



MEMORANDUM

TO: Mayor and City Council

FROM: Matthew J. Dixon, City Manager

RE: January 04, 2022 City Council Meeting

WORK SESSION

- **2021 Community Survey Review/Discussion.** We will spend a few minutes reviewing and discussing the results of the 2021 Community Survey. In your packet you will find copies of the 2021 Community Survey Summary Report and the 2017 – 2021 Community Survey Comparison Report. The 2021 Community Survey Full Report containing all of the written answers to the open-ended questions was emailed previously.

I am excited to report that we had 502 survey responses from residents throughout the city. With an estimated population of 17,488, and setting the confidence interval at 95%, the survey has a margin of error of only 4%. This means that the City can be 95% certain that, if all 17,488 residents were to take the survey, the results would be within +/- 4 percentage points of the survey responses. Despite our efforts to try and increase participation from minority populations in the City, the survey results show that these groups are still underrepresented in the data.

The intent of gathering this data every year is to help us prepare for the annual Strategic Planning Retreat. As you review the survey results, it might be helpful to ask some of the following questions: What does the data suggest we need to focus on? What does the data say about what we are doing right? What questions should we be asking ourselves as a result of the survey data? Are we focusing on the right things? Are we making a difference? What should be our focus in the coming years?

I appreciate Doug Gailey's help in preparing and administering the Community Survey, as well as getting the survey translated into Spanish – something the City has never done.

- **FY2021 Audit Report Review and Discussion.** Representatives from Keddington & Christensen will be reviewing the results of the FY2021 Audit Report. This report was completed and submitted to the state within the required timeline (Dec. 31). In short, the City received a clean audit and was found to be generally in compliance. There were two compliance findings in this year's audit. The first finding was a negative fund balance of \$188,824 within the city's CDRA fund. This is due to

E mdixon@southogdencity.com

O 801-622-2702

F 801-622-2713

3950 Adams Ave. Suite 1

South Ogden City, UT 84403

SouthOgdenCity.com

the CDRA incurring expenses without any tax increment income. This will be remedied in 2022 as the City Center Project Area triggers in January 2022.

The second finding was for the City's Garbage Fund being overspent by \$72,887. This was largely due to increased costs for hauling and tipping fees due to an increase in curbside garbage. This will be something the City will need to more closely monitor as the fiscal year moves forward so we don't have a budget overrun at the fiscal year's end.

DEPARTMENT REPORTS

- ***Parks and Recreation & Building Department.*** Jon Andersen will be providing a year-end report on the Parks, Recreation and Building Departments.
- ***Finance.*** Steve Liebersbach will provide an annual report from the Finance Department.
- ***Police.*** Chief Parke will provide an annual report on the Police Department.

These annual reports are also a good time for the council to listen to how each department is performing. Department Directors should be sharing information about how their departments are doing, what they have accomplished, etc. They should also share their thoughts on things the council should be thinking about for their department. What is the department going to be needing in the next 12-36 months, etc. This information is provided to also help you as a council start to understand and prioritize what should be the city's focus over the next few years.

On January 18 we will have annual reports from Public Works, Fire and Administration.

ARTS COUNCIL

- ***RAMP Grant Applications.*** Prior to applying for Arts and Museums RAMP grant funding, the city's Arts Council must first review the project requests and vote in support of the applications. As you are aware, the plan is to seek funding for two projects through the Arts and Museums portion of RAMP. The first application will be seeking matching funds for the South Ogden Heritage Trail Project. The request will include letters of support from organizations such as the Sons of the Utah Pioneers (SUP), the Daughters of the Utah Pioneers, the Weber County Heritage Foundation, Weber School District and others. The city will be committing matching funds up to \$20,000. So far, I am aware that the SUP have committed \$10,000 and the Weber County Heritage Foundation has pledged \$4,000 of in-kind support. I've included a copy of the project flyer and a letter of support from the Weber County Heritage Foundation. I should be receiving the other letter of support within the next 10 days.

The second application for Arts and Museums funding will be for \$10,000 to support our annual South Ogden Days entertainment.

The Council will be asked to vote in support of the City applying for these grants for the 2022 RAMP Grant cycle.

E mdixon@southogdencity.com

O 801-622-2702

F 801-622-2713

3950 Adams Ave. Suite 1

South Ogden City, UT 84403

SouthOgdenCity.com



**NOTICE AND AGENDA
SOUTH OGDEN CITY COUNCIL
WORK SESSION**

TUESDAY, JANUARY 4, 2022

WORK SESSION – 5 PM

COUNCIL MEETING - 6 PM

Notice is hereby given that the South Ogden City Council will hold their regularly scheduled work session at 5 pm Tuesday, January 4, 2022. The meeting will be located at City Hall, 3950 Adams Ave., South Ogden, Utah, 84403, in the city council chambers. The meeting is open to the public; however, the city will abide by all COVID-19 restrictions in place at the time of the meeting, including social distancing, wearing of masks, and number of people allowed to gather at one time. No action will be taken on any items discussed during pre-council work sessions. Discussion of agenda items is for clarification only. Some members of the council may be attending the meeting electronically. The meeting will also be streamed live over www.facebook.com/southogdencity.

WORK SESSION AGENDA

I. CALL TO ORDER – Mayor Russell Porter

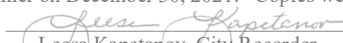
II. REVIEW OF AGENDA

III. DISCUSSION ITEMS

- A. Review of 2021 Community Survey
- B. Questions/Discussion on FY2021 Audit Report

IV. ADJOURN

The undersigned, duly appointed City Recorder, does hereby certify that a copy of the above notice and agenda was posted to the State of Utah Public Notice Website, on the City's website (southogdencity.gov) and emailed to the Standard Examiner on December 30, 2021. Copies were also delivered to each member of the governing body.


Leesa Kapetanov, City Recorder

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during the meeting should notify the City Recorder at 801-622-2709 at least 48 hours in advance.



2021 Citizen Survey



Summary Report

Survey Completed December 2021

This is a summary report of the survey responses. Written responses to open-ended questions have been omitted from this report. This report summarizes the open-ended responses in Word Clouds. The 2021 Community Survey – Full Report contains all written responses.

Are you a resident of South Ogden?



Yes No

Question	Total
Yes	502
No	33

Survey Response Rate and Margin of Error

Margin of error, also called confidence interval, tells us how much we can expect the survey results to reflect the views of the entire population. This is a good measure of how effective the survey results are. The smaller the margin of error, the more confidence we can have that the survey results are representative of the larger population.

The City was able to gather 502 survey responses from residents. With a population of 17,488 and with a confidence interval of 95%, the margin of error for the survey results is 4%. This means that the City can be 95% certain (confident) that, if all (100%) of residents were to take the Survey, the results would be within +/- 4 percentage points of the survey responses.

Population Size ⓘ

17488

Confidence Level (%) ⓘ

95 ▼

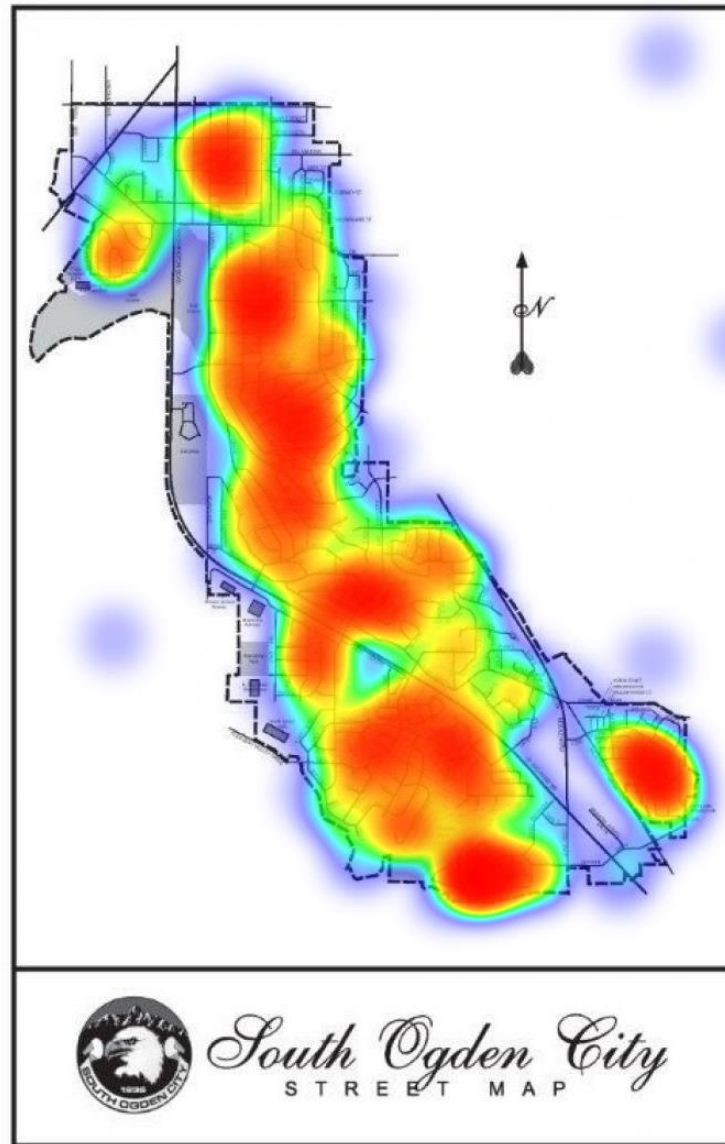
Sample size ⓘ

502

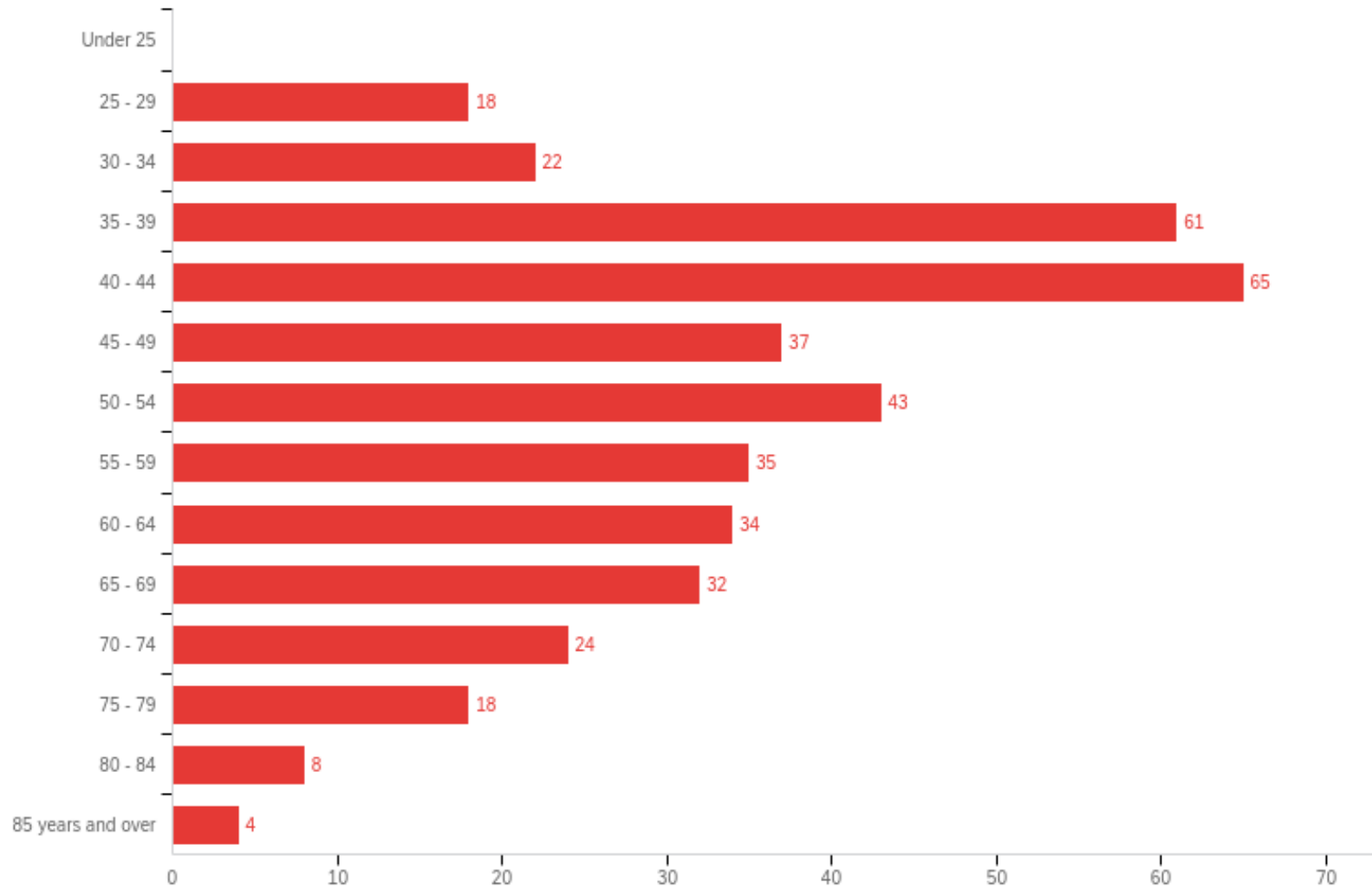
Margin of error

4%

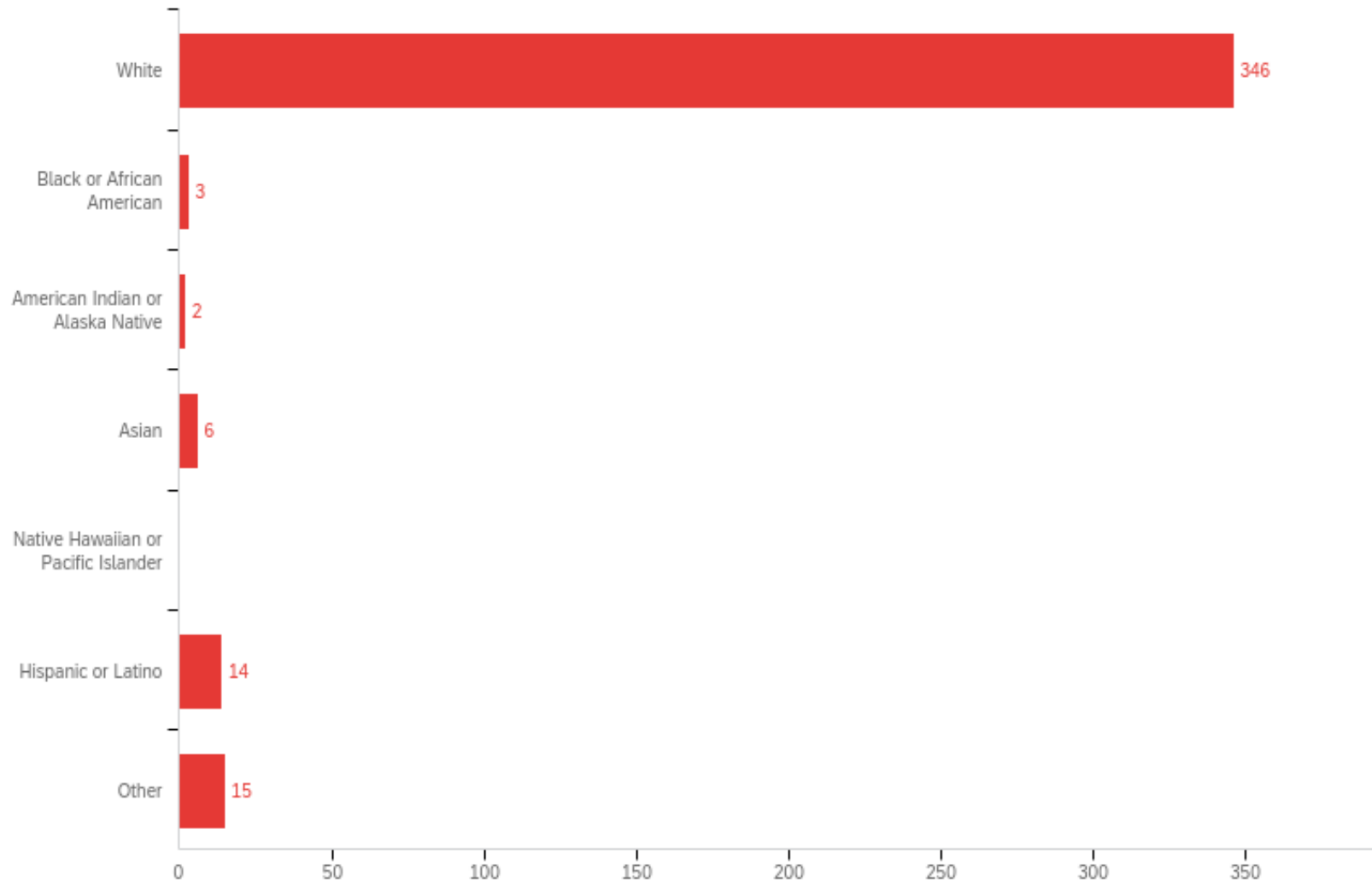
Survey Participation Heat Map



What is your age?



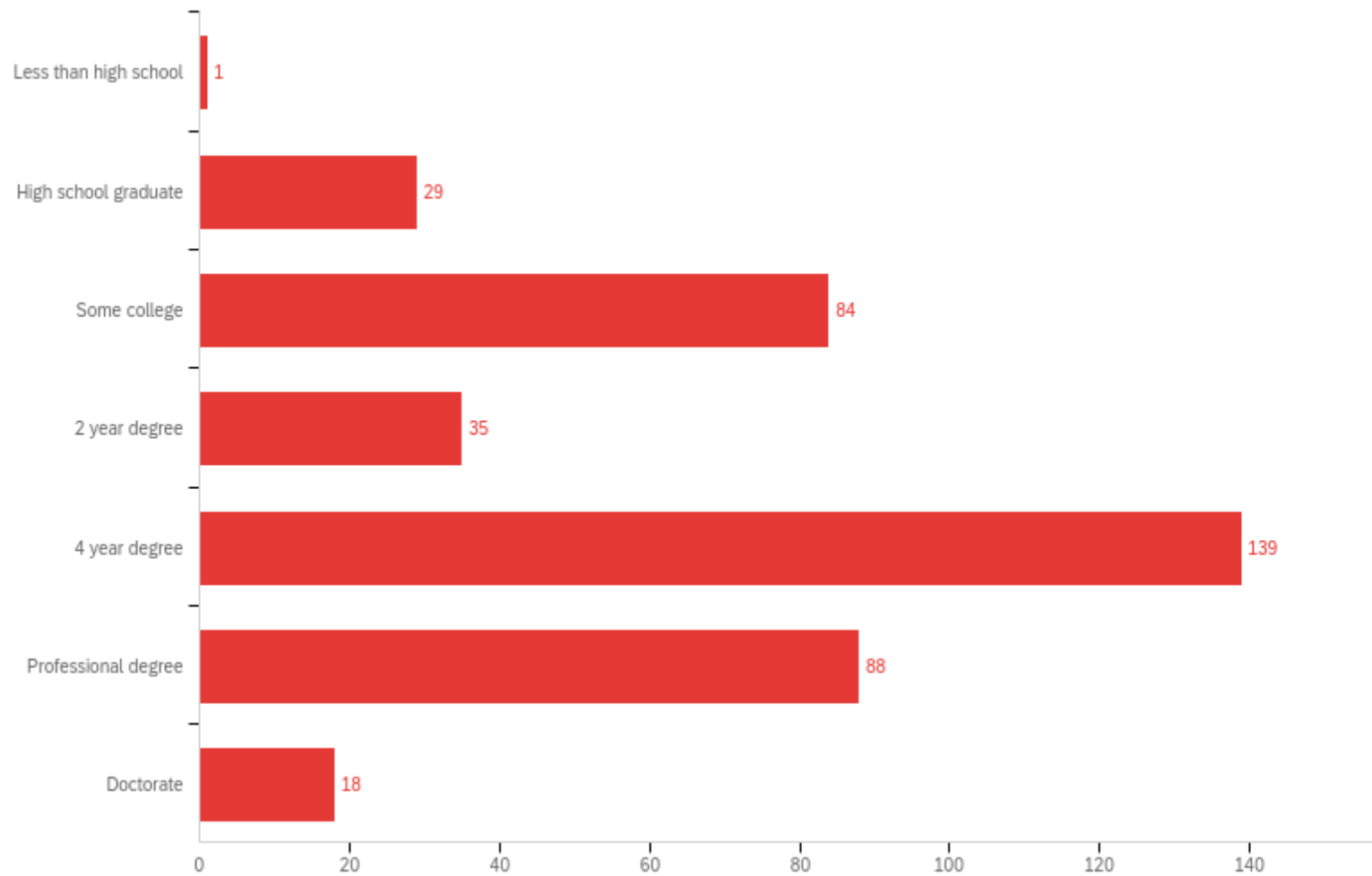
What is your ethnic background?



