



**NORTH OGDEN CITY**

— SETTLED 1851 —

# Financial Statements

With Auditor's Report

June 30, 2022

**NORTH OGDEN CITY**

**BASIC FINANCIAL STATEMENTS**

**For The Year Ended June 30, 2022**

**Together with Independent Auditor's Report**

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# GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of City Council  
North Ogden, Utah

### Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of North Ogden City, Utah (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022 and the respective changes in financial position and cash flows, where applicable, , thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our objectives to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, and the required supplementary information regarding pensions, as noted in 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 City’s internal control over financial reporting and compliance.

***Gilbert & Stewart***

GILBERT & STEWART, CPA, PC  
Provo, Utah  
December 12, 2022

**NORTH OGDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For The Year Ended June 30, 2022**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis of North Ogden City's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. This report is in conjunction with the City's financial statements.

The purpose of the City is to provide general services to its residents which includes general government, public safety, public health, highways and public improvements, and parks and recreation.

**Financial Highlights**

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows as of the close of the most recent year. Of this amount, the unrestricted net position in the governmental funds and in the business-type funds may be used to meet the governments ongoing obligations to citizens and creditors.

Total Assets and Deferred Outflows	\$ 134,614,987
Total Liabilities and Deferred Inflows	\$ 20,355,817
Net Position	\$ 114,259,171

Governmental Activities Unrestricted Net Position	\$ 792,156
Business-type Activities Unrestricted Net Position	\$ 7,123,412

- The government's total net position changed as indicated below.

Increase (Decrease) in Total Net Position	\$ 7,027,312
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- At the close of the current year, the governmental funds reported ending fund balances as noted below. The Unassigned Fund Balance is available for spending at the city's discretion.

Governmental Funds		Percentage
Nonspendable	\$ 26,402	0.11%
Restricted Fund Balance	14,378,276	59.44%
Committed Fund Balance	176,213	0.73%
Assigned Fund Balance	7,231,457	29.90%
Unassigned Fund Balance	2,377,143	9.83%
Total Governmental Funds, Fund Balance	\$ 24,189,491	

- At the end of the current year, unassigned fund balance for the General Fund was as follows:

General Fund Unassigned Fund Balance	\$ 2,377,143
(As a percent of total General Fund Expenditures)	31.53%

- The City's total debt changed as indicated below. The large increase was due to the city issuing new debt related to the construction of a public safety building.

Increase (Decrease) in total debt	\$ 9,461,555
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**NORTH OGDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2022**

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements**

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

The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, deferred inflows and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 (e.g., uncollected taxes and earned but unused vacation leave).

Both of 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. The governmental activities of the City include general government, public safety, streets and road, parks and recreation, and economic development. In addition, the internal service funds are included in the governmental activities. The business-type activities of City are the water, sewer, storm water, and solid waste.

Refer to the table of contents for the location of the government-wide financial statements.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

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 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 government'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.

The City maintains four governmental funds: 1) General Fund, which is always a major fund; 2) RDA/CDA Special Revenue Fund ; 3) Aquatic Center Special Revenue Fund; 4) Capital Projects Fund.

**NORTH OGDEN CITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2022**

The City adopts an annual appropriated budget for all its governmental funds. A budgetary comparison statement has been provided to demonstrate legal compliance with the adopted budget for the General Fund and major Special Revenue Funds.

Refer to the table of contents for the location of the basic governmental fund financial statements.

**Proprietary Funds**

The City maintains four proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses Enterprise funds to account for its 1) water operations; 2) sewer operations; 3) storm water operations and 4) the solid waste operations. In addition, the City reports the internal service motor pool funds as Proprietary Funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. All of these funds are considered major funds of the City.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities at the close of the most recent fiscal year as indicated below.

Total Assets and Deferred Outflows	\$ 134,614,987
Total Liabilities and Deferred Inflows	\$ 20,355,817
Net Position	\$ 114,259,171

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

**NORTH OGDEN CITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For The Year Ended June 30, 2022**

**North Ogden City's Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 30,208,054	\$ 17,784,749	\$ 12,436,800	\$ 11,041,057	\$ 42,644,854	\$ 28,825,806
Capital assets	46,705,812	43,207,338	44,329,989	43,747,959	91,035,801	86,955,297
Total assets	76,913,866	60,992,087	56,766,789	54,789,016	133,680,655	115,781,103
Deferred outflows of resources	807,918	686,645	126,414	110,289	934,332	796,934
Long-term liabilities	9,336,099	774,834	40,980	56,390	9,377,079	831,224
Other liabilities	2,666,396	2,536,557	1,848,178	1,463,523	4,514,574	4,000,080
Total liabilities	12,002,495	3,311,391	1,889,158	1,519,913	13,891,653	4,831,304
Deferred inflows of resources	4,949,784	3,112,823	1,514,379	1,429,890	6,464,163	4,542,713
Net investment in capital assets	45,599,073	43,129,699	43,188,334	42,507,429	88,787,407	85,637,128
Restricted	14,378,276	3,816,152	3,177,920	2,560,310	17,556,196	6,376,462
Unrestricted	792,156	8,308,667	7,123,412	6,881,763	7,915,568	15,190,430
Total net position	\$ 60,769,505	\$ 55,254,518	\$ 53,489,666	\$ 51,949,502	\$ 114,259,171	\$ 107,204,020

**Governmental Activities**

Governmental activities changed the City's net position as noted below.

Prior year Governmental Activities Net Position	\$ 55,254,518
Current year Governmental Activities Net Position	\$ 60,769,505

Key Elements of this change are as follows:

**North Ogden City's Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 1,697,579	\$ 2,110,926	\$ 7,254,619	\$ 7,078,488	\$ 8,952,198	\$ 9,189,414
Operating grants and contributions	1,071,576	2,463,569	-	-	1,071,576	2,463,569
Capital grants and contributions	3,009,687	10,330,754	1,101,998	4,868,926	4,111,685	15,199,680
<b>General Revenues:</b>						
Property taxes	2,854,125	2,654,227	-	-	2,854,125	2,654,227
Sales taxes	4,687,489	4,161,967	-	-	4,687,489	4,161,967
Other taxes	1,125,785	1,062,157	-	-	1,125,785	1,062,157
Other	271,594	68,823	77,816	46,846	349,410	115,669
Total revenues	\$ 14,717,835	\$ 22,852,423	\$ 8,434,433	\$ 11,994,260	\$ 23,152,268	\$ 34,846,683

**NORTH OGDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2022**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2022	2021	2022	2021	2022	2021
<b>Expenses:</b>						
General government	\$ 1,451,124	\$ 2,165,534	\$ -	\$ -	\$ 1,451,124	\$ 2,165,534
Public safety	3,735,675	3,412,969	-	-	3,735,675	3,412,969
Streets and roads	1,795,855	5,166,324	-	-	1,795,855	5,166,324
Parks and recreation	1,998,594	1,834,654	-	-	1,998,594	1,834,654
Economic development	104,436	15,145	-	-	104,436	15,145
Interest on long-term debt	117,164	25,612	-	-	117,164	25,612
Water	-	-	2,513,284	2,038,903	2,513,284	2,038,903
Sewer	-	-	2,129,133	2,027,856	2,129,133	2,027,856
Storm water	-	-	1,009,741	971,214	1,009,741	971,214
Solid waste	-	-	1,269,950	1,363,735	1,269,950	1,363,735
Total expenses	9,202,848	12,620,238	6,922,108	6,401,708	16,124,956	19,021,946
Increase (decrease) in net position	5,514,987	10,232,185	1,512,325	5,592,552	7,027,312	15,824,737
Net position - beginning, as restated	55,254,518	45,022,333	51,977,341	46,356,950	107,231,859	91,379,283
Net position - ending	<u>\$ 60,769,505</u>	<u>\$ 55,254,518</u>	<u>\$ 53,489,666</u>	<u>\$ 51,949,502</u>	<u>\$ 114,259,171</u>	<u>\$ 107,204,020</u>

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services except for the expenses related to road improvements.

**Business-type Activities**

Business-type activities changed the City's net position as noted below.

Prior year Business-type Activities Net Position	\$ 51,949,502
Current year Business-type Activities Net Position	\$ 53,489,666

Key elements of the changes are shown above and on the previous page.

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, the City's governmental funds reported the following information. Unassigned fund balance is available for spending at the City's discretion. The Restricted and Nonspendable Fund Balances are not available for new spending because they have already been restricted or spent as noted below. The Assigned Fund Balance have been assigned as noted below.

**NORTH OGDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2022**

Governmental Funds, Fund Balances		Percentage
Nonspendable	\$ 26,402	0.11%
Restricted Fund Balance	14,378,276	59.44%
Committed Fund Balance	176,213	0.73%
Assigned Fund Balance	7,231,457	29.90%
Unassigned Fund Balance	<u>2,377,143</u>	9.83%
Total Governmental Funds, Fund Balance	<u>\$ 24,189,491</u>	
Prior years Total Governmental Funds, Fund Balance	\$ 13,251,915	
		Percent Change
Increase (Decrease) in Total Gov Funds, Fund Balance	\$ 10,937,576	82.54%
Nonspendable		
Prepaid Expenses	\$ 26,402	
Restricted Fund Balances		
Road improvements	2,715,229	
Unspent bond proceeds	8,444,243	
Impact fees	1,309,842	
Economic development	1,908,962	
Committed Fund Balances		
Aquatic Center	176,213	
Assigned Fund Balances		
Capital projects	7,231,457	

The General Fund is the chief operating fund. At the end of the current year, Fund Balances are indicated below. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The in-relation percentages below are the percentage of fund balance compared to the total of the General Fund expenditures.

General Fund, Fund Balances		
Nonspendable	\$ 26,402	0.35%
Restricted Fund Balance	562,169	7.46%
Unassigned Fund Balance	<u>2,377,143</u>	31.53%
Total General Fund, Fund Balance	<u>\$ 2,965,714</u>	39.34%

**Proprietary Funds**

Proprietary funds provide the same type of information found in the government-wide financial statements but in more detail.

Unrestricted net position of the proprietary funds at the end of the year was shown below. Other factors concerning the finances of these funds has already been addressed in the discussion of business-type activities.

Proprietary Funds, Unrestricted Net Position	\$ 7,314,305
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**General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget related to expenditures are noted below:

**NORTH OGDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2022**

Increase in Police department expenditures due to bond issuance  
and an increase personnel expenditures \$ 325,454

A comparison of final budgeted revenues and expenditures to the actual amounts received and spent is below:

	Final Budget	Actual	Variance
Total Revenues	\$ 11,815,967	\$ 9,637,441	\$ (2,178,526)
Total Expenditures	7,875,628	7,538,678	336,950
Net Increase (Decrease)	\$ 3,940,339	\$ 2,098,763	\$ (1,841,576)

**Capital Asset and Debt Administration**

**Capital Assets**

The City's investment in capital assets for its governmental activities as of June 30, 2022, is shown below. This investment in capital assets includes land, buildings, improvements other than buildings, equipment and infrastructure, which includes roads, highways and sidewalks. The total net increase in governmental activities' investment in capital assets for the current year is indicated below. Major capital assets events during the current year included the following:

- Improvements to the 400/450 east road project
- Contribution of assets (infrastructure) from completed developments

The City's investment in capital assets for its business-type activities as of June 30, 2022, is shown below. This investment includes water shares, buildings, and improvements other than buildings, such as water and sewer systems.

