activities 2020	Business Type Activities 2019	Business Type Activities 2020	Total 2019	Total 2020
Current & Other Assets	11,546,995	12,684,225	7,148,776	9,335,485	18,695,771	22,019,710
Capital Assets (net)	41,211,107	37,912,930	38,632,738	39,338,345	79,843,845	77,251,275
Total Assets	52,758,102	50,597,155	45,781,514	48,673,830	98,539,616	99,270,985
Deferred Outflows	1,072,406	633,567	257,479	121,942	1,329,885	755,509
Liabilities	4,094,964	2,327,102	592,981	812,645	4,687,945	3,139,747
Long Term Debt Outstanding	1,678,336	1,739,128	1,650,757	111,338	3,329,093	1,850,466
Total Liabilities	5,773,300	4,066,230	2,243,738	923,983	8,017,038	4,990,213
Deferred inflow of resources	1,899,329	2,180,553	19,321	1,595,941	1,918,650	3,776,494
Net Investment in Capital Assets:						
Invested in capital assets, net of related debt	39,532,771	36,522,582	36,981,981	37,842,768	76,514,752	74,365,350
Restricted	1,193,799	4,293,994	1,552,056	1,889,209	2,745,855	6,183,203
Unrestricted	5,431,309	4,167,363	5,241,897	6,543,871	10,673,206	10,711,234
Total Net Position	46,157,879	44,983,939	43,775,934	46,275,848	89,933,813	91,259,787

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Revenues						
General Revenues						
Property Tax	2,075,040	2,129,777			2,075,040	2,129,777
Sales Tax	3,086,826	3,487,685			3,086,826	3,487,685
Other Taxes	1,013,993	1,027,007			1,013,993	1,027,007
Interest & Investment	172,885	153,762	139,035	140,172	311,920	293,934
Grants & Contributions	3,860,467	4,572,382	4,268,983	2,309,350	8,129,450	6,881,732
Charges for Services	2,262,360	1,508,120	6,167,339	6,664,522	8,429,699	8,172,642
Sale of Assets	54,114	73,251	125,126	143,690	179,240	216,941
Transfers		6,750		-6,750		0
Other	14,294	23,639	68,690	60,216	82,984	83,855
Total Revenues	12,539,979	12,982,373	10,769,173	9,311,200	23,309,152	22,293,573
Expenses						
General Government	1,747,040	1,357,746			1,747,040	1,357,746
Public Safety	3,054,788	3,625,566			3,054,788	3,625,566
Economic Development	162,887	16,624			162,887	16,624
Streets & public improvements	1,454,099	1,717,806			1,454,099	1,717,806
Parks & Recreation	2,086,162	2,043,838			2,086,162	2,043,838
Interest on Long Term Debt	37,458	34,496			37,458	34,496
Water			1,902,967	2,398,954	1,902,967	2,398,954
Sewer			1,956,657	2,037,634	1,956,657	2,037,634
Storm Water			1,073,987	950,661	1,073,987	950,661
Solid Waste			1,107,730	1,256,339	1,107,730	1,256,339
Total Expenses	8,542,434	8,796,076	6,041,341	6,643,588	14,583,775	15,439,664
Increase (decrease) in net position	3,997,545	4,186,297	4,727,832	2,667,612	8,725,377	6,853,909
Net Position–Beginning of Fiscal Year	42,160,334	46,157,879	39,048,102	43,775,932	81,208,436	89,933,811
Prior Period Adjustment		(5,360,237)		(167,696)		(5,527,933)
Net Position-Ending of Fiscal Year	46,157,879	44,983,939	43,775,934	46,275,848	89,933,813	91,259,787

Changes in Net Position

Total revenue for governmental activities increased by $442,394. Grants & Contributions increased by $711,915 over last year. Sales tax revenues increased $400,859 or 13%. Taxes are a major source of revenue for Governmental Activities, and account for $6,644,469 or 51% of revenues overall. Expenses for Governmental Activities increased during the year by $253,642.

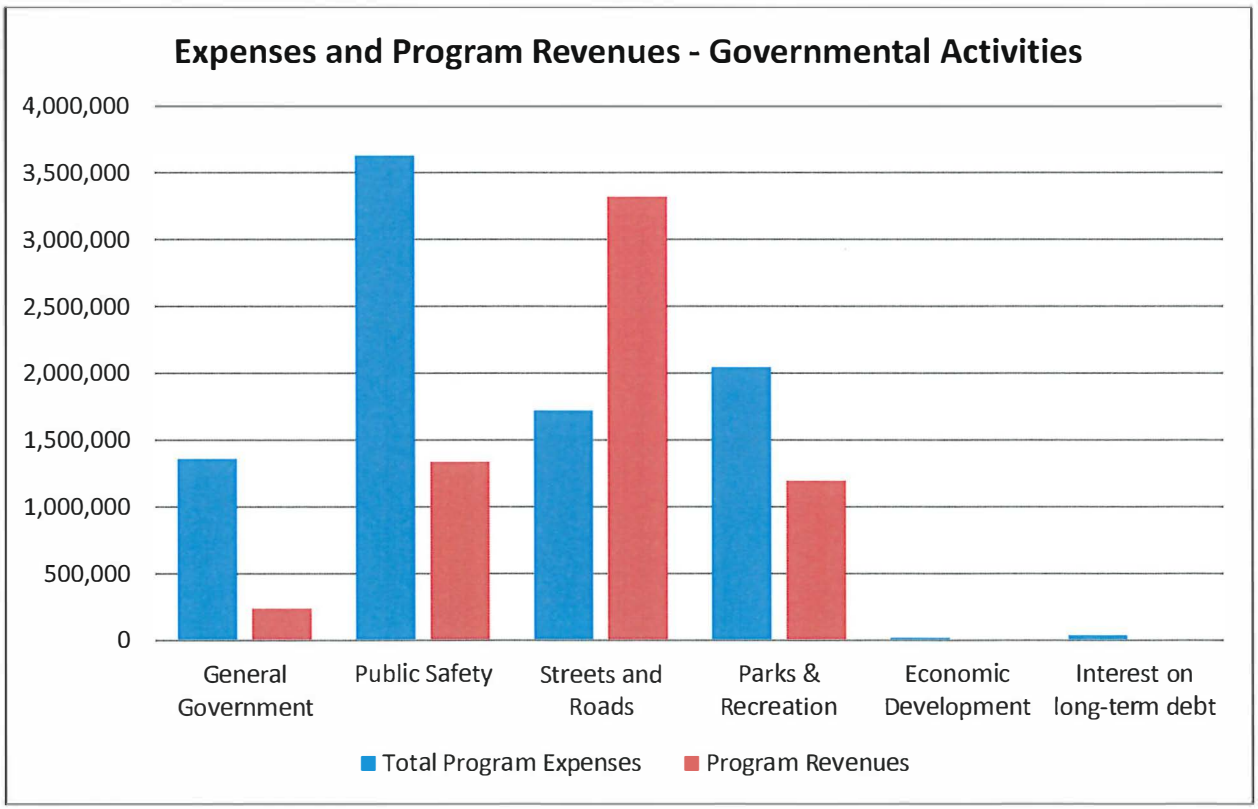
Total revenues for business-type activities decreased by $1,457,973. This year, charges for services made up 72% of the total revenues for business-type activities. Program revenues include utility fees, connection fees and special fees to builders while other fees include impact fees, gains from the sale of assets and miscellaneous revenue.

Governmental Activities

Governmental activities are reflected in the government-wide Statement of Activities. Activities in the governmental funds resulted in an increase in net position of $4,186,297 or 10.3%. The following table and chart show the relative net uses (expenses less any revenue directly attributed to that particular function) for governmental activities for each of the functions shown on the Statement of Activities.

Program-generated revenues, (charges for services, operating grants and contributions, and capital grants and contributions), covered $6,080,502 or 69% of the costs of the City's governmental activities.

Activities	*Total Program Expenses*	*Program Revenues*	*Net Program Profits/(Costs)*	*Program Revenues as a Percentage of Total Expenses*
General Government	1,357,746	236,274	-1,121,472	17%
Public Safety	3,625,566	1,334,510	-2,291,056	37%
Streets and Roads	1,717,806	3,317,998	1,600,192	193%
Parks & Recreation	2,043,838	1,191,720	-852,118	58%
Economic Development	16,624	0	-16,624	0%
Interest on long-term debt	34,496	0	-34,496	0%
Totals	8,796,076	6,080,502	-2,715,574	69.13%



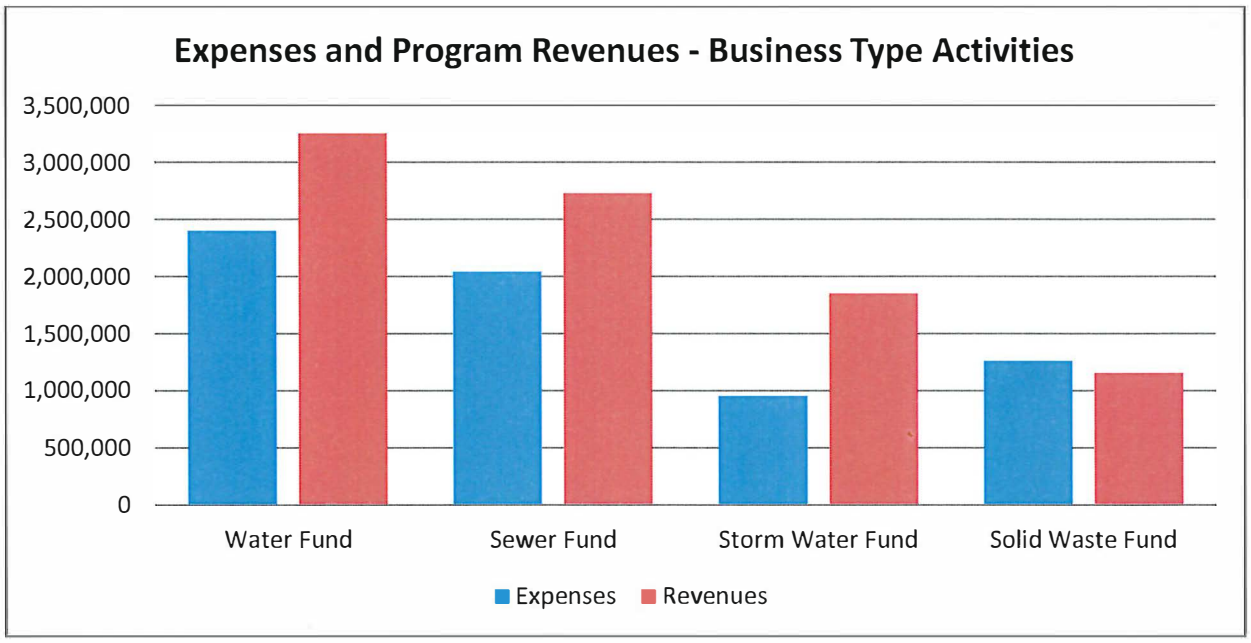
Business-Type Activities

Business-Type activities are also shown in the government-wide Statement of Activities. Activities in the enterprise funds increased the City's net position by $2,667,612.

Revenues exceeded expenditures in the Water, Sewer, and Storm Water Funds. In the Solid Waste Fund, expenditures exceeded revenues by $106,904. The fees received for these activities make up 74% of program revenues. The remaining 26% of program revenues came from Capital Grants and Contributions.

The following chart shows the relative net uses (expenses minus any revenue directly attributed to that particular enterprise fund) for the business type activities shown on the Statement of Activities.

Activities	*Expenses*	*Revenues*	*Net Program Profits/(Costs)*	*Program Revenues as a Percentage of Total Expenses*
Water Fund	2,398,954	3,250,909	851,955	136%
Sewer Fund	2,037,634	2,724,990	687,356	134%
Storm Water Fund	950,661	1,848,538	897,877	194%
Solid Waste Fund	1,256,339	1,149,435	-106,904	91%
Totals	6,643,588	8,973,872	2,330,284	135%



Capital Asset Activity

Net investment in capital assets across the City decreased by $2,149,402 in Fiscal Year 2020. This amount is made up of a decrease in governmental activities in the amount of $3,010,189 and an increase in business-type activities in the amount of $860,787. The primary reason for the decrease in net investment in capital assets is a change in the City's approach to recording assets in the Streets Department. Prior to the 2020 Fiscal Year, the City considered road maintenance projects to be capital assets. In Fiscal Year 2020 it was decided that road maintenance projects would no longer be classified as capital assets and road maintenance assets from previous years were removed from the asset schedule.

At the close of Fiscal Year 2020, the City had five significant commitments as listed below:

- $850,000 commitment to UDOT for the 2600 North Widening project
- $940,653 commitment for the purchase of the Wells Fargo building
- $297,080 commitment to complete the Sewer relining project that started in FY2019
- $71,111 commitment related to the disposition of three garbage trucks
- $1,387,696 commitment on the community pond/park project

Long-Term Debt

In February 2014, the City issued advanced refunding (refinancing) bonds in the amount of $2,550,000 at an interest rate of 2.32%. In November 2014, the original 2004 Sales Tax Bonds were paid off with the refunding bond proceeds. $251,000 was paid off during the 2020 Fiscal Year leaving a principal balance of $1,275,000 as of June 30, 2020.

In Fiscal Year 2018, the City entered a new lease purchase contract for the purchase of two snowplow trucks. The total principal associated with the lease was $228,574.84. In Fiscal Year 2020, a payment was made in the amount of $36,988, leaving a principal balance of $115,348 at June 30, 2020. The annual interest rate is 1.95%.

Long Term Debt Activity
June 30, 2020

	Governmental Activities				Business Type Activities		
Long Term Debt	Beginning Balance	Issued/ (Retired)	Ending Balance		Beginning Balance	Issued/ (Retired)	Ending Balance
Bonds Payable	1,526,000	(251,000)	1,275,000				
Snow Plow Trucks (2)	152,336	(36,988)	115,348				
Total	1,678,336	-287,988	1,390,348				

Water Infrastructure Agreements

The City has entered into two agreements with developers to construct improvements to the water system as part of development of various areas within the City. These agreements have no required repayment terms by date and no interest but rather require the developer to be reimbursed for the cost of these improvements from impact fees charged in the areas covered by the agreements. The total amount owed for both agreements is $1,495,577. This is reported as a deferred inflow in the Water Fund.

Analysis of Funds

Governmental Funds

The City's Governmental Funds are accounted for using the modified accrual basis of accounting. The governmental funds provide information on the short-term resource inflows and outflows and account balances at the end of the fiscal year. Such information is useful in assessing the City's financing requirements.

At the end of the fiscal year, the City's governmental funds reported combined fund balance of $9,940,750, an increase of $2,309,603. $2,283,229 of the total amount constitutes unassigned funds, which are available for spending at the government's discretion. The city had an assigned fund balance of $3,356,526, most of which will be utilized for future capital projects. Nonspendable fund balance at year end was $7,001 which is for prepaid expenses. Restricted fund balance at year-end was $4,293,994, which is restricted for redevelopment projects and transportation projects.