What is your ethnic background?

What is your ethnic background?	Percentage
White	89.64%
Other	3.89%
Hispanic or Latino	3.63%
Asian	1.55%
Black or African American	0.78%
American Indian or Alaska Native	0.52%
Native Hawaiian or Pacific Islander	0.00%
Total	386

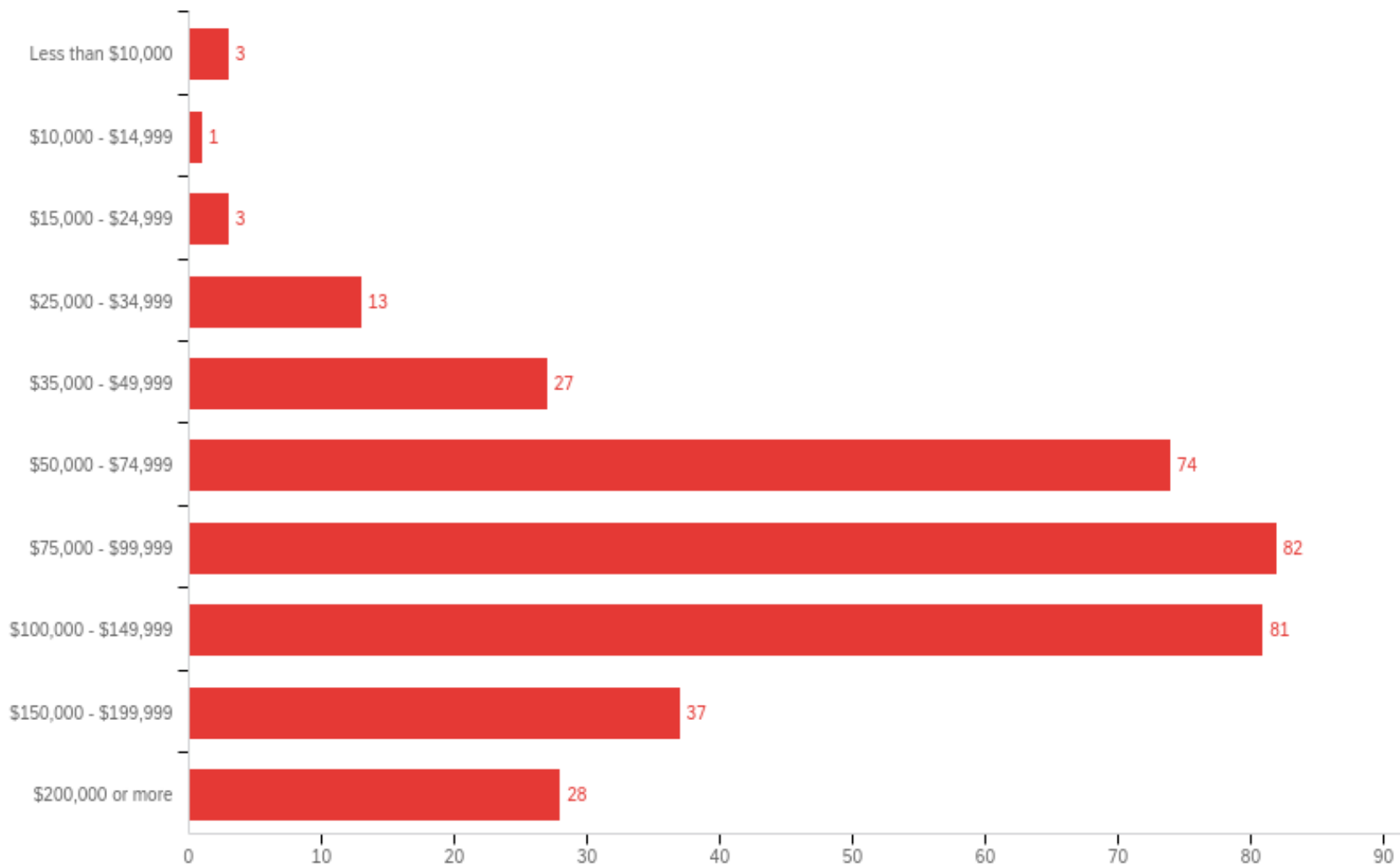
What is your highest level of education?



What is your highest level of education?

Answer	%	Count
4 year degree	35.28%	139
2 year degree	8.88%	35
Some college	21.32%	84
Professional degree	22.34%	88
Less than high school	0.25%	1
High school graduate	7.36%	29
Doctorate	4.57%	18
Total	100%	394

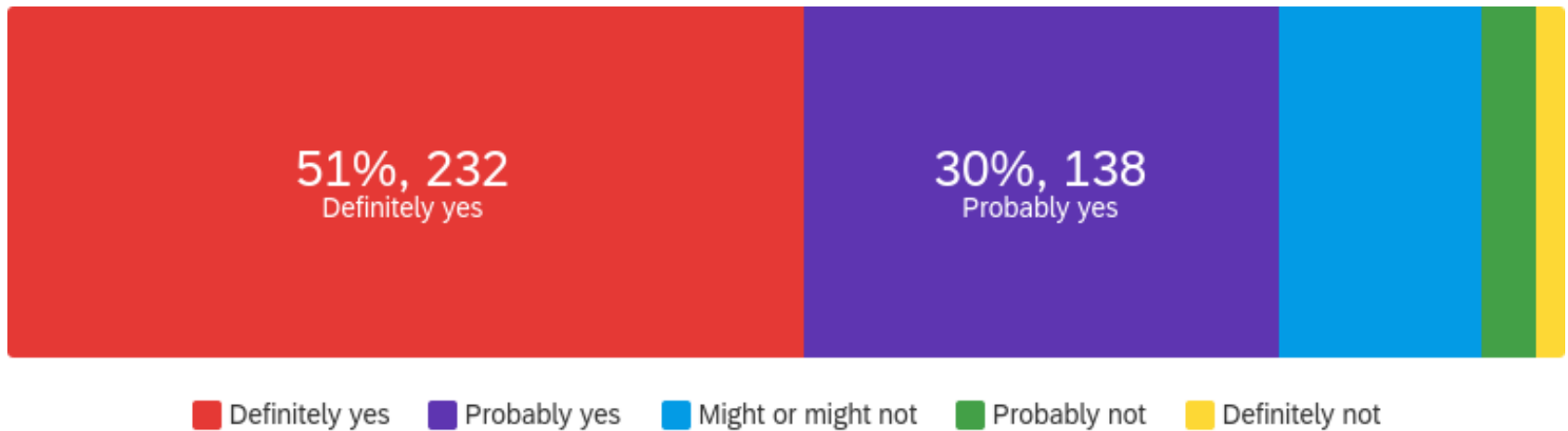
What is your household annual income?



What is your household annual income?

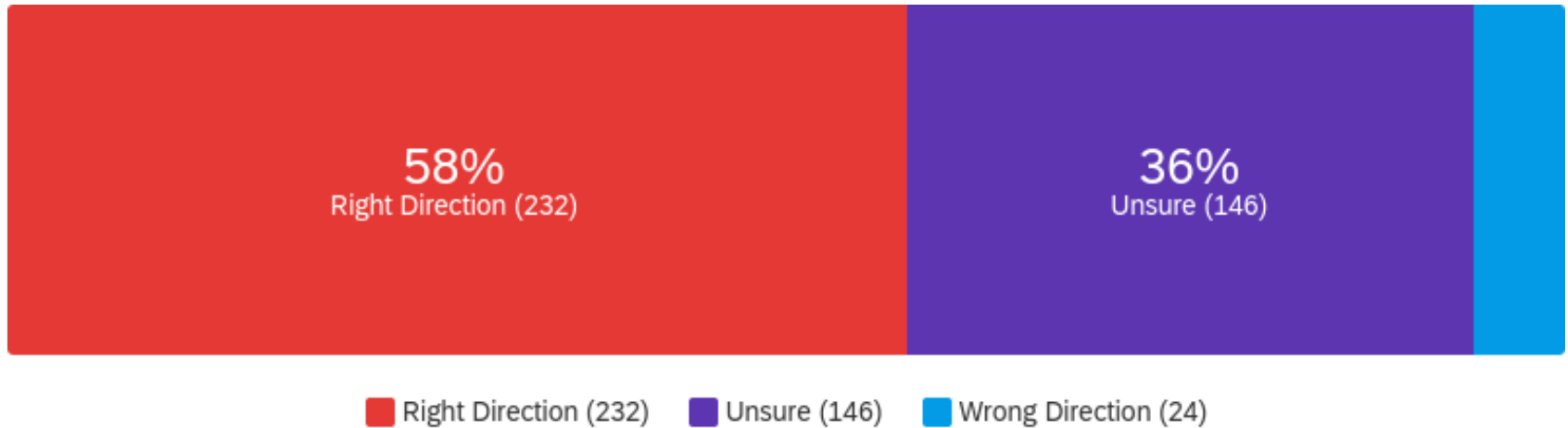
What is your household annual income?	Percentage
Less than \$10,000	0.86%
\$10,000 - \$14,999	0.29%
\$15,000 - \$24,999	0.86%
\$25,000 - \$34,999	3.72%
\$35,000 - \$49,999	7.74%
\$50,000 - \$74,999	21.20%
\$75,000 - \$99,999	23.50%
\$100,000 - \$149,999	23.21%
\$150,000 - \$199,999	10.60%
\$200,000 or more	8.02%
Total	349

Would you recommend our City to your friends and family as a place to work and live?



Question	Total
Definitely yes	232
Probably yes	138
Might or might not	59
Probably not	16
Definitely not	9

Overall would you say the City of South Ogden is headed in the right or wrong direction?

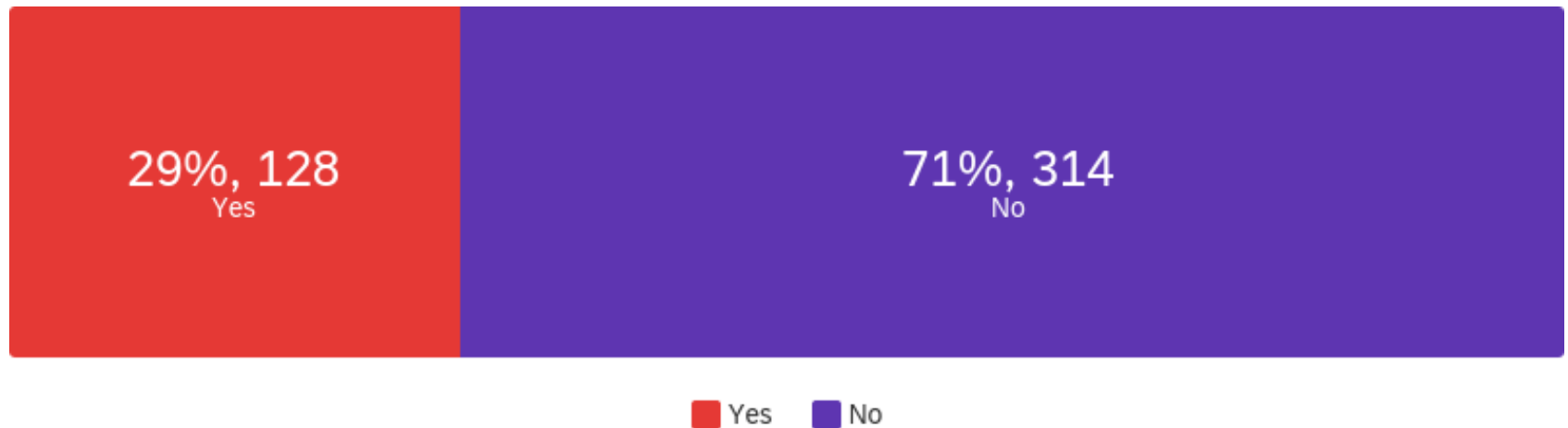


Answer	%	Count
Right Direction	57.71%	232
Unsure	36.32%	146
Wrong Direction	5.97%	24
Total	100%	402

Where would you like the South Ogden City Council to focus more of their efforts in the upcoming year?



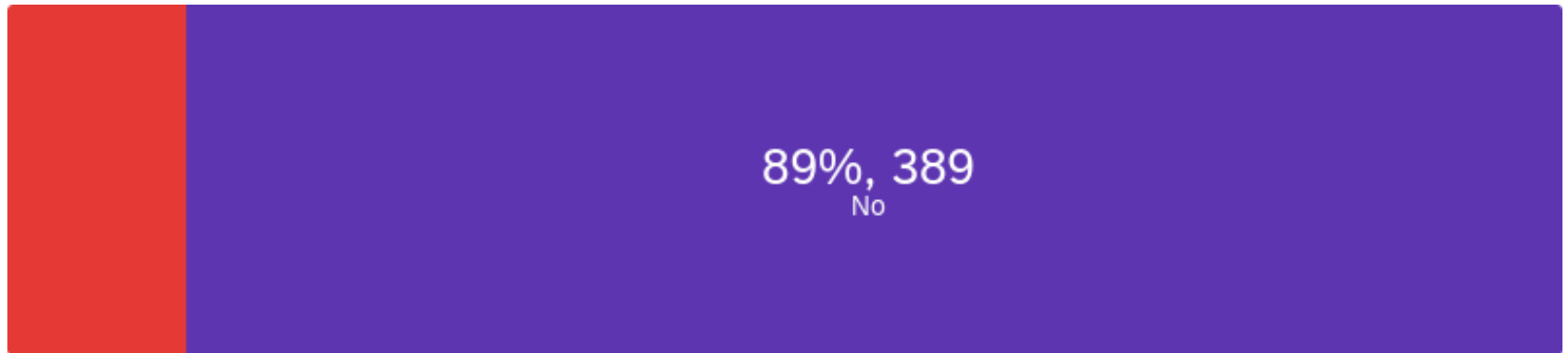
Thinking back over the past 12 months, have you had contact with the South Ogden City Police Department? (For example if you have filed a police report or called to report a problem.)



How would you rate your experience with the South Ogden Police Department?

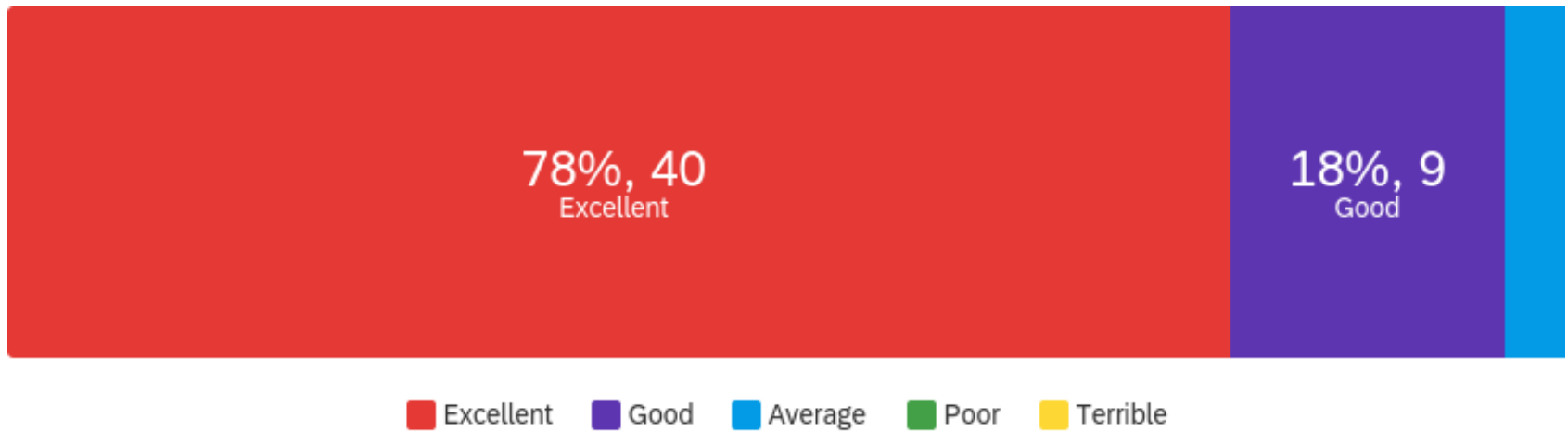


Thinking back over the past 12 months, have you had contact with the South Ogden City Fire Department? (For example if you have had an incident which involved a fire or medical call.)



Yes No

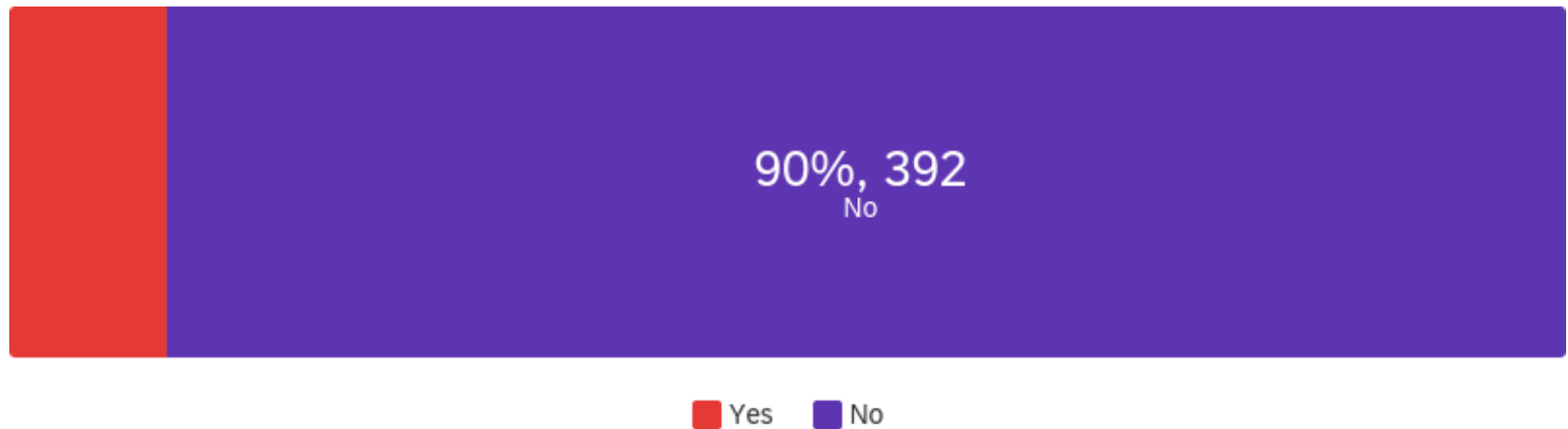
How would you rate your experience with the South Ogden Fire Department?