**North Ogden City's Capital Assets  
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Capital assets not being depreciated						
Land and water stock	\$ 10,095,530	\$ 4,778,872	\$ 3,601,832	\$ 3,067,432	\$ 13,697,362	\$ 7,846,304
Construction in progress	6,205,763	8,499,634	241,008	241,008	6,446,771	8,740,642
Capital assets being depreciated						
Buildings	16,916,028	16,902,138	418,425	418,425	17,334,453	17,320,563
Infrastructure	17,394,575	16,185,049	59,435,953	58,192,961	76,830,528	74,378,010
Park improvements	3,781,384	3,677,946	-	-	3,781,384	3,677,946
Machinery and equipment	6,064,790	5,928,000	5,291,640	5,026,137	11,356,430	10,954,137
Leased machinery and equipment	120,193	-	-	-	120,193	-
Total	60,578,263	55,971,639	68,988,858	66,945,963	129,567,121	122,917,602
Less accumulated depreciation and amortization	(13,872,451)	(12,764,301)	(24,658,869)	(23,170,165)	(38,531,320)	(35,934,466)
Total capital assets, net	\$ 46,705,812	\$ 43,207,338	\$ 44,329,989	\$ 43,775,798	\$ 91,035,801	\$ 86,983,136

**Long-Term Debt**

At the end of the current year, the City had total long-term debt outstanding of as noted below.

**NORTH OGDEN CITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For The Year Ended June 30, 2022**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$ 9,500,000	\$ -	\$ -	\$ -	\$ 9,500,000	\$ -
Financed purchase	39,194	77,639	-	-	39,194	77,639
Lease liability	85,320	-	-	-	85,320	-
Net pension liability	-	561,516	-	26,681	-	588,197
Compensated absences	493,805	424,675	102,451	74,273	596,256	498,948
<b>Total</b>	<b>\$ 10,118,319</b>	<b>\$ 1,063,830</b>	<b>\$ 102,451</b>	<b>\$ 100,954</b>	<b>\$ 10,220,770</b>	<b>\$ 1,164,784</b>

Additional information on the City's long-term debt can be found in the notes of the financial statements.

**Economic Factors**

The city continues to approach budgeting revenues and expenditures conservatively and considers regional and national economic forecasts as a component in the budgeting process, along with long-term capital plans. During fiscal year 2022, sales tax revenues remained strong at an increase of 12.5% over last year despite the lingering COVID-19 pandemic and an expected inflation rate of 7%. Building permit revenue decreased by 40% compared to the previous year, and the city expects slow growth for fiscal year 2023. On August 1, 2021, the city held a truth-in-taxation hearing, and Council approved a property tax revenue increase of 17.73%. Other rates and fees remained constant for fiscal year 2022.

**Request for Information**

This financial report is designed to provide a general overview of City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the North Ogden City Finance Director, 505 East 2600 North, North Ogden Utah 84414.

## **BASIC FINANCIAL STATEMENTS**



**NORTH OGDEN CITY**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
Current assets:			
Cash and cash equivalents	\$ 10,590,454	\$ 8,075,281	\$ 18,665,735
Accounts receivable, net	2,484,325	656,728	3,141,053
Intergovernmental receivables	980,405	51,904	1,032,309
Inventory	44,947	311,588	356,535
Prepaid expenses	26,402	3,674	30,076
Total current assets	<u>14,126,533</u>	<u>9,099,175</u>	<u>23,225,708</u>
Non-current assets:			
Restricted cash and cash equivalents	14,092,666	3,257,929	17,350,595
Restricted receivables	415,499	-	415,499
Internal Balances	190,893	(190,893)	-
Capital assets:			
Not being depreciated	16,301,293	3,842,840	20,144,133
Net of accumulated depreciation and amortization	30,404,519	40,487,149	70,891,668
Net pension asset	1,382,463	270,589	1,653,052
Total non-current assets	<u>62,787,333</u>	<u>47,667,614</u>	<u>110,454,947</u>
Total assets	<u>76,913,866</u>	<u>56,766,789</u>	<u>133,680,655</u>
Deferred outflows of resources:			
Pensions	807,918	126,414	934,332
<b>Total assets and deferred outflows of resources</b>	<b><u>\$ 77,721,784</u></b>	<b><u>\$ 56,893,203</u></b>	<b><u>\$ 134,614,987</u></b>

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

**NORTH OGDEN CITY**  
**STATEMENT OF NET POSITION (Continued)**  
**June 30, 2022**

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>			
Current liabilities:			
Accounts payable	\$ 607,335	\$ 414,042	\$ 1,021,377
Accrued liabilities	467,066	68,059	535,125
Payable from restricted assets	34,676	80,009	114,685
Accrued interest payable	30,080	-	30,080
Unearned revenue	102,212	1,217,947	1,320,159
Performance bonds and deposits	642,807	6,650	649,457
Compensated absences, current portion	296,282	61,471	357,753
Financed purchase	39,194	-	39,194
Lease liability, current portion	30,744	-	30,744
Bonds payable, current portion	416,000	-	416,000
Total current liabilities	<u>2,666,396</u>	<u>1,848,178</u>	<u>4,514,574</u>
Non-current liabilities:			
Compensated absences, non-current portion	197,523	40,980	238,503
Lease liability, non-current portion	54,576	-	54,576
Bonds payable, non-current portion	9,084,000	-	9,084,000
Total non-current liabilities	<u>9,336,099</u>	<u>40,980</u>	<u>9,377,079</u>
Total liabilities	<u>12,002,495</u>	<u>1,889,158</u>	<u>13,891,653</u>
Deferred inflows of resources:			
Deferred property tax revenue	2,424,308	-	2,424,308
Pensions	2,525,476	372,724	2,898,200
System agreements	-	1,141,655	1,141,655
Total deferred inflows of resources	<u>4,949,784</u>	<u>1,514,379</u>	<u>6,464,163</u>
<b>NET POSITION:</b>			
Net investment in capital assets	45,599,073	43,188,334	88,787,407
Restricted for:			
Road improvements	2,715,229	3,177,920	5,893,149
Unspent bond proceeds	8,444,243	-	8,444,243
Impact fees	1,309,842	-	1,309,842
Economic development	1,908,962	-	1,908,962
Unrestricted	792,156	7,123,412	7,915,568
Total net position	<u>60,769,505</u>	<u>53,489,666</u>	<u>114,259,171</u>
<b>Total Liabilities, deferred inflows of resources, and net position</b>	<u><b>\$ 77,721,784</b></u>	<u><b>\$ 56,893,203</b></u>	<u><b>\$ 134,614,987</b></u>

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

**NORTH OGDEN CITY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

	Program Revenues				Net (Expense) Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b><u>FUNCTIONS/PROGRAMS:</u></b>							
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 1,451,124	\$ 282,665	\$ -	\$ -	\$ (1,168,459)	\$ -	\$ (1,168,459)
Public safety	3,735,675	708,232	103,621	-	(2,923,822)	-	(2,923,822)
Streets and roads	1,795,855	175,036	953,106	2,656,323	1,988,610	-	1,988,610
Parks and recreation	1,998,594	531,646	14,849	353,364	(1,098,735)	-	(1,098,735)
Economic development	104,436	-	-	-	(104,436)	-	(104,436)
Interest on long-term debt	117,164	-	-	-	(117,164)	-	(117,164)
<b>Total governmental activities:</b>	<b>9,202,848</b>	<b>1,697,579</b>	<b>1,071,576</b>	<b>3,009,687</b>	<b>(3,424,006)</b>	<b>-</b>	<b>(3,424,006)</b>
Business-type activities:							
Water	2,513,284	2,426,491	-	620,115	-	533,322	533,322
Sewer	2,129,133	2,427,644	-	122,943	-	421,454	421,454
Storm water	1,009,741	1,158,365	-	358,940	-	507,564	507,564
Solid waste	1,269,950	1,242,119	-	-	-	(27,831)	(27,831)
<b>Total business-type activities</b>	<b>6,922,108</b>	<b>7,254,619</b>	<b>-</b>	<b>1,101,998</b>	<b>-</b>	<b>1,434,509</b>	<b>1,434,509</b>
<b>Total primary government</b>	<b>\$ 16,124,956</b>	<b>\$ 8,952,198</b>	<b>\$ 1,071,576</b>	<b>\$ 4,111,685</b>	<b>(3,424,006)</b>	<b>1,434,509</b>	<b>(1,989,497)</b>
<b>General Revenues:</b>							
Property taxes					2,854,125	-	2,854,125
Sales tax					4,687,489	-	4,687,489
Other taxes					1,125,785	-	1,125,785
Unrestricted investment earnings					84,410	51,709	136,119
Gain on sale of capital assets					66,327	26,107	92,434
Miscellaneous					120,857	-	120,857
Total general revenues					8,938,993	77,816	9,016,809
<b>Change in net position</b>					<b>5,514,987</b>	<b>1,512,325</b>	<b>7,027,312</b>
Net position - beginning					55,254,518	51,949,502	107,204,020
Prior period adjustment					-	27,839	27,839
<b>Net position - ending</b>					<b>\$ 60,769,505</b>	<b>\$ 53,489,666</b>	<b>\$ 114,259,171</b>

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

**NORTH OGDEN CITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2022**

	General Fund	Special Revenue		Capital Projects Fund	Total Governmental Funds
		RDA/CDA Funds	Aquatic Center		
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 2,446,169	\$ -	\$ 129,764	\$ 7,866,088	\$ 10,442,021
Receivables:					
Property taxes	2,329,093	-	-	-	2,329,093
Due from other governments	980,405	-	-	-	980,405
Other	-	-	155,152	80	155,232
Prepaid expenses	26,402	-	-	-	26,402
Restricted assets:					
Restricted cash and cash equivalents	352,560	1,901,561	-	11,838,545	14,092,666
Restricted receivables	215,022	102,616	-	97,861	415,499
<b>TOTAL ASSETS</b>	<b>\$ 6,349,651</b>	<b>\$ 2,004,177</b>	<b>\$ 284,916</b>	<b>\$19,802,574</b>	<b>\$28,441,318</b>
<b>LIABILITIES:</b>					
Accounts payable	\$ 122,296	\$ -	\$ 33,797	\$ 432,088	\$ 588,181
Accrued liabilities	245,318	-	34,061	180,266	459,645
Payable from restricted assets	5,413	-	-	29,261	34,674
Customer and developer deposits	624,660	-	-	18,147	642,807
Unearned revenue	57,157	-	40,845	4,210	102,212
<b>TOTAL LIABILITIES</b>	<b>1,054,844</b>	<b>-</b>	<b>108,703</b>	<b>663,972</b>	<b>1,827,519</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred property tax revenue	2,329,093	95,215	-	-	2,424,308
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepaid assets	26,402	-	-	-	26,402
Restricted for:					
Road improvements	562,169	-	-	2,153,060	2,715,229
Unspent bond proceeds	-	-	-	8,444,243	8,444,243
Impact fees	-	-	-	1,309,842	1,309,842
Economic development	-	1,908,962	-	-	1,908,962
Committed for:					
Aquatic center	-	-	176,213	-	176,213
Assigned for:					
Capital projects	-	-	-	7,231,457	7,231,457
Unassigned	2,377,143	-	-	-	2,377,143
<b>TOTAL FUND BALANCES</b>	<b>2,965,714</b>	<b>1,908,962</b>	<b>176,213</b>	<b>19,138,602</b>	<b>24,189,491</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 6,349,651</b>	<b>\$ 2,004,177</b>	<b>\$ 284,916</b>	<b>\$19,802,574</b>	<b>\$28,441,318</b>

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

**NORTH OGDEN CITY**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2022**

<b>Total Fund Balance for Governmental Funds</b>	<b>\$24,189,491</b>
Total net assets reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	55,909,442
Less accumulated depreciation and amortization	(11,231,774)
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	774,484
Deferred inflows of resources - pensions, acquisition of net position that applies to future periods, is not reported in the fund statements.	(2,426,898)
The net pension asset is recorded in the government-wide statements but not in the fund statements.	1,310,897
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements:	
Revenue bonds payable	(9,500,000)
Interest accrued but not yet paid on long-term debt	(29,071)
Compensated absences	(483,458)
Internal service funds are used by management to charge the cost of vehicle replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities of the statement of net position.	2,256,392
<b>Total Net Position of Governmental Activities</b>	<b>\$60,769,505</b>