General Fund

The General Fund is the chief operating fund of North Ogden City and accounts for all of the general services provided. At June 30, 2020 the unassigned fund balance of the General Fund was $2,283,229.

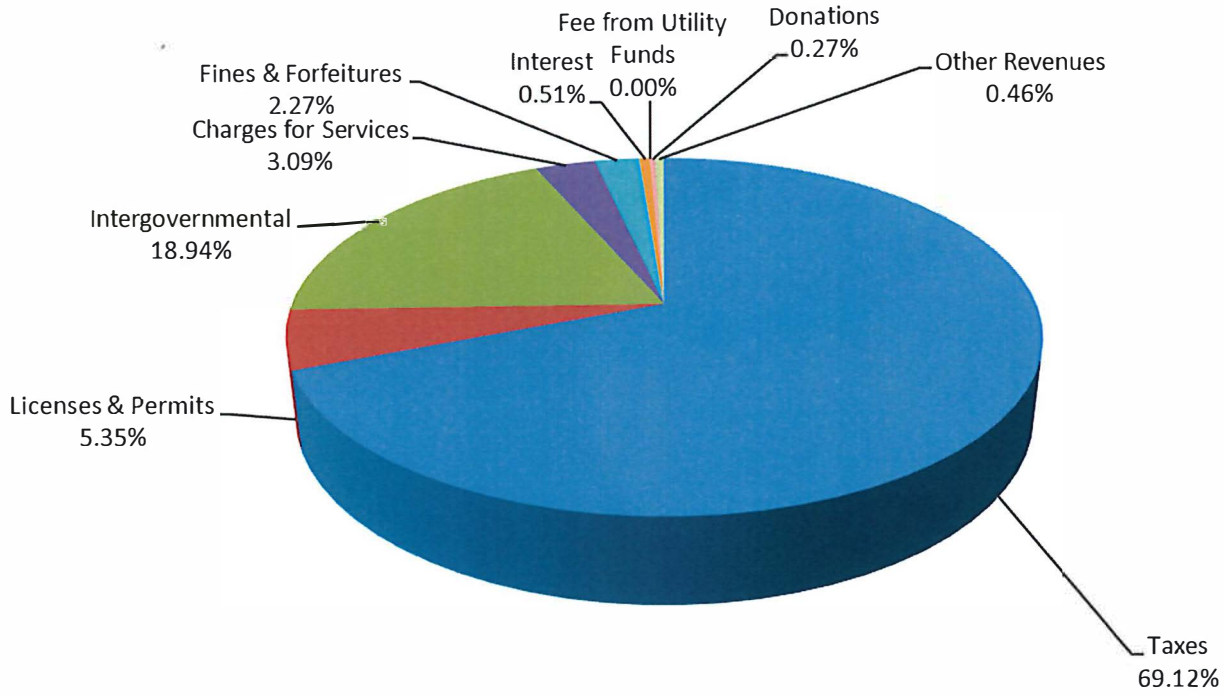
The following tables and charts compare General Fund revenues and expenditures by function between fiscal years 2019 and 2020.

General Fund Revenues

(prior year comparison)

Revenues	2019	2020	$ Increase/ (Decrease)	% Increase/ (Decrease)	Percent of Total
Taxes	$5,285,537	$5,610,181	$324,644	6.14%	69.12%
Licenses & Permits	$467,839	$433,954	-$33,885	-7.24%	5.35%
Intergovernmental	$914,532	$1,537,139	$622,607	68.08%	18.94%
Charges for Services	$359,633	$250,572	-$109,061	-30.33%	3.09%
Fines & Forfeitures	$232,731	$183,914	-$48,817	-20.98%	2.27%
Interest	$50,555	$41,269	-$9,286	-18.37%	0.51%
Fee from Utility Funds	$477,515	$0	-$477,515	0.00%	0.00%
Donations	$6,451	$22,227	$15,776	244.55%	0.27%
Other Revenues	$49,002	$37,050	-$11,952	-24.39%	0.46%
Total Revenue	$7,843,795	$8,116,306	$272,511	3.47%	

Governmental Funds Revenue Sources

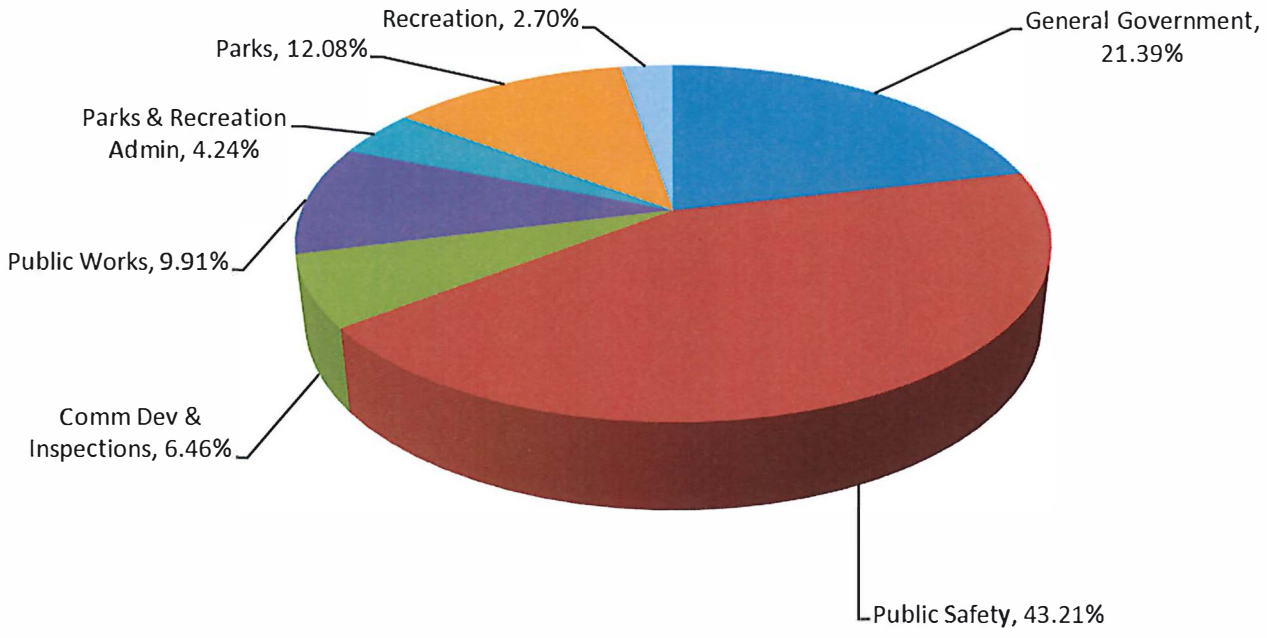


General Fund Expenditures

(prior year comparison)

Expenditures	2019	2020	$ Increase/ (Decrease)	% Increase/ (Decrease)	Percent of Total
General Government	$1,517,200	$1,333,665	-$183,535	-12.10%	21.39%
Public Safety	$2,673,618	$2,694,631	$21,013	0.79%	43.21%
Comm Dev & Inspections	$441,611	$402,955	-$38,656	-8.75%	6.46%
Public Works	$717,466	$618,029	-$99,437	-13.86%	9.91%
Parks & Recreation Admin	$254,180	$264,504	$10,324	4.06%	4.24%
Parks	$741,131	$753,570	$12,439	1.68%	12.08%
Recreation	$157,388	$168,466	$11,078	7.04%	2.70%
Total Expenditures	$6,502,594	$6,235,820	-$266,774	-4.10%	

Governmental Funds Expenditures



Other Governmental Funds

The fund balance in the Redevelopment Agency funds increased by $355,835 during the year. This brought the fund balance from $1,230,736 in 2019 to $1,639,071. The Capital Projects fund balance increased by $534,204 bringing the fund balance to $2,251,664 at the end of the Fiscal Year. The Aquatic Center Fund balance decreased by $17,531 bringing the fund balance to $7,865 at the end of the Fiscal Year. The Transportation Projects Fund balance increased by $926,907 bringing the fund balance to $3,751,920 at the end of the Fiscal Year.

Enterprise Funds

The Enterprise Funds consist of the Water, Sewer, Storm Drain and Solid Waste funds. The Statement of Revenue, Expenses, and Changes in Fund Net Position includes the Enterprise Funds as well as the Internal Service Funds.

This year the Water Fund had an operating loss of $146,156. The Sewer Fund had an operating income of $175,792. The Storm Water Fund had an operating income of $176,892. The Solid Waste Fund had an operating loss of $76,263. Depreciation expense is factored into these amounts.

The Internal Service Funds are responsible for the repair and maintenance of the City's vehicles and equipment, as well as the purchase of general government vehicles and equipment. These funds had an operating loss of $153,833. Funding for the internal service fund comes from the departments throughout the City that are serviced by the fund.

For reporting purposes, the Sewer and Storm Water Impact Fee Funds were combined with their respective utility funds.

General Fund Budgetary Highlights

During the Fiscal Year, the General Fund's original budget for expenditures and transfers was amended from $7,693,853 to a final budget of $7,713,674, an increase of $19,821. Actual expenditures were $6,235,820 and were $1,477,854 less than the final budget. This variance is particularly substantial because the City modified its approach to financial reporting. In the past, administrative fees paid to the General Fund by the utility funds were budgeted and recorded as General Fund revenue. In Fiscal Year 2020, those revenues were budgeted, but were instead recorded as contra expenses. This change significantly reduced reported expenditures in the General Fund. Future budgets will align with this revised approach.

General Fund revenues were $264,040 less than budget. Part of this variance is caused by the change in the recording of administrative fees explained above. Additionally, traffic school and recreation revenues were much lower than expected and amphitheater revenues were not received due to the pandemic. However, sales tax revenues were $298,347 higher than budget.

Economic Factors

Fiscal Year 2020 was impacted by the COVID-19 pandemic. Panic buying and a decrease in travel and dining out contributed to an 11.6% increase in sales tax revenue. Building permit revenue, however, decreased by 8.7% compared to the prior year. While the national economy continues to show signs of uncertainty, due to the pandemic, the State economy seems to be holding strong and even expanding. Economists are optimistic that the COVID-19 vaccination will allow the economies of the world to rebound.

Requests for Information

Questions concerning this report should be addressed to:
North Ogden City, Finance Director, 505 East 2600 North, North Ogden, UT 84414.

NORTH OGDEN CITY

Statement of Net Position

June 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 4,982,142	6,466,950	11,449,092
Restricted cash and cash equivalents	4,303,384	1,965,849	6,269,233
Accounts receivable	3,166,770	571,238	3,738,008
Accounts receivable grants and donations	-	478,505	478,505
Accrued interest receivable	-	1,278	1,278
Inventory	3,883	-	3,883
Prepaid items	11,234	3,565	14,799
Note receivable	-	64,912	64,912
Internal balances	216,812	(216,812)	-
Capital assets not being depreciated	9,348,538	1,437,810	10,786,348
Capital assets, net of accumulated depreciation	28,564,392	37,900,535	66,464,927
Total assets	50,597,155	48,673,830	99,270,985
Deferred Outflows of Resources	633,567	121,942	755,509
Liabilities:			
Accounts payable	382,024	507,886	889,910
Accrued liabilities	6,883	26,271	33,154
Due to other governments-restricted cash	9,390	76,640	86,030
Performance bonds and deposits	454,450	14,062	468,512
Unearned rental income	48,653	-	48,653
Non-current liabilities:			
Net pension liability	1,425,702	187,786	1,613,488
Amount due within year	502,977	66,803	569,780
Due in more than one year	1,236,151	44,535	1,280,686
Total liabilities	4,066,230	923,983	4,990,213
Deferred Inflows of Resources			
Property taxes	1,567,189	-	1,567,189
System reimbursement agreements	-	1,495,577	1,495,577
Pension related	613,364	100,364	713,728
Total deferred inflows of resources	2,180,553	1,595,941	3,776,494
Net position:			
Net investment in capital assets	36,522,582	37,842,768	74,365,350
Restricted for:			
Redevelopment agency	1,599,665	-	1,599,665
Transportation impact fees	1,591,719	-	1,591,719
Transportation utility sales tax	872,204	-	872,204
Transportation street widening	230,406	-	230,406
Sewer impact fee projects	-	421,187	421,187
Storm water impact fee projects	-	1,468,022	1,468,022
Unrestricted	4,167,363	6,543,871	10,711,234
Total net position	$ 44,983,939	46,275,848	91,259,787

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Statement of Activities

For the Year Ended June 30, 2020

		Program Revenue			Net (Expense) Revenue and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental:							
General government	$ 1,357,746	236,274	-	-	(1,121,472)	-	(1,121,472)
Public safety	3,625,566	613,810	720,700	-	(2,291,056)	-	(2,291,056)
Streets and roads	1,717,806	275,527	790,747	2,251,724	1,600,192	-	1,600,192
Parks and recreation	2,043,838	382,509	13,163	796,048	(852,118)	-	(852,118)
Economic development	16,624	-	-	-	(16,624)	-	(16,624)
Interest on long-term debt	34,496	-	-	-	(34,496)	-	(34,496)
Intergovernmental	-	-	-	-	-	-	-
Total governmental activities:	8,796,076	1,508,120	1,524,610	3,047,772	(2,715,574)	-	(2,715,574)
Business-type:							
Water	2,398,954	2,199,475	-	1,051,434	-	851,955	851,955
Sewer	2,037,634	2,202,389	-	522,601	-	687,356	687,356
Storm water	950,661	1,113,223	-	735,315	-	897,877	897,877
Solid waste	1,256,339	1,149,435	-	-	-	(106,904)	(106,904)
Total business-type activities	6,643,588	6,664,522	-	2,309,350	-	2,330,284	2,330,284
Total primary government	$ 15,439,664	8,172,642	1,524,610	5,357,122	(2,715,574)	2,330,284	(385,290)
General revenue:							
Property tax, tax increments and vehicle fees					2,129,777	-	2,129,777
Sales Tax					3,487,685	-	3,487,685
Franchise and energy tax					1,027,007	-	1,027,007
Total taxes					6,644,469	-	6,644,469
Interest earned					153,762	140,172	293,934
Other general revenue							
Disposition of assets					73,251	143,690	216,941
Miscellaneous					23,639	60,216	83,855
Transfers					6,750	(6,750)	-
Total general revenue					6,901,871	337,328	7,239,199
Change in net position					4,186,297	2,667,612	6,853,909
Net position-beginning of year					46,157,879	43,775,932	89,933,811
Prior period adjustment					(5,360,237)	(167,696)	(5,527,933)
Adjusted beginning net position					40,797,642	43,608,236	84,405,878
Net position-end of year					$ 44,983,939	46,275,848	91,259,787

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See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Balance Sheet
Governmental Funds