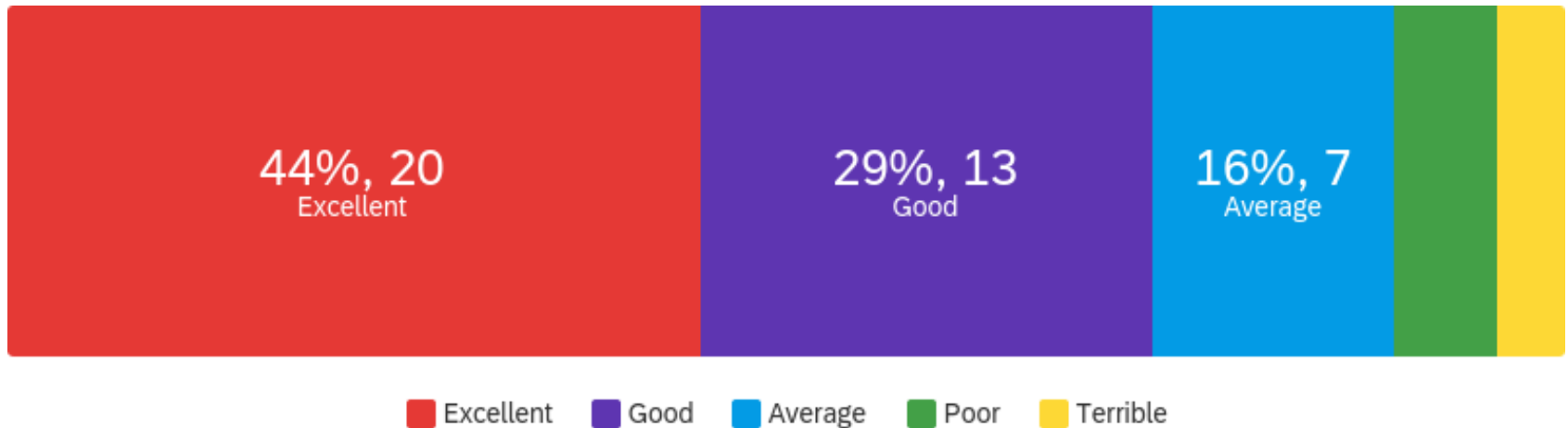
What factors influenced your rating?



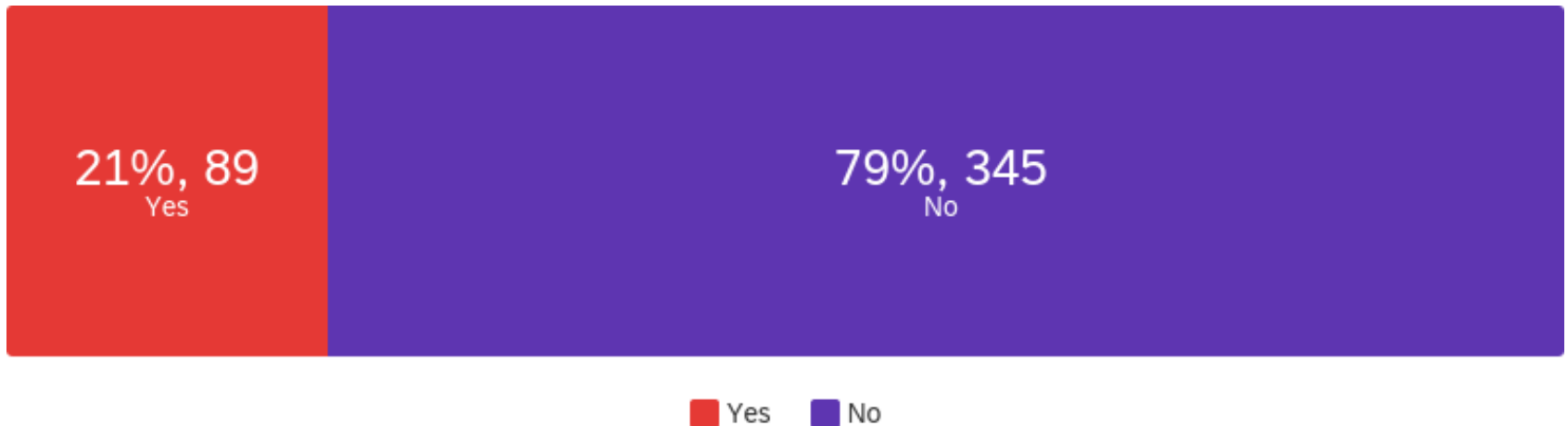
Thinking back over the past 12 months, have you had contact with the South Ogden City Building Department? (For example if you have applied for a building permit or reported a zoning violation.)



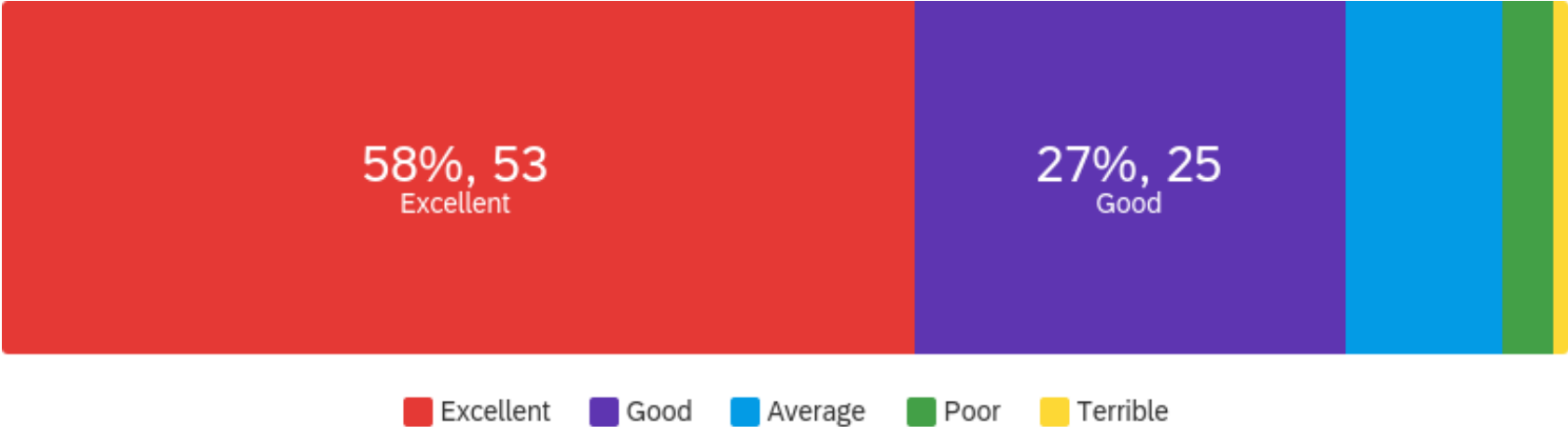
How would you rate your experience with the South Ogden Building Department?



Thinking back over the past 12 months, have you had contact with the South Ogden City Hall Administration? (For example if you have come to pay your water bill, reserve a park or community room or get a passport.)



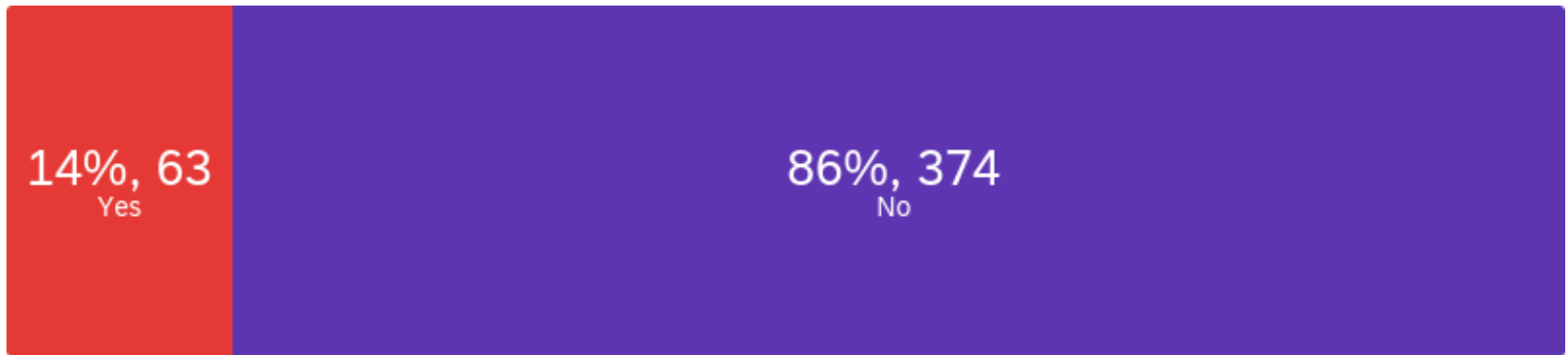
How would you rate your experience with South Ogden City Hall Administration?



What factors influenced your rating?

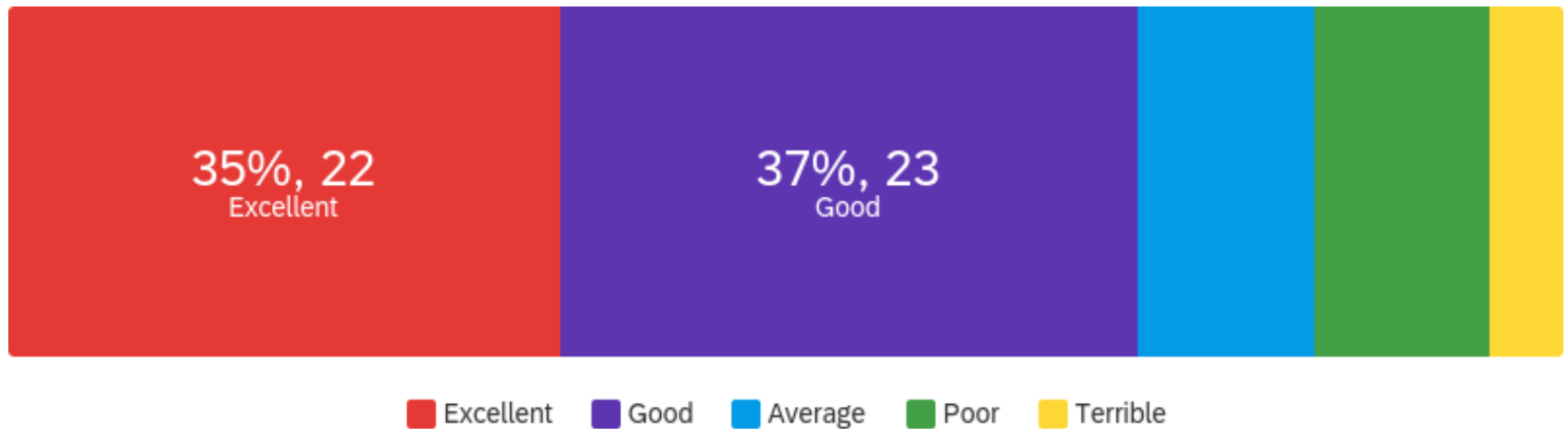


Thinking back over the past 12 months, have you had contact with the South Ogden Recreation Department? (For example if you have registered and participated in a recreation program such as football or baseball.)



Yes No

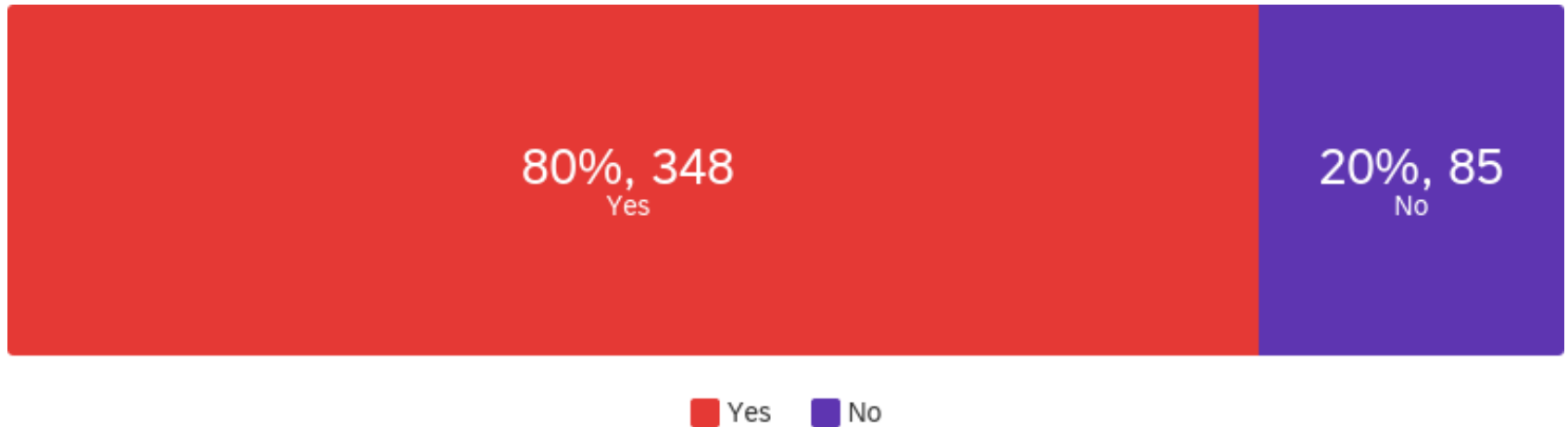
How would you rate your experience with the South Ogden City Recreation Department?



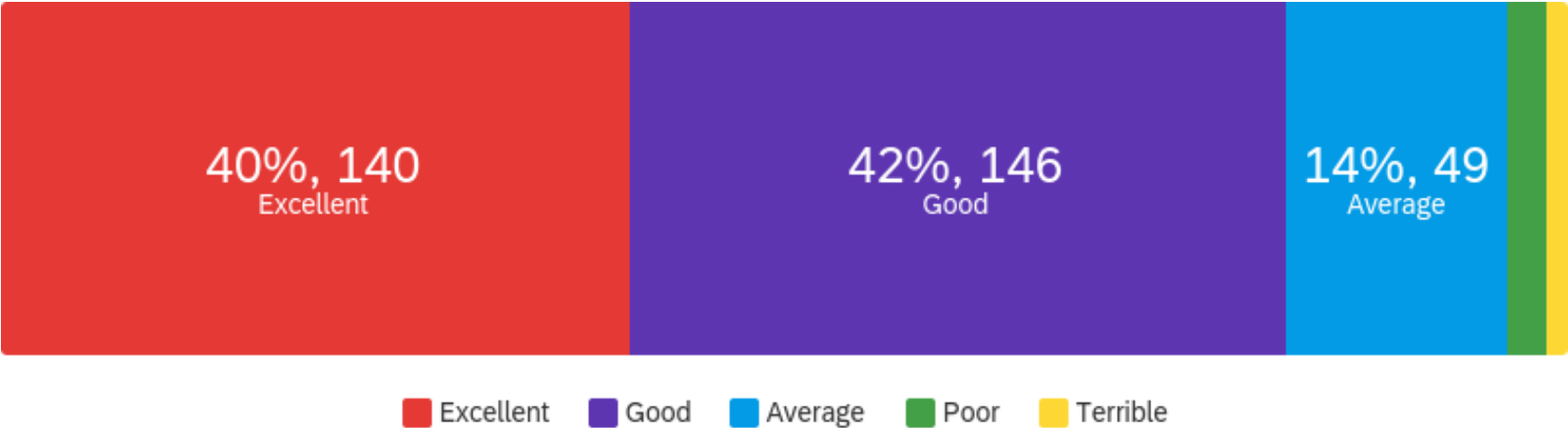
What factors influenced your rating?



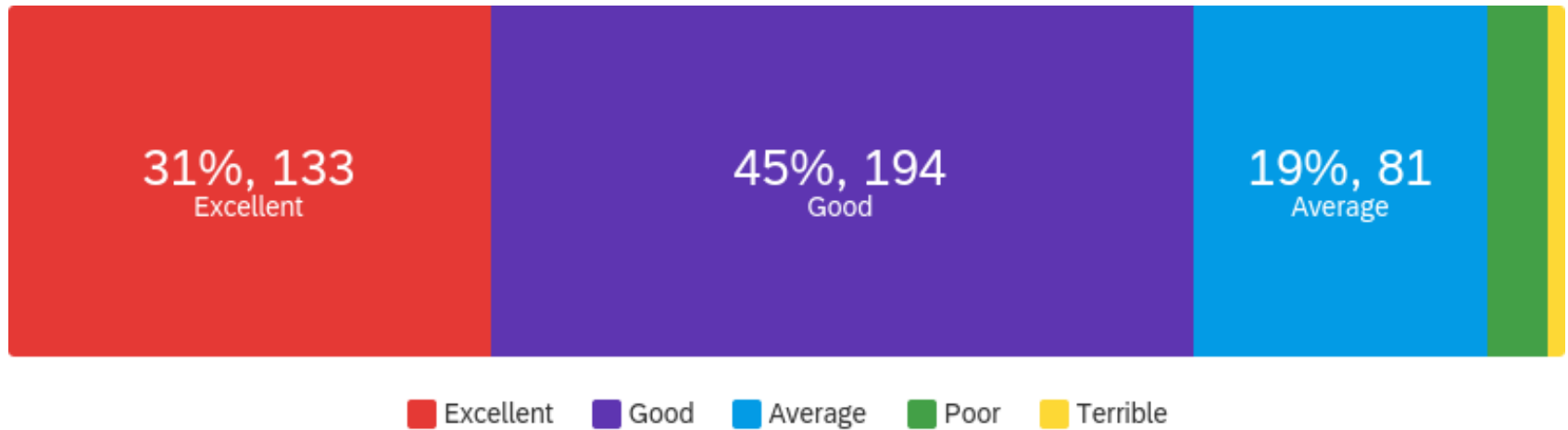
Thinking back over the past 12 months, have you visited a park in South Ogden? (For example: Friendship, Glasmann, 40th Street, Madison, Meadows, Nature Park, Club Heights or Club Heights Off-Leash Dog Park.)



How would you rate your experience at South Ogden City Parks?



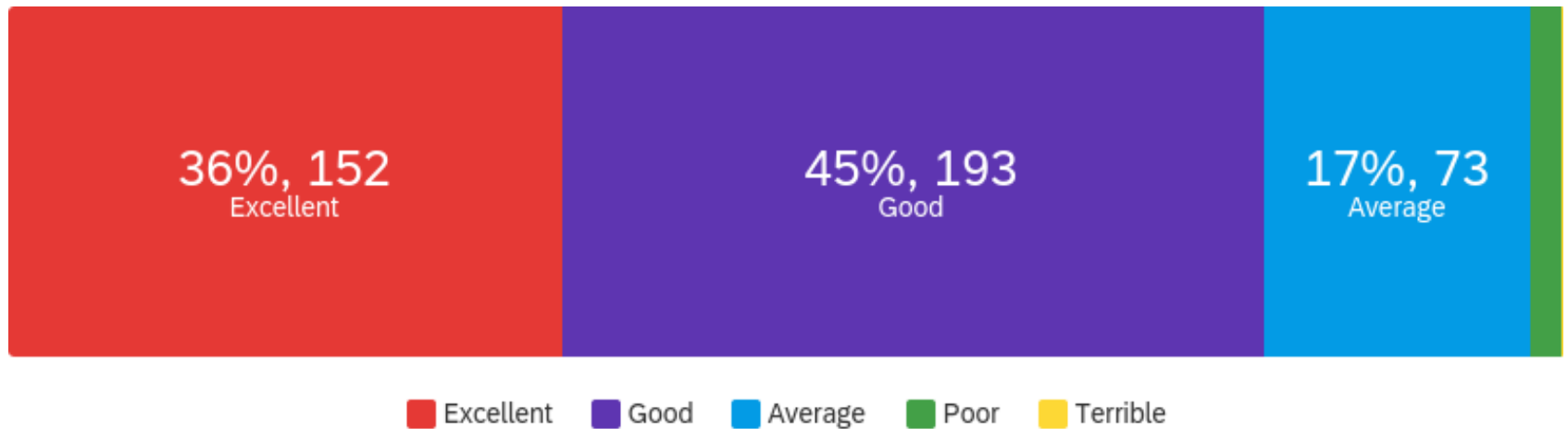
How would you rate the quality of culinary water service in South Ogden?