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

**NORTH OGDEN CITY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2022**

	General Fund	Special Revenue		Capital Projects Funds	Total Governmental Funds
		RDA/CDA Funds	Aquatic Center		
<b>REVENUES:</b>					
Taxes	\$ 7,395,446	\$ 105,476	\$ -	\$ 372,882	\$ 7,873,804
Licenses and permits	517,240	-	-	-	517,240
Intergovernmental revenues	1,098,295	793,595	-	1,861,276	3,753,166
Charges for services	351,444	-	475,431	152,032	978,907
Fines and forfeitures	195,285	-	-	-	195,285
Impact fees	-	-	-	703,189	703,189
Interest	40,595	7,047	-	36,261	83,903
Donations	24,816	-	-	-	24,816
Miscellaneous revenue	14,320	-	21,416	78,556	114,292
<b>Total revenues</b>	<b>9,637,441</b>	<b>906,118</b>	<b>496,847</b>	<b>3,204,196</b>	<b>14,244,602</b>
<b>EXPENDITURES:</b>					
Current:					
General government	1,476,999	-	-	27,484	1,504,483
Public safety	3,938,227	-	-	-	3,938,227
Streets and roads	712,203	-	-	614,431	1,326,634
Parks and recreation	1,324,670	-	529,842	-	1,854,512
Economic development	-	104,436	-	-	104,436
Debt service:					
Interest	86,579	-	-	-	86,579
Capital Outlay:					
Public safety	-	-	-	1,026,915	1,026,915
Streets and roads	-	-	-	2,842,837	2,842,837
Parks and recreation	-	-	-	122,403	122,403
<b>Total expenditures</b>	<b>7,538,678</b>	<b>104,436</b>	<b>529,842</b>	<b>4,634,070</b>	<b>12,807,026</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,098,763</b>	<b>801,682</b>	<b>(32,995)</b>	<b>(1,429,874)</b>	<b>1,437,576</b>
<b>Other Financing Sources and (Uses):</b>					
Proceeds from the issuance of bonds	-	-	-	9,500,000	9,500,000
Transfers in	11,000	-	33,000	1,580,624	1,624,624
Transfers out	(1,580,624)	(44,000)	-	-	(1,624,624)
<b>Total other financing sources and (uses)</b>	<b>(1,569,624)</b>	<b>(44,000)</b>	<b>33,000</b>	<b>11,080,624</b>	<b>9,500,000</b>
<b>Net Change in Fund Balances</b>	<b>529,139</b>	<b>757,682</b>	<b>5</b>	<b>9,650,750</b>	<b>10,937,576</b>
Fund balance - beginning of year	2,436,575	1,151,280	176,208	9,487,852	13,251,915
<b>Fund balance - end of year</b>	<b>\$ 2,965,714</b>	<b>\$ 1,908,962</b>	<b>\$ 176,213</b>	<b>\$19,138,602</b>	<b>\$24,189,491</b>

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

**NORTH OGDEN CITY**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

**Net Change in Fund Balances - Total Governmental Funds** **\$10,937,576**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful and reported as depreciation expense.

Capital outlays purchased	3,942,417
Capital contributed	399,834
Depreciation expense	(920,010)

Governmental funds have proceeds from the sale of assets as revenue. However, the statement of activities reports the gain or loss on the sale of assets.	(6,500)
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The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	729,240
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Long-term debt proceeds are reported as financing sources in governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities.	(9,500,000)
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Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.	(29,071)
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Change in compensated absence liability	(65,873)
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An internal service fund is used by management to charge the cost of fleet management to individual funds. The net expense of the internal service is reported within the governmental activities.

Change in internal service fund	27,374
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ 5,514,987</b>
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The accompanying notes are an integral part of the financial statements.

**NORTH OGDEN CITY**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**June 30, 2022**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental	
			Storm Water	Solid Waste		Enterprise	Internal
	Water Fund	Sewer Fund	Fund	Fund		Funds	Service Fund
<b>ASSETS:</b>							
Current assets:							
Cash and cash equivalents	\$ 4,966,432	\$ 1,351,541	\$ 1,493,515	\$ 263,793	\$ 8,075,281	\$ 148,433	
Accounts receivable, net	219,714	221,795	104,254	110,965	656,728	-	
Grant receivables	-	-	51,904	-	51,904	-	
Other amounts receivables	-	-	-	-	-	-	
Inventories	311,588	-	-	-	311,588	44,947	
Prepaid items	3,674	-	-	-	3,674	-	
<b>Total current assets</b>	<b>5,501,408</b>	<b>1,573,336</b>	<b>1,649,673</b>	<b>374,758</b>	<b>9,099,175</b>	<b>193,380</b>	
Non-current assets:							
Restricted cash and cash equivalents	354,389	769,779	2,133,761	-	3,257,929	-	
Capital assets:							
Land, rights, and water stock	142,025	-	98,983	-	241,008	-	
Construction in progress	1,629,770	1,048,694	923,368	-	3,601,832	-	
Buildings and structures	345,949	-	-	72,476	418,425	337,565	
Systems	31,716,254	12,382,374	15,337,325	-	59,435,953	-	
Vehicles and equipment	1,928,697	615,456	1,528,129	1,219,358	5,291,640	4,211,062	
Leased vehicles and equipment	-	-	-	-	-	120,193	
Less accumulated depreciation and amortization	(13,659,545)	(4,345,772)	(5,522,834)	(1,130,718)	(24,658,869)	(2,640,678)	
Net pension asset	160,385	42,891	67,313	-	270,589	71,566	
<b>Total non-current assets</b>	<b>22,617,924</b>	<b>10,513,422</b>	<b>14,566,045</b>	<b>161,116</b>	<b>47,858,507</b>	<b>2,099,708</b>	
<b>Total assets</b>	<b>28,119,332</b>	<b>12,086,758</b>	<b>16,215,718</b>	<b>535,874</b>	<b>56,957,682</b>	<b>2,293,088</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Pensions	74,929	20,038	31,447	-	126,414	33,434	
<b>Total assets and deferred outflows of resources</b>	<b>\$28,194,261</b>	<b>\$12,106,796</b>	<b>\$16,247,165</b>	<b>\$ 535,874</b>	<b>\$57,084,096</b>	<b>\$ 2,326,522</b>	

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



**NORTH OGDEN CITY**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)**  
**June 30, 2022**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental
	Water Fund	Sewer Fund	Storm Water	Solid Waste		Internal
			Fund	Fund		Service Fund
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	\$ 310,404	\$ 31,910	\$ 14,358	\$ 64,557	\$ 421,229	\$ 19,152
Accrued liabilities	44,485	7,559	8,828	-	60,872	7,421
Payable from restricted assets	5,000	67,604	7,405	-	80,009	-
Unearned revenue	1,217,947	-	-	-	1,217,947	-
Customer security deposits	6,650	-	-	-	6,650	-
Accrued interest	-	-	-	-	-	1,009
Compensated absences, current portion	30,018	14,542	8,417	8,494	61,471	6,208
Financed purchase	-	-	-	-	-	39,194
Lease liability, current portion	-	-	-	-	-	30,744
<b>Total current liabilities</b>	<b>1,614,504</b>	<b>121,615</b>	<b>39,008</b>	<b>73,051</b>	<b>1,848,178</b>	<b>103,728</b>
Non-current liabilities:						
Compensated absences, long-term	20,011	9,695	5,612	5,662	40,980	4,139
Lease liability, long-term	-	-	-	-	-	54,576
<b>Total non-current liabilities</b>	<b>20,011</b>	<b>9,695</b>	<b>5,612</b>	<b>5,662</b>	<b>40,980</b>	<b>58,715</b>
<b>Total liabilities</b>	<b>1,634,515</b>	<b>131,310</b>	<b>44,620</b>	<b>78,713</b>	<b>1,889,158</b>	<b>162,443</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Pensions	220,923	59,080	92,721	-	372,724	98,578
System agreements	1,141,655	-	-	-	1,141,655	-
<b>Total deferred inflows of resources</b>	<b>1,362,578</b>	<b>59,080</b>	<b>92,721</b>	<b>-</b>	<b>1,514,379</b>	<b>98,578</b>
<b>NET POSITION:</b>						
Net investment in capital assets	20,961,495	9,700,752	12,364,971	161,116	43,188,334	1,934,372
Restricted for:						
Impact fees	349,389	702,175	2,126,356	-	3,177,920	-
Unrestricted	3,886,284	1,513,479	1,618,497	296,045	7,314,305	131,129
<b>Total net position</b>	<b>25,197,168</b>	<b>11,916,406</b>	<b>16,109,824</b>	<b>457,161</b>	<b>53,680,559</b>	<b>2,065,501</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$28,194,261</b>	<b>\$12,106,796</b>	<b>\$16,247,165</b>	<b>\$ 535,874</b>		<b>\$ 2,326,522</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service fund and the enterprise funds over time					(190,893)	
<b>Net Position of business-type activities</b>					<b>\$ 53,489,666</b>	

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

**NORTH OGDEN CITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2022**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental	
			Storm Water	Solid Waste		Enterprise	Activities
	Water Fund	Sewer Fund	Fund	Fund		Funds	Internal Service Funds
<b>Operating income:</b>							
Charges for services	\$ 2,254,416	\$ 2,408,772	\$ 1,157,065	\$ 1,190,208	\$ 7,010,461	\$ 693,796	
Connection fees	78,760	8,651	-	-	87,411	-	
Special fees	-	-	-	31,908	31,908	-	
Sale of materials and supplies	-	-	-	-	-	1,854	
Miscellaneous	93,315	10,221	1,300	20,003	124,839	4,712	
<b>Total operating income</b>	<b>2,426,491</b>	<b>2,427,644</b>	<b>1,158,365</b>	<b>1,242,119</b>	<b>7,254,619</b>	<b>700,362</b>	
<b>Operating expenses:</b>							
Salaries and benefits	532,377	163,401	215,466	-	911,244	233,249	
Sewer fees	-	1,256,125	-	-	1,256,125	-	
Materials and Supplies	747,966	128,676	112,788	114,902	1,104,332	161,011	
Internal service lease	41,436	35,512	46,418	35,512	158,878	-	
Contract services	5,000	11,578	12,442	953,418	982,438	-	
Administrative service fees	328,275	257,300	264,415	142,820	992,810	-	
Depreciation and amortization expense	871,119	287,587	372,651	34,344	1,565,701	301,128	
<b>Total operating expenses</b>	<b>2,526,173</b>	<b>2,140,179</b>	<b>1,024,180</b>	<b>1,280,996</b>	<b>6,971,528</b>	<b>695,388</b>	
<b>Net operating income (loss)</b>	<b>(99,682)</b>	<b>287,465</b>	<b>134,185</b>	<b>(38,877)</b>	<b>283,091</b>	<b>4,974</b>	
<b>Non-operating income (expense):</b>							
Sale of fixed assets	14,479	-	11,628	-	26,107	72,827	
Interest income	22,478	10,293	17,427	1,511	51,709	507	
Interest on long-term debt	-	-	-	-	-	(1,514)	
<b>Total non-operating income (expense)</b>	<b>36,957</b>	<b>10,293</b>	<b>29,055</b>	<b>1,511</b>	<b>77,816</b>	<b>71,820</b>	
<b>Income (loss) before contributions and transfers:</b>	<b>(62,725)</b>	<b>297,758</b>	<b>163,240</b>	<b>(37,366)</b>	<b>360,907</b>	<b>76,794</b>	
Capital contributions	93,378	37,753	164,319	-	295,450	-	
Impact fees	526,737	85,190	194,621	-	806,548	-	
Transfers in	39,826	-	-	-	39,826	-	
Transfers out	-	(39,826)	-	-	(39,826)	-	
<b>Change in net position</b>	<b>597,216</b>	<b>380,875</b>	<b>522,180</b>	<b>(37,366)</b>	<b>1,462,905</b>	<b>76,794</b>	
<b>Net position - beginning</b>	<b>24,599,952</b>	<b>11,589,165</b>	<b>15,506,171</b>	<b>494,527</b>		<b>1,988,707</b>	
<b>Prior period adjustment</b>	<b>-</b>	<b>(53,634)</b>	<b>81,473</b>	<b>-</b>		<b>-</b>	
<b>Net position - ending</b>	<b>\$25,197,168</b>	<b>\$11,916,406</b>	<b>\$16,109,824</b>	<b>\$ 457,161</b>		<b>\$ 2,065,501</b>	
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					49,420		
<b>Change in net position of business-type activities</b>					<b>\$ 1,512,325</b>		