June 30, 2020

	General Fund	RDA / CDA Fund	Aquatic Center	Capital Projects	Transportation Projects	Total Governmental Fund
Assets:						
Cash and cash equivalents	$ 2,119,615	48,193	36,669	1,720,616	990,331	4,915,424
Restricted cash and cash equivalents	9,390	1,599,665	-	-	2,694,329	4,303,384
Accounts receivable (net)	2,345,770	79,398	85,352	572,043	84,207	3,166,770
Prepaid items	7,001	-	-	-	-	7,001
Total assets	4,481,776	1,727,256	122,021	2,292,659	3,768,867	12,392,579
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	4,481,776	1,727,256	122,021	2,292,659	3,768,867	12,392,579
Liabilities:						
Accounts payable	263,931	185	67,036	40,995	-	372,147
Due to other government-restricted cash	9,390	-	-	-	-	9,390
Performance bonds and deposits	439,036	-	1,550	-	13,864	454,450
Unearned revenue	-	-	45,570	-	3,083	48,653
Total liabilities	712,357	185	114,156	40,995	16,947	884,640
Deferred inflows of resources:						
Property taxes	1,479,189	88,000	-	-	-	1,567,189
Total deferred inflows of resources	1,479,189	88,000	-	-	-	1,567,189
Fund Balances:						
Nonspendable:						
Prepaid items	7,001	-	-	-	-	7,001
Restricted:						
Redevelopment agency		1,599,665	-	-	-	1,599,665
Transportation impact fees	-	-	-	-	1,591,719	1,591,719
Transportation utility sales tax	-	-	-	-	872,204	872,204
Transportation street widening	-	-	-	-	230,406	230,406
Assigned	-	39,406	7,865	2,251,664	1,057,591	3,356,526
Unassigned	2,283,229	-	-	-	-	2,283,229
Total Fund balance	2,290,230	1,639,071	7,865	2,251,664	3,751,920	9,940,750
Total liabilities, deferred inflows of resources, and fund balances.	$ 4,481,776	1,727,256	122,021	2,292,659	3,768,867	12,392,579

ndependent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Reconciliation of the Balance Sheet-
Governmental Funds to the Statement of Net Position

June 30, 2020

Total fund balance - governmental funds		$ 9,940,750
Amount reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not reported as assets in governmental funds.		
Land and related non-depreciable assets	8,389,634	
Construction in process	958,904	
Buildings	16,418,726	
Depreciable infrastructure and improvements	17,633,235	
Vehicles and equipment	1,860,071	
Accumulated depreciation	(9,478,170)	
Total capital assets		35,782,400
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net position.		2,251,202
Some liabilities are not due and payable in the current period and therefore are not reported in funds.		
Those funds consist of:		
Bonds payable	(1,275,000)	
Interest payable	(4,903)	
Compensated absences and benefits	(341,269)	
Net pension liability	(1,384,737)	
Total long-term debt		(3,005,909)
Deferred inflows for pension (credits) $-591,470 and deferred outflows for pension outflows for pension (charges) $606,966 are not reflected in the funds statements but are reported as part of the statement of activities.		15,496
Total net position - governmental activities		$ 44,983,939

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

For the Year Ended June 30, 2020

	General Fund	RDA/CDA Funds	Aquatic Center	Capital Projects	Transportation Projects	Total Government Funds
Revenues:						
Taxes	$ 5,610,181	73,594	-	-	270,248	5,954,023
License and permits	433,954	-	-	-	-	433,954
Intergovernmental	1,537,139	690,446	-	820,344	-	3,047,929
Charges for services	250,572	-	336,771	-	133,907	721,250
Fines and forfeitures	183,914	-	-	-	-	183,914
Interest	41,269	27,512	-	19,628	61,792	150,201
Rents	12,794	-	2,470	-	124,995	140,259
Donations from private sources	22,227	-	-	-	-	22,227
Traffic School	18,180	-	-	-	-	18,180
Impact fees	-	-	-	448,478	370,780	819,258
Other revenue	6,076	1,980	3,769	4,034	-	15,859
Total revenue	8,116,306	793,532	343,010	1,292,484	961,722	11,507,054
Expenditures:						
Current:						
General government	1,333,665	-	-	11,201	-	1,344,866
Public Safety	3,097,586	-	-	-	-	3,097,586
Streets and roads	618,029	-	-	534,031	34,815	1,186,875
Parks and recreation	1,186,540	-	498,713	10,459	-	1,695,712
Economic development	-	16,624	-	-	-	16,624
Debt service:						
Principal	-	-	251,000	-	-	251,000
Interest	-	-	32,492	-	-	32,492
Capital outlay:						
General government	-	-	-	207,004	-	207,004
Streets and roads	-	-	-	680,864	-	680,864
Parks and recreation	-	-	-	762,552	-	762,552
Total expenditures	6,235,820	16,624	782,205	2,206,111	34,815	9,275,575
Excess (deficiency) of revenues over (under) expenditures	1,880,486	776,908	(439,195)	(913,627)	926,907	2,231,479
Other financing sources (uses):						
Proceeds from capital asset dispositions	-	-	-	3,500	-	3,500
Transfers from (to) other funds	(1,438,172)	(421,073)	421,664	1,444,331	-	6,750
Total other financing sources (uses)	(1,438,172)	(421,073)	421,664	1,447,831	-	10,250
Net change in fund balances	442,314	355,835	(17,531)	534,204	926,907	2,241,729
Fund balances - beginning	1,767,812	1,230,737	90,126	1,717,460	2,825,013	7,631,148
Prior period adjustment	80,104	52,499	(64,730)	-	-	67,873
Fund balances - beginning as adjusted	1,847,916	1,283,236	25,396	1,717,460	2,825,013	7,699,021
Fund balances - ending	$ 2,290,230	1,639,071	7,865	2,251,664	3,751,920	9,940,750

Independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Reconciliation of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Funds to the Statement of Activities

Year Ended June 30, 2020

Net change in fund balances - total governmental funds	$ 2,241,729
Amount reported for governmental activities in the statement of activities are different because:	
Government funds report capital outlays as expenditures of $1,650,420. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense of $874,007. Capital outlays exceeded depreciation for the period.	776,413
The payment of long-term debt uses current financial resources to governmental funds. These payments are treated as payments of liabilities in the Statement of Activities.	251,000
Contributions of infrastructure to governmental funds do not provide current financial resources but are reported in the statement of activities.	1,373,379
Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities in the statement of activities	(34,375)
Changes in compensated absences payable are treated as expenditures in governmental funds statements, but are reductions or increases in liabilities in the statement of activities.	(141,789)
Changes in accrued interest expense used in government activities are not payable from current resources and are therefore not reported in governmental funds.	966
Some additions of expense reported in the statement of activities do not use current financial resources and therefore are not in the governmental funds. Change in pension liabilities and related deferred outflows and inflows of resources	(281,026)
Change in net position of governmental activities	$ 4,186,297

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Statement of Net Position
Proprietary Funds

June 30, 2020

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Internal Service Funds
Current assets:						
Cash and cash equivalents	$ 3,720,284	1,399,445	941,166	406,055	6,466,950	66,718
Accounts receivable - utilities (net)	134,370	218,512	107,520	110,836	571,238	-
Grants receivable	-	-	293,600	-	293,600	-
Other amounts receivable	-	-	184,905	-	184,905	-
Current amount of note receivable	64,912	-	-	-	64,912	-
Accrued interest receivable	1,278	-	-	-	1,278	-
Prepaid items	3,565	-	-	-	3,565	8,117
Total current assets	3,924,409	1,617,957	1,527,191	516,891	7,586,448	74,835
Capital assets:						
Land, rights and water stock	142,025	-	98,983	-	241,008	-
Buildings and structures	345,949	-	-	72,476	418,425	337,565
Construction in process	126,532	335,037	735,233	-	1,196,802	-
Systems	29,368,725	11,556,932	13,390,801	-	54,316,458	-
Vehicles and equipment	1,938,491	610,642	1,194,494	1,224,274	4,967,901	4,125,210
Total Capital Assets	31,921,722	12,502,611	15,419,511	1,296,750	61,140,594	4,462,775
Accumulated depreciation	12,058,447	3,805,525	4,866,555	1,071,722	21,802,249	2,332,245
Net Capital Assets	19,863,275	8,697,086	10,552,956	225,028	39,338,345	2,130,530
Restricted cash and equivalents	-	497,827	1,468,022	-	1,965,849	-
Total noncurrent assets	19,863,275	9,194,913	12,020,978	225,028	41,304,194	2,130,530
Total assets	23,787,684	10,812,870	13,548,169	741,919	48,890,642	2,205,365
Deferred outflows of resources						
Pension related	59,021	21,488	29,090	12,343	121,942	26,601
	59,021	21,488	29,090	12,343	121,942	26,601
Current liabilities:						
Accounts payable	25,636	312,877	1,550	81,704	421,767	5,595
Current portion of lease obligation payable	-	-	-	-	-	37,709
Accounts payable-impact fees	86,119	-	-	-	86,119	-
Due to other government-restricted cash	-	76,640	-	-	76,640	-
Wages and benefits payable	9,805	5,725	5,842	4,899	26,271	4,282
Compensated absences payable	24,307	13,223	14,321	14,951	66,802	4,507
Accrued interest payable	-	-	-	-	-	1,980
Deposits	14,062	-	-	-	14,062	-
Total current liabilities	159,929	408,465	21,713	101,554	691,661	54,073
Non-current liabilities:						
Net pension liability	90,890	33,091	44,797	19,008	187,786	40,965
Compensated absences payable	16,205	8,816	9,547	9,968	44,536	3,004
Lease obligation payable	-	-	-	-	-	77,639
Total non-current liabilities	107,095	41,907	54,344	28,976	232,322	121,608
Total liabilities	267,024	450,372	76,057	130,530	923,983	175,681
Deferred inflows of resources:						
Pension related	48,577	17,686	23,942	10,159	100,364	21,894
System agreements	1,495,577	-	-	-	1,495,577	-
	1,544,154	17,686	23,942	10,159	1,595,941	21,894
Net position:						
Net investment in capital assets	18,367,698	8,697,086	10,552,956	225,028	37,842,768	2,015,182
Restricted - impact fees	-	421,187	1,468,022	-	1,889,209	-
Unrestricted	3,667,829	1,248,027	1,456,282	388,545	6,760,683	19,209
Total net position	$ 22,035,527	10,366,300	13,477,260	613,573	46,492,660	2,034,391
Adjustment to report cumulative internal balance for the net effect of the activity between internal service and internal service funds over time					(216,812)	
Net position of business-type activities					46,275,848	

3.

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds

For the Year Ended June 30, 2020

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Internal Service Funds
Operating revenue:						
Charges for services	2,108,958	2,191,861	1,113,223	1,112,835	6,526,877	446,250
Connection fees	90,517	10,528	-	-	101,045	-
Special fees	-	-	-	36,600	36,600	-
Sale of materials and supplies	-	-	-	-	-	5,263
Miscellaneous	40,607	-	5	19,604	60,216	2,515
Total operating revenue	2,240,082	2,202,389	1,113,228	1,169,039	6,724,738	454,028
Operating expenses:						
Salaries and benefits	503,334	183,368	232,833	98,225	1,017,760	205,284
Sewer fees	-	1,197,643	4,062	-	1,201,705	-
Transfer station fees - Weber County	-	-	-	335,532	335,532	-
Contract service - Waste Management	-	-	-	457,796	457,796	-
Materials, supplies and services	781,731	123,516	89,064	151,999	1,146,310	163,875
Motor pool rents	35,118	30,479	39,558	30,479	135,634	-
Depreciation	796,044	263,309	308,123	46,452	1,413,928	238,702
Administrative services fee	270,011	228,282	262,696	124,819	885,808	-
Total operating expenses	2,386,238	2,026,597	936,336	1,245,302	6,594,473	607,861
Operating income (loss)	(146,156)	175,792	176,892	(76,263)	130,265	(153,833)
Non-operating revenues (expenses):						
Gain (loss) from sale of assets	61,352	31,923	35,431	14,984	143,690	69,751
Grant revenue for capital projects	-	-	110,532	-	110,532	-
Donations received for capital projects	-	-	16,192	-	16,192	-
Interest expense - capital leases	-	-	-	-	-	(2,970)
Interest received	63,163	30,022	39,497	7,490	140,172	3,561
Total non-operating revenues (expenses)	124,515	61,945	201,652	22,474	410,586	70,342
Income (loss) before capital contributions and transfers	(21,641)	237,737	378,544	(53,789)	540,851	(83,491)
Capital contribution	416,137	416,786	326,044	-	1,158,967	-
Impact fees	635,297	105,815	282,547	-	1,023,659	-
Transfer in (out)	28,750	(2,250)	(33,250)	-	(6,750)	-
Change in net position	1,058,543	758,088	953,885	(53,789)	2,716,727	(83,491)
Net position - beginning of year	20,976,984	9,608,212	12,523,375	667,362		2,117,882
Net position - end of year	$ 22,035,527	10,366,300	13,477,260	613,573		2,034,391
Adjustment for the net effect of current year activity between the internal service funds and enterprise funds.					(49,115)	
Net position of business-type activities					2,667,612	

NORTH OGDEN CITY

Statement of Cash Flows
Proprietary Funds

For the Year Ended June 30, 2020

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	$2,106,795	2,189,466	1,110,274	1,116,670	6,523,205	-
Cash received from interfund services provided	-	-	-	-	-	446,250
Cash received from other activities	140,869	10,528	5	56,204	207,606	7,778
Cash payments for payroll and benefits	(515,174)	(195,365)	(256,390)	(93,491)	(1,060,420)	(219,620)
Cash payments for goods and services	(1,022,100)	(1,229,762)	(350,925)	(984,992)	(3,587,779)	(160,751)
Cash payments for interfund services used	(35,115)	(30,479)	(39,558)	(30,479)	(135,631)	-
Net receipts (payments) for service deposits	5,832	-	-	-	5,832	-
Net payments of impact fees collected by another government	-	76,640	-	-	76,640	-
Net cash provided (used) by operating activities	681,107	821,028	463,406	63,912	2,029,453	73,657
Cash flows from capital and related financing activities:						
Cash payments for property and equipment	(702,810)	(474,754)	(339,028)	(70,530)	(1,587,122)	(796,501)
Proceeds from capital assets sales	358,756	146,739	185,098	79,652	770,245	479,712
Collection on contract sale of easement	63,121	-	-	-	63,121	-
Impact fee collections for capital projects	635,297	105,815	282,547	-	1,023,659	-
Grants and other receivables collections for capital projects	-	-	508,929	-	508,929	-
Donations for capital projects	-	-	16,192	-	16,192	-
Payments on capital leases	-	-	-	-	-	(39,958)
Payments on system reimbursement agreements (net)	(69,061)	-	-	-	(69,061)	-
Net cash provided (used) by capital and related financing activities	285,303	(222,200)	653,738	9,122	725,963	(356,747)
Cash flows from non-capital financing activities:						
Transfer from (to) other funds	28,750	(2,250)	(33,250)	-	(6,750)	-
Pension related items	-	-	-	-	-	-
Net cash used by from non-capital financing activities	28,750	(2,250)	(33,250)	-	(6,750)	-
Cash flows from investing activities:						
Interest received	64,406	30,022	39,497	7,490	141,415	3,561
Net cash provided by investing activities	64,406	30,022	39,497	7,490	141,415	3,561
Net increase (decrease) in cash and cash equivalents	1,059,566	626,600	1,123,391	80,524	2,890,081	(279,529)
Cash and cash equivalents - beginning of year	2,660,718	1,270,672	1,285,797	325,531	5,542,718	346,247
Cash and cash equivalents - end of year	$ 3,720,284	1,897,272	2,409,188	406,055	8,432,799	66,718