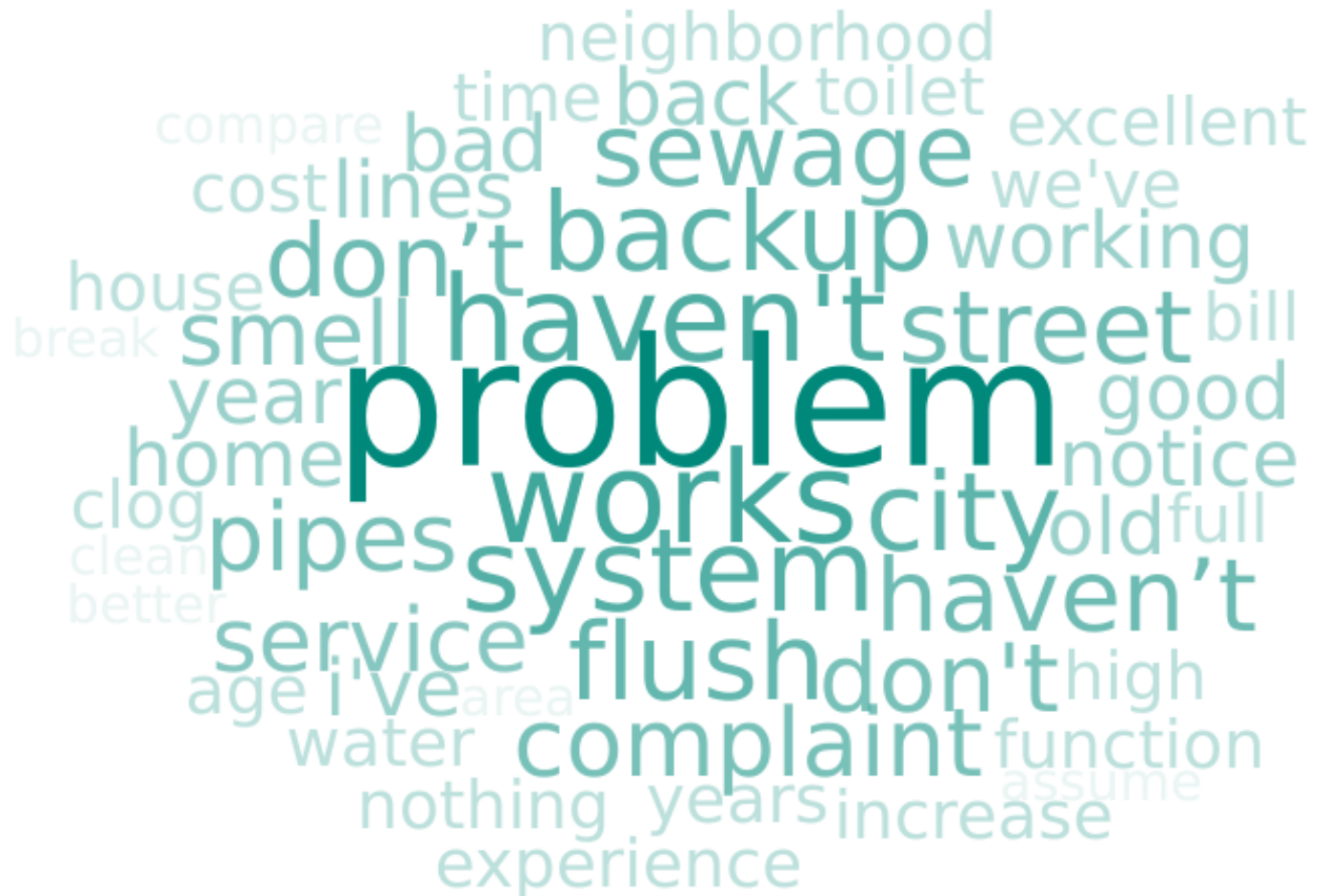
What factors influenced your rating?



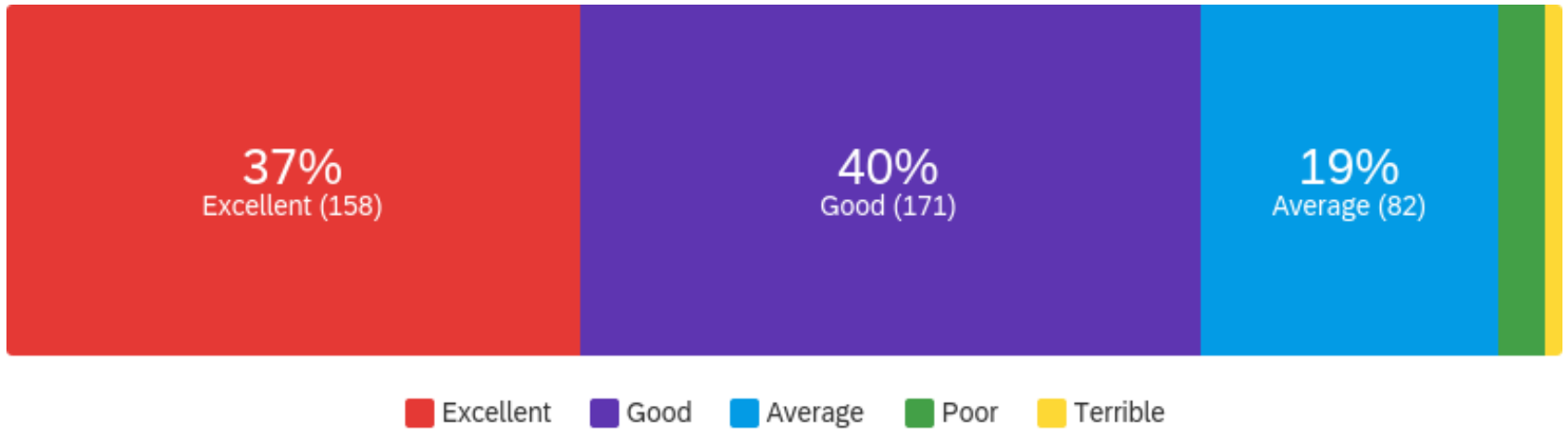
How would you rate the quality of sewer service in South Ogden?



What factors influenced your rating?



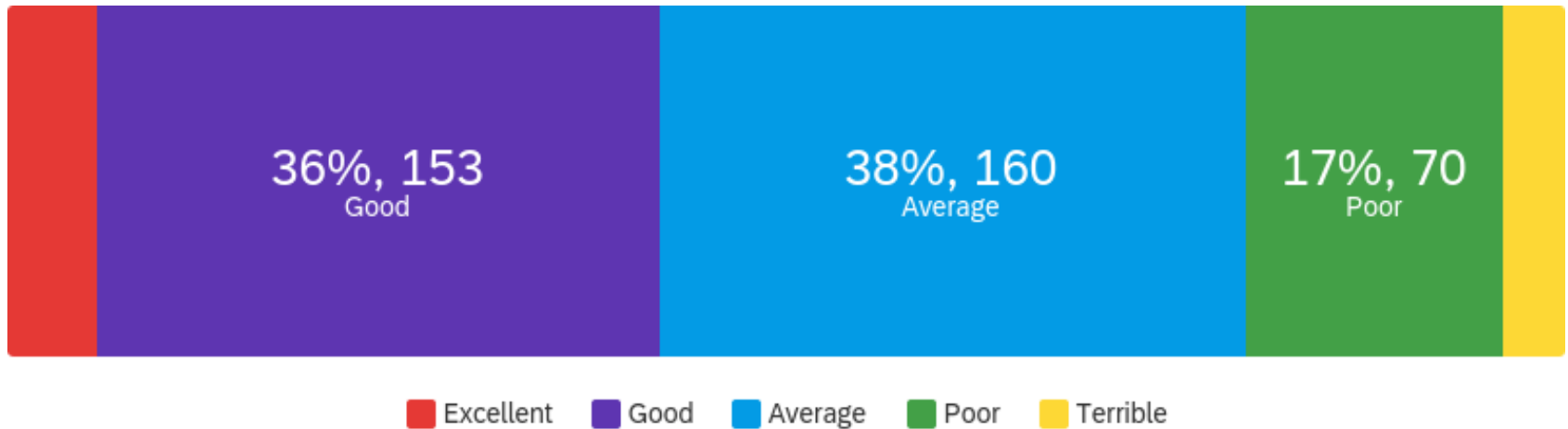
How would you rate the trash service in South Ogden? (Republic Services)



What factors influenced your rating?



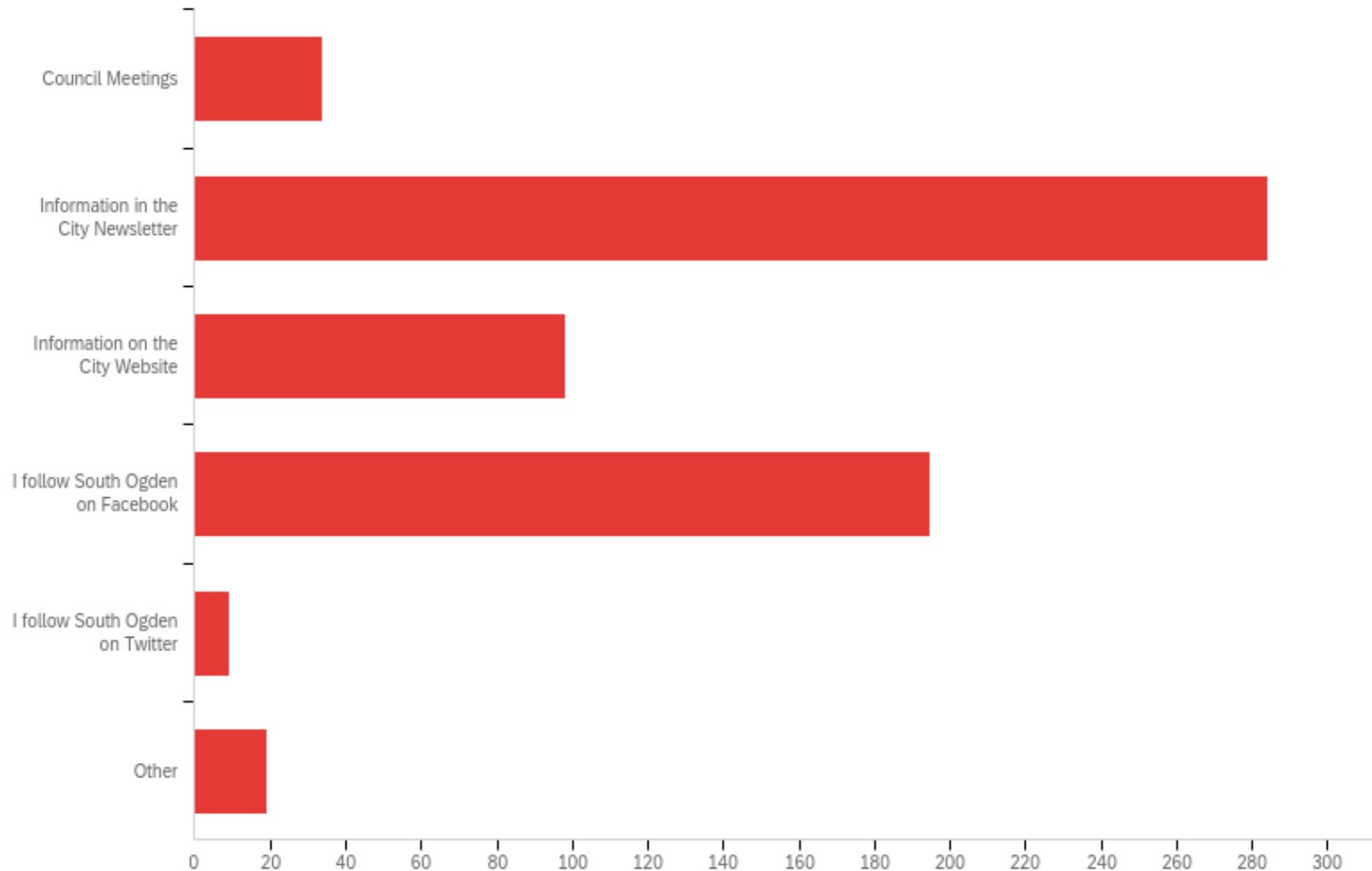
How would you rate the quality of the streets in South Ogden?



What factors influenced your rating?



How are you most likely to stay informed with what is happening in South Ogden City?



How are you most likely to stay informed with what is happening in South Ogden City?

How are you most likely to stay informed with what is happening in South Ogden City?	Percentage
Other	2.97%
Information on the City Website	15.34%
Information in the City Newsletter	44.44%
I follow South Ogden on Twitter	1.41%
I follow South Ogden on Facebook	30.52%
Council Meetings	5.32%
Total	639

How are you most likely to stay informed with what is happening in South Ogden City?



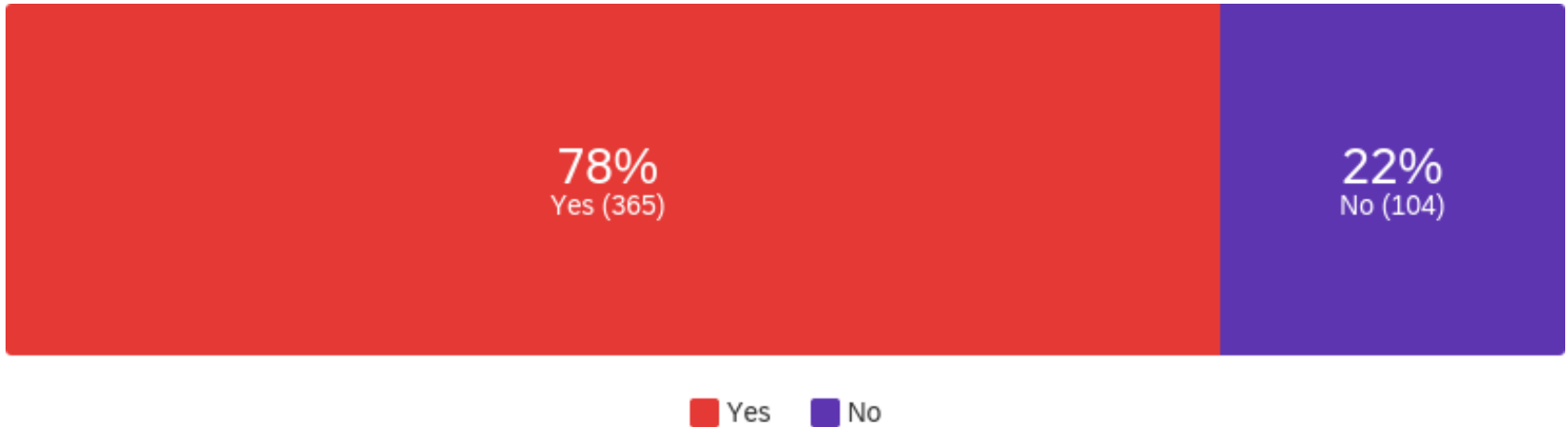
If you were in charge, what would you change about South Ogden?



What other comments or insights would you like to share?

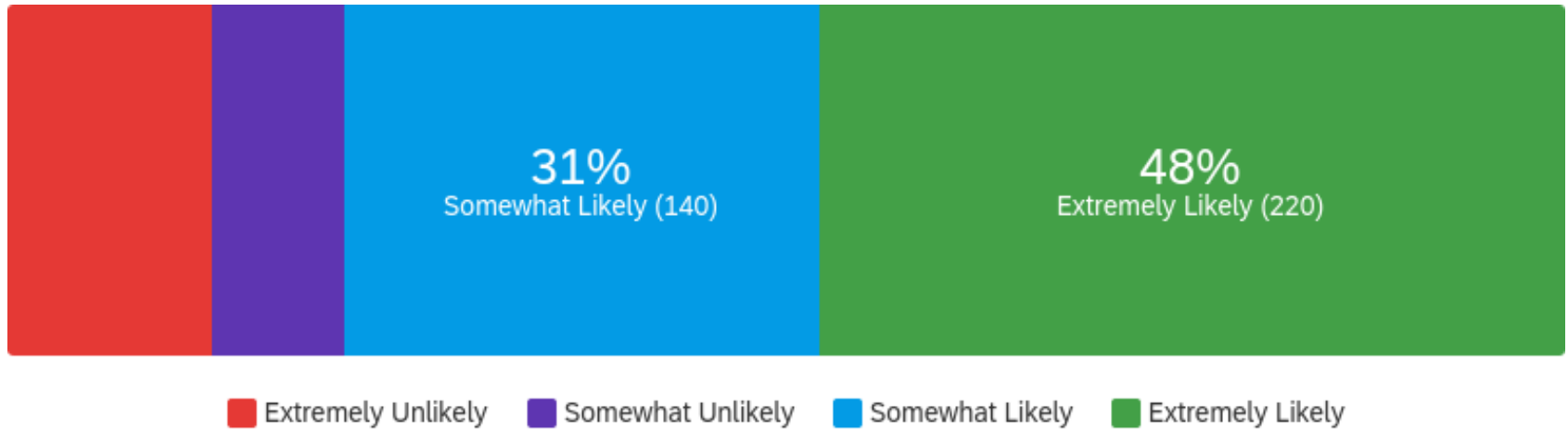


Do you believe your city government should help facilitate fiber internet service?



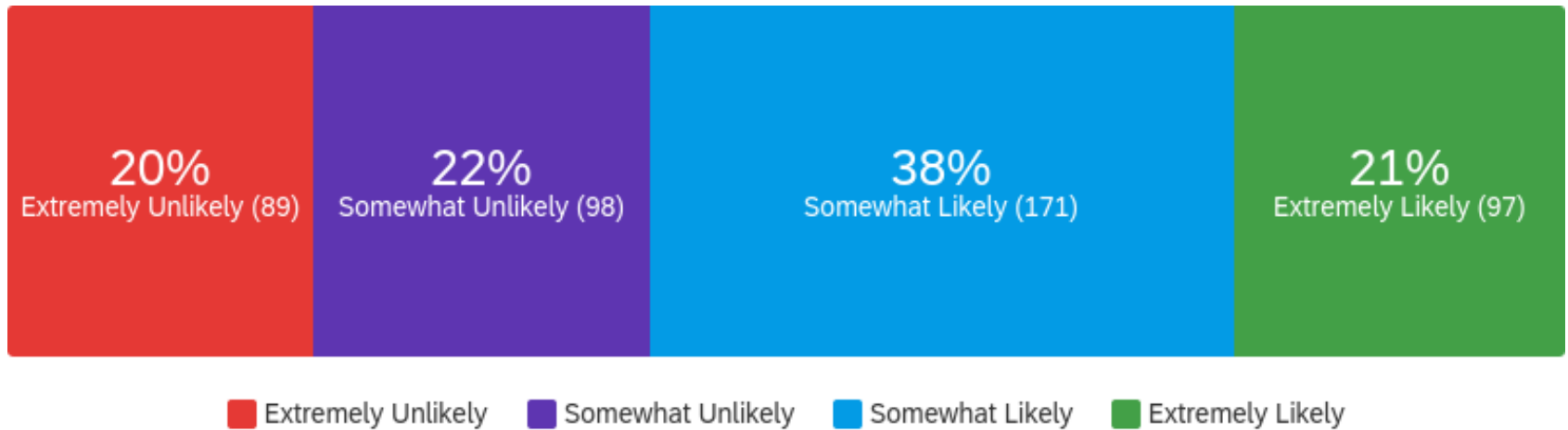
Answer	%	Count
Yes	77.83%	365
No	22.17%	104
Total	100%	469

How likely is it that you would subscribe to 1 Gbps/1,000 Mbps internet service if it was available?



Answer	%	Count
Somewhat Unlikely	8.50%	39
Somewhat Likely	30.50%	140
Extremely Unlikely	13.07%	60
Extremely Likely	47.93%	220
Total	100%	459

How likely is it that you would subscribe to 1 Gbps/1,000 Mbps fiber internet even if it were offered at a higher monthly cost?



Answer	%	Count
Extremely Unlikely	19.56%	89
Somewhat Unlikely	21.54%	98
Somewhat Likely	37.58%	171
Extremely Likely	21.32%	97
Total	100%	455



End of Report



Summary Report

Survey Completed December 2021



2021 Citizen Survey



2017 – 2021 Comparison Report

Survey Completed December 2021

This is the 2017 - 2021 Citizen Survey Comparison Report. This report contains comparative data since the first city survey in 2017. This data is used to help city officials identify trends and understand areas where things are improving and areas that need more focus.

2021 Survey Response Rate and Margin of Error

Margin of error, also called confidence interval, tells us how much we can expect the survey results to reflect the views of the entire population. This is a good measure of how effective the survey results are. The smaller the margin of error, the more confidence we can have that the survey results are representative of the larger population.