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

**NORTH OGDEN CITY**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For The Year Ended June 30, 2022**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities
	Water Fund	Sewer Fund	Storm Water Fund	Solid Waste Fund		Internal Service Funds
<b>Cash flows from operating activities:</b>						
Cash received from customers - service	\$ 2,431,270	\$ 2,393,801	\$ 1,163,452	\$ 1,224,676	\$ 7,213,199	\$ 6,566
Cash received from interfund services provided	-	-	-	-	-	693,796
Cash paid to suppliers	(1,246,738)	(1,987,733)	(715,552)	(1,339,384)	(5,289,407)	(169,849)
Cash paid to employees	(586,918)	(176,025)	(242,621)	(11,572)	(1,017,136)	(261,466)
Cash paid for interfund services	(41,436)	(35,512)	(46,418)	(35,512)	(158,878)	-
<b>Net cash provided (used) in operating activities</b>	<b>556,178</b>	<b>194,531</b>	<b>158,861</b>	<b>(161,792)</b>	<b>747,778</b>	<b>269,047</b>
<b>Cash flows from capital and related financing activities:</b>						
Cash from impact fees	526,737	85,190	194,621	-	806,548	-
Cash from sale of fixed assets	102,424	-	87,612	-	190,036	236,156
Cash from grants	1,217,947	-	-	-	1,217,947	-
Cash payments for capital assets	(1,035,716)	(367,204)	(545,627)	-	(1,948,547)	(426,995)
Cash payments for long-term debt principal	-	-	-	-	-	(38,445)
Cash payments for long-term debt interest	-	-	-	-	-	(1,514)
Cash payments for leases	-	-	-	-	-	(34,873)
Cash payments on system reimbursements	(98,875)	-	-	-	(98,875)	-
<b>Cash flows provided (used) in capital and related financing activities</b>	<b>712,517</b>	<b>(282,014)</b>	<b>(263,394)</b>	<b>-</b>	<b>167,109</b>	<b>(265,671)</b>
<b>Cash flows from investing activities:</b>						
Cash received from interest earned	22,479	10,293	17,427	1,511	51,710	507
<b>Net cash provided (used) in investing activities</b>	<b>22,479</b>	<b>10,293</b>	<b>17,427</b>	<b>1,511</b>	<b>51,710</b>	<b>507</b>
<b>Net increase (decrease) in cash</b>	<b>1,291,174</b>	<b>(117,016)</b>	<b>(87,106)</b>	<b>(160,281)</b>	<b>926,771</b>	<b>3,883</b>
Cash balance, beginning	4,029,647	2,238,336	3,714,382	424,074	10,406,439	144,550
<b>Cash balance, ending</b>	<b>\$ 5,320,821</b>	<b>\$ 2,121,320</b>	<b>\$ 3,627,276</b>	<b>\$ 263,793</b>	<b>\$11,333,210</b>	<b>\$ 148,433</b>
<b>Cash reported on the statement of net position:</b>						
Cash and cash equivalents	\$ 4,966,432	\$ 1,351,541	\$ 1,493,515	\$ 263,793	\$ 8,075,281	\$ 148,433
Non-current restricted cash	354,389	769,779	2,133,761	-	3,257,929	-
<b>Total cash and cash equivalents</b>	<b>\$ 5,320,821</b>	<b>\$ 2,121,320</b>	<b>\$ 3,627,276</b>	<b>\$ 263,793</b>	<b>\$11,333,210</b>	<b>\$ 148,433</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:</b>						
<b>Net operating income (expense)</b>	<b>\$ (99,682)</b>	<b>\$ 287,465</b>	<b>\$ 134,185</b>	<b>\$ (38,877)</b>	<b>\$ 283,091</b>	<b>\$ 4,974</b>
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:						
Depreciation and amortization	871,119	287,587	372,651	34,344	1,565,701	301,128
Pension expense adjustment	(69,214)	(21,504)	(25,951)	(13,362)	(130,031)	(32,174)
Changes in assets and liabilities:						
(Increase) decrease in receivables- net	5,679	(35,442)	12,265	(17,443)	(34,941)	-
(Increase) decrease in inventory	(113,949)	-	-	-	(113,949)	1,275
(Increase) decrease in prepaid items	(73)	-	-	-	(73)	-
Increase (decrease) in accounts payables	(51,475)	(334,054)	(325,907)	(128,243)	(839,679)	(10,113)
Increase (decrease) in accrued liabilities	(4,040)	1,599	-	-	(2,441)	700
Increase (decrease) in customer deposits	(900)	-	(7,178)	-	(8,078)	-
Increase (decrease) in compensated absences	18,713	8,880	(1,204)	1,789	28,178	3,257
<b>Net cash provided (used) in operating activities</b>	<b>\$ 556,178</b>	<b>\$ 194,531</b>	<b>\$ 158,861</b>	<b>\$ (161,792)</b>	<b>\$ 747,778</b>	<b>\$ 269,047</b>
<b>Noncash capital and related financing activities:</b>						
Developer contributions	\$ 93,378	\$ 37,753	\$ 164,319	\$ -	\$ 295,450	\$ -
Intangible asset additions from lease obligations	-	-	-	-	-	120,193

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

## NORTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

### NOTE 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. Reporting entity**

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.

*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.

#### **B. Government-wide and fund financial statements**

##### *Government-wide Financial Statements*

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The *statement of net position* reports the financial position of the governmental and business-type activities of the City and its discretely presented component units (if any) at year-end.

The *statement of activities* reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

*Fund Financial Statements*

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

**C. Measurement focus, basis of accounting and financial statement presentation**

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fund balance flow assumptions*

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**D. Fund types and major funds**

*Governmental funds*

**The City reports the following major governmental funds:**

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

The *special revenue funds* 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.

The *capital projects funds* account for financial resources used for the acquisition or construction of the capital facilities of the City (other than those of the enterprise funds).

*Proprietary funds*

**The City reports the following major proprietary funds:**

*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.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Assets, Deferred Outflow of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance**

***Deposit 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.

***Cash and Cash Equivalents***

For purposes of the statement of cash flows, the City considers short-term, highly liquid investments with a maturity of three months or less from the purchase date to be cash equivalents.

***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 hand 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.

Accounts receivable other than property taxes and intergovernmental receivables are from customers primarily for utility services. Property tax and intergovernmental receivables are considered collectible. Customer accounts are reported net of an allowance for uncollectible accounts. The allowance amount is estimated using accounts receivable past due more than 90 days.

Property taxes are assessed and collected for the City by Weber County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1 and are delinquent after November 30. All dates are in the year of levy.

***Restricted Assets***

Certain assets are classified as restricted because their use is restricted by law or regulations.

***Inventories and Prepaid items***

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories consist of immaterial amounts of expendable supplies for consumption and so no inventory balance is reported.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

***Capital Assets***

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and 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 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight line method over the following estimated useful lives:

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
Vehicles	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.

***Long-term Obligations***

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as expenses.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.



**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Net Position/Fund Balance***

***Government-wide Financial Statements***

Equity is classified in the government-wide financial statements as net position and is displayed in three components:

**Net investment in capital assets** - Restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Restricted net position** - Net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

**Unrestricted net position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fund Financial Statements*

In the fund financial statements governmental fund equity is classified as fund balance. Fund balance is further classified as Nonspendable, Restricted, Committed, Assigned or Unassigned:

**Nonspendable fund balance** - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable.

**Restricted fund balance** - Net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of the government or b) imposed by law through constitutional provisions or enabling legislation.

In specific, the following are restricted for the following purposes:

Impact Fees:

*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.

*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.

*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

Road Improvements:

*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.

*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.

*Restricted for B&C Roads* - The City receives a grant from UDOT 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.

**Committed fund balance** - Amounts that can only be used for specific purposes established by formal action of the City Council, which is the City's highest level of decision making authority. Fund balance commitments can only be removed or changed by the same type of action (for example resolution) of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assigned fund balance** - Amounts that the City intends to be used for a specific purpose but are neither restricted nor committed. These are established by the City Council or management. This category includes the remaining positive fund balances for governmental funds other than the General Fund.

**Unassigned fund balance** - This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in other governmental funds that may carry a negative fund balance at year-end, it may be necessary to report this as unassigned.

Proprietary fund equity is classified the same as in the government-wide statements.

***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The city reports deferred outflows of resources related to pensions and impact fee payments.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Property taxes to be collected in November were unavailable in the current fiscal year. Accordingly, these property taxes are deferred and will be recognized as an inflow of resources in the period that the amounts become available. The city also reports deferred inflows of resources related to pensions as required by GASB 68. In addition, the City reports a deferred inflow of resources for two system reimbursement agreements for asset acquisition to be funded by future impact fees.

***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

***Change in accounting principle***

For 2022, the City implemented Governmental Accounting Standards Board Statement (GASBS) No. 87, *Leases*, which enhances the relevance and consistency of information of a government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset. These changes were incorporated in the City's 2022 financial statements but no adjustment was made to beginning net position due to the leases being entered into during the current fiscal year.

***Budgetary data***

Annual budgets are prepared by the Budget Officer and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year-end.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Utah State law prohibits the appropriation of unreserved General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Any unreserved General Fund balance greater than 35% of the current year's actual revenues must be appropriated within the following two years.

Once adopted, budget amendments which increase total expenditures must be approved by the City Council following a public hearing. With the consent of the City Manager, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Cash and investments as of June 30, 2022 consist of the following:

	Carry Value
Demand deposits - checking	\$ 1,607,185
Deposits - PTIF	34,409,145
<b>Total cash</b>	<b>\$ 36,016,330</b>
<i>As reported in the statement of net position:</i>	
Cash and cash equivalents (current)	\$ 18,665,735
Restricted cash and cash equivalents (noncurrent)	17,350,595
<b>Total cash and cash equivalents</b>	<b>\$ 36,016,330</b>

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**Deposit and Investment Risk**

The City maintains no investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

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, 2022, \$1,358,445 of the City's bank balances of \$1,608,445 was uninsured and uncollateralized.

Investments

**Fair Value of Investments**

For the year ended June 30, 2022, the city had deposits (carrying value which is the amortized cost) of \$34,409,135 with the Utah Public Treasurer's Investment Fund, with the fair value of these investments being \$34,266,986, using a fair value factor of 0.99586858, which is provided by the Utah State Treasurer's office.

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
- Level 3 – Unobservable inputs

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

<u>Investments by fair value level</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Utah Public Treasurer's Investment Fund	\$ 34,266,986	\$ -	\$ 34,266,986	\$ -
Total investments	<u>\$ 34,266,986</u>	<u>\$ -</u>	<u>\$ 34,266,986</u>	<u>\$ -</u>

**Interest rate risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As of June 30, 2022, the City held the following investments by maturity:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Weighted Avg</u>
		<u>Less Than 1</u>	<u>1-5</u>	<u>Maturity (days)</u>
Utah Public Treasurer's Investment Fund	\$ 34,266,986	\$ 34,266,986	\$ -	64.20
Total investments	<u>\$ 34,266,986</u>	<u>\$ 34,266,986</u>	<u>\$ -</u>	

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**Credit risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. At June 30, 2022, the City had the following investments by rating:

Investments by fair value level	Fair Value	AAA	AA	A	Unrated
Utah Public Treasurer's Investment Fund	\$ 34,266,986	\$ -	\$ -	\$ -	\$ 34,266,986
Total investments	<u>\$ 34,266,986</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,266,986</u>

**Custodial risk**

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The city manages this risk by investing in only those that short to medium length investments and highly rated.