NORTH OGDEN CITY

Statement of Cash Flows - Continued
Proprietary Funds

For the Year Ended June 30, 2020

	Business-type Activities					Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used by) operation activities:						
Operating income (loss)	$ (146,156)	175,792	176,892	(76,263)	130,265	(153,833)
Adjustments to reconcile operating income (loss) to net cash provided by (used by) operating activities:						
Depreciation	796,044	263,309	308,123	46,452	1,413,928	238,702
Decrease (increase) in receivables	7,582	(2,395)	(2,949)	3,835	6,073	-
(Decrease) increase in allowance for uncollectible receivables	4,179	6,802	3,347	3,450	17,778	-
Decrease (increase) in inventory	-	-	-	-	-	(3,882)
Decrease (increase) in prepaid items	(53)	-	-	-	(53)	1,411
Pension related items	(32,206)	(25,467)	(33,880)	(14,906)	(106,459)	(11,188)
(Decrease) increase in impact fees for other governments	-	76,640	-	-	76,640	-
(Decrease) increase in accounts payable	25,519	312,877	1,550	81,704	421,650	5,595
(Decrease) increase in compensated absences and wages and benefits payable	20,366	13,470	10,323	19,640	63,799	(3,148)
Decrease in total deposits for services	5,832	-	-	-	5,832	-
Total operating revenue	827,263	645,236	286,514	140,175	1,899,188	227,490
Net cash provided (used) by operating activities	681,107	821,028	463,406	63,912	2,029,453	73,657
Schedule of non-cash capital and related financing activities:						
Capital assets from Grants and Donations receivable	-	-	876,902	-	876,902	-
Capital contributions by developers	727,202	569,392	953,352	-	2,249,946	-
Total non-cash capital and related financing acti financing activities	$ 727,202	569,392	1,830,254	-	3,126,848	-

dependent auditors' report and notes to financial statements.

(1) Summary of Significant Accounting Policies

This summary of significant accounting policies of North Ogden City (the City) is presented to assist in understanding the City's financial statements. The financial statements and notes are the representation of the City's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles, as applicable to governmental organizations. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles.

A. Organization

North Ogden City was incorporated in 1934. The City (a municipal corporation) operates under a traditional council/mayor form of government and provides the following services as authorized by its charter: public safety, public utilities, highways and streets, sanitation, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

B. Reporting Entity

As required by generally accepted accounting principles, these financial statements present North Ogden City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units:

North Ogden Redevelopment Agency - The North Ogden Redevelopment Agency (RDA) is governed by the Mayor and City Council. Although it is legally separate from the City, the RDA is reported as if it were part of the primary government because its sole purpose is to redevelop areas within the City thereby generating additional property tax and sales tax. The RDA does not prepare separately issued financial statements. Financial information for the RDA may be obtained at the City Administrative Offices.

North Ogden City Downtown Community Development Project Area. The North Ogden city Redevelopment Agency Board of Directors has established the North Ogden City Downtown Project Area, also called the Community Development Area, or CDA. A plan for this area was approved. In order to promote economic development within the Project Area and to increase the property tax base within the Project Area through the development of commercial, retail, and residential spaces within the Project Area. The CDA does not prepare separately issues financial statements and is combined with the RDA in the statements of the City. Financial information for the CDA may be obtained at the City Administrative office.

C. Government-Wide and Fund Financial Statements

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.

Government-Wide Financial Statements
The government-wide statements present information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange revenue. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities.

(1) Summary of Significant Accounting Policies - Continued

The Statement of Net Position presents the City's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is restricted when constraints placed upon them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City allocates part of General fund costs to utility funds as administrative fees. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenue.

Fund Financial Statements
The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and statutory mandate. The various funds are grouped, in the financial statements in this report, into fund types and categories as follows:

Governmental Fund Types:
The City reports the following major governmental funds:

General fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those that are required to be accounted for in other funds. It also includes the financial activities related to most federal and state funds.

Special revenue funds - These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The City has two Special Revenue Funds. The combined RDA/CDA fund is used to provide information on the operation of the Redevelopment Agency and Community Development Project Area. The Fund receives revenues from a tax increment for property in the areas covered. The Aquatic Center is also operated as a Special Revenue Fund to show activity of the Center and also the debt service of the sales tax refunding bond used to construct the pool. Revenue is received from pool admissions and rents. The Center also receives a transfer from the RDA/CDA for debt service and a transfer from the General Fund as a subsidy to operations.

Capital projects funds - These funds are used to account for financial resources to be used for the acquisition or construction of general major capital facilities.

Proprietary Fund Types:
Enterprise funds - Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City operates its water, sewer, storm drainage, and solid waste fund as enterprise funds. Each is considered a major proprietary fund.

Internal service funds - The internal service funds are used to provide financing of goods and services provided by one department or agency to other departments or agencies of the government, or other governments on a cost-reimbursements basis. The City maintained internal service funds for motor vehicle fleet operations. Internal service funds are reported as a single column on the enterprise fund statements and are combined with governmental activities on the government-wide statements.

(1) Summary of Significant Accounting Policies - Continued

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are reported using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

All governmental funds are accounted for using the modified accrual basis of accounting. That is, revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter (within sixty days) to be used to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued in the individual funds because the current portion of these items cannot be reasonably estimated and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Net position is segregated into investment in capital assets, restricted and unrestricted components. Proprietary fund-type operating statements present increases and decreases in net total assets.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Sales and use taxes, franchise taxes, and earned but un-reimbursed state and federal grants associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. All other revenues are considered to be measurable and available only when cash is received by the government.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the general fund by various enterprise funds for the providing of administrative services for such funds. Elimination of these charges would distort the total costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenue include all taxes and fees in lieu.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

(1) Summary of Significant Accounting Policies – Continued

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

Cash, Deposits, Cash Equivalent and Investments
Cash includes cash on hand, demand deposits with banks, and deposits in cash management pools that have the general characteristics of demand deposit accounts. City policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the Utah Public Treasurer's Investment Fund (the PTIF) and other investments allowed by the State of Utah's Money Management Act.

The Utah Public Treasurer's Investment Fund operates in accordance with State laws and regulations. The reported value of the Fund is amortized cost which is approximately equal to fair value.

Receivables and Payables
Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interactivity receivable or interactivity payable". Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available resources.

Accounts receivable for services related to government activities and trade accounts receivable for business-type activities are shown net of allowance for doubtful accounts. The allowance is calculated using a percentage of total accounts receivable in conjunction with an evaluation of items over 180 days.

Inventories and Prepaid Items
All inventories are valued at cost and accounted for on the first-in, first-out method (FIFO). Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories on hand at June 30, 2020 were $3,883.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Restricted Assets
Certain assets are classified as restricted because their use is restricted by laws and regulations.

Capital Assets
Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

(1) Summary of Significant Accounting Policies - Continued

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	25-50 years
Water distribution system	50 years
Sewer collection system	50 years
Equipment and machinery	3-10 years
Infrastructure and other improvements	10-40 years
Wells and related structures	5-10 years
Trucks	4-10 years

Water Rights and Stock

The City does not place a limitation on the life of the water rights, an intangible capital asset, and does not expect to cease utilizing the water rights in the foreseeable future. The water rights are recorded at historical cost and are considered to have an indefinite useful life. The total book value for water rights for the Water Utility Fund is $6,250 at June 30, 2020.

Compensated Absences

It is the City's policy to allow employees to accumulate earned but unused vacation, compensatory time, and sick leave benefits. Compensated absences are reported in governmental funds only if an employee has resigned or retired and the accrued leave has not been paid out. The accumulated vacation and compensatory time that is not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. Accumulated vacation and compensatory time of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Year-end liabilities for compensated absences are accrued at the employees' current hourly rate for the maximum possible separation benefit.

Sick leave amounts are charged to expenditures when incurred. Employees may accumulate sick leave to a total of nine hundred sixty hours. Regular employees accumulated sick leave benefits at the rate of twelve days per year. The City has implemented an unused sick leave incentive to increase productivity and encourage longevity within the City. The incentive allows for converting a portion of unused sick leave to either annual leave or cash. The incentive is elected annually in December and requires employees to meet strict criteria to be eligible. Employees who retire or separate under favorable conditions are paid a portion of unused sick leave based on years of service and accumulated sick leave hours.

The City estimates that 60 percent of Compensated Absences will be used in the next year and are therefore current liabilities.

Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond discounts and premiums are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as, bond issuance costs, during the current period. The face amount of debt issued is reported as other as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt services expenditures.

(1) Summary of Significant Accounting Policies - Continued

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position and balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a separate consumption of net position, fund balance that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The City is reporting deferred outflows of resources relating to pension in the government-wide financial statement and a deferred outflow relating to impact fee payments.

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position, fund balance that applies to a future period and so will not be recognized as an inflow (revenue) until that time. The City reports unavailable property taxes as deferred inflows of resources since they are recognized as receivables before the period for which they are levied. These amounts are reported in the government-wide and funds financial statements. The City also reports deferred inflows of resources relating to its employee pensions in the government-wide financial statements. Also included as deferred inflows of resources are two system reimbursement agreements for asset acquisition to be funded by future impact fee collections.

Net Position/Fund Balances - The difference between assets and liabilities is *net position* on the government-wide and proprietary fund statements, and *fund balance* on the governmental fund statements.

Fund Financial Statements

GASB issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions.

The statement applies only to 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 fund balances may be classified as follows:

a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form 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 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 spend 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.

(1) Summary of Significant Accounting Policies - Continued

F. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to 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.

G. Budgets

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act of Utah Cities" by North Ogden City Municipal Council on or before June 22nd for the following fiscal year which begins on July 1. Budgets may be increased by resolution of the City Council at any time during the year, following a public hearing. Budgets are prepared in line-item detail; however, budget amendments by resolution are generally required only if the fund desires to exceed its total budget appropriation. The City follows Uniform Fiscal Procedures for Cities as adopted by the State Legislature for policies concerning its budgetary accounting. Annual budgets are adopted for all fund types. All annual appropriations lapse at fiscal year-end.

During the year, five supplemental amendments were made to the City's budget. The General Fund budget changed by increasing total revenue $1,441 and total expenditures $19,821, including transfers. The Aquatic Center Fund was not amended. The combined RDA – CDA Fund was not amended. The Capital Project Fund was not amended. Transportation projects were amended by increasing expenditures $3,074,573 and revenues were not changed.

H. Minimum Fund Balance

The City has not adopted a policy for maintaining a minimum Fund balance for any fund but follows the State requirement to maintain five percent of revenue as a minimum balance in the General Fund. All Funds have a minimum requirement to not show a deficit. If the minimum is not maintained, expenditures are to be limited to ninety-five percent of revenue until Fund is restored.

I. Non-spendable Fund Balance

Non-spendable fund balance at June 30, 2020 is comprised of prepaids of $7,100 in the general fund.

J. Fund Equity Restrictions

1. Restricted for Transportation Impact Fees - The City collects transportation impact fees, these fees are only expended on transportation expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are to be used for subsequent years.

2. Restricted for Utility Sales Tax - The City receives additional sales tax which can only be expended on public transit and highway construction & maintenance. Any unexpended funds that have been received at the end of the fiscal year are restricted and are to be used for subsequent years.

3. Restricted for Transportation Street Widening – The City received grants to acquire property to be used for street widening along 400 and 450 East in the City. The City is renting property acquired for the project and the net rental income as well as original grants are restricted and will be used in subsequent years for these projects.

4. Restricted for Sewer Impact Fees – The City collects sewer impact fees, these fees are to be expended only on the sewer expansion and improvements. Any unexpended funds that have been received at the end of the fiscal year are to be used for the subsequent years.

(1) Summary of Significant Accounting Policies - Continued

5. Restricted for Storm Drain Impact Fees - The City Council passed an ordinance providing for storm drain impact fees on all new construction. These fees collected are to be restricted for future storm drain expansion and improvements

6. Restricted for Redevelopment Agency - The City created a Redevelopment Agency fund and receives property tax increment in this fund. As the City receives the funding, it is restricted for redevelopment use. The amount of these increments that has not been expended at the end of the fiscal years and is restricted and will be used for subsequent years.

K. Assignment of Fund Balance

Assignment of fund balance is comprised of $3,356,526 in the RDA/CDA, Aquatic Center, Capital Projects and Transportation Projects funds for planned projects including streets and roads, Aquatic Center for future operators and RDA/CDA for allowed uses.

L. Cash and Cash Equivalents

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) Deposits and Investment

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 City 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 city 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.

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2020, $812,307 of the City's bank balances of $1,560,908 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 City 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 City 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.

(2) Deposits and Investments – Continued

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

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate 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.