The City was able to gather 502 survey responses from residents. With a population of 17,488 and with a confidence interval of 95%, the margin of error for the survey results is 4%. This means that the City can be 95% certain (confident) that, if all (100%) of residents were to take the Survey, the results would be within +/- 4 percentage points of the survey responses.

Population Size ⓘ

17488

Confidence Level (%) ⓘ

95 ▼

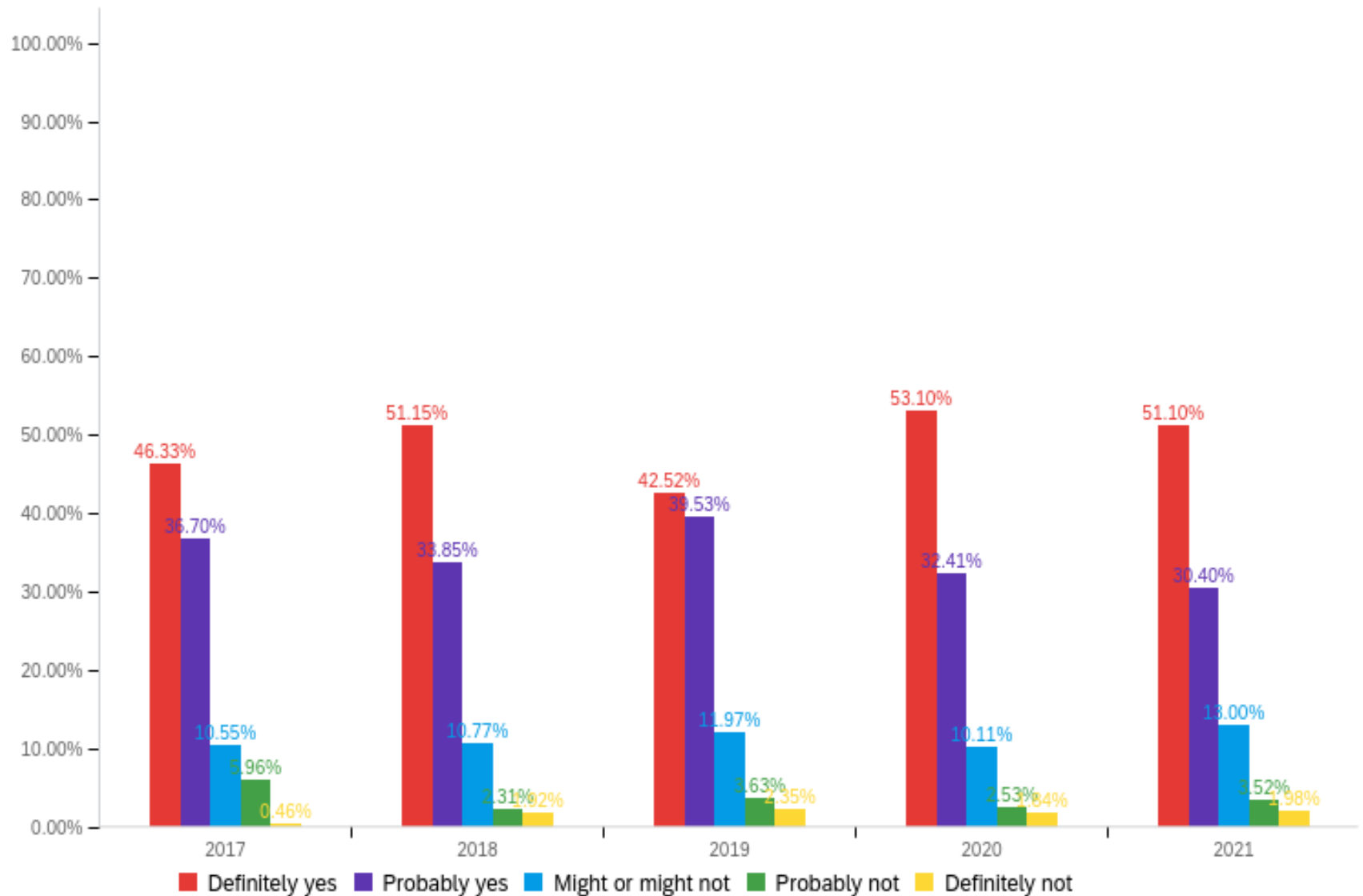
Sample size ⓘ

502

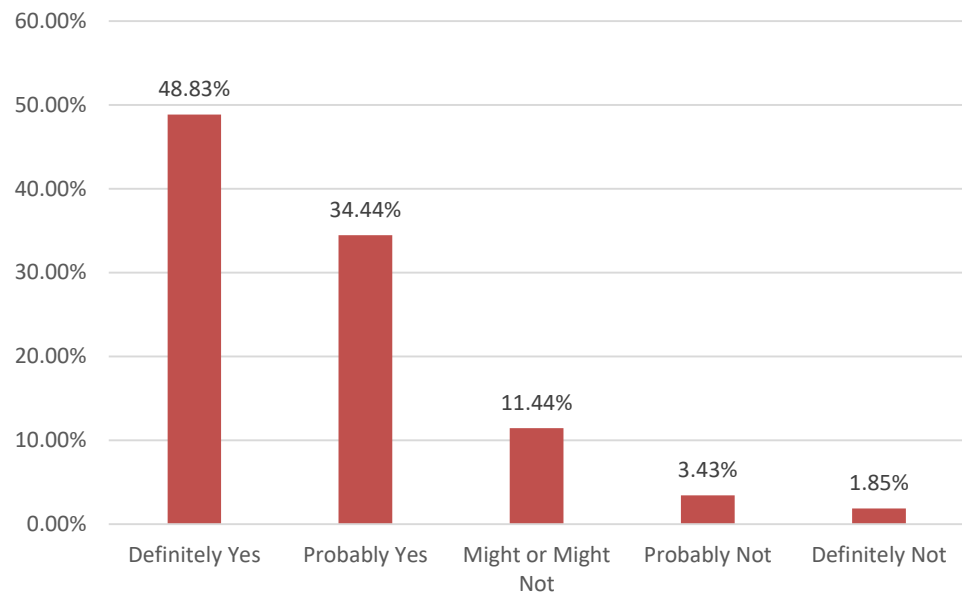
Margin of error

4%

Would you recommend our City to your friends and family as a place to work and live?

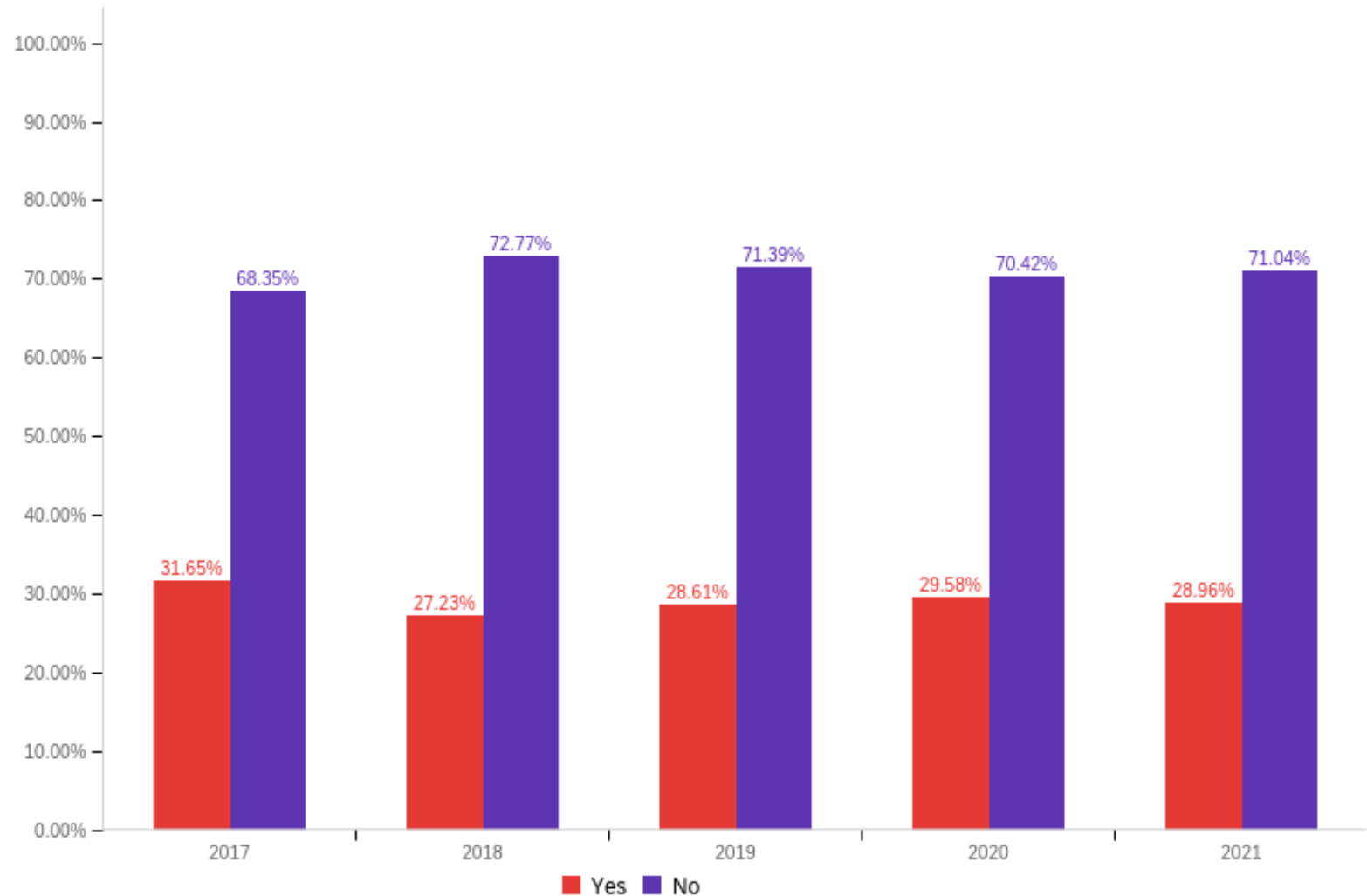


Would you recommend our City to your friends and family as a place to work and live (5 year totals)?

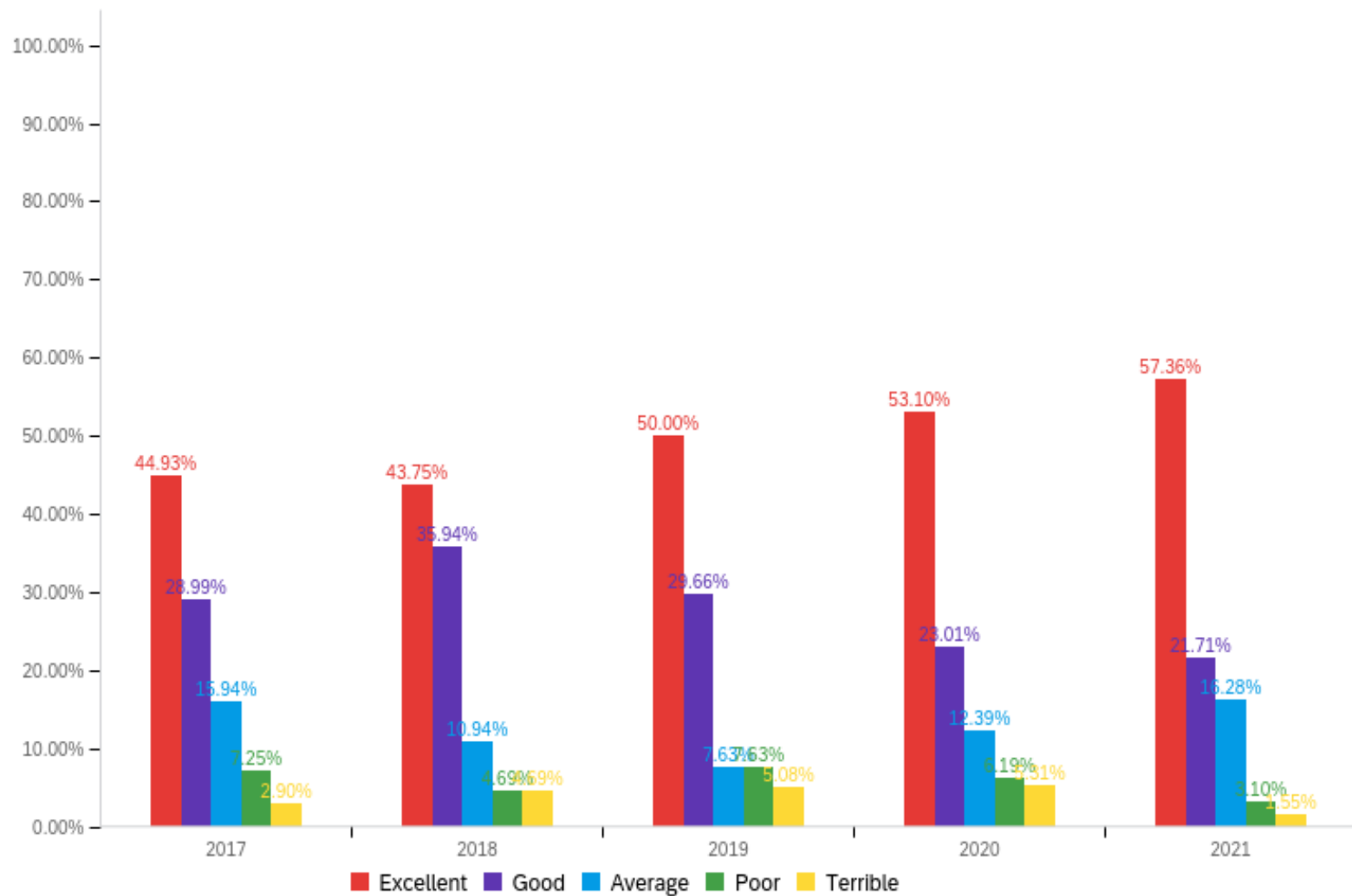


#	Answer	%	Count
11	Definitely yes	48.83%	896
12	Probably yes	34.44%	632
13	Might or might not	11.44%	210
14	Probably not	3.43%	63
15	Definitely not	1.85%	34
	Total	100%	1835

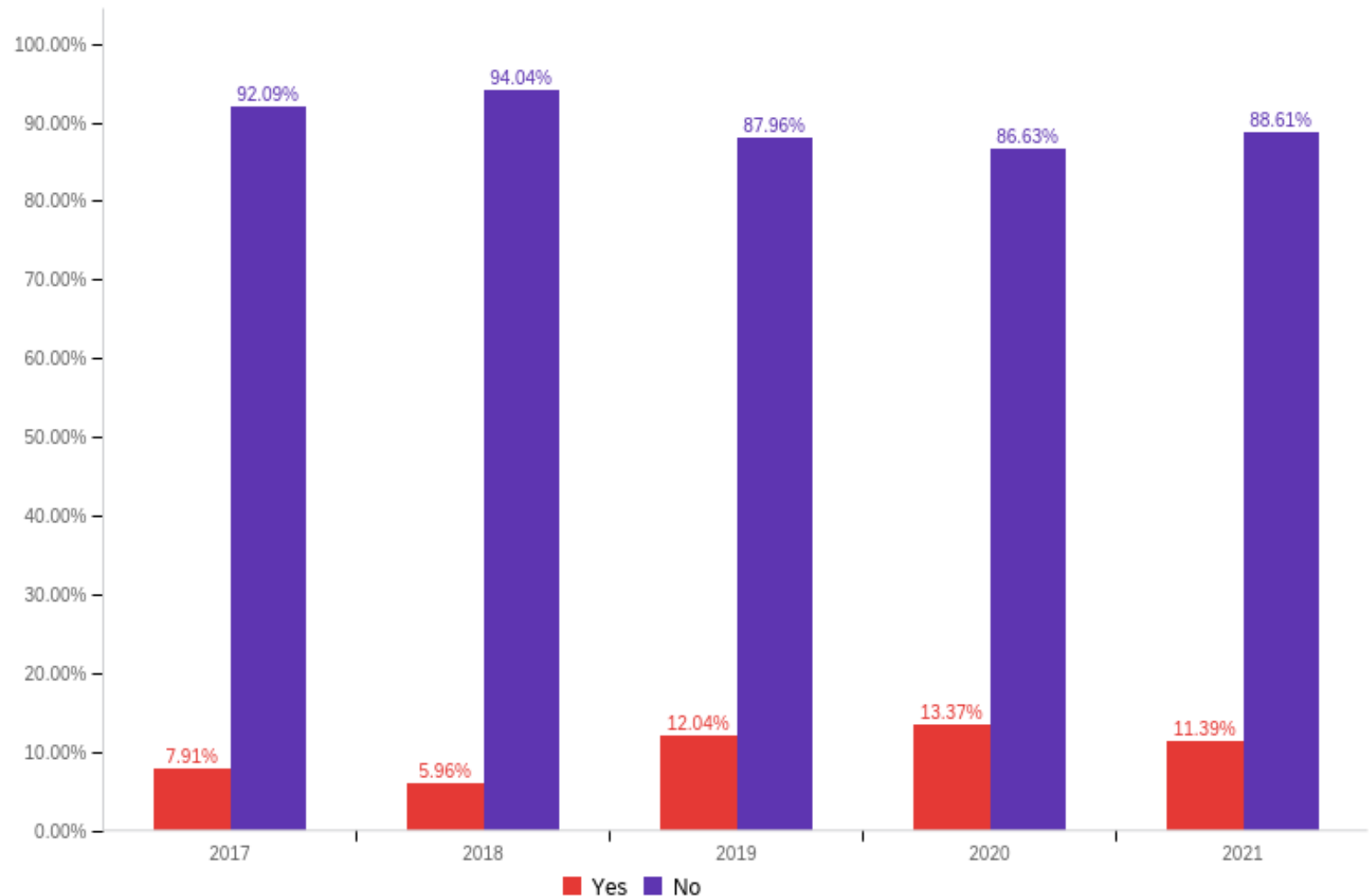
Thinking back over the past 12 months, have you had contact with the South Ogden City Police Department? (For example if you have filed a police report or called to report a problem.)



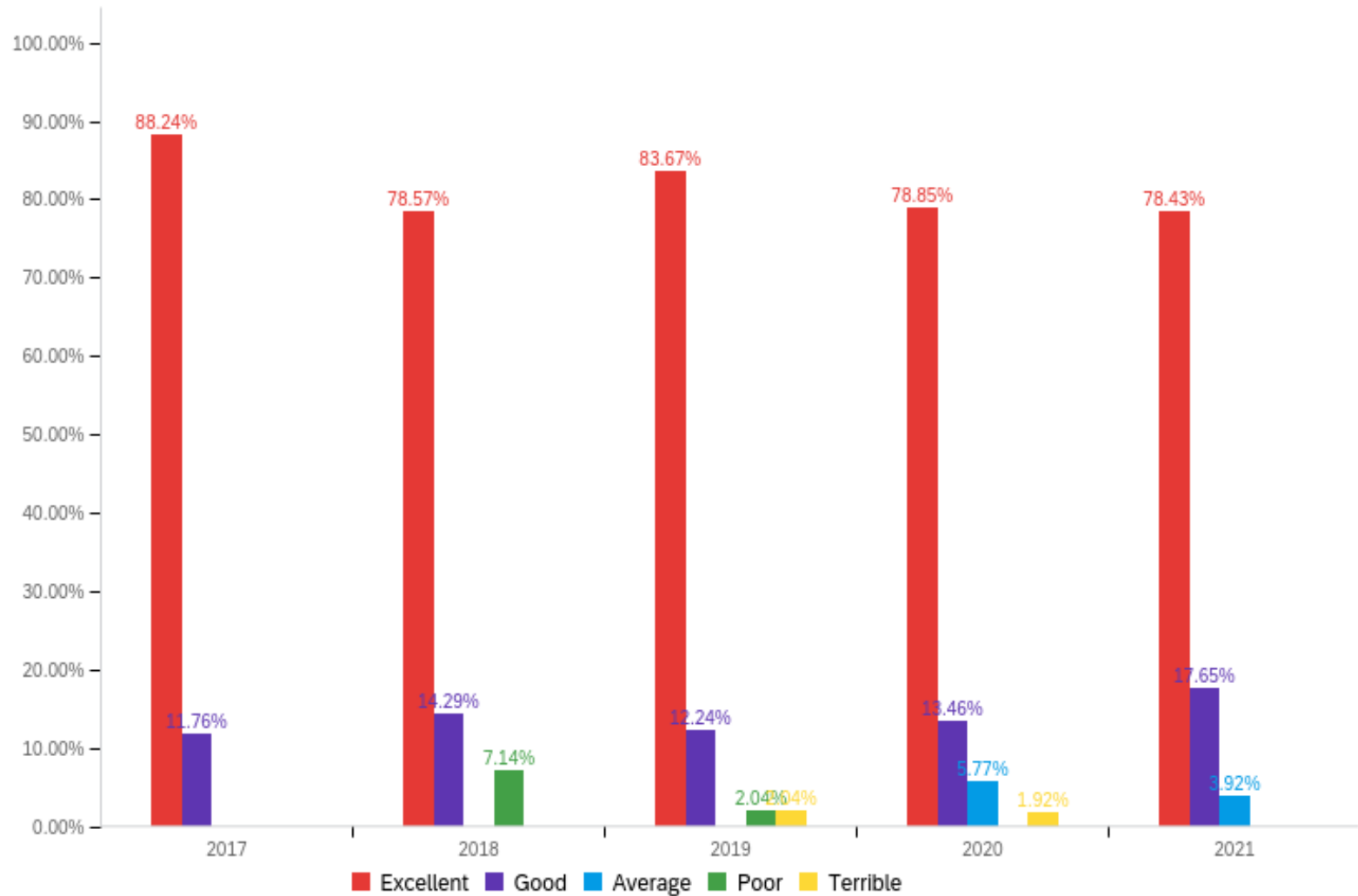
How would you rate your experience with the South Ogden Police Department?