**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. At June 30, 2022, all of the City's investments were invested in the PTIF.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Receivables as of June 30, 2022 for the City's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectable accounts, are as follows:

	General Fund	Special Revenue			Enterprise Funds	Total
		RDA/CDA Funds	Aquatic Center	Capital Projects		
Customers	\$ -	\$ -	\$ -	\$ -	\$ 672,728	\$ 672,728
Property taxes	2,329,093	102,616	-	-	-	2,431,709
Due from other governments	1,195,427	-	-	65,691	51,904	1,313,022
Other receivables	-	-	155,152	32,250	-	187,402
<b>Total receivables, gross</b>	<b><u>3,524,520</u></b>	<b><u>102,616</u></b>	<b><u>155,152</u></b>	<b><u>97,941</u></b>	<b><u>724,632</u></b>	<b><u>4,604,861</u></b>
Allowance for uncollectible	-	-	-	-	16,000	16,000
<b>Total receivables, net</b>	<b><u>\$ 3,524,520</u></b>	<b><u>\$ 102,616</u></b>	<b><u>\$ 155,152</u></b>	<b><u>\$ 97,941</u></b>	<b><u>\$ 708,632</u></b>	<b><u>\$ 4,588,861</u></b>

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the governmental activities was as follows:

<b>Governmental activities</b>	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 8,499,634	\$ 1,602,396	\$ (6,500)	\$ 10,095,530
Construction in progress	4,778,872	3,838,980	(2,412,089)	6,205,763
<b>Total capital assets, not being depreciated</b>	<b>13,278,506</b>	<b>5,441,376</b>	<b>(2,418,589)</b>	<b>16,301,293</b>
Capital assets, being depreciated:				
Buildings	16,902,138	13,890	-	16,916,028
Infrastructure	16,185,049	1,209,526	-	17,394,575
Park improvements	3,677,946	103,438	-	3,781,384
Machinery and equipment	5,928,000	533,080	(396,290)	6,064,790
Leased machinery and equipment	-	120,193	-	120,193
<b>Total capital assets, being depreciated</b>	<b>42,693,133</b>	<b>1,980,127</b>	<b>(396,290)</b>	<b>44,276,970</b>
Less accumulated depreciation and amortization for:				
Buildings	5,846,838	330,790	-	6,177,628
Infrastructure	2,662,455	454,877	-	3,117,332
Park improvements	1,107,682	98,458	-	1,206,140
Machinery and equipment	3,147,326	327,238	(112,988)	3,361,576
Leased machinery and equipment	-	9,775	-	9,775
<b>Total accumulated depreciation and amortization</b>	<b>12,764,301</b>	<b>1,221,138</b>	<b>(112,988)</b>	<b>13,872,451</b>
<b>Total capital assets being depreciated, net</b>	<b>29,928,832</b>	<b>758,989</b>	<b>(283,302)</b>	<b>30,404,519</b>
<b>Governmental activities, capital assets, net</b>	<b>\$ 43,207,338</b>	<b>\$ 6,200,365</b>	<b>\$ (2,701,891)</b>	<b>\$ 46,705,812</b>

Capital assets in the statement of net position also include capital assets of the internal service funds of \$2,028,143 (net of accumulated depreciation).

The leased machinery and equipment amortization is presented as amortization expense on the Statement of Revenues, Expenses and Changes in Fund Net Position related to the City's intangible asset of leased vehicles and equipment, which is included in the above table. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this Statement requires the lessee to recognize a lease liability and an intangible right to use asset.

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

<b>Governmental activities:</b>	
General government	\$ 111,995
Public safety	121,979
Streets and roads	663,287
Parks and recreation	323,877
<b>Total</b>	<b>\$1,221,138</b>

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 – CAPITAL ASSETS (Continued)**

Capital asset activity for the business-type activities was as follows:

	Beginning Balance, restated	Additions	Retirements	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land, rights, and water stock	\$ 241,008	\$ -	\$ -	\$ 241,008
Construction in progress	3,067,432	648,790	(114,390)	3,601,832
<b>Total capital assets, not being depreciated</b>	<b>3,308,440</b>	<b>648,790</b>	<b>(114,390)</b>	<b>3,842,840</b>
Capital assets, being depreciated:				
Buildings and structures	418,425	-	-	418,425
Systems	58,192,961	1,270,282	(27,290)	59,435,953
Vehicles and equipment	5,026,137	677,903	(412,400)	5,291,640
<b>Total capital assets, being depreciated</b>	<b>63,637,523</b>	<b>1,948,185</b>	<b>(439,690)</b>	<b>65,146,018</b>
Less accumulated depreciation for:				
Buildings and structures	324,865	12,230	-	337,095
Systems	20,003,720	1,229,678	(19,103)	21,214,295
Vehicles and equipment	2,841,580	323,793	(57,894)	3,107,479
<b>Total accumulated depreciation</b>	<b>23,170,165</b>	<b>1,565,701</b>	<b>(76,997)</b>	<b>24,658,869</b>
<b>Total capital assets being depreciated, net</b>	<b>40,467,358</b>	<b>382,484</b>	<b>(362,693)</b>	<b>40,487,149</b>
<b>Business-type activities, capital assets, net</b>	<b>\$ 43,775,798</b>	<b>\$ 1,031,274</b>	<b>\$ (477,083)</b>	<b>\$44,329,989</b>

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

<b>Business-type activities:</b>	
Water system	\$ 871,119
Sewer system	287,587
Strom water system	372,651
Solid waste	34,344
<b>Total</b>	<b>\$ 1,565,701</b>



**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 – LONG-TERM DEBT**

Long-term debt activity for the governmental activities was as follows:

<b>Governmental activities:</b>	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Revenue Bonds from Direct Placements:</b>							
Sales Tax Revenue, Series 2021	\$ 6,750,000	0.50 to 2.80	\$ -	\$ 6,750,000	\$ -	\$ 6,750,000	\$ 299,000
Sales Tax Revenue, Series 2022	2,750,000	2.30 to 4.65	-	2,750,000	-	2,750,000	117,000
<b>Financed Purchases from Direct Borrowings:</b>							
Two snow plow trucks	228,575	1.95	77,639	-	(38,445)	39,194	39,194
<b>Other Long-term liabilities:</b>							
Lease liability			-	120,193	(34,873)	85,320	30,744
Net pension liability			561,516	-	(561,516)	-	-
Compensated absences			424,675	308,851	(239,721)	493,805	296,282
<b>Total governmental activity long-term liabilities</b>			<b>\$ 1,063,830</b>	<b>\$ 9,929,044</b>	<b>\$ (874,555)</b>	<b>\$ 10,118,319</b>	<b>\$ 782,220</b>

<b>Business-type activities:</b>	Original Principal	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Other Long-term liabilities:</b>							
Net pension liability			26,681	-	(26,681)	-	-
Compensated absences			74,273	100,705	(72,527)	102,451	61,471
<b>Total business-type activity long-term liabilities</b>			<b>\$ 100,954</b>	<b>\$ 100,705</b>	<b>\$ (99,208)</b>	<b>\$ 102,451</b>	<b>\$ 61,471</b>

Revenue Bonds from Direct Placements

*Sales Tax Revenue, Series 2021* – On December 15, 2021 the City issued \$6,750,000 in sales tax revenue bonds. The proceeds will be used to construct the City’s new public safety building. The bonds carry an interest rate of 0.50% to 2.80% and will mature in fiscal year 2042. The bonds are secured by sales tax revenues.

*Sales Tax Revenue, Series 2022* – On June 30, 2022 the City issued \$2,750,000 in sales tax revenue bonds. The proceeds will be used to construct the City’s new public safety building. The bonds carry an interest rate of 2.30% to 4.65% and will mature in fiscal year 2042. The bonds are secured by sales tax revenues.

The annual debt service requirements to maturity for these bonds as of June 30, 2022, are as follows:

Year	Revenue Bonds from Direct Placements		
	Principal	Interest	Total
2023	\$ 416,000	\$ 187,833	\$ 603,833
2024	404,000	199,017	603,017
2025	408,000	194,261	602,261
2026	414,000	188,938	602,938
2027	420,000	183,097	603,097
2028-2032	2,207,000	808,430	3,015,430
2033-2037	2,443,000	571,432	3,014,432
2038-2042	2,788,000	226,460	3,014,460
<b>Total</b>	<b>\$ 9,500,000</b>	<b>\$ 2,559,468</b>	<b>\$ 12,059,468</b>

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 4 – LONG-TERM DEBT (Continued)**

Financed Purchases from Direct Borrowings

On October 23, 2017, the City entered into a financed purchase contract to acquire two snowplow 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 agreement has an interest rate of 1.95%.

The annual debt service requirements to maturity for this financing as of June 30, 2022, are as follows:

Year	Financed Purchases from Direct Borrowings		
	Principal	Interest	Total
2023	\$ 39,194	\$ 764	\$ 39,958
<b>Total</b>	<b>\$ 39,194</b>	<b>\$ 764</b>	<b>\$ 39,958</b>

**NOTE 5 – LEASE OBLIGATIONS PAYABLE**

\$20,062 has been recorded as intangible right to use lease in the Internal Service Funds capital assets. Due to the implementation of GASB Statement No. 87, this lease for a Skid Steer met the criteria of a lease; thus, requiring it to be recorded by the City. This asset will be amortized over the lease term of three years since it is shorter than the useful life and the City is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The lease will end in 2025, with the final payment due in 2024.

\$45,469 has been recorded as intangible right to use lease in the Internal Service Funds capital assets. Due to the implementation of GASB Statement No. 87, this lease for a Backhoe met the criteria of a lease; thus, requiring it to be recorded by the City. This asset will be amortized over the lease term of three years since it is shorter than the useful life and the City is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The lease will end in 2025, with the final payment due in 2024.

\$54,662 has been recorded as intangible right to use lease in the Internal Service Funds capital assets. Due to the implementation of GASB Statement No. 87, this lease for an Excavator met the criteria of a lease; thus, requiring it to be recorded by the City. This asset will be amortized over the lease term of five years since it is shorter than the useful life and the City is not taking ownership of the equipment. There are no residual value guarantees in the lease provisions. The lease will end in 2027, with the final payment due in 2026.

A summary of the principal and interest amounts for the remaining leases is as follows:

Year	Principal	Interest	Total
2023	\$ 30,744	\$ 4,129	\$ 34,873
2024	32,232	2,641	34,873
2025	10,908	1,081	11,989
2026	11,436	554	11,990
<b>Total</b>	<b>\$ 85,320</b>	<b>\$ 8,405</b>	<b>\$ 93,725</b>

**NORTH OGDEN CITY  
NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 6 – TRANSFERS AND INTERFUND PAYABLES/RECEIVABLES**

Transfers

The operating transfers among the funds were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<i>Governmental activities:</i>		
General Fund	\$ 11,000	\$ 1,580,624
RDA/CDA	-	44,000
Aquatic Center	33,000	-
Capital Project Fund	1,580,624	-
<i>Business-type activities:</i>		
Water Fund	39,826	-
Sewer Fund	-	39,826
	<b><u>\$1,664,450</u></b>	<b><u>\$1,664,450</u></b>

During the year ended June 30, 2022, the City made the following transfers.

The General Fund transferred \$1,515,446 to the capital projects fund to assist with future construction projects.

The General Fund transferred \$565,178 to the Capital Projects Fund to fund street projects.

The RDA/CDA Fund transferred \$33,000 to the Aquatic Center for operations.

The Sewer Fund transferred a vehicle to the Water Fund, which was subsequently traded in on a new vehicle.

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 governmentwide financial statements as “internal balances.”

At June 30, 2022, there was an interfund receivable and payable of \$410,000 between the North Ogden CBD and the Downtown Community Development project areas.

**NORTH OGDEN CITY  
NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 7 – 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, 2022, there were no outstanding claims or judgements against the City. Settlements did not exceed insurance coverage for each of the past three years.