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

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

At June 30, 2020, the City had the following recurring fair value measurements:

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Debt securities:				
Utah Public Treasurer's Investment Fund	$ 16,100,945	$ -	$ 16,100,945	$ -
Total debt securities	$ 16,100,945	$ -	$ 16,100,945	$ -

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:

- Utah Public Treasurers' Investment Fund: application of the June 30, 2020 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

(2) Deposits and Investments – Continued

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City'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, 2020, the City's investments had the following maturities:

		Investment Maturities (in Years)			
	Fair Value	Less than 1 year	1 to 5 years	6 to 10 years	More than 10 years
Investment type:					
PTIF	$ 16,100,945	$ 16,100,945	-	-	-
Investments	$ 16,100,945	$ 16,100,945	-	-	-

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, 2020, the City's investments had the following quality rating:

		Quality Ratings			
	Fair Value	AAA	AA	A	Unrated
Investment type:					
PTIF					
Investments	16,100,945	-	-	-	16,100,945
	16,100,945	-	-	-	16,100,945

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 City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

(2) Deposits and Investments – Continued

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

Cash on hand and on deposit:	
Cash on deposit	1,617,380
PTIF investment	16,100,945
Total cash and investments	17,718,325

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

Cash	11,449,092
Restricted cash	6,269,233
Total cash and investments	17,718,325

(3) Accounts Receivable

Receivables as of year-end for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Revenue RDA/CDA	Special Revenue Aquatic Center	Capital Projects	Transportation Projects	Total Governmental Funds
Intergovernmental:						
Property taxes	$ 1,488,090	79,398	-	-	-	1,567,488
Sales taxes	592,105	-	-	-	50,808	642,913
UDOT C Roads	136,444	-	-	-	-	136,444
Telecom tax	15,612	-	-	-	-	15,612
Grants	6,453	-	-	572,043	-	578,496
Franchise taxes	91,979	-	-	-	-	91,979
Utilities	-	-	-	-	10,580	10,580
Other	15,087	-	85,352	-	33,399	133,838
	2,345,770	79,398	85,352	572,043	94,787	3,177,350
Less: Allowance for uncollectible accounts	-	-	-	-	10,580	10,580
	$ 2,345,770	79,398	85,352	572,043	84,207	3,166,770

(3) Accounts Receivable continued

	Water Utility Enterprise Fund	Sewer Utility Enterprise Fund	Storm Water Utility Enterprise Fund	Solid Waste Utility Enterprise Fund	Total Enterprise Funds	Total all Funds
Taxes	$ -	-	-	-	-	-
Utilities	138,549	225,314	110,867	114,287	589,017	599,597
Intergovernmental	-	-	293,600	-	293,600	3,234,553
Other	-	-	184,905	-	184,905	410,722
	138,549	225,314	589,372	114,287	1,067,522	4,244,872
Less: Allowance for uncollectible accounts	4,179	6,802	3,347	3,451	17,779	28,359
	$ 134,370	218,512	586,025	110,836	1,049,743	4,216,513

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

	Unavailable
Property taxes levied not yet due (net receivable)	1,544,772
Property taxes received not yet due	22,417
Deferred inflow of resources - property tax	1,567,189

(4) Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Adjusted Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated				
Construction in process	$ 350,159	819,125	210,380	958,904
Land and land improvements	8,364,634	25,000	-	8,389,634
Total	8,714,793	844,125	210,380	9,348,538
Capital assets being depreciated:				
Buildings and improvements	16,101,054	655,237	-	16,756,291
Infrastructure	12,581,910	1,373,379	-	13,955,289
Park improvements	3,627,310	50,636	-	3,677,946
Machinery and equipment	5,423,529	1,107,302	545,550	5,985,281
Total	37,733,803	3,186,554	545,550	40,374,807
Less accumulated depreciation for:				
Buildings and improvements	(5,119,618)	(405,203)	-	(5,524,821)
Infrastructure	(1,960,836)	(324,641)	-	(2,285,477)
Park improvements	(912,044)	(97,180)	-	(1,009,224)
Machinery and equipment	(2,840,797)	(285,685)	(135,589)	(2,990,893)
Total	(10,833,295)	(1,112,709)	(135,589)	(11,810,415)
Capital assets being depreciated, net	26,900,508	2,073,845	409,961	28,564,392
Governmental-type activities capital assets, net	$ 35,615,301	2,917,970	620,341	37,912,930

Capital assets in the statement of net position also includes the equipment and other depreciable assets, net of accumulated deprecation, for the internal service fund of $2,130,530.

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Capital assets not being depreciated				
Construction in process	$ 1,770,145	475,772	1,049,115	1,196,802
Land, land improvements and water stock and rights	241,008	-	-	241,008
Total	2,011,153	475,772	1,049,115	1,437,810
Capital assets being depreciated:				
Buildings and improvements	345,949	72,476	-	418,425
Infrastructure	51,892,629	2,423,829	-	54,316,458
Machinery and equipment	4,869,283	895,603	796,985	4,967,901
Total	57,107,861	3,391,908	796,985	59,702,784
Less accumulated depreciation for:				
Buildings and improvements	(300,406)	(10,780)	-	(311,186)
Infrastructure	(17,704,094)	(1,140,968)	-	(18,845,062)
Machinery and equipment	(2,554,251)	(262,180)	(170,430)	(2,646,001)
Total	(20,558,751)	(1,413,928)	(170,430)	(21,802,249)
Capital assets being depreciated, net	36,549,110	1,977,980	626,555	37,900,535
Business-type activities capital assets, net	$ 38,560,263	2,453,752	1,675,670	39,338,345

(4) Capital Assets continued

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

General government	$	60,958
Public safety		124,594
Streets and roads including depreciation of general infrastructure		531,646
Parks and recreation		395,511
Total governmental activities:		1,112,709
Business activities:		
Water		796,044
Sewer		263,309
Storm water		308,123
Solid waste		46,452
Total business activities:		1,413,928
Total all activities	$	2,526,637

(5) Changes in Capital Leases and Long-Term Liabilities

Activity with direct borrowing, direct placement and other long-term liabilities for the year ending June 30, 2020 is as follows:

	Beginning Balance	Issued	Retired	Ending Balance	Amount Due within One Year
Governmental activities:					
Direct placement debt					
Sales Tax Revenue Refunding Bond	$ 1,526,000	-	251,000	1,275,000	256,000
Direct borrowing					
Two snow plow truck-capital lease	152,336	-	36,988	115,348	37,709
Other long-term liabilities					
Compensated absences	233,512	247,010	131,742	348,780	209,268
Net pension liability	2,127,596	-	701,894	1,425,702	-
	2,361,108	247,010	833,636	1,774,482	209,268
Total governmental activities	4,039,444	247,010	1,121,624	3,164,830	502,977
Business-type activities					
Other long-term liabilities					
Compensated absences	57,592	93,249	39,503	111,338	66,803
Net pension liability	510,825	-	323,039	187,786	-
Total business-type activities	568,417	93,249	362,542	299,124	66,803

For the current year ended June 30, 2020, interest of $34,496 was charged to expenses by Governmental Activities and $-0- by business-type activities. No interest was capitalized during the year by either type of activity.

The Sales Tax Revenue Bond is being retired by the Aquatic Center Fund form transfers from the RDA Fund. Compensated absences are being retired by all Funds that have employees. This would include each of the City Utility Funds, Motor Pool and General Fund. The net pension liability is retired by each Fund with covered employees allocated as a percentage of annual payroll cost of the Fund. The Snow Plow lease is retired by the Internal Service Motor Pool Fund.

(6) Long-Term Debt

On November 9, 2004 the City issued $4,040,000 in sales tax revenue bonds. The proceeds of the bonds were used to construct the City's new aquatic center. The bonds carry interest rates ranging from 2.00% to 5.00% and fully mature in the year 2025. These bonds were paid in November of 2014 with the proceeds of $2,550,000 Sales Tax Revenue Bond.

The Refunding Sales Tax Bonds were issued in 2014 have an interest rate of 2.32% and will fully mature in fiscal year 2025.

The debt maturities are as follows:

Year Ended June 30,	Principal	Interest	Total Debt Service
2021	$ 256,000	26,610	282,610
2022	265,000	20,567	285,567
2023	274,000	14,314	288,314
2024	283,000	7,853	290,853
2025	197,000	2,286	199,286
	$ 1,275,000	71,630	1,346,630

The City has no unused lines of credit. Sales tax revenue is collateral for the Sales Tax Revenue Bonds. There is no acceleration Clause and the bonds would default by non-payment of required payment. If default were to occur the bondholder may appoint a trustee bank to act as receiver of the revenues for the purpose of applying sales tax revenue and protecting the bondholders' rights.

(7) Capital Leases

The City has one outstanding lease purchase contract. This contract is treated as capital lease for accounting purposes and has been recorded at the present value of the future minimum lease payments. Amortization expense of $18,968 for this lease has been included in depreciation expense -streets and roads. The two trucks are collateral under the agreement.

On October 23, 2017, the City entered into a lease purchase contract to acquire two snow plow trucks and related attachments and accessories. These trucks are to be used for snow plowing. A payment of $39,959 was made at the time of signing with the balance due in six payments of $39,958 on October of each year with the final payment due in October of 2022. The lease has an interest rate of 1.950%.

Future minimum lease payments together with the present value of the net minimum lease payments under this capital lease obligation at June 30, 2020 is as follows:

	Governmental Activities Motor Pool	
Year Ended June 30	Two Snow Plow Trucks	Total
2021	39,958	39,958
2022	39,959	39,959
2023	39,958	39,958
	119,875	119,875
Less amounts representing interest	4,527	4,527
Balance owing	115,348	115,348
Less current portion	37,709	37,709
Portion of obligations under capital lease due after one year	77,639	77,639

Included in Capital Assets of Governmental Activities – machinery and equipment is of $379,263 of assets recorded from Capital Leases and $50,265 of accumulated amortization.

(8) Interfund Receivables and Payables

Activity between funds that represents lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." All other outstanding balances between funds are also reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

At June 30, 2020, there was an interfund receivable and payable of $550,000 between the RDA and CDA funds. During the year the CDA borrowed $150,000 from the RDA for economic development.

(9) Retirement Plans

General Information about the Pension Plan

General Information About the Pension Plan

Plan Description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a mutiple 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 Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications.

(9) Retirement Plans continued

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 Percentage per Year of Service	COLA **
Noncontributory System	Highest 3 Years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 Years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 Years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%
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	1.50% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%

* Actuarial reductions are applied.

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

(9) Retirement Plans continued

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2020 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System			
11 Local Government Div - Tier 1	6.00	14.46	N/A
111 Local Government Div - Tier 2	N/A	15.66	1.03
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	N/A	24.29	0.70
Noncontributory			
75 Other Div A with 4% COLA	N/A	35.71	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	12.99	12.00

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

For fiscal year ended June 30, 2020, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 281,493	N/A
Public Safety System	238,038	-
Tier 2 Public Employees System	164,079	-
Tier 2 Public Safety and Firefighter	108,792	-
Tier 2 DC Only System	18,656	N/A
Total Contributions	$ 811,058	$ -

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.

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

At June 30, 2020, we reported a net pension asset of $ 0 and a net pension liability of $ 1,613,488.

	(Measurement Date): December 31, 2019				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2018	Change (Decrease)
Noncontributory System	$ -	$ 746,992	0.1982006 %	0.1781850 %	0.0200156 %
Contributory System	$ -	$ -	- %	- %	- %
Public Safety System	$ -	$ 826,399	0.5146921 %	0.5020646 %	0.0126275 %
Firefighters System	$ -	$ -	- %	- %	- %
Judges Retirement System	$ -	$ -	- %	- %	- %
Governors & Legislators Plan	$ -	$ -	- %	- %	- %
Tier 2 Public Employees System	$ -	$ 15,846	0.0704546 %	0.0686548 %	0.0017998 %
Tier 2 Public Safety and Firefighter	$ -	$ 24,251	0.2578145 %	0.2118440 %	0.0459705 %
	$ -	$ 1,613,488			

(9) Retirement Plans continued

The net pension asset and liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019, 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, 2020, we recognized pension expense of $ 974,477.

At June 30, 2020, 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	$ 94,003	$ 33,822
Changes in assumptions	$ 119,838	$ 674
Net difference between projected and actual earnings on pension plan investments	$ -	$ 678,091
Changes in proportion and differences between contributions and proportionate share of contributions	$ 138,227	$ 1,141
Contributions subsequent to the measurement date	$ 403,441	$ -
	$ 755,509	$ 713,728

$ 403,441 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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,	Net Deferred Outflows (Inflows) of Resources
2020	$ (44,846)
2021	$ (111,788)
2022	$ 26,220
2023	$ (255,280)
2024	$ 2,783
Thereafter	$ 21,250

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

For the year ended June 30, 2020, we recognized pension expense of $ 420,561.

At June 30, 2020, 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	$ 67,948	$ 10,730
Changes in assumptions	$ 79,115	$ -
Net difference between projected and actual earnings on pension plan investments	$ -	$ 377,761
Changes in proportion and differences between contributions and proportionate share of contributions	$ 98,341	$ 1,141
Contributions subsequent to the measurement date	$ 137,265	$ -
	$ 382,669	$ 389,632

$ 137,265 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

(9) Retirement Plans continued

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2020	$	17,956
2021	$	(42,291)
2022	$	23,725
2023	$	(143,618)
2024	$	-
Thereafter	$	-

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

For the year ended June 30, 2020, we recognized pension expense of $ 393,170.

At June 30, 2020, 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	$	14,372	$	17,646
Changes in assumptions	$	28,197	$	-
Net difference between projected and actual earnings on pension plan investments	$	-	$	282,188
Changes in proportion and differences between contributions and proportionate share of contributions	$	22,809	$	-
Contributions subsequent to the measurement date	$	121,736	$	-
	$	187,115	$	299,834

$ 121,736 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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,	Net Deferred Outflows (Inflows) of Resources	
2020	$	(60,718)
2021	$	(67,754)
2022	$	1,239
2023	$	(107,223)
2024	$	-
Thereafter	$	-

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

For the year ended June 30, 2020, we recognized pension expense of $ 89,098.

(9) Retirement Plans continued

At June 30, 2020, 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	$ 4,433	$ 5,438
Changes in assumptions	$ 6,766	$ 455
Net difference between projected and actual earnings on pension plan investments	$ -	$ 12,181
Changes in proportion and differences between contributions and proportionate share of contributions	$ 12,033	$ -
Contributions subsequent to the measurement date	$ 89,459	$ -
	$ 112,691	$ 18,074

$ 89,459 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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,	Net Deferred Outflows (Inflows) of Resources
2020	$ (1,677)
2021	$ (1,440)
2022	$ 641
2023	$ (3,263)
2024	$ 1,611
Thereafter	$ 9,288

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

For the year ended June 30, 2020, we recognized pension expense of $ 71,649.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,250	$ 8
Changes in assumptions	$ 5,760	$ 219
Net difference between projected and actual earnings on pension plan investments	$ -	$ 5,961
Changes in proportion and differences between contributions and proportionate share of contributions	$ 5,043	$ -
Contributions subsequent to the measurement date	$ 54,981	$ -
	$ 73,034	$ 6,188

$ 54,981 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

(9) Retirement Plans - Continued

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

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources	
2020	$	(406)
2021	$	(303)
2022	$	615
2023	$	(1,175)
2024	$	1,173
Thereafter	$	11,962

Actuarial Assumptions

The total pension liability in the December 31, 2019, 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 - 9.75 percent, average, including inflation
Investment Rate of Return of 6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables based on gender, occupation and age as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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 and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	40.00 %	6.15 %	2.46 %
Debt securities	20.00 %	0.40 %	0.08 %
Real assets	15.00 %	5.75 %	0.86 %
Private equity	9.00 %	9.95 %	0.90 %
Absolute return	16.00 %	2.85 %	0.46 %
Cash and cash equivalents	0.00 %	0.00 %	0.00 %
Totals	100.00 %		4.75 %
Inflation			2.50 %
Expected arithmetic nominal return			7.25 %

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, and a real return of 4.45% that is net of investment expense.

(9) Retirement Plans – Continued

Discount rate: The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rat,e 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 remained unchanged at 6.95 percent.

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 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.95 percent) or 1 percentage point higher (7.95 percent) than the current rate:

System	1% Decrease or 5.95%	Discount Rate of 6.95%	1% Increase or 7.95%
Noncontributory System	$ 2,333,116	746,992	(575,819)
Public Safety System	$ 2,140,693	826,399	(241,719)
Tier 2 Public Employees System	$ 136,645	15,846	(77,510)
Tier 2 Public Safety and Firefighter	$ 85,670	24,251	(21,342)
Total	$ 4,696,124	1,613,488	(916,390)

***Pension plan fiduciary net position: Detailed information about the fiduciary net position of the pension plans 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.

NORTH OGDEN CITY participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

* 401(k) Plan

Changes in Assumptions

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier I Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age 65.