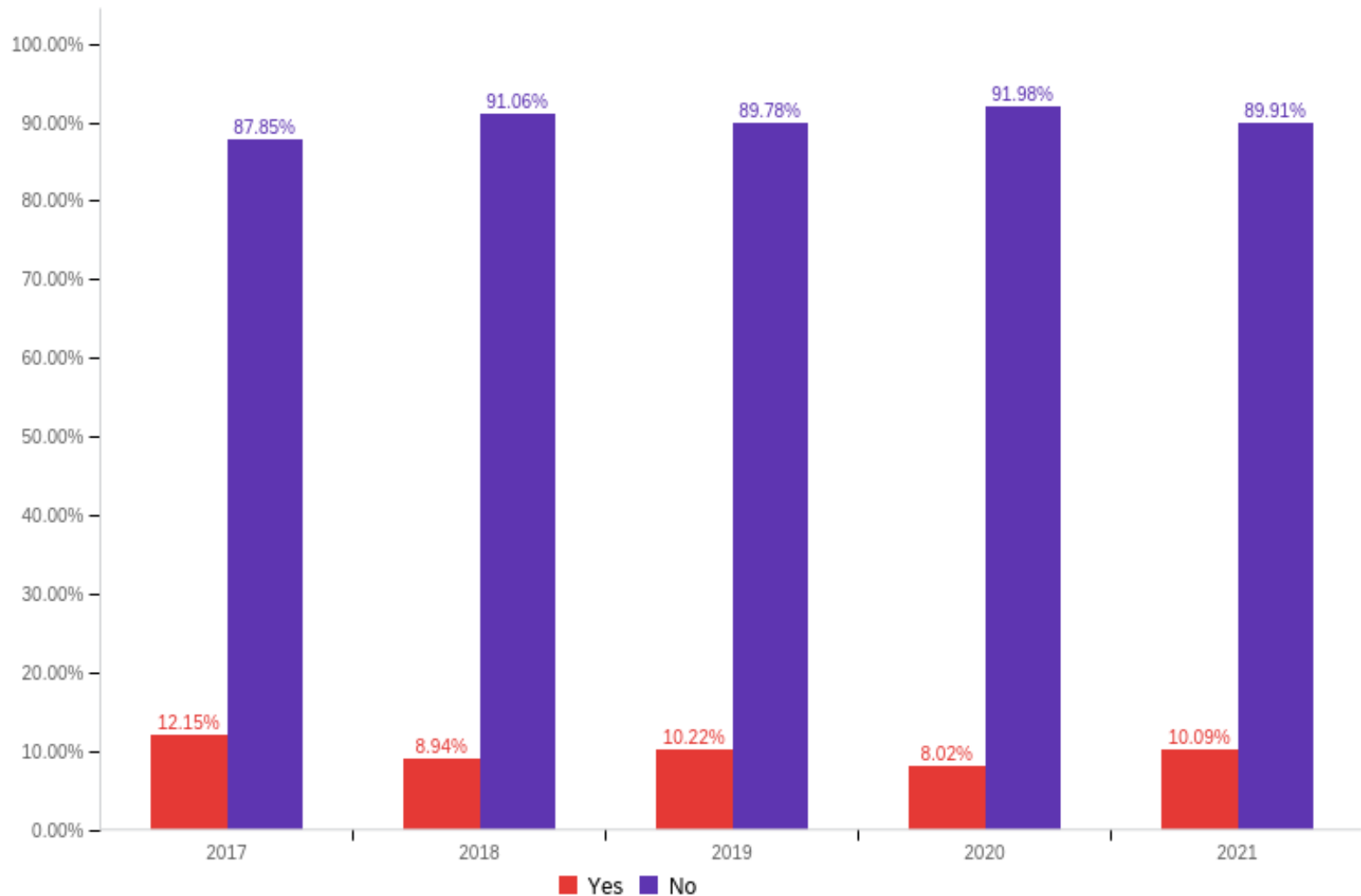
Thinking back over the past 12 months, have you had contact with the South Ogden City Fire Department? (For example if you have had an incident which involved a fire or medical call.)



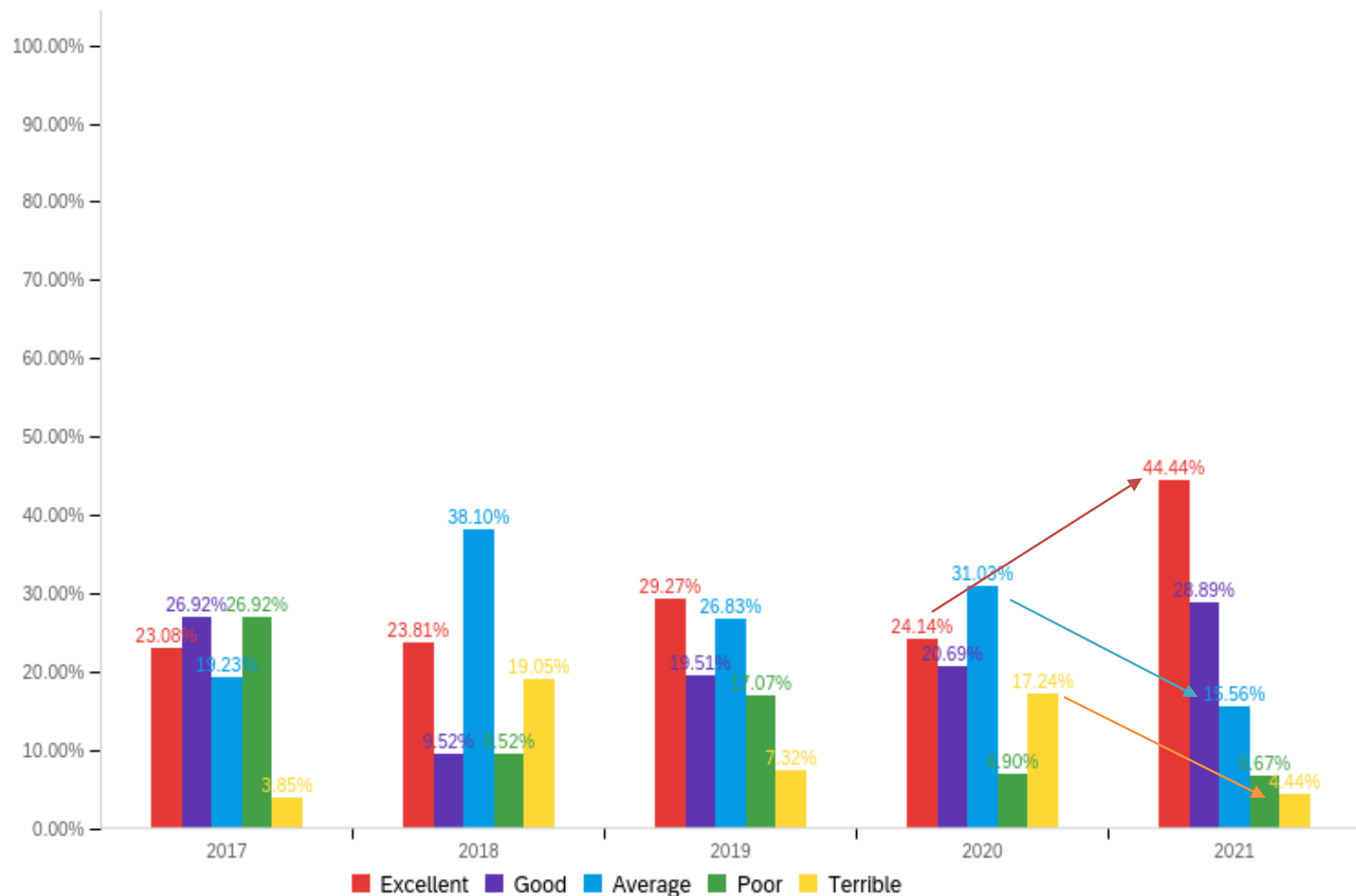
How would you rate your experience with the South Ogden Fire Department?



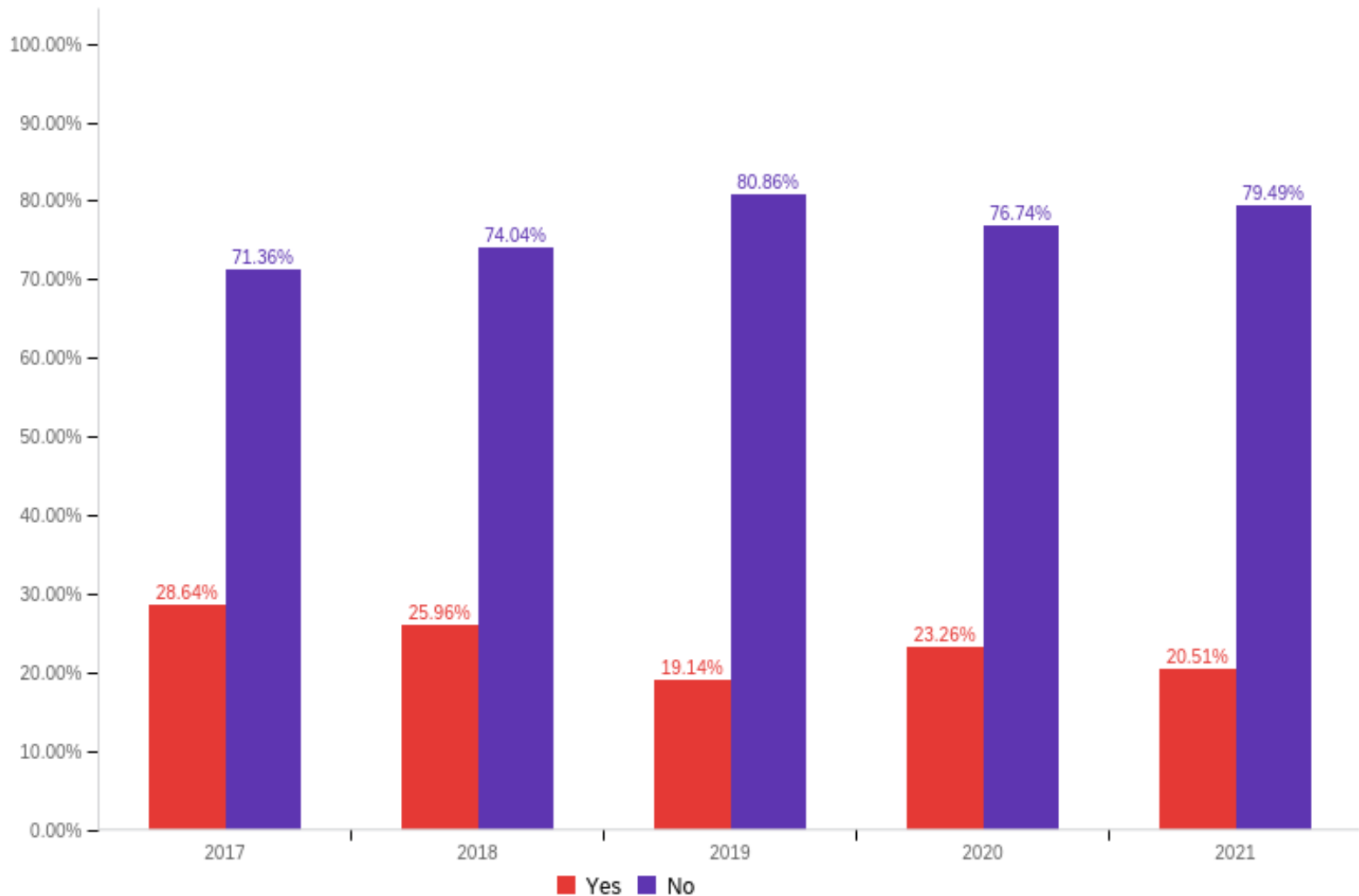
Thinking back over the past 12 months, have you had contact with the South Ogden City Building Department? (For example if you have applied for a building permit or reported a zoning violation.)



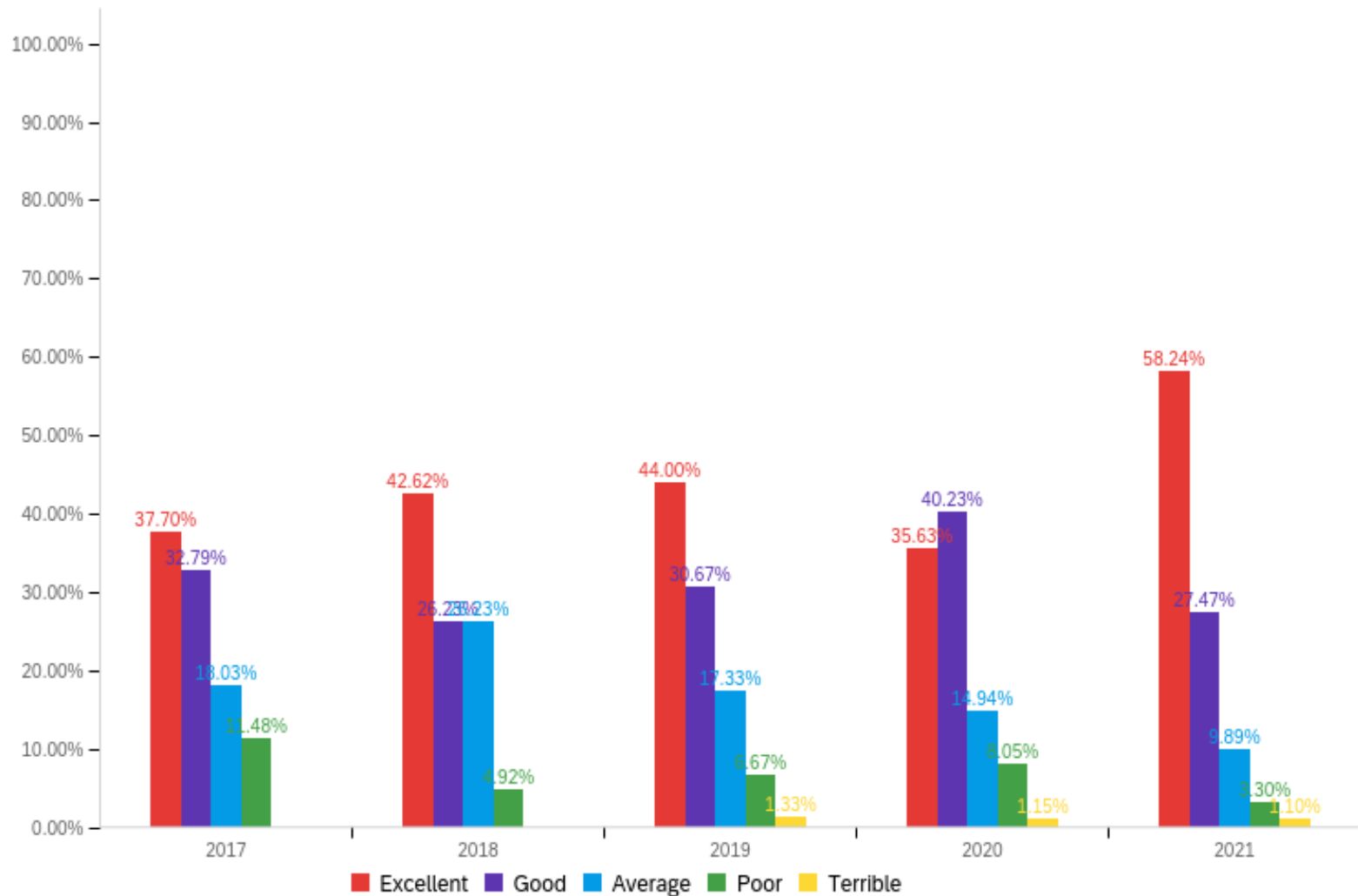
How would you rate your experience with the South Ogden Building Department?



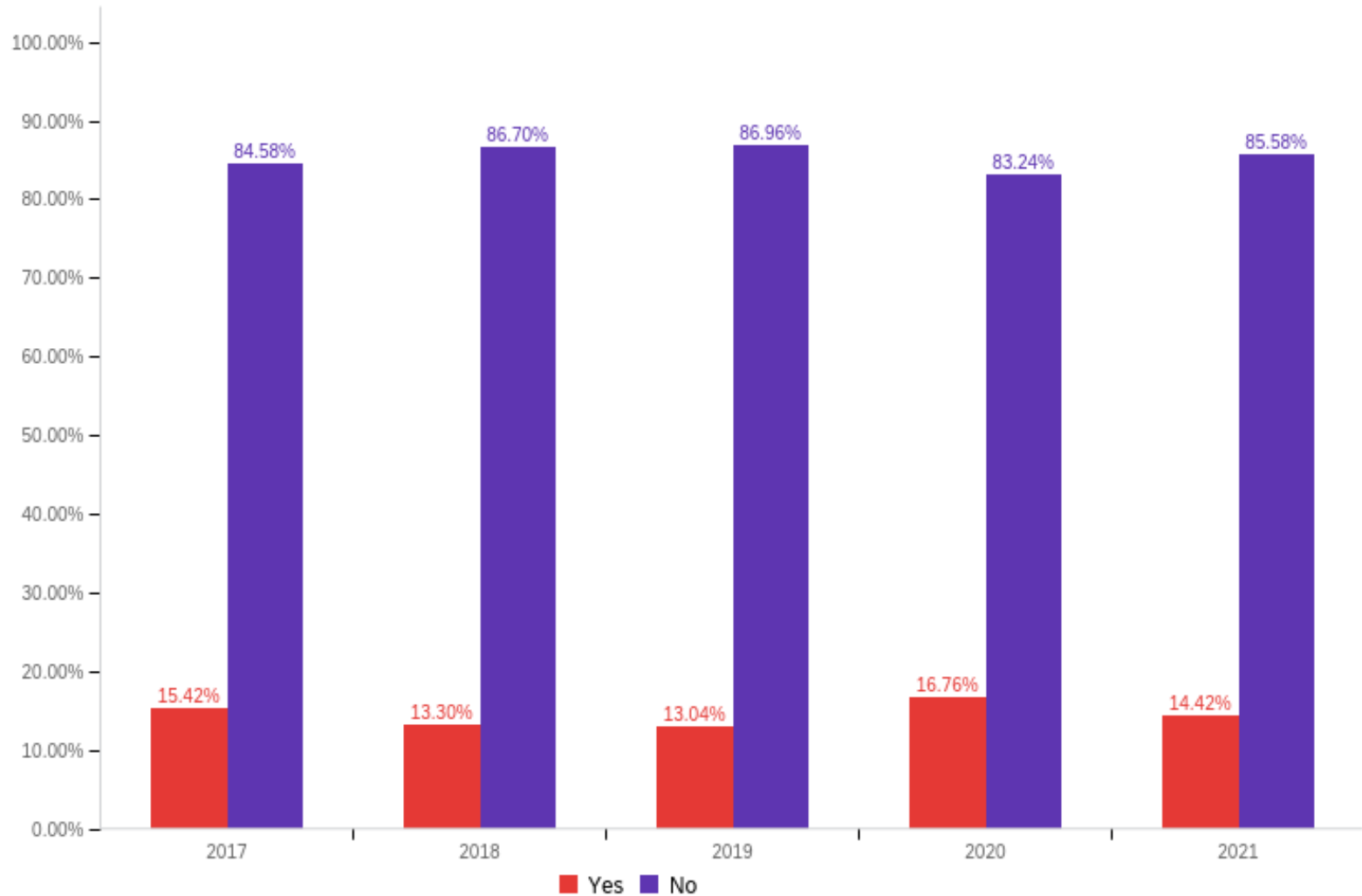
Thinking back over the past 12 months, have you had contact with the South Ogden City Hall Administration? (For example if you have come to pay your water bill, reserve a park or community room or get a passport.)