**NOTE 8 – REDEVELOPMENT AGENCY AND COMMUNITY DEVELOPMENT AREA**

In accordance with Utah State Code, municipalities that have established Redevelopment Agencies and Community Developments entities are required to disclose certain revenues and expenditures associated with the various project areas. The revenues and expenditures associated with the projects are as follows:

	North Ogden CBD	Downtown Community Development
Revenues:		
Property tax - city portion	\$ 89,195	\$ 16,281
Tax increment - other entities	703,107	90,488
	\$ 792,302	\$ 106,769
Expenditures:		
Project expenditures	\$ 104,436	\$ -
Transfer to General Fund	11,000	-
Transfer to Aquatic Center	33,000	-
	\$ 148,436	\$ -

**NOTE 9 – PENSION**

**General Information about the Pension Plan**

**Plan description:**

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

Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost sharing, public employee retirement system;

Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer public retirement system;

Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost sharing public employee retirement system;

Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost sharing, public employee retirement system.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

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

**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	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years, any age 20 years, age 60* 10 years age 62* 4 years age 65	1.5% per year all years	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.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

**Contributions Rate Summary**

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

Contribution rates as of June 30, 2022 are as follows:

	Employee	Employer	Employer 401(k)
<b>Contributory System</b>			
111 Local Government Div - Tier 1	6.00%	14.46%	N/A
111 Local Government Div - Tier 2	N/A	16.07%	0.62%
<b>Noncontributory System</b>			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
<b>Public Safety System Contributory</b>			
122 Tier 2 DB Hybrid Public Safety	2.27%	26.99%	N/A
<b>Public Safety System Noncontributory</b>			
75 Other Div A with 4% COLA	N/A	35.71%	N/A
<b>Tier 2 DC Only</b>			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	12.99%	14.00%

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

For fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 295,061	N/A
Public Safety System	206,376	-
Tier 2 Public Employees System	182,987	-
Tier 2 Public Safety and Firefighter	204,296	17,155
Tier 2 DC Only System	24,997	N/A
Tier 2 DC Public Safety and Firefighter	1,087	N/A
Total Contributions	<u>\$ 914,804</u>	<u>\$ 17,155</u>

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

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

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

At June 30, 2022, we reported a net pension asset of \$1,653,052 and a net pension liability of \$0.

(Measurement Date): December 31, 2021

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	\$ 1,191,215	\$ -	0.2079960%	0.1994393%	0.0085567%
Public Safety System	424,753	-	0.5230025%	0.5489677%	(0.0259652%)
Tier 2 Public Employees System	23,822	-	0.0562857%	0.0649270%	(0.0086413%)
Tier 2 Public Safety and Firefighter	13,262	-	0.2623869%	0.2317115%	0.0306754%
Total	<u>\$ 1,653,052</u>	<u>\$ -</u>			

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

For the year ended June 30, 2022, we recognized pension expense of \$21,883.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 183,855	\$ 5,248
Changes in assumptions	223,362	14,689
Net difference between projected and actual earnings on pension plan investments	-	2,851,299
Changes in proportion and differences between contri- butions and proportionate share of contributions	70,046	26,964
Contributions subsequent to the measurement date	457,069	-
	<u>\$ 934,332</u>	<u>\$ 2,898,200</u>

\$457,069 was 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (459,896)
2023	(849,462)
2024	(688,898)
2025	(468,118)
2026	6,647
Thereafter	38,790

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

For the year ended June 30, 2022, we recognized pension expense of \$(132,565).

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 124,767	\$ -
Changes in assumptions	111,800	7,689
Net difference between projected and actual earnings on pension plan investments	-	1,603,812
Changes in proportion and differences between contri- butions and proportionate share of contributions	34,666	-
Contributions subsequent to the measurement date	<u>144,597</u>	<u>-</u>
	<u>\$ 415,830</u>	<u>\$ 1,611,501</u>

\$144,597 was 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.



**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (239,823)
2023	(446,724)
2024	(387,242)
2025	(266,479)
2026	-
Thereafter	-

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

For the year ended June 30, 2022, we recognize pension expense of \$1,480.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 36,151	\$ -
Changes in assumptions	74,468	4,418
Net difference between projected and actual earnings on pension plan investments	-	1,148,090
Changes in proportion and differences between contri- butions and proportionate share of contributions	15,816	26,199
Contributions subsequent to the measurement date	98,171	-
	<u>\$ 224,606</u>	<u>\$ 1,178,707</u>

\$98,171 was 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (200,427)
2023	(378,151)
2024	(283,351)
2025	(190,343)
2026	-
Thereafter	-

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

For the year ended June 30, 2022, we recognize pension expense of \$82,721.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 11,573	\$ 3,069
Changes in assumptions	22,212	225
Net difference between projected and actual earnings on pension plan investments	-	58,862
Changes in proportion and differences between contri- butions and proportionate share of contributions	11,973	-
Contributions subsequent to the measurement date	<u>106,053</u>	<u>-</u>
	<u>\$ 151,811</u>	<u>\$ 62,156</u>

\$106,053 was 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (11,059)
2023	(14,178)
2024	(10,285)
2025	(5,922)
2026	4,610
Thereafter	20,436

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

For the year ended June 30, 2022, we recognize pension expense of \$70,248.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 11,364	\$ 2,179
Changes in assumptions	14,882	2,357
Net difference between projected and actual earnings on pension plan investments	-	40,535
Changes in proportion and differences between contri- butions and proportionate share of contributions	7,591	765
Contributions subsequent to the measurement date	<u>108,248</u>	<u>-</u>
	<u>\$ 142,085</u>	<u>\$ 45,836</u>

\$108,248 was 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, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

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
2022	\$ (8,586)
2023	(10,408)
2024	(8,019)
2025	(5,373)
2026	2,037
Thereafter	18,350

**Actuarial assumptions:**

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five year period ending December, 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class 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.

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term Expected Portfolio Real Rate of Return
Equity securities	37.00%	6.58%	2.43%
Debt securities	20.00%	-0.28%	-0.06%
Real assets	15.00%	5.77%	0.87%
Private equity	12.00%	9.85%	1.18%
Absolute return	16.00%	2.91%	0.47%
Cash and cash equivalents	0.00%	-1.01%	0.00%
<b>Totals</b>	<b>100.00%</b>		<b>4.89%</b>
<b>Inflation</b>			<b>2.50%</b>
<b>Expected arithmetic nominal return</b>			<b>7.39%</b>

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

**Discount rate:**

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

**Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:**

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

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 640,552	\$ (1,191,215)	\$ (2,719,468)
Public Safety System	1,047,580	(424,753)	(1,620,388)
Tier 2 Public Employees System	141,938	(23,822)	(151,092)
Tier 2 Public Safety and Firefighter	106,392	(13,262)	(108,250)
<b>Total</b>	<b>\$ 1,936,462</b>	<b>\$ (1,653,052)</b>	<b>\$ (4,599,198)</b>

**NORTH OGDEN CITY**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 9 – PENSION (Continued)**

**Pension plan fiduciary net position:**

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

**Defined Contribution Savings Plan:**

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 the Utah Retirement Systems:

- 401(k) Plan

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

	2022	2021	2020
401(k) Plan			
Employer Contributions	\$ 45,003	\$ 41,736	\$ 41,813
Employee Contributions	9,931	6,160	6,015

**NOTE 10 – COMMITMENTS**

At June 30, 2022 the city had two commitments with external parties to complete infrastructure projects in the capital projects fund. The city estimates the remaining commitments related to these projects was approximately \$1,300,000.

**NOTE 11 – PRIOR PERIOD ADJUSTMENT**

During the current year, management determined that certain prior year capital assets were recorded in excess of their historical cost and other certain capital assets were recorded for amounts less than their historical cost. To correct these errors, the beginning net position of the Sewer Fund of \$11,589,165 and of the Storm Water Fund of \$15,506,171 as originally reported, have decreased to \$11,535,531 and increased to \$15,587,644, respectively. The effect of these adjustments on beginning net position for business-type activities is to increase it from \$51,949,502, as originally reported, to \$51,977,341.

**NOTE 12 – SUBSEQUENT EVENTS**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 12, 2022, the date the financial statements were available to be used.

**REQUIRED SUPPLEMENTARY INFORMATION**

**NORTH OGDEN CITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Budgetary Comparison Schedules**

The Budgetary Comparison Schedules presented in this section of the report is for General Fund, the RDA/CDA Special Revenue Fund, and the Aquatic Center Special Revenue Fund. The basis of budgeting is the same as GAAP.

**Budgeting and Budgetary Control**

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the 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.

**Changes in Assumptions Related to Pensions**

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



**NORTH OGDEN CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL – GENERAL FUND**  
**For the Year Ended June 30, 2022**

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Taxes	\$ 6,389,212	\$ 7,189,818	\$ 7,395,446	\$ 205,628
Licenses and permits	440,000	493,200	517,240	24,040
Intergovernmental revenues	948,566	3,434,959	1,098,295	(2,336,664)
Charges for services	476,100	393,100	351,444	(41,656)
Fines and forfeitures	166,800	207,150	195,285	(11,865)
Other	7,000	7,000	-	(7,000)
Interest	25,000	25,000	40,595	15,595
Donations	40,000	40,000	24,816	(15,184)
Miscellaneous revenue	25,738	25,740	14,320	(11,420)
<b>Total revenues</b>	<b>8,518,416</b>	<b>11,815,967</b>	<b>9,637,441</b>	<b>(2,178,526)</b>
<b>EXPENDITURES:</b>				
General government:				
Legislative	90,291	95,101	91,161	3,940
Judicial	234,408	215,091	178,723	36,368
Finance	369,400	252,311	203,188	49,123
Administration	423,625	521,943	505,410	16,533
Non-departmental	339,220	386,747	367,511	19,236
General government buildings	131,288	140,826	131,006	9,820
Public Safety:				
Police department	2,964,419	3,289,873	3,173,527	116,346
Planning	280,946	305,555	285,117	20,438
Inspection	288,593	366,976	329,831	37,145
Animal control	149,140	149,415	149,752	(337)
Streets and Roads:				
Streets and roads	707,416	723,067	712,203	10,864
Parks and recreation:				
Administration	340,756	343,144	287,063	56,081
Parks	816,939	832,588	842,198	(9,610)
Recreation	210,240	210,991	195,409	15,582
Debt service:				
Interest	-	42,000	86,579	(44,579)
<b>Total expenditures</b>	<b>7,346,681</b>	<b>7,875,628</b>	<b>7,538,678</b>	<b>336,950</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,171,735</b>	<b>3,940,339</b>	<b>2,098,763</b>	<b>(2,515,476)</b>
<b>Other financing sources and (uses):</b>				
Transfers in	11,000	11,000	11,000	-
Transfers out	(1,482,735)	(13,751,339)	(1,580,624)	12,170,715
<b>Total other financing sources and (uses)</b>	<b>(1,471,735)</b>	<b>(13,740,339)</b>	<b>(1,569,624)</b>	<b>12,170,715</b>
<b>Net change in fund balances</b>	<b>(300,000)</b>	<b>(9,800,000)</b>	<b>529,139</b>	<b>9,655,239</b>
Fund balances - beginning of year			2,436,575	
<b>Fund balances - end of year</b>			<b>\$ 2,965,714</b>	

**NORTH OGDEN CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL**  
**RDA/CDA SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2022**

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Property tax	\$ 830,000	\$ 830,000	\$ 105,476	\$ (724,524)
Property tax increments	-	-	793,595	793,595
Interest Income	5,000	5,000	7,047	2,047
<b>Total revenues</b>	<b>835,000</b>	<b>835,000</b>	<b>906,118</b>	<b>71,118</b>
<b>EXPENDITURES:</b>				
Economic development	635,719	630,719	104,436	(526,283)
<b>Total expenditures</b>	<b>635,719</b>	<b>630,719</b>	<b>104,436</b>	<b>(526,283)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>199,281</b>	<b>204,281</b>	<b>801,682</b>	<b>597,401</b>
<b>Other financing sources and (uses):</b>				
Transfers out	(199,281)	(199,281)	(44,000)	155,281
<b>Total other financing sources and (uses)</b>	<b>(199,281)</b>	<b>(199,281)</b>	<b>(44,000)</b>	<b>155,281</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>5,000</b>	<b>757,682</b>	<b>752,682</b>
Fund balances - beginning of year			1,151,280	
<b>Fund balances - end of year</b>			<b>\$ 1,908,962</b>	