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

	2020	2019	2018
401(k) Plan			
Employer Contributions	$ 41,813	$ 37,545	$ 30,146
Employee Contributions	$ 6,015	$ 4,736	$ 4,577

(10) Deferred Outflows of Resources and Deferred Inflows of Resources

The City has Deferred Outflows of Resources relating to its pension activities of governmental activities of $633,567 and business-type activities of $121,942.

The City has Deferred Inflows of Resources relating to its pension activities of governmental activities of $613,364 and business-type activities of $100,364. The City also has deferred inflows from property taxes which will be used to finance 2020 - 2021 fiscal year expenditures of $1,567,189. Also included in the Deferred Inflows in the Water Utility is $1,495,577 relating to system improvement received to be earned from future impact fee collection.

2020 property taxes received in the fiscal year which will be used to finance the 2020 - 2021 fiscal year expenditures:		
General Fund	$	1,479,189
RDA Fund		88,000
	$	1,567,189
Water Utility - System Agreements		
Agreement 1 - Cove	$	1,340,392
Agreement 2 - North View		155,185
	$	1,495,577

(11) North Ogden Redevelopment Agency and Community Development Area

The combined redevelopment agency (RDA) and Community Development Area (CDA) collected tax increments of $764,040 interest of $27,512 and other revenue of $1,980 for the year ended June 30, 2020, and paid $-0- to other taxing agencies. The RDA has issued $2,550,000 in bonds to finance costs associated with its project areas. The proceeds were used to advance refund the 2004 Sales Tax Revenue Bonds used for the City's Aquatic Center. The RDA paid $-0- to the City's general fund and $-0- to utility funds on debt. A total debt to utility funds was $-0- at June 30, 2020. The RDA has borrowed $-0- from the general fund. The RDA received $0 from the general fund and transferred $283,492 to the Aquatic Center, and $137,581 to the Capital Project Fund.

During the year the RDA/CDA incurred the following expenditures:

Offsite improvements	$	15,484
Other economic development		1,140
Transfer to Aquatic Center for interest on debt service		283,492
Transfer to Capital projects		137,581
Tranfer to General Fund		-
Total expenditures	$	437,697

(12) Deficit Fund Balances and Budgetary Compliance

The City's CDA fund has a deficit balance of $493,600.

(13) Interfund Transfers

Transfers during the year end June 30, 2020 were as follows:

	Transfers in:			
	Aquatic Center	Capital Projects	Water Utility	Total
Transfer out:				
General fund:	$ 138,172	1,300,000	-	1,438,172
RDA/CDA	283,492	137,581	-	421,073
Water Utility	-	2,250	-	2,250
Sewer Utility	-	2,250	-	2,250
Storm Water Utility	-	2,250	31,000	33,250
	$ 421,664	1,444,331	31,000	1,896,995

During the year ended June 30, 2020, the City made the following transfers.

1. A transfer to $500,000 from the General Fund to the Capital Projects Fund to fund street projects. An additional transfer of $800,000 was made from the General Fund to the Capital Projects Fund for additional Capital Projects, including street projects planned.
   The General Fund also transferred $138,172 to the Aquatic Center Fund to provide a subsidy for operations.

2. The RDA/CDA Fund transferred $283,492 to the Aquatic Center for debt service on the bond debt being serviced by the Aquatic Center.
   The RDA/CDA fund also transferred $137,581 to the Capital Projects Fund for street lighting.

3. The City's Water, Sewer and Storm Water Utility Funds each transferred $2,250 to the Capital Projects Fund for equipment.
   The Storm Water Utility transferred $31,000 to the Water Utility for shared equipment.

(14) Property Taxes

Property taxes are recognized when they are measurable and available. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and are due on November 30, City property tax revenues are not recognized when levied because they are not expected to be collected within 60 days after the end of the current year. This policy meets the criteria of the Governmental Accounting Standards Board Codification, Section P70.

No revenue is recognized for delinquent taxes as corresponding entries are made to takes receivable and deferred revenue. Due to the collection process, which is a County function, delinquent property taxes are reported as revenue when received. The County handles the accounting for property tax collections and the collection of delinquencies can take up to five years, at which time property is sold at tax auctions to collect on property tax liens.

(15) Risk Management

North Ogden City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; and natural disaster for which the government carries commercial insurance. Deductibles on claims are paid for out of the department experiencing the damage or loss.

Liabilities are reported when it is probable that a loss has occurred and the amount for the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At June 30, 2020, there were no outstanding claims or judgements against the City. Settlements did not exceed insurance coverage for each of the past three years.

(16) Commitments and contingencies

At June 30, 2020 the City had the following outstanding construction and maintenance commitments.
Commitments related to the widening of the 2600 North, $1,790,653 for property acquisition and construction. This is expected to be funded by the City's Transportation funds.

The City's Sewer Utility Fund has commitments of $297,080 for system relining.

The Solid Waste Utility has lease agreements for the use of three trucks to be used for solid waste collection by City personnel beginning July 1, 2020. The City operated its own collection for two weeks and determined that trucks lacked the capacity to handle demand. A contract with the City's prior service provider was negotiated. The City will have an additional expenditure of $71,111 related to this commitment in fiscal year 2021.

The City has a commitment on the future development of a storm detention/secondary water basin and a City park. This project is being performed in partnership with Pine View Water, who is the supplier of secondary water. The project is funded through grants, local entity contributions, and developer contributions. The entire project is estimated to cost $13,302,896. $8,226,764 is expected to be grant funded. $104,170 will be paid by the developer, $1,684,226 will be paid by Pine View Water, and $3,287,696 is the responsibility of the City. Of the City's portion, $1,320,000 is for the purchase of property and will be paid to the developer in the form of storm and impact fee waivers. $580,000 has already been paid to construct a storm water line. The remaining balance of $1,387,696 is expected to be funded from the Capital Projects Fund. Construction is expected to begin in the spring of 2022.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

(17) Prior Period Adjustments

During the fiscal year ending June 30, 2020, the City changed its policy relating to certain streets projects which had been capitalized in prior periods. These projects are now considered to be maintenance and are no longer capitalized. As a result of this change the city removed $5,595,806 from capital assets net of accumulated depreciation. This change resulted in a decrease of $5,595,806 in net position of Governmental Activities of the Statement of Net Position. This change did not result in a change to fund balance of Governmental Funds.

The City adopted a different approach for allocating the costs of operating the Internal Service Funds. This change resulted in a retrospective change by increasing Governmental Activities by $167,696 and similar decrease to the Business-type Activities. The change did not result in a change to fund balance of Governmental Funds.

The city's General Fund and RDA funds changed the accounting of Personal Property taxes collected in March, April, May and June by increasing fund balance by $80,104 and $52,499 respectively. These amounts had previously been considered as relating to the next fiscal year and deferred. This was determined to be an incorrect treatment.

The city's Aquatic Center determined that certain amounts treated as revenue in prior fiscal years for deposits and unearned revenue resulted in a change to beginning fund balance by a decrease of $64,730 and liabilities increased by a like amount.

(17) Prior Period Adjustments continued

These changes in Governmental Funds resulted in a net increase of $67,873 to beginning fund balance and a similar increase in net position of Governmental Activities of the Statement of Activities. The following chart shows these changes.

	General Fund	RDA/CDA Funds	Aquatic Center	Governmental Activities	Business-type Activities
Governmental Funds					
Personal property tax	$ 80,104	52,499	-	132,603	-
Deposits and unearned revenue	-	-	(64,730)	(64,730)	-
Total Governmental Funds	80,104	52,499	(64,730)	67,873	-
Governmental Activities (only)					
Streets projects	-	-	-	(5,595,806)	-
Internal balances	-	-	-	167,696	(167,696)
Total Governmental Activities (only)	-	-	-	(5,428,110)	(167,696)
Total Governmental Activities				(5,360,237)	
Total Business-type Activities					$ (167,696)

In addition to these changes there are numerous terminology changes throughout the financial section of this report. These changes do not require a prior period adjustment.

(18) Subsequent Events

Management has evaluated subsequent events through April 8, 2021, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

Budgeting and Budgetary Control

As more fully explained in Note 1 of the Notes to Financial Statements, annual budgets are prepared and adopted before June 22 for the fiscal year commencing the following July 1 in accordance with the Uniform Fiscal Procedures Act for Utah Cities. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the department level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the general fund, special revenue, and capital projects funds are legally required and are prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

The Budgetary Comparison schedules presented in this section of the report are for the City's general fund and major special revenue funds. Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to July 1. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the City Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Pension Plan

The schedule of Proportionate Share of the Net Pension Liability shows the City's share of various assets and liabilities related to the net pension liability. The Schedule of Contributions shows the City's contractually required contributions, actual amounts contributed and contributions as a percentage of covered payroll. Both schedules show information only for the years for which information is available.

Changes in Assumptions

As a result of the passage of SB 129, the retirement rates for members in the Tier 2 Public Safety and Firefighter Hybrid System have been modified to be the same as the assumption used to model the retirement pattern in the Tier 1 Public Safety and Firefighter Systems, except for a 10% load at first eligibility for unreduced retirement prior to age of 65.

NORTH OGDEN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund

For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance from Final Budget
Revenues:				
Taxes:				
General property tax	$ 1,303,856	1,303,856	1,208,013	(95,843)
Delinquent property taxes	22,000	22,000	34,392	12,392
Motor vehicle tax	110,000	110,000	123,332	13,332
General sales and use tax	2,943,490	2,919,090	3,217,437	298,347
Utility revenue sales tax	1,050,000	1,050,000	1,027,007	(22,993)
Total taxes	5,429,346	5,404,946	5,610,181	205,235
Licenses and permits:				
Business licenses	25,400	25,400	34,275	8,875
Building permits	411,000	411,000	391,941	(19,059)
Animal licenses	12,100	12,100	7,738	(4,362)
Total licenses and permits	448,500	448,500	433,954	(14,546)
Intergovernmental:				
Class C roads	804,738	804,738	790,747	(13,991)
Emergency Management - CARES	-	15,000	595,434	580,434
State Liquor allotment	14,100	14,100	14,754	654
Weber County	46,875	46,875	46,875	-
Victim Advocate	-	-	22,100	22,100
Grants	69,050	75,691	67,229	(8,462)
Total intergovernmental	934,763	956,404	1,537,139	580,735
Charges for services:				
Recreation fees	75,000	80,900	43,270	(37,630)
Building plan / development fees	165,000	165,000	154,433	(10,567)
Zoning, subdivision and annexation fees	28,000	28,000	43,255	15,255
Cherry Days	28,000	-	-	-
Police reports and copies	7,600	7,600	7,008	(592)
Amphitheater fees	30,000	30,000	-	(30,000)
Other charges and fees	12,000	12,000	2,606	(9,394)
Total charges for services	345,600	323,500	250,572	(72,928)
Fines and forfeitures	234,200	235,000	183,914	(51,086)
Other revenue:				
Interest	33,479	33,479	41,269	7,790
Rents	11,000	11,000	12,794	1,794
Traffic School	45,000	45,000	18,180	(26,820)
Donations	5,000	30,500	22,227	(8,273)
Administrative service fee to utility funds	887,317	887,317	-	(887,317)
Miscellaneous	4,700	4,700	6,076	1,376
Total other revenue	986,496	1,011,996	100,546	(911,450)
Total revenue	$ 8,378,905	8,380,346	8,116,306	(264,040)

ndependent auditors' report and notes to financial statements.

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budge and Actual - Continued
General Fund

For the Year Ended June 30, 2020

	Budgeted Amounts			
	Original	Final	Actual	Variance from Final Budget
General Government:				
Legislative	$ 146,868	145,056	72,589	72,467
Judicial	230,694	230,694	217,895	12,799
Finance	377,871	377,871	216,044	161,827
Administrative	475,289	475,289	382,432	92,857
Non-departmental	484,127	510,199	303,864	206,335
Elections	-	-	-	-
General government buildings	193,962	193,962	140,841	53,121
Total general government	1,908,811	1,933,071	1,333,665	599,406
Public Safety:				
Police	2,701,224	2,717,874	2,590,312	127,562
Planning	179,404	179,404	159,090	20,314
Inspection	263,111	263,111	243,865	19,246
Animal Control	99,138	109,138	104,319	4,819
Total public safety	3,242,877	3,269,527	3,097,586	171,941
Streets and Roads:				
Streets and roads	845,724	827,034	603,686	223,348
Public Works Administration	332,172	354,582	14,343	340,239
Total streets and roads	1,177,896	1,181,616	618,029	563,587
Parks and Recreation:				
Administration	377,729	321,520	264,504	57,016
Parks	789,258	804,758	753,570	51,188
Recreation	197,282	203,182	168,466	34,716
Total parks and recreation	1,364,269	1,329,460	1,186,540	142,920
Total expenditures	7,693,853	7,713,674	6,235,820	1,477,854
Excess (deficiency) of revenues over expenditures	685,052	666,672	1,880,496	1,213,824
Other financing sources (uses):				
Operating transfers in (out) net	(1,796,672)	(1,796,672)	(1,438,172)	358,500
Total other financing sources (uses):	(1,796,672)	(1,796,672)	(1,438,172)	358,500
Net change in fund balance	(1,111,620)	(1,130,000)	442,314	1,572,324
Fund balance - beginning of year	1,767,812	1,767,812	1,767,812	1,767,812
Prior period adjustment	-	-	80,104	80,104
Fund balance - beginning of year as adjusted	1,767,812	1,767,812	1,847,916	1,847,916
Fund balance - end of year	$ 656,192	637,812	2,290,230	1,652,418

NORTH OGDEN CITY

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Redevelopment Agency and Community Development Area

Year Ended June 30, 2020

	Budgeted Amount			
	Original	Final	Actual	Variance from Final Budget
Revenue:				
Property taxes	$ 620,000	620,000	73,594	(546,406)
Property tax increments	-	-	690,446	690,446
Interest income	15,000	15,000	27,512	12,512
Other income	-	-	1,980	1,980
Total revenue	635,000	635,000	793,532	158,532
Expenditures:				
Project reserve	146,508	46,508	-	46,508
Offsite improvements	30,000	130,000	15,484	114,516
Other economic development	60,000	60,000	1,140	58,860
Total expenditures	236,508	236,508	16,624	219,884
Excess (deficiency) of revenues over expenditures	398,492	398,492	776,908	378,416
Other financing sources (uses):				
Transfers in (out) - net	(398,492)	(398,492)	(421,073)	(22,581)
Total other financing sources (uses)	(398,492)	(398,492)	(421,073)	(22,581)
Net change in fund balance	-	-	355,835	355,835
Fund balance - beginning of year	1,230,737	1,230,737	1,230,737	1,230,737
Prior period adjustment	-	-	52,499	52,499
Fund balance - beginning of year as adjusted	1,230,737	1,230,737	1,283,236	1,283,236
Fund balance - end of year	$ 1,230,737	1,230,737	1,639,071	1,639,071