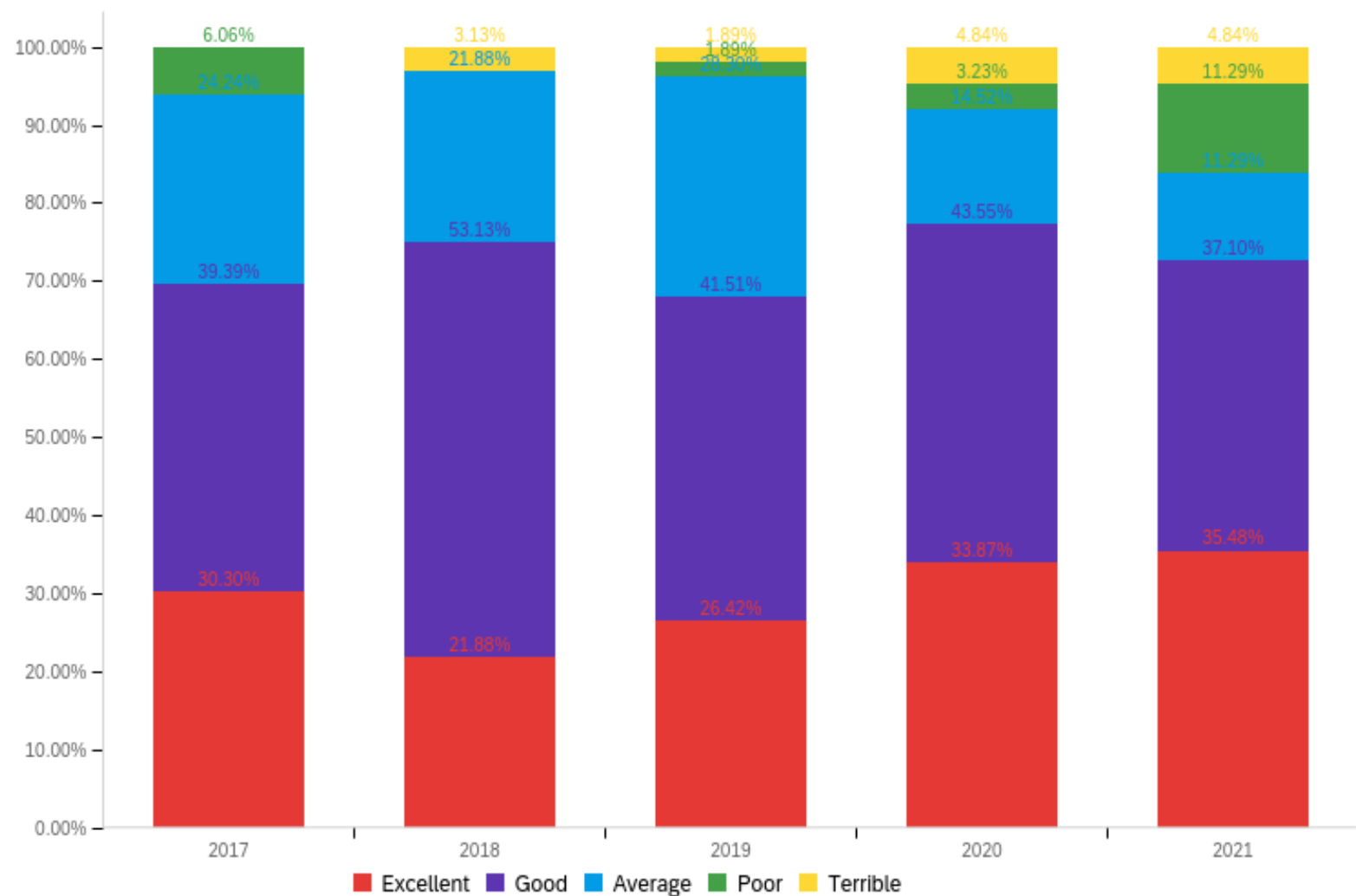
How would you rate your experience with South Ogden City Hall Administration?



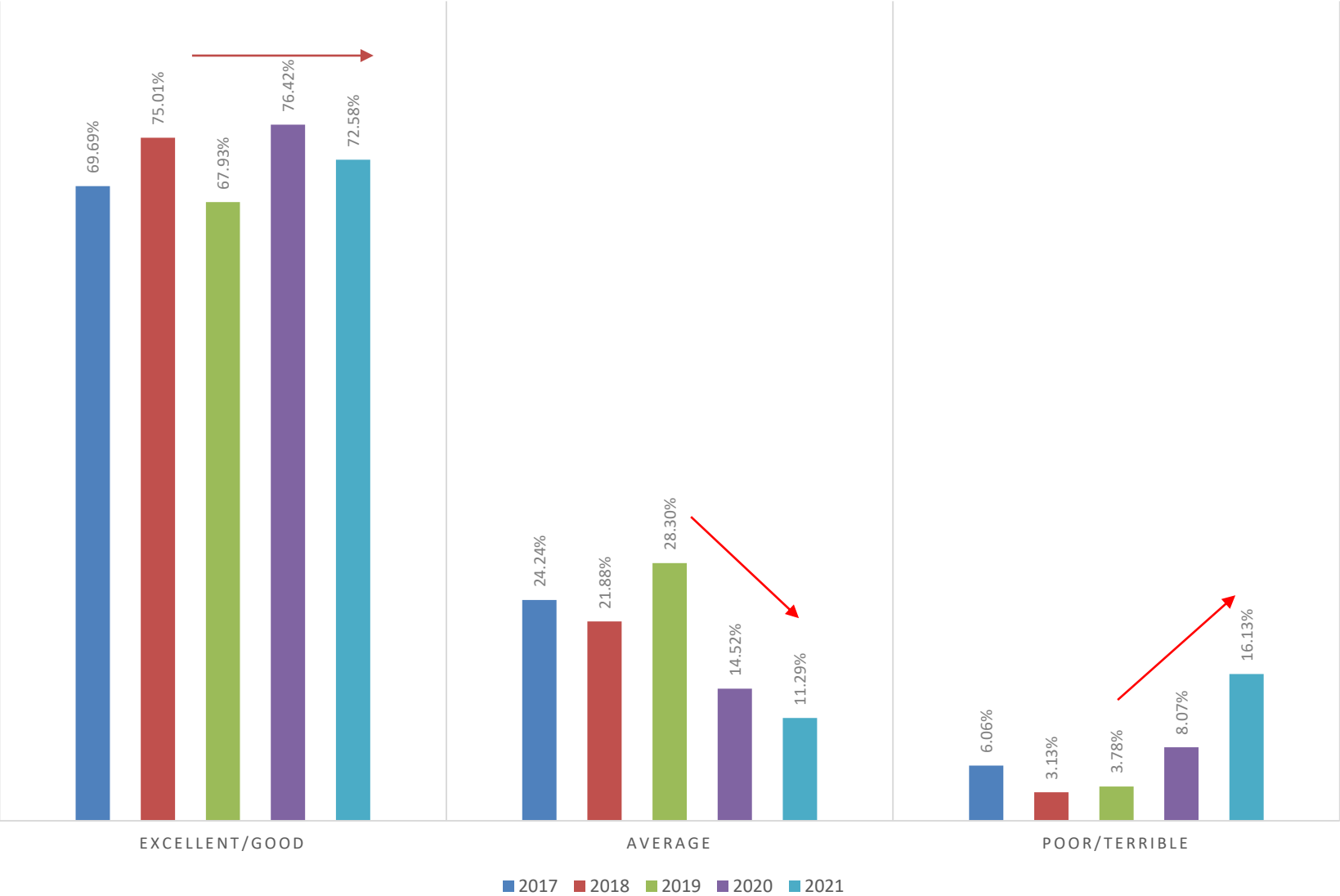
Thinking back over the past 12 months, have you had contact with the South Ogden Recreation Department? (For example if you have registered and participated in a recreation program such as football or baseball.)



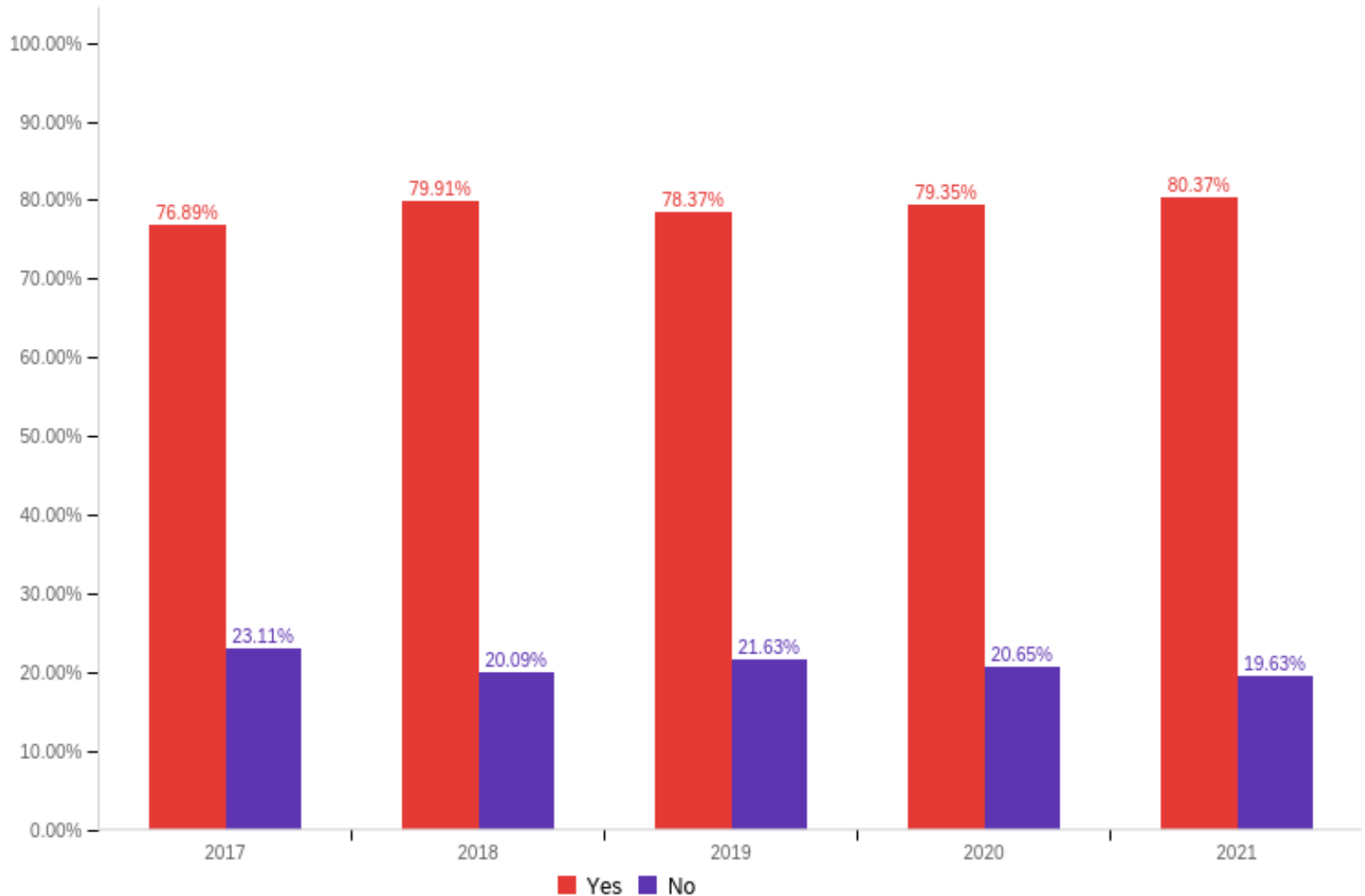
How would you rate your experience with the South Ogden City Recreation Department?



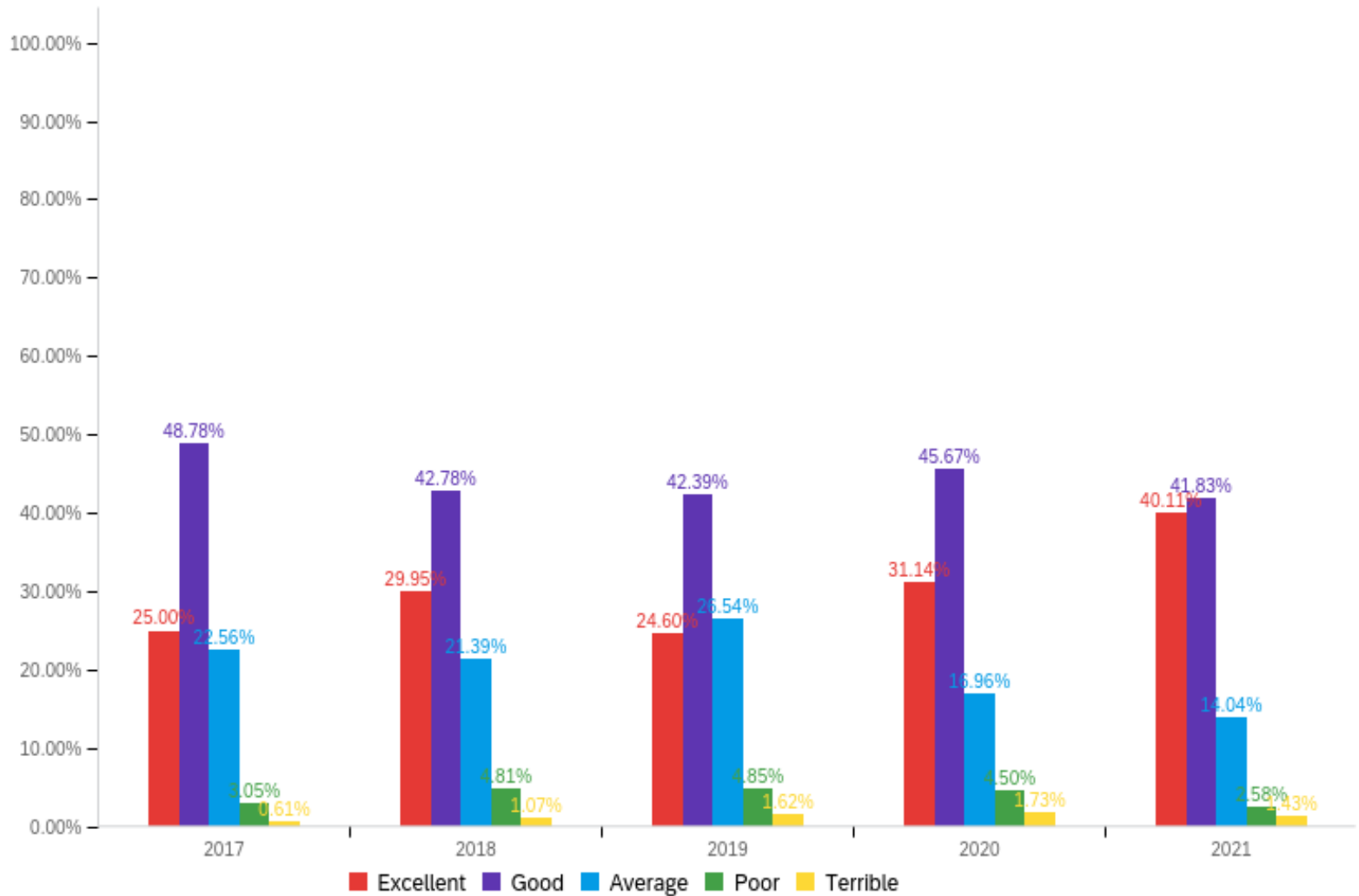
How would you rate your experience with the South Ogden City Recreation Department?



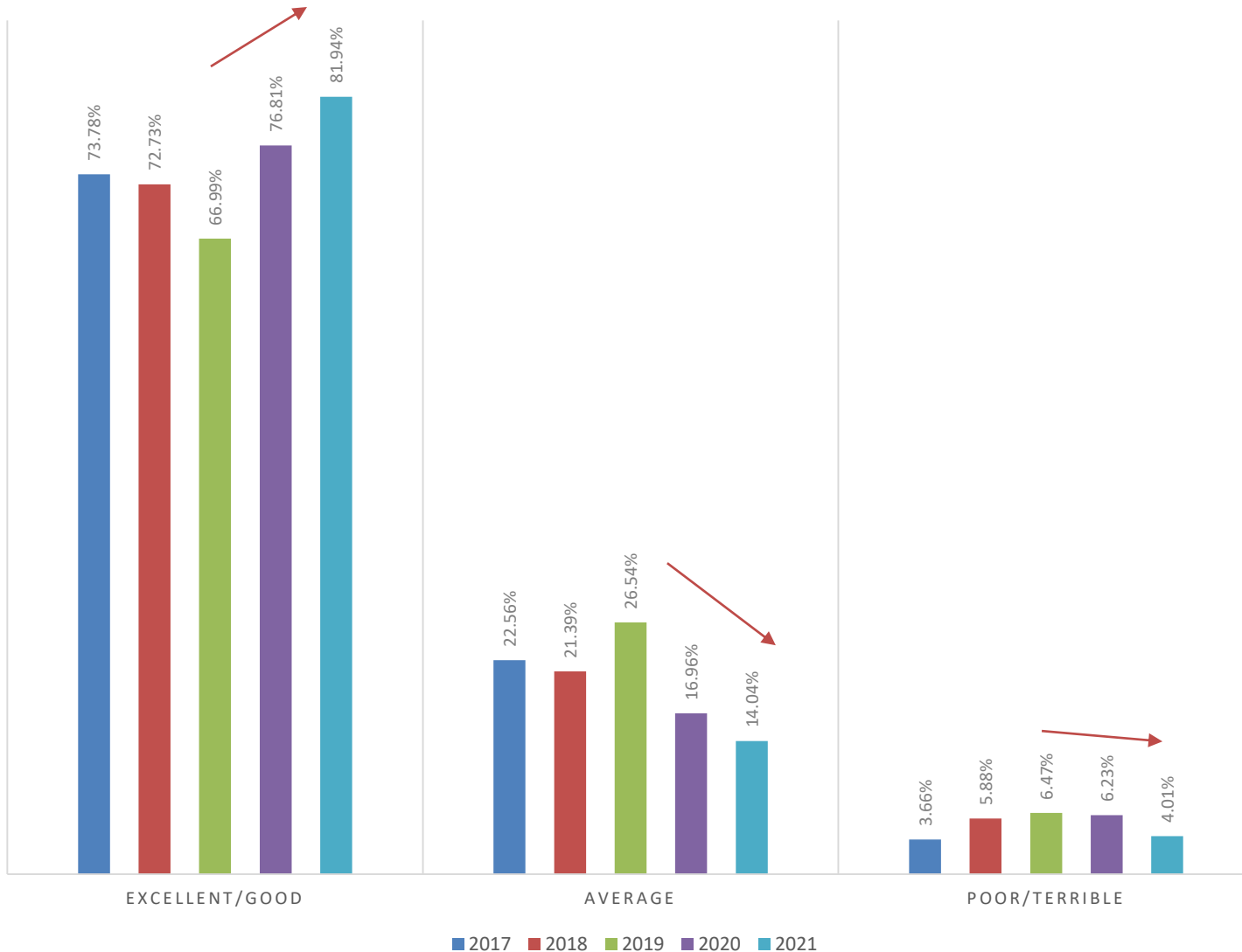
Thinking back over the past 12 months, have you visited a park in South Ogden? (For example: Friendship, Glasmann, 40th Street, Madison, Meadows, Nature Park, Club Heights or Club Heights Off-Leash)