**NORTH OGDEN CITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES – BUDGET AND ACTUAL**  
**AQUATIC CENTER SPECIAL REVENUE FUND**  
**For the Year Ended June 30, 2022**

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Admissions,	\$ 340,000	\$ 340,000	\$ 454,734	\$ (114,734)
Concessions	15,000	15,000	15,298	(298)
Rentals	2,400	2,400	5,399	(2,999)
Miscellaneous	4,765	4,765	21,416	(16,651)
<b>Total revenues</b>	<b>362,165</b>	<b>362,165</b>	<b>496,847</b>	<b>(134,682)</b>
<b>EXPENDITURES:</b>				
Salaries and benefits	348,846	348,846	373,565	(24,719)
Materials, supplies and services	64,100	64,100	38,633	25,467
Maintenance and repairs	37,000	37,000	24,633	12,367
Utilities	65,500	65,500	56,096	9,404
Chemicals	35,000	35,000	36,915	(1,915)
<b>Total expenditures</b>	<b>550,446</b>	<b>550,446</b>	<b>529,842</b>	<b>45,323</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(188,281)</b>	<b>(188,281)</b>	<b>(32,995)</b>	<b>(180,005)</b>
<b>Other financing sources and (uses):</b>				
Transfers in	188,281	188,281	33,000	(155,281)
<b>Total other financing sources and (uses)</b>	<b>188,281</b>	<b>188,281</b>	<b>33,000</b>	<b>(155,281)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(335,286)</b>
Fund balances - beginning of year			176,208	
<b>Fund balances - end of year</b>			<b>\$ 176,213</b>	

**NORTH OGDEN CITY**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Utah Retirement Systems**  
**June 30, 2022 – Last 10 Measurement Dates\***

Measurement Date December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
<b>Noncontributory System</b>					
2021	0.2079960%	\$ (1,191,215)	\$ 1,665,786	(71.51%)	108.7%
2020	0.1994393%	102,301	1,594,522	6.42%	99.2%
2019	0.1982006%	746,992	1,579,410	47.30%	93.7%
2018	0.1781850%	1,312,105	1,412,103	92.92%	87.0%
2017	0.1664153%	729,115	1,323,128	55.11%	91.9%
2016	0.1602462%	1,028,977	1,315,547	78.22%	87.3%
2015	0.1631476%	923,168	1,367,806	67.49%	87.8%
2014	0.1663092%	722,154	1,419,455	50.88%	90.2%
<b>Public Safety System</b>					
2021	0.5300250%	\$ (424,753)	\$ 606,318	(70.05%)	104.2%
2020	0.5489677%	455,776	699,986	65.11%	95.5%
2019	0.5146921%	826,399	636,232	129.89%	90.9%
2018	0.5020646%	1,291,604	686,924	188.03%	84.7%
2017	0.4979801%	781,161	731,633	106.77%	90.2%
2016	0.4669401%	947,550	688,814	137.56%	86.5%
2015	0.4473629%	801,339	656,851	122.00%	87.1%
2014	0.4268607%	536,813	622,523	86.23%	90.5%
<b>Tier 2 Public Employees Retirement Systems</b>					
2021	0.0562857%	\$ (23,822)	\$ 1,044,777	(2.28%)	103.8%
2020	0.0649270%	9,338	1,038,164	0.90%	98.3%
2019	0.0704546%	15,846	978,829	1.62%	96.5%
2018	0.0686548%	29,403	800,443	3.67%	90.8%
2017	0.0656528%	5,788	642,222	0.90%	97.4%
2016	0.0632419%	7,055	518,631	1.36%	95.1%
2015	0.0485772%	(106)	313,867	(0.03%)	100.2%
2014	0.0380994%	(1,155)	186,997	(0.62%)	103.5%
<b>Tier 2 Public Safety and Firefighter Retirement System</b>					
2021	0.2623869%	\$ (13,262)	\$ 627,466	(2.11%)	102.8%
2020	0.2317115%	20,783	461,529	4.50%	93.1%
2019	0.2578145%	24,251	424,943	5.71%	89.6%
2018	0.2118440%	5,308	283,520	1.87%	95.6%
2017	0.2211418%	(2,559)	233,449	(1.10%)	103.0%
2016	0.2481679%	(2,154)	205,040	(1.05%)	103.6%
2015	0.3053124%	(4,461)	181,652	(2.46%)	110.7%
2014	0.3480897%	(5,149)	143,783	(3.58%)	120.5%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

**NORTH OGDEN CITY**  
**SCHEDULE OF CONTRIBUTIONS\*\***  
**Utah Retirement Systems**  
**June 30, 2022 – Last 10 Fiscal Years\***

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
<b>Noncontributory System</b>					
2022	\$ 295,061	\$ 295,061	\$ -	\$ 1,610,986	18.32%
2021	287,534	287,534	-	1,630,543	17.63%
2020	281,493	281,493	-	1,618,935	17.39%
2019	262,866	262,866	-	1,511,185	17.39%
2018	230,882	230,882	-	1,333,107	17.32%
2017	235,424	235,424	-	1,330,504	17.69%
2016	233,522	233,522	-	1,330,911	17.55%
2015	245,610	245,610	-	1,391,385	17.65%
2014	235,539	235,539	-	1,414,290	16.65%
<b>Public Safety System</b>					
2022	\$ 206,376	\$ 206,376	\$ -	\$ 577,923	35.71%
2021	236,539	236,539	-	662,389	35.71%
2020	238,038	238,038	-	666,586	35.71%
2019	225,924	225,924	-	641,979	35.19%
2018	237,534	237,534	-	728,521	32.60%
2017	226,756	226,756	-	715,974	31.67%
2016	206,900	206,900	-	655,343	31.57%
2015	204,537	204,537	-	644,757	31.72%
2014	184,402	184,402	-	603,659	30.55%
<b>Tier 2 Public Employees System**</b>					
2022	\$ 182,987	\$ 182,987	\$ -	\$ 1,140,309	16.05%
2021	162,726	162,726	-	1,032,006	15.77%
2020	164,079	164,079	-	1,047,757	15.66%
2019	137,724	137,724	-	887,129	15.52%
2018	107,562	107,562	-	711,861	15.11%
2017	88,842	88,842	-	596,662	14.89%
2016	57,781	57,781	-	388,167	14.89%
2015	36,188	36,188	-	242,222	14.94%
2014	27,326	27,326	-	195,322	13.99%
<b>Tier 2 Public Safety and Firefighter System</b>					
2022	\$ 204,296	\$ 204,296	\$ -	\$ 756,930	26.99%
2021	136,022	136,022	-	504,307	26.97%
2020	108,792	108,792	-	448,915	24.23%
2019	84,912	84,912	-	350,390	24.23%
2018	60,905	60,905	-	256,659	23.73%
2017	54,393	54,393	-	229,895	23.66%
2016	42,978	42,978	-	181,644	23.66%
2015	38,270	38,270	-	161,406	23.71%
2014	33,152	33,152	-	148,198	22.37%

**NORTH OGDEN CITY**  
**SCHEDULE OF CONTRIBUTIONS\*\* (Continued)**  
**Utah Retirement Systems**  
**June 30, 2022 – Last 10 Fiscal Years\***

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
<b>Tier 2 Public Employees DC Only system**</b>					
2022	\$ 24,997	\$ 24,997	\$ -	\$ 373,656	6.69%
2021	21,709	21,709	-	324,496	6.69%
2020	18,656	18,656	-	278,860	6.69%
2019	16,429	16,429	-	245,574	6.69%
2018	10,480	10,480	-	156,650	6.69%
2017	8,482	8,482	-	126,787	6.69%
2016	8,242	8,242	-	123,199	6.69%
2015	6,563	6,563	-	97,671	6.72%
2014	2,942	2,942	-	52,727	5.58%
<b>Tier 2 Public Safety and Firefighter DC Only System**</b>					
2022	\$ 1,087	\$ 1,087	\$ -	\$ 8,364	13.00%
2021	-	-	-	-	N/A
2020	-	-	-	-	N/A
2019	-	-	-	-	N/A
2018	-	-	-	-	N/A
2017	-	-	-	-	N/A
2016	-	-	-	-	N/A
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available. Contributions as a percentage of covered payroll may be different than the certified rate due to rounding and other administrative practices.

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

## **SUPPLEMENTARY INFORMATION**

**NORTH OGDEN CITY  
COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
June 30, 2022**

	Capital Projects Fund	Transportation Utility Fund	Transportation Impact Fee Fund	Transportation Sales Tax Fund	400/450 Improvement Fund	Total Capital Project Funds
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 7,843,731	\$ -	\$ -	\$ -	\$ 22,357	\$ 7,866,088
Other receivables	80	-	-	-	-	80
Restricted assets:						
Restricted cash and cash equivalents	8,473,075	784,155	1,309,842	848,302	423,171	11,838,545
Restricted receivables	-	-	-	65,691	32,170	97,861
<b>TOTAL ASSETS</b>	<b><u>\$16,316,886</u></b>	<b><u>\$ 784,155</u></b>	<b><u>\$ 1,309,842</u></b>	<b><u>\$ 913,993</u></b>	<b><u>\$ 477,698</u></b>	<b><u>\$19,802,574</u></b>
<b>LIABILITIES:</b>						
Accounts payable	\$ 432,088	\$ -	\$ -	\$ -	\$ -	\$ 432,088
Accrued liabilities	180,266	-	-	-	-	180,266
Payable from restricted assets	28,832	-	-	-	429	29,261
Customer/Developer deposits	-	-	-	-	18,147	18,147
Unearned revenue	-	-	-	-	4,210	4,210
<b>TOTAL LIABILITIES</b>	<b><u>641,186</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>22,786</u></b>	<b><u>663,972</u></b>
<b>FUND BALANCES:</b>						
Restricted:						
Road improvements	-	784,155	-	913,993	454,912	2,153,060
Unspent bond proceeds	8,444,243	-	-	-	-	8,444,243
Impact fees	-	-	1,309,842	-	-	1,309,842
Assigned for:						
Capital projects	7,231,457	-	-	-	-	7,231,457
<b>TOTAL FUND BALANCES</b>	<b><u>15,675,700</u></b>	<b><u>784,155</u></b>	<b><u>1,309,842</u></b>	<b><u>913,993</u></b>	<b><u>454,912</u></b>	<b><u>19,138,602</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$16,316,886</u></b>	<b><u>\$ 784,155</u></b>	<b><u>\$ 1,309,842</u></b>	<b><u>\$ 913,993</u></b>	<b><u>\$ 477,698</u></b>	<b><u>\$19,802,574</u></b>



**NORTH OGDEN CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – CAPITAL PROJECTS FUNDS**  
**For the Year Ended June 30, 2022**