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Aquatic Center

For the Year Ended June 30, 2020

	Budgeted Amount			
	Original	Final	Actual	Variance from Final Budget
Revenue:				
Admissions, reservations and lessons	$ 368,000	368,000	321,684	(46,316)
Concessions and merchandise sales	11,500	11,500	15,087	3,587
Bowery rentals	2,400	2,400	2,470	70
Miscellaneous revenue	9,000	9,000	3,769	(5,231)
Total revenue	390,900	390,900	343,010	(47,890)
Expenditures:				
Salaries and benefits	339,872	339,872	321,898	17,974
Materials, supplies and services	51,700	51,700	36,119	15,581
Maintenance and repairs	37,000	37,000	42,174	(5,174)
Utilities and telephone	65,500	65,500	61,912	3,588
Chemicals	35,000	35,000	36,610	(1,610)
Capital equipment	-	-	-	-
Bond Principle	251,000	251,000	251,000	-
Bond Interest	32,492	32,492	32,492	-
Total expenditures	812,564	812,564	782,205	30,359
Excess (deficiency) of revenues over expenditures	(421,664)	(421,664)	(439,195)	(17,531)
Other financing sources (uses):				
Transfers in (out) - net	421,664	421,664	421,664	-
Total other financing sources (uses)	421,664	421,664	421,664	-
Net change in fund balance	-	-	(17,531)	(17,531)
Fund balance (deficit) - beginning of year	90,126	90,126	90,126	90,126
Prior period adjustment	-	-	(64,730)	(64,730)
Fund balance (deficit) - beginning of year as adjusted	90,126	90,126	25,396	25,396
Fund balance (deficit) - end of year	$ 90,126	90,126	7,865	(82,261)

See independent auditors' report and notes to financial statements.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NORTH OGDEN CITY
Utah Retirement Systems
Measurement Date of December 31, 2019
June 30, 2020
Last 10 Fiscal Years*

		Noncontributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	2019	0.1982006%	0.5146921%	0.0704546%	0.2578145%
	2018	0.1781850%	0.5020646%	0.0686548%	0.2118440%
	2017	0.1664153%	0.4979801%	0.0656528%	0.2211418%
	2016	0.1602462%	0.4669401%	0.0632419%	0.2481679%
	2015	0.1631476%	0.4473629%	0.0485772%	0.3053124%
	2014	0.1663092%	0.4268607%	0.0380994%	0.3480897%
Proportionate share of the net pension liability (asset)	2019	$746,992	$826,399	$15,846	$24,251
	2018	$1,312,105	$1,291,604	$29,403	$5,308
	2017	$729,115	$781,161	$5,788	($2,559)
	2016	$1,028,977	$947,550	$7,055	($2,154)
	2015	$923,168	$801,339	($106)	($4,461)
	2014	$722,154	$536,813	($1,155)	($5,149)
Covered payroll	2019	$1,579,410	$636,323	$978,829	$424,943
	2018	$1,412,103	$686,924	$800,443	$283,520
	2017	$1,323,128	$731,633	$642,222	$233,449
	2016	$1,315,547	$688,814	$518,631	$205,040
	2015	$1,367,806	$656,851	$313,867	$181,652
	2014	$1,419,455	$622,523	$186,997	$143,783
Proportionate share of the net pension liability(asset) as a percentage of its covered payroll	2019	47.30%	129.87%	1.62%	5.71%
	2018	92.92%	188.03%	3.67%	1.80%
	2017	55.11%	106.77%	0.90%	-1.10%
	2016	78.22%	137.56%	1.36%	-1.05%
	2015	67.49%	122.00%	-0.03%	-2.46%
	2014	50.9%	86.2%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	2019	93.7%	90.9%	96.5%	89.6%
	2018	87.0%	84.7%	90.8%	95.6%
	2017	91.9%	90.2%	97.4%	103.0%
	2016	87.3%	86.5%	95.1%	103.6%
	2015	87.8%	87.1%	100.2%	110.7%
	2014	90.2%	90.5%	103.5%	120.5%

*In accordance with paragraph 81.a of GASB 68, the City will need to disclose a 10-year history of its proportionate share of the Net Pension Liability (asset) in their RSI. This schedule will need to be built prospectively.This schedule is only for the last 6 years. Prior numbers are not available.

SCHEDULE OF CONTRIBUTIONS NORTH OGDEN CITY
Utah Retirement Systems
As of June 2020
Last 10 Fiscal Years

	As of fiscal year ended June 30	Acturarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of convered payroll
Noncontributory System	2014	$ 235,539	$ 235,539	$ -	$ 1,414,290	16.65%
	2015	$ 245,610	$ 245,610	$ -	$ 1,391,385	17.65%
	2016	$ 233,522	$ 233,522	$ -	$ 1,330,911	17.55%
	2017	$ 235,424	$ 235,424	$ -	$ 1,330,504	17.69%
	2018	$ 230,882	$ 230,882	$ -	$ 1,333,107	17.32%
	2019	$ 262,866	$ 262,866	$ -	$ 1,511,185	17.39%
	2020	$ 281,493	$ 281,493	$ -	$ 1,618,935	17.39%
Public Safety System	2014	$ 184,402	$ 184,402	$ -	$ 603,659	30.55%
	2015	$ 204,537	$ 204,537	$ -	$ 644,757	31.72%
	2016	$ 206,900	$ 206,900	$ -	$ 655,343	31.50%
	2017	$ 226,756	$ 226,756	$ -	$ 715,974	31.67%
	2018	$ 237,534	$ 237,534	$ -	$ 728,521	32.60%
	2019	$ 225,924	$ 225,924	$ -	$ 641,979	35.19%
	2020	$ 238,038	$ 238,038	$ -	$ 666,586	35.71%
Tier 2 Public Safety Employees System*	2014	$ 27,326	$ 27,326	$ -	$ 195,322	13.99%
	2015	$ 36,188	$ 36,188	$ -	$ 242,222	14.94%
	2016	$ 57,781	$ 57,781	$ -	$ 388,167	14.89%
	2017	$ 88,842	$ 88,842	$ -	$ 596,662	14.89%
	2018	$ 107,562	$ 107,562	$ -	$ 711,861	15.11%
	2019	$ 137,724	$ 137,724	$ -	$ 887,129	15.52%
	2020	$ 164,079	$ 164,079	$ -	$ 1,047,757	15.66%
Tier 2 Public Safety and Firefighter System	2014	$ 33,152	$ 33,152	$ -	$ 148,198	22.37%
	2015	$ 38,270	$ 38,270	$ -	$ 161,406	23.71%
	2016	$ 42,978	$ 42,978	$ -	$ 181,644	23.66%
	2017	$ 54,393	$ 54,393	$ -	$ 229,895	23.66%
	2018	$ 60,905	$ 60,905	$ -	$ 256,659	23.73%
	2019	$ 84,912	$ 84,912	$ -	$ 350,390	24.23%
	2020	$ 108,792	$ 108,792	$ -	$ 448,915	24.23%
Tier 2 Public Employees DC Only System*	2014	$ 2,942	$ 2,942	$ -	$ 52,727	5.58%
	2015	$ 6,563	$ 6,563	$ -	$ 97,671	6.72%
	2016	$ 8,242	$ 8,242	$ -	$ 123,199	6.69%
	2017	$ 8,482	$ 8,482	$ -	$ 126,787	6.69%
	2018	$ 10,480	$ 10,480	$ -	$ 156,650	6.69%
	2019	$ 16,429	$ 16,429	$ -	$ 245,574	6.69%
	2020	$ 18,656	$ 18,656	$ -	$ 278,860	6.69%

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

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

OTHER INFORMATION

NORTH OGDEN CITY

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Projects

For the Year Ended June 30, 2020

	Budgeted Amount			
	Original	Final	Actual	Variance from Final Budget
Revenue:				
Grant revenue	$ 4,523,664	4,523,664	820,344	(3,703,320)
Park impact fees	458,207	458,207	448,478	(9,729)
Interest	8,000	8,000	19,628	11,628
Donations	-	-	-	-
Miscellaneous revenue	-	-	4,034	4,034
Total revenue	4,989,871	4,989,871	1,292,484	(3,697,387)
Expenditures:				
Monroe Boulevard	-	-	342,851	(342,851)
2600 N Intersection project	2,056,550	2,056,550	173,317	1,883,233
400/450 intersection project	6,091,687	6,091,687	165,367	5,926,320
2550 N intersection project	-	-	-	-
Street and road improvements	500,000	500,000	533,034	(33,034)
Barker Park- Amphitheater project	548,690	548,690	548,655	35
Barker Park	80,000	80,000	-	80,000
North Ogden Park improvements	10,000	10,000	9,999	1
Lomond View Park	150,000	150,000	138,261	11,739
Oaklawn Park	40,000	40,000	30,709	9,291
Skate Park construction	35,000	35,000	19,927	15,073
Trails	25,000	25,000	25,000	-
Building improvements and construction	20,000	20,000	19,313	687
Equipment	59,000	59,000	61,310	(2,310)
City lighting project	200,000	200,000	137,582	62,418
Other	-	-	787	(787)
	-	-	-	-
Total expenditures	9,815,927	9,815,927	2,206,112	7,609,815
Excess (deficiency) of revenues over (under) expenditures	(4,826,056)	(4,826,056)	(913,628)	3,912,428
Other financing sources (uses):				
Transfers in (out)	5,403,623	5,403,623	1,444,332	(3,959,291)
Sale of assets	-	-	3,500	-
Total other financing sources(uses)	5,403,623	5,403,623	1,447,832	(3,959,291)
Net change in fund balance	577,567	577,567	534,204	(43,363)
Fund balance - beginning of year	1,717,460	1,717,460	1,717,460	-
Fund balance - end of year	$ 2,295,027	2,295,027	2,251,664	(43,363)

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Transportation Projects

For the Year Ended June 30, 2020

	Budgeted Amount			
	Original	Final	Actual	Variance from Final Budget
Revenue:				
Transportation fees	$ 223,000	223,000	133,907	(89,093)
Transportation impact fees	325,737	325,737	370,780	45,043
Transportation sales tax	196,000	196,000	270,248	74,248
Rental income	106,000	106,000	124,995	18,995
Interest	16,000	16,000	61,792	45,792
Total revenue	866,737	866,737	961,722	94,985
Expenditures:				
Rental property expenses	30,000	42,000	34,815	7,185
Total expenditures	30,000	42,000	34,815	7,185
Excess (deficiency) of revenues over expenditures	836,737	824,737	926,907	102,170
Other financing sources (uses):				
Transfers in (out)	(554,000)	(3,616,573)	-	3,616,573
Sale of assets	-	-	-	-
Total other financing sources (uses)	(554,000)	(3,616,573)	-	3,616,573
Net change in fund balance	282,737	(2,791,836)	926,907	3,718,743
Fund balance - beginning of year	2,825,013	2,825,013	2,825,013	-
Fund balance - end of year	$ 3,107,750	33,177	3,751,920	3,718,743

3. See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Combining Statement of Net Position
Internal Service Funds

June 30, 2020

	Motor Pool	Police Motor Pool	Total
Current assets:			
Cash and cash equivalents	$ 95	66,623	66,718
Inventory	3,883	-	3,883
Prepaid items	4,234	-	4,234
Total current assets	8,212	66,623	74,835
Capital assets:			
Buildings and structures	337,565	-	337,565
Vehicles and equipment	3,188,891	936,319	4,125,210
Total capital assets	3,526,456	936,319	4,462,775
Accumulated depreciation	1,691,630	640,615	2,332,245
Net capital assets	1,834,826	295,704	2,130,530
Pension asset:	-	-	-
Total non-current assets	1,834,826	295,704	2,130,530
Total assets	1,843,038	362,327	2,205,365
Deferred outflows of resources			
Pension related	26,601	-	26,601
Total assets and deferred outflows of resources	1,869,639	362,327	2,231,966
Current liabilities:			
Current portion of lease obligations payable	37,709	-	37,709
Accounts payable	1,112	4,483	5,595
Accrued interest payable	1,980	-	1,980
Compensated absences payable	4,507	-	4,507
Accrued wages and benefits payable	4,282	-	4,282
Total current liabilities	49,590	4,483	54,073
Non-current liabilities:			
Net pension liability	40,965	-	40,965
Compensated absences payable	3,004	-	3,004
Lease obligations payable	77,639	-	77,639
Total non-current liabilities	121,608	-	121,608
Total liabilities	171,198	4,483	175,681
Deferred inflows of resources:			
Pension related	21,894	-	21,894
Total liabilities and deferred inflows of resources	193,092	4,483	197,575
Net position:			
Net investment in capital assets	1,719,478	295,704	2,015,182
Unrestricted	(42,931)	62,140	19,209
Total net position	$ 1,676,547	357,844	2,034,391

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY

Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds

For the Year Ended June 30, 2020

	Motor Pool	Police Motor Pool	Total
Revenue:			
General Fund	$ 149,764	160,855	310,619
Utility Fund	135,631	-	135,631
Total rentals	285,395	160,855	446,250
Operating charge - police motor pool	39,598	(39,598)	-
Sale of materials and supplies	5,113	150	5,263
Miscellaneous income	2,515	-	2,515
Total revenue	332,621	121,407	454,028
Expenses:			
Salaries and benefits	205,284	-	205,284
Materials, supplies and services	48,836	104,689	153,525
Fuel	10,350	-	10,350
Depreciation	136,727	101,975	238,702
Total operating expense	401,197	206,664	607,861
Income (loss) from operations:	(68,576)	(85,257)	(153,833)
Other non-operating revenue (expense):			
Gain from sale of assets	54,385	15,366	69,751
Interest earned	1,949	1,612	3,561
Interest on capital leases	(2,970)	-	(2,970)
Transfers from (to) other funds	-	-	-
Total other non-operating revenue (expenses)	53,364	16,978	70,342
Capital asset contributions - General Fund	-	-	-
Change in net position	(15,212)	(68,279)	(83,491)
Net position - beginning of year	1,691,759	426,123	2,117,882
Net position - end of year	$ 1,676,547	357,844	2,034,391

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY
Combining Statement of Cash Flows
Internal Service Funds

For the Year Ended June 30, 2020

	Motor Pool	Police Motor Pool	Total
Cash flows from operating activities:			
Cash received for vehicle rent from:			
General Fund	$ 149,764	160,855	310,619
Utility Fund	135,631	-	135,631
Operating charge - police motor pool	39,598	(39,598)	-
Sale of material, supplies, and services	5,113	150	5,263
Other operating income	2,515	-	2,515
Payments for payroll and related benefits	(219,620)	-	(219,620)
Payments for goods and services	(60,545)	(100,206)	(160,751)
Net cash provided (used) by operating activities	52,456	21,201	73,657
Cash flows from capital and related financing activities:			
Payments to purchase vehicles and equipment	(691,983)	(104,518)	(796,501)
Proceeds from the sale of capital assets	452,212	27,500	479,712
Payments on lease financing	(39,958)	-	(39,958)
Net cash used by capital and related financing activities	(279,729)	(77,018)	(356,747)
Cash flows from non-capital financing activities:			
Net cash provided (used) by non-capital financing activities	-	-	-
Cash flows from investing activities:			
Interest received	1,949	1,612	3,561
Net cash provided (used) by investing activities	1,949	1,612	3,561
Net increase (decrease) in cash and equivalents	(225,324)	(54,205)	(279,529)
Cash and cash equivalents - beginning of year	225,419	120,828	346,247
Cash and cash equivalents - end of year	95	66,623	66,718
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(68,576)	(85,257)	(153,833)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	136,727	101,975	238,702
Decrease (increase) inventory	(3,882)	-	(3,882)
Decrease (increase) in prepaid items	1,411	-	1,411
Decrease (increase) in accounts payable	1,112	4,483	5,595
Increase (decrease) in compensated absences, wages and benefits payable	(3,148)	-	(3,148)
Pension related items	(11,188)	-	(11,188)
Total adjustments	121,032	106,458	227,490
Net cash provided (used) by operating activities	52,456	21,201	73,657

See independent auditors' report and notes to financial statements.

NORTH OGDEN CITY
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NORTH OGDEN CITY
North Ogden, Utah

SUPPLEMENTARY REPORTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Keddington & Christensen, LLC
Certified Public Accountants

NORTH OGDEN CITY
SUPPLEMENTARY REPORTS
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KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

Honorable Mayor and
Members of the City Council
North Ogden City
North Ogden, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Ogden City, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise North Ogden City' s (the City) basic financial statements, and have issued our report thereon dated April 8, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be *material weaknesses* or *significant deficiencies* and therefore, *material weaknesses* or *significant deficiencies* may exist that have not been identified. We did identify certain deficiencies in internal control, as described in the accompanying *Schedule of Findings and Recommendations* as items 2020-01 to 2020-03 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is 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.

Keddington & Christensen, LLC

April 8, 2021

KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

Honorable Mayor and
Members of the City Council
North Ogden City
North Ogden, Utah

Report on Compliance
We have audited the North Ogden City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor, for the year ended June 30, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

Budgetary Compliance	Fund Balance
Justice Court	Restricted Taxes
Open and Public Meetings Act	Fraud Risk Assessment
Cash Management	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 North Ogden City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *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 the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Basis for Qualified Opinion on Open and Public Meetings Act, Public Treasurer's Bond, and Fund Balance
As described in the accompanying *Schedule of Findings and Recommendations*, see items 2020-04 to 2020-07, North Ogden City did not comply with requirements regarding the following:

Open and Public Meetings Act – Council meetings posted to the Public Notice Website.
Public Treasurer's Bond – Required bond amount for Treasurer.
Fund Balance – Reducing deficit fund balance by appropriating 5% of next year's total revenue.
Fund Balance – General Fund, fund balance limitations.

Compliance with such requirements is necessary, in our opinion, for North Ogden City to comply with the requirements applicable to each of the areas noted above.

Qualified Opinion on Open and Public Meetings Act, Public Treasurer's Bond, and Fund Balance
In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, North Ogden City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2020.

Unmodified Opinion on Each of the Other State Compliance Areas
In our opinion, North Ogden City complied, in all material respects, with the other state compliance requirements referred to above for the year ended June 30, 2020.

Other Matters
The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying *Schedule of Findings and Recommendations* as item 2020-08. Our opinion on compliance is not modified with respect to this matter.

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

Report on Internal Control over Compliance
Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing 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 the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the *Schedule of Findings and Recommendations* as item 2020-04 to 2020-07 to be material weaknesses.

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. We consider the deficiency in internal control over compliance described in the *Schedule of Findings and Recommendations* as item 2020-08 to be a significant deficiency.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying *Schedule of Findings and Recommendations*. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Keddington & Christensen, LLC

April 8, 2021

INTERNAL CONTROLS OVER FINANCIAL REPORTING

2020-01 Financial Close (Material Weakness)

Condition: During our audit we noted several areas of the financial statements required material adjustments to bring them into compliance with generally accepted accounting principles as it relates to governmental entities.

Criteria: Utah Code Annotated (UCA) 10-6-107 states: "The accounting records of cities shall be established and maintained, and financial statements prepared from those records in conformance with generally accepted accounting principles…"

Cause: Reconciliations of accounts did not consider all factors related to the significant area.

Effect: Several material audit adjustments were required to be made to correct the financial statements. These adjustments impacted the following significant areas:

- Restricted cash
- Property tax receivables
- Property tax revenues
- Grant receivables
- Other receivables
- Allowance for doubtful accounts
- Compensated absences
- Pension liability
- Accounts payable
- Long-term debt
- Administrative charges

Recommendation: We recommend the City staff prepare reconciliations for all significant balance sheet accounts in preparation of closing out the fiscal year. We also recommend the City implement policies or procedures to ensure the City's records are prepared in accordance with generally accepted accounting principles.

Response:
The City accepts this recommendation. Adjustments have been made to the current year records and greater attention will be given to ensure that the items listed are properly reported in the future.

2020-02 Financial Reporting (Material Weakness)

Condition: During our audit of the client prepared financial statements we noted several areas of the financial statements that required material adjustments to bring them into compliance with generally accepted accounting principles as it relates to governmental entities.

Criteria: Utah Code Annotated (UCA) 10-6-107 states: "The accounting records of cities shall be established and maintained, and financial statements prepared from those records in conformance with generally accepted accounting principles…"

Cause: No internal review was performed and a misunderstanding of reporting standards.

Effect: Material corrections were required to be made to correct the financial statements. These corrections impacted the following areas:

Government Wide Financial Statements:

- Conversion of internal service funds to the government wide financial statements.

- Presentation of capital assets.
- Reconciliation of enterprise fund financial statements to statement of net position and activities at the government wide level.

Governmental Funds

- Allocation of accounts payable to the proper funds. Cash balances also adjusted for this correction.
- Financial statement titles.
- Presentation of expenditures into current, capital outlay and debt service.
- Separation of net position – use of designated which is no longer permissible.
- Capital contributions in incorrect sections of financial statements.
- Non-operating expenses included in operating expenses.

Footnotes

- Incorrect dates throughout footnotes in both the title of pages and in footnote information (26 in page header and 10 separate times in footnote explanations)
- Duplication of paragraphs (three times in one footnote)
- Depreciation estimated useful lives not listed correctly.
- Missing information related to GASB 88 in debt footnote.
- Missing information related to purpose of transfers between funds.

Recommendation: We recommend the City staff review the prepared financial statements to ensure that all errors are corrected and that the financial statements are prepared in accordance with generally accepted accounting principles.

Response:
The City accepts this recommendation. The financial statements have been updated and future statements will be prepared in accordance with generally accepted accounting principles and these guidelines.

2020-03 Financial Reporting – Prior period adjustments (Material Weakness)

Condition: During our audit it was determined the city had not properly accounted for the following items and prior period adjustments were necessary.

1. Capital assets on the Statement of Net Position had improperly included street and road repairs of $5,595,806.
2. Internal service funds income and expenses had been incorrectly combined in the Statement of Activity requiring an adjustment of $167.696.
3. The recognition of property tax collected required an of $132,603.
4. The recognition of unearned fees collected required an adjustment of $64,730.

Criteria: Utah Code Annotated (UCA) 10-6-107 states: "The accounting records of cities shall be established and maintained, and financial statements prepared from those records in conformance with generally accepted accounting principles…"

Cause: The city was unaware of these issues prior to the audit.

Effect: Material corrections were required to be made to correct the financial statements.

Recommendation: We recommend the city evaluate all financial statement areas to ensure proper accounting standards have been correctly applied.

Response:
The City accepts this recommendation. While these items were not of concern to prior auditors, the City has willingly made adjustments and will move forward according to the guidelines associated with these adjustments.

STATE COMPLIANCE

2020-04 Open and Public Meetings Act (Material Weakness)

Condition: During our testing we noted that the 1/14/2020 board meeting minutes were approved on 3/10/2020 and posted to the Utah Public Notice website on 3/25/2020, 11 business days after approval. We also noted that the 10/8/2019 board meeting minutes were approved on 11/12/2019 and posted to the Utah Public Notice website on 11/18/2019, four business days. During our testing of these items, we also noted that the following meeting minutes had not been uploaded to the Utah Public Notice Website as of the time of audit fieldwork:

- 7/9/2019
- 7/23/2019
- 8/27/2019
- 9/24/2019
- 1/28/2020

Criteria: Utah State Code 52-4-203(4)(e)(ii)(A) states that: "A state public body shall: within three business days after approving written minutes of an open meeting: post to the state website a copy of the approved minutes and any public materials distributed at the meeting;"

Cause: The city failed to follow the Utah State Code over public meetings and did not post the approved meeting minutes within three business days after their approval.

Effect: Meeting minutes were not provided to the public on a timely basis.

Recommendation: We recommend the City evaluate their meeting minute approval process and adopt methods to ensure that meeting minutes are uploaded to the Utah Public Website within three days of approval.

Response:
The City accepts this recommendation and will adjust procedures to ensure the timely posting of minutes. The missing minutes noted were uploaded to the Utah Public Notice website on 12/22/2020, after the audit fieldwork was complete.

2020-05 Public Treasurer's Bond (Material Weakness)

Condition: During our testing we noted the City had not procured enough crime/theft coverage, resulting in their Treasurer being under-bonded. The city has a bond for $600,000 but the city is required to have at least $1,000,000 coverage.

Criteria: Utah State Code 51-7-15(1)(a)(b) states: "The state treasurer, county, city, and town treasurers, the clerk or treasurer of each school district, and other public treasurers that the council designates by rule shall be bonded or may procure crime or theft insurance as described in Section 17-16-11 in an amount of not less than that established by the council. The council shall base the minimum bond amount or crime, or theft insurance as described in Section 17-16-11 on the amount of public funds normally in the treasurer's possession or control."

Cause: The City failed to follow the Utah State Code concerning public treasurer's bonds.

Effect: The City's Treasurer was not adequately bonded/insured.

Recommendation: We recommend the City reevaluate their insurance coverage and determine the proper amount of bonding/coverage needed to meet the minimum requirements as determined by the Money Management Council.

Response:
The City accepts this recommendation and has contacted the insurance broker to request an increase in coverage on the Treasurer's bond.

2020-06 Fund Balance - Deficit Fund Balance (Material Weakness)

Condition: During our testing we noted the Community Development Area Fund had a deficit fund balance of $493,600 as of June 30, 2020. We also noted the 2021 budget did not show the required 5% appropriation to reduce the deficit.

Criteria: Utah State Code 10-6-117(2) states "if there is a deficit fund balance in a fund at the close of the last completed fiscal year, the governing body of the city shall include an item of appropriation for the deficit in the current budget of the fund equal to at least 5% of the total revenue of the fund in the last completed year."

Cause: The City staff was unaware of this requirement.

Effect: The City failed to follow Utah State Code and did not appropriate the required finds to reduce the deficit fund balance.

Recommendation: We recommend the City amend the 2021 budget to comply with the state code.

Response:
The City accepts this recommendation. The City actually did appropriate funds in the approved budget to reduce the deficit balance. However, this was not adequately reflected in the financial statements. In the future, staff will ensure that the financial statements clearly show the reduction in the deficit balance.

2020-07 Fund Balance - Excess General Fund, fund balance (Material Weakness)

Condition: During our testing we noted the General Fund unrestricted (committed, assigned and unassigned) fund balance exceeded the allowable amount. The unrestricted fund balance on June 30, 2020 was $2,283,229, which is $254,153 more than the allowed limit of $2,029,076.

Criteria: Utah State Code 10-6-116(2) states "the accumulation of a fund balance in the general fund may not exceed 25% of the total revenue of the city general fund for the current fiscal period."

Cause: The City staff had not calculated the limitation at year end.

Effect: The City failed to follow Utah State Code and accumulated unrestricted fund balance is excess of the state code.

Recommendation: We recommend the City calculate the limitation at year end and made any necessary adjustments to comply with the state code.

Response:
The City accepts this recommendation. The City performed a calculation and transferred $800,000 from the General Fund to the Capital Projects Fund in order to comply with the maximum 25% threshold. However, adjustments made during the audit reduced the amount of total General Fund revenue. This caused the General Fund balance to exceed the maximum 25% threshold. The new method for recording administrative fees will be factored into the calculation in the future, to ensure that the General Fund balance does not exceed State imposed limits.

2020-08: Budgetary Compliance - Presentation of Monthly Financial Reports (Significant Deficiency)

Condition: During our testing we noted that the City governance was only provided quarterly financial reports during the fiscal year, instead of the monthly financial reports as required by Utah State Code for a fourth-class city.

Criteria: Utah State Code 10-6-148 states that: "The city recorder or other delegated person in each city of the third, fourth, or fifth class shall prepare and present to the governing body monthly summary financial reports and quarterly detail financial reports, prepared in the manner prescribed in the Uniform Accounting Manual for Utah Cities."

Cause: The City did not provide governance with monthly financial reports, as required by Utah code.

Effect: The City failed to follow Utah State Code and did not provide the adequate amount of governmental transparency.

Recommendation: We recommend the City provide governance with monthly financial reports, as required by Utah State Code.

Response:
The City accepts this recommendation. Staff has provided quarterly financial reports according to the direction of past auditors. With this clarified direction, staff will begin providing monthly financial reports to the City Council.

OTHER STATE COMPLIANCE FINDINGS NOTED DURING AUDIT OF FINANCIAL STATEMENTS

2020-09 Interfund Loan

Condition: During our audit of the financial statements, we noted the Redevelopment Agency Fund had, in a prior year, loaned the Community Development Area Fund $500,000. Since we did not see any terms or interest rate for this loan, we inquired of management if they had followed the applicable state code provisions related to internal loans. Management indicated they had not.

Criteria: Utah State Code 10-6-132 lists the steps necessary to create an interfund loan. These steps include holding a public hearing, establishing repayment terms, and the interest rate calculation to be charged on the loan.

Cause: The City staff was unaware of the requirements.

Effect: The City failed to follow Utah State Code.

Recommendation: We recommend the City comply with the state code related to interfund loans.

Response:
The City accepts this recommendation. This issue was discussed with past auditors and the code was interpreted to not require a formal loan agreement. However, with the current interpretation, the City will take steps to formalize the loan agreement between the RDA and CDA funds.

2020-10 Impact Fee Report

Condition: During our audit of the financial statements, we noted that the Impact Fee report issued by the City did not contain all the required elements.

Criteria: Utah State Code 11-36a-601 states that the local political subdivision that collects an impact fees shall at the end of each fiscal year prepare a report that "accounts for all impact funds that the local subdivision has on hand

at the end of the fiscal year, identify the impacts funds by the year in which they fee was received and the project from which the impact fee was collected."

Cause: The City staff was unaware of all the required elements for the impact fee report.

Effect: The City failed to follow Utah State Code and did not provide the required information on the impact fee report.

Recommendation: We recommend the City complete the impact fee report as required by state code.

Response:
The City accepts this recommendation. The City prepared and submitted an impact fee report to the State as has been done in previous years. The City will modify the report in the future according to this recommendation.