	Capital Projects Fund	Transportation Utility Fund	Transportation Impact Fee Fund	Transportation Sales Tax Fund	400/450 Improvement Fund	Total Capital Project Funds
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 372,882	\$ -	\$ 372,882
Intergovernmental revenues	1,861,276	-	-	-	-	1,861,276
Charges for services	-	-	-	-	152,032	152,032
Impact fees	353,364	-	349,825	-	-	703,189
Interest	20,798	2,889	4,165	6,531	1,878	36,261
Miscellaneous revenue	78,556	-	-	-	-	78,556
<b>Total revenues</b>	<b>2,313,994</b>	<b>2,889</b>	<b>353,990</b>	<b>379,413</b>	<b>153,910</b>	<b>3,204,196</b>
<b>EXPENDITURES:</b>						
Current:						
General government	12,466	15,018	-	-	-	27,484
Streets and roads	567,362	-	-	-	47,069	614,431
Capital Outlay						
Public safety	1,026,915	-	-	-	-	1,026,915
Streets and roads	2,842,837	-	-	-	-	2,842,837
Parks and recreation	122,403	-	-	-	-	122,403
<b>Total expenditures</b>	<b>4,571,983</b>	<b>15,018</b>	<b>-</b>	<b>-</b>	<b>47,069</b>	<b>4,634,070</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(2,257,989)</b>	<b>(12,129)</b>	<b>353,990</b>	<b>379,413</b>	<b>106,841</b>	<b>(1,429,874)</b>
<b>Other Financing Sources and (Uses):</b>						
Proceeds from the issuance of bonds	9,500,000	-	-	-	-	9,500,000
Transfers in	2,301,624	-	-	-	-	2,301,624
Transfers out	-	-	-	(721,000)	-	(721,000)
<b>Total other financing sources and (uses)</b>	<b>11,801,624</b>	<b>-</b>	<b>-</b>	<b>(721,000)</b>	<b>-</b>	<b>11,080,624</b>
<b>Net Change in Fund Balances</b>	<b>9,543,635</b>	<b>(12,129)</b>	<b>353,990</b>	<b>(341,587)</b>	<b>106,841</b>	<b>9,650,750</b>
Fund balances - beginning of year	6,132,065	796,284	955,852	1,255,580	348,071	9,487,852
<b>Fund balances - end of year</b>	<b>\$15,675,700</b>	<b>\$ 784,155</b>	<b>\$ 1,309,842</b>	<b>\$ 913,993</b>	<b>\$ 454,912</b>	<b>\$19,138,602</b>

**NORTH OGDEN CITY**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2022**

	Motor Pool Fund	Police Motor Pool Fund	Total Internal Service Funds
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 86,768	\$ 61,665	\$ 148,433
Inventories	44,947	-	44,947
<b>Total current assets</b>	<b>131,715</b>	<b>61,665</b>	<b>193,380</b>
Non-current assets:			
Capital assets:			
Buildings and structures	337,565	-	337,565
Vehicles and equipment	3,096,929	1,114,133	4,211,062
Leased vehicles and equipment	120,193	-	120,193
Less accumulated depreciation	(1,932,568)	(708,110)	(2,640,678)
Net pension asset	71,566	-	71,566
<b>Total non-current assets</b>	<b>1,693,685</b>	<b>406,023</b>	<b>2,099,708</b>
<b>Total assets</b>	<b>1,825,400</b>	<b>467,688</b>	<b>2,293,088</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows of resources - pensions	33,434	-	33,434
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,858,834</b>	<b>\$ 467,688</b>	<b>\$ 2,326,522</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	\$ 9,392	\$ 9,760	\$ 19,152
Accrued liabilities	7,421	-	7,421
Accrued interest	1,009	-	1,009
Compensated absences, current portion	6,208	-	6,208
Financed purchase	39,194	-	39,194
Lease liability, current portion	30,744	-	30,744
<b>Total current liabilities</b>	<b>93,968</b>	<b>9,760</b>	<b>103,728</b>
Non-current liabilities:			
Compensated absences, long-term	4,139	-	4,139
Lease liability, long-term	54,576	-	54,576
<b>Total non-current liabilities</b>	<b>58,715</b>	<b>-</b>	<b>58,715</b>
<b>Total liabilities</b>	<b>152,683</b>	<b>9,760</b>	<b>162,443</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows of resources - pensions	98,578	-	98,578
<b>Total liabilities and deferred inflows of resources</b>	<b>251,261</b>	<b>9,760</b>	<b>261,021</b>
<b>NET POSITION:</b>			
Net investment in capital assets	1,528,349	406,023	1,934,372
Unrestricted	79,224	51,905	131,129
<b>Total net position</b>	<b>1,607,573</b>	<b>457,928</b>	<b>2,065,501</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 1,858,834</b>	<b>\$ 467,688</b>	<b>\$ 2,326,522</b>

**NORTH OGDEN CITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2022**

	Motor Pool Fund	Police Motor Pool Fund	Total Internal Service Fund
<b>Operating income:</b>			
Charges for services	\$ 385,801	\$ 307,995	\$ 693,796
Sale of materials and supplies	1,854	-	1,854
Miscellaneous	4,712	-	4,712
<b>Total operating income</b>	<b>392,367</b>	<b>307,995</b>	<b>700,362</b>
<b>Operating expenses:</b>			
Salaries and benefits	233,249	-	233,249
Materials and Supplies	54,878	106,133	161,011
Depreciation expense	189,861	111,267	301,128
<b>Total operating expenses</b>	<b>477,988</b>	<b>217,400</b>	<b>695,388</b>
<b>Net operating income (loss)</b>	<b>(85,621)</b>	<b>90,595</b>	<b>4,974</b>
<b>Non-operating income (expense):</b>			
Sale of fixed assets	51,702	21,125	72,827
Interest income	220	287	507
Interest on long-term debt	(1,514)	-	(1,514)
<b>Total non-operating income (expense)</b>	<b>50,408</b>	<b>21,412</b>	<b>71,820</b>
<b>Income (loss) before transfers:</b>	<b>(35,213)</b>	<b>112,007</b>	<b>76,794</b>
Transfers in	43,895	-	43,895
Transfers out	-	(43,895)	(43,895)
<b>Change in net position</b>	<b>8,682</b>	<b>68,112</b>	<b>76,794</b>
<b>Net position - beginning</b>	<b>1,598,891</b>	<b>389,816</b>	<b>1,988,707</b>
<b>Net position - ending</b>	<b>\$ 1,607,573</b>	<b>\$ 457,928</b>	<b>\$ 2,065,501</b>

**NORTH OGDEN CITY**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2022**

	Motor Pool	Police Motor Pool	Total Internal Service Funds
<b>Cash flows from operating activities:</b>			
Cash received from customers - service	\$ 6,566	\$ -	\$ 6,566
Cash received from interfund services provided	385,801	307,995	693,796
Cash paid to suppliers	(66,401)	(103,448)	(169,849)
Cash paid to employees	(261,466)	-	(261,466)
<b>Net cash provided (used) in operating activities</b>	<b>64,500</b>	<b>204,547</b>	<b>269,047</b>
<b>Cash flows from noncapital financing activities:</b>			
Interfund balances - transfer in/(out)	43,895	(43,895)	-
<b>Net cash provided (used) in noncapital financing activities</b>	<b>43,895</b>	<b>(43,895)</b>	<b>-</b>
<b>Cash flows from capital and related financing activities:</b>			
Cash from sale of fixed assets	201,156	35,000	236,156
Cash payments for capital assets	(180,345)	(246,650)	(426,995)
Cash payments for long-term debt principal	(38,445)	-	(38,445)
Cash payments for long-term debt interest	(1,514)	-	(1,514)
Cash payments for leases	(34,873)	-	(34,873)
<b>Cash flows provided (used) in capital and related financing activities</b>	<b>(54,021)</b>	<b>(211,650)</b>	<b>(265,671)</b>
<b>Cash flows from investing activities:</b>			
Cash received from interest earned	220	287	507
<b>Net cash provided (used) in investing activities</b>	<b>220</b>	<b>287</b>	<b>507</b>
<b>Net increase (decrease) in cash</b>	<b>54,594</b>	<b>(50,711)</b>	<b>3,883</b>
Cash balance, beginning	32,174	112,376	144,550
<b>Cash balance, ending</b>	<b>\$ 86,768</b>	<b>\$ 61,665</b>	<b>\$ 148,433</b>
<b>Cash reported on the statement of net position:</b>			
Cash and cash equivalents	\$ 86,768	\$ 61,665	\$ 148,433
<b>Total cash and cash equivalents</b>	<b>\$ 86,768</b>	<b>\$ 61,665</b>	<b>\$ 148,433</b>

**NORTH OGDEN CITY**  
**COMBINING STATEMENT OF CASH FLOWS (Continued)**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended June 30, 2022**

	<u>Motor Pool</u>	<u>Police Motor Pool</u>	<u>Total Internal Service Funds</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) in Operating Activities:</b>			
<b>Net operating income (expense)</b>	<b>\$ (85,621)</b>	<b>\$ 90,595</b>	<b>\$ 4,974</b>
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:			
Depreciation and amortization	189,861	111,267	301,128
Pension expense adjustment	(32,174)	-	(32,174)
Changes in assets and liabilities:			
(Increase) decrease in inventory	1,275	-	1,275
Increase (decrease) in accounts payables	(12,798)	2,685	(10,113)
Increase (decrease) in accrued liabilities	700	-	700
Increase (decrease) in compensated absences	3,257	-	3,257
<b>Net cash provided (used) in operating activities</b>	<b><u>\$ 64,500</u></b>	<b><u>\$ 204,547</u></b>	<b><u>\$ 269,047</u></b>
<b>Noncash capital and related financing activities:</b>			
Intangible asset additions from lease obligations	\$ 120,193	\$ -	\$ 120,193

**NORTH OGDEN CITY  
SUPPLEMENTARY REPORTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NORTH OGDEN CITY  
SUPPLEMENTARY REPORTS  
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# GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the North Ogden City (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2022.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the North Ogden 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 which might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, 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 instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

## **Gilbert & Stewart**

GILBERT & STEWART, CPA PC  
Provo, Utah  
December 12, 2022



# GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

RANDEL A. HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H. PROBST, CPA  
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE STATE COMPLIANCE AUDIT GUIDE

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

### Report On Compliance

We have audited the North Ogden City's ("the City") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the City for the year ended June 30, 2022.

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

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Justice Court
- Restricted Taxes and Related Revenues
- Government Fees
- Cash Management
- Utah Retirement System

### *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 the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about 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 for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

### ***Opinion on Compliance***

In our opinion, the North Ogden City, complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2022.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in our letter to management dated December 12, 2022 as item 2022-1. Our opinion on compliance is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying in our letter to management dated December 12, 2022 as item 2022-1. 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 Financial Reporting***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with 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.

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

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

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

**Gilbert & Stewart**  
GILBERT & STEWART, CPA PC  
Provo, Utah  
December 12, 2022



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SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

Honorable Mayor and City Council  
And those charged with Governance of the City  
North Ogden City  
North Ogden, UT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of North Ogden City for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 22, 2022. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Ogden City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting North Ogden City's financial statements was:

Management's estimate of the useful lives of depreciable assets, and the applicable depreciation amounts are based on estimated usefulness of the assets in question and the related wear and tear of those assets. We evaluated the key factors and assumptions used to develop these amounts in determining that they were reasonable in relation to the financial statements taken as a whole.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

AMERICAN FORK OFFICE  
85 NORTH CENTER STREET  
AMERICAN FORK, UT 84003  
(801) 756-9666  
FAX (801) 756-9667

PROVO OFFICE  
190 WEST 800 NORTH #100  
PROVO, UT 84601  
(801) 377-5300  
FAX (801) 373-5622

HEBER OFFICE  
45 SOUTH MAIN ST  
HEBER, UT 84032  
(435) 654-6477  
FAX (801) 373-5622

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 12, 2022.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### *Utah State Legal Compliance Findings – Current Year*

##### 22-1 Budgetary Compliance

**Finding:** State law requires the City's total expenditure by fund or department do not exceed the amounts appropriated in the final adopt budget. We noted that the debt service department in the general fund exceeded the budgeted amount by \$44,579.

**City's Response:** We agree with the finding and will make the necessary changes to comply with state law.

Utah State Legal Compliance Findings – Prior Year

No findings in the prior year.

This information is intended solely for the use of the City Council and management of North Ogden City and is not intended to be and should not be used by anyone other than these specified parties.

**Gilbert & Stewart**

GILBERT & STEWART  
*Certified Public Accountants*  
Provo, Utah  
December 12, 2022