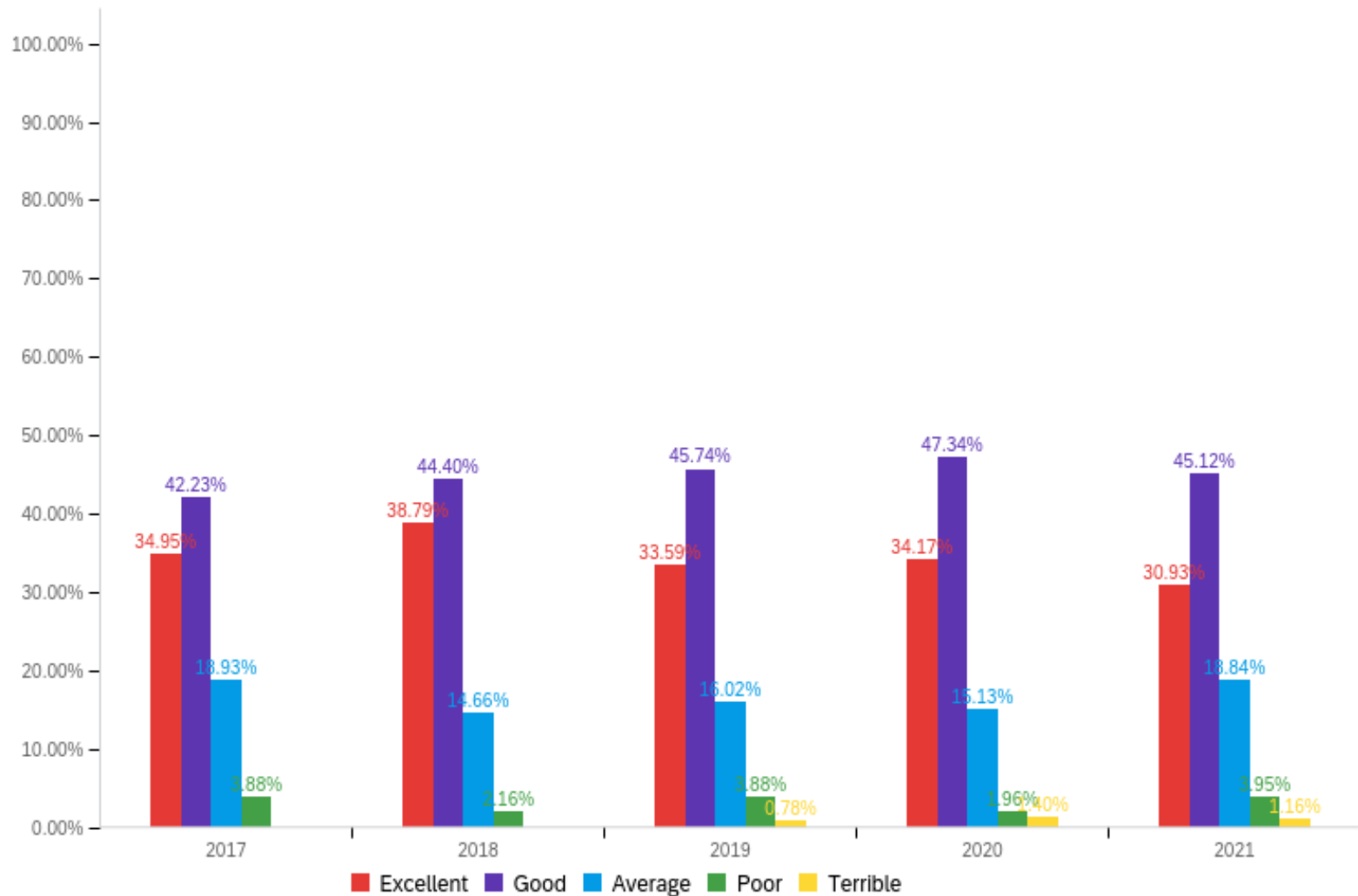
How would you rate your experience at South Ogden City Parks?



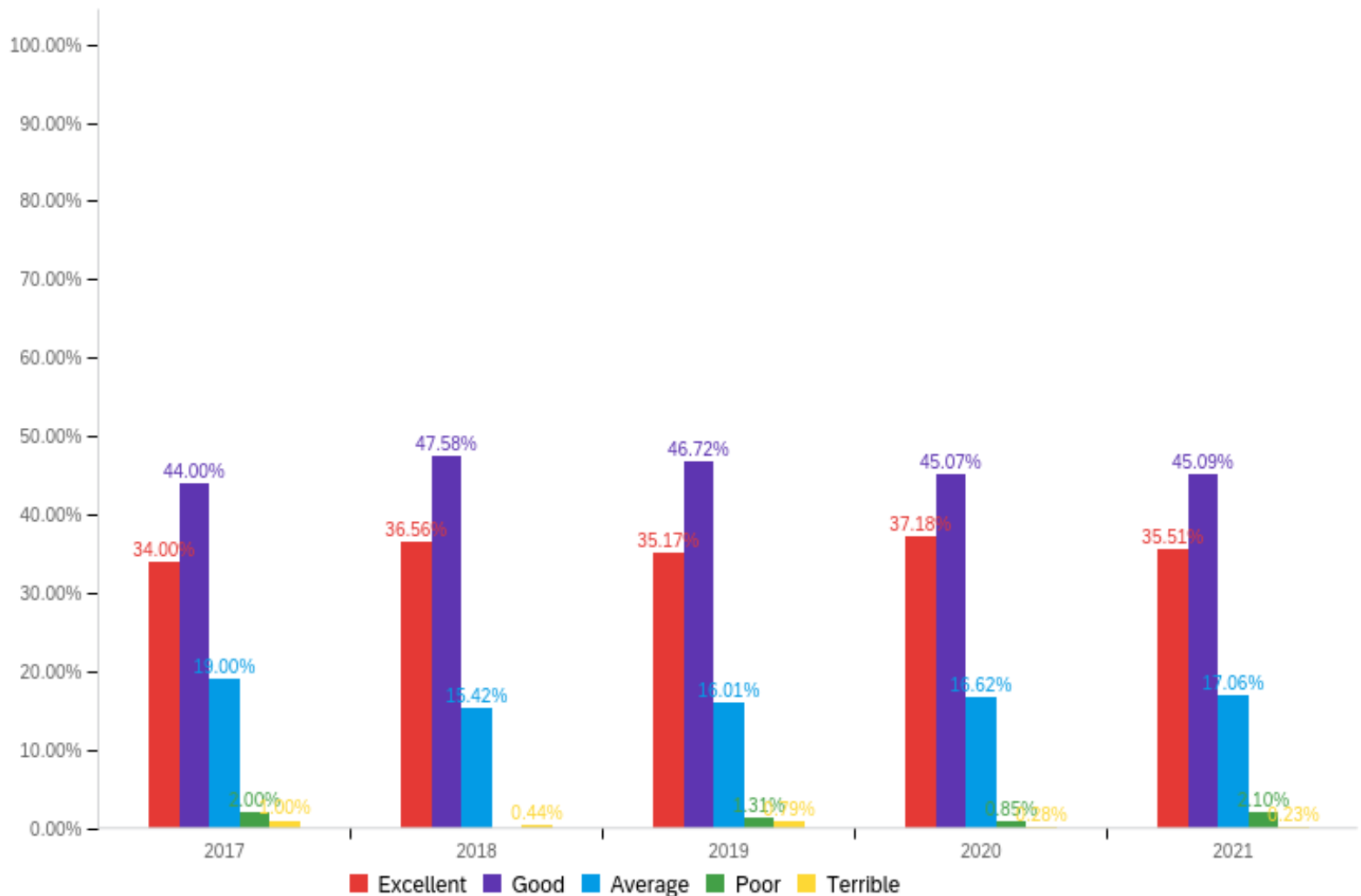
How would you rate your experience at South Ogden City Parks?



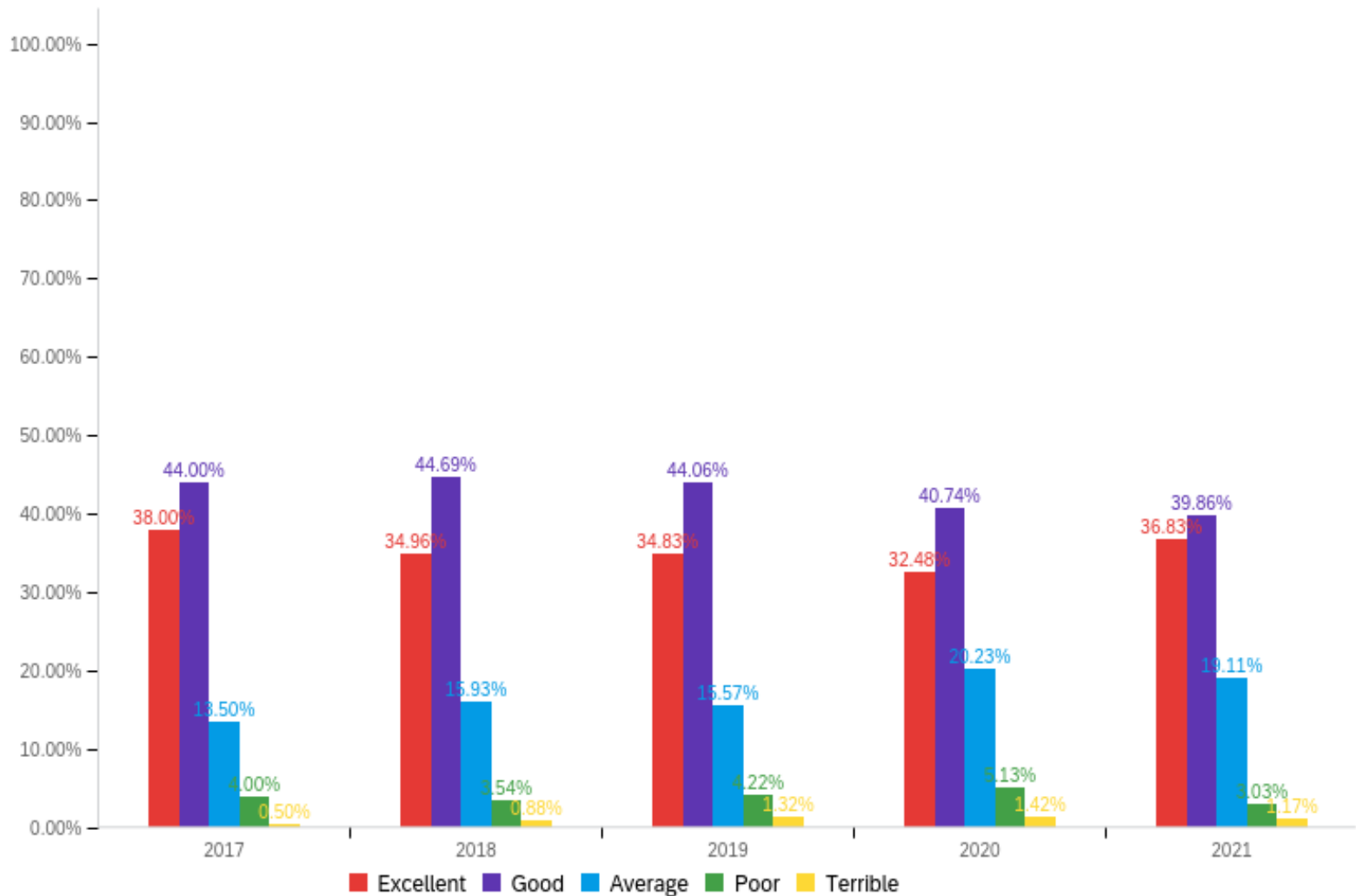
How would you rate the quality of culinary water service in South Ogden?



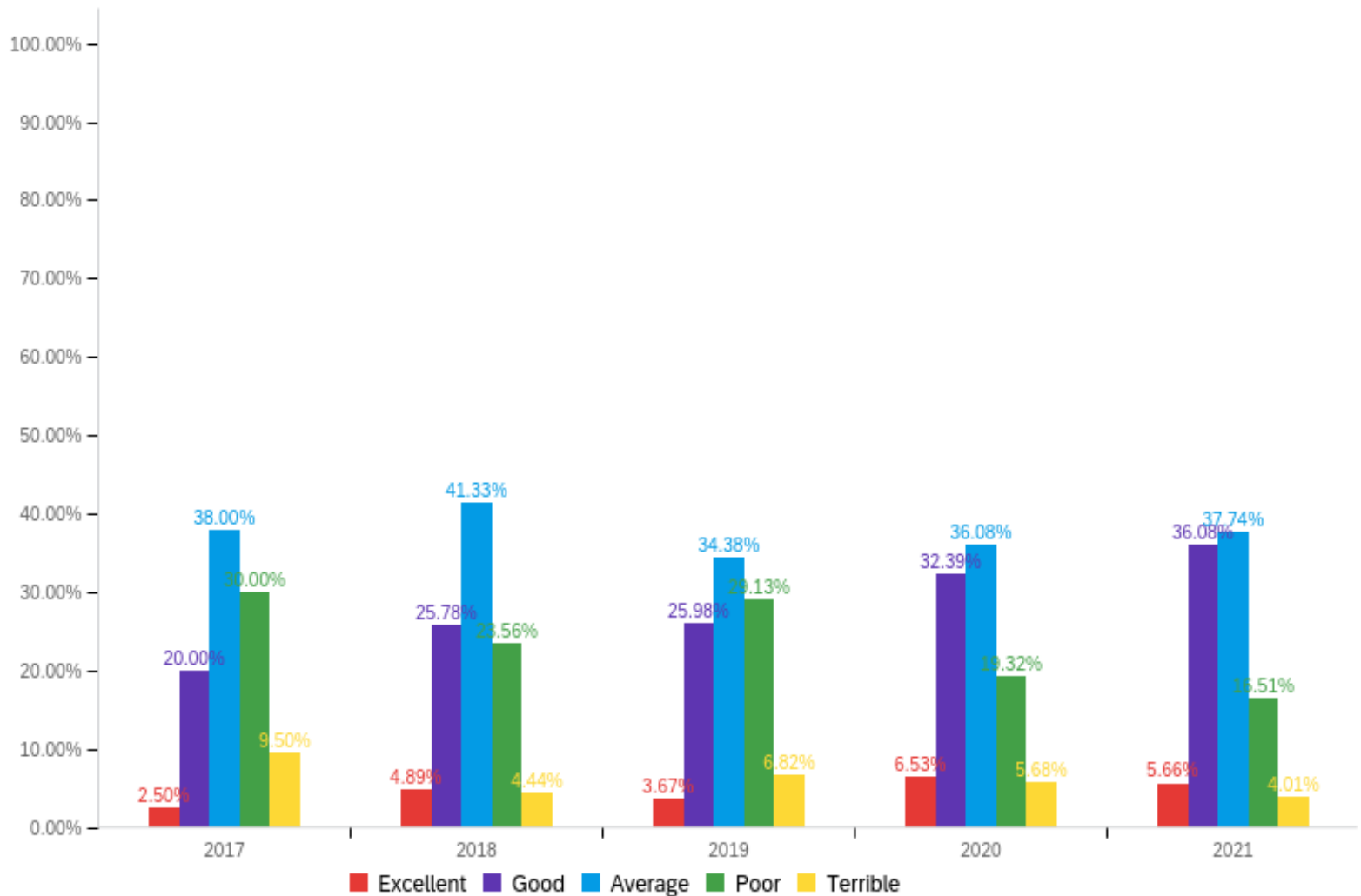
How would you rate the quality of sewer service in South Ogden?



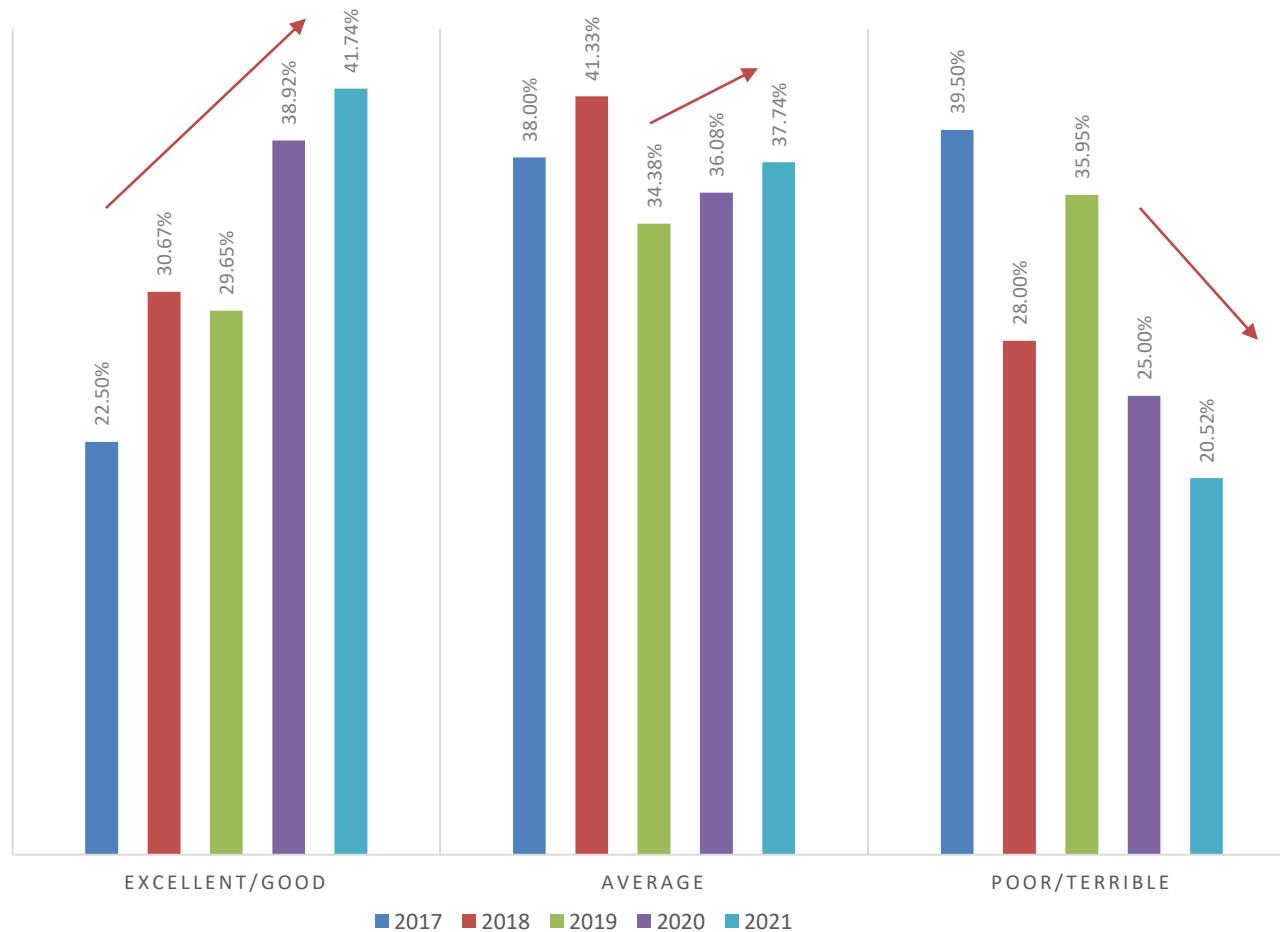
How would you rate the trash service in South Ogden? (Republic Services)



How would you rate the quality of the streets in South Ogden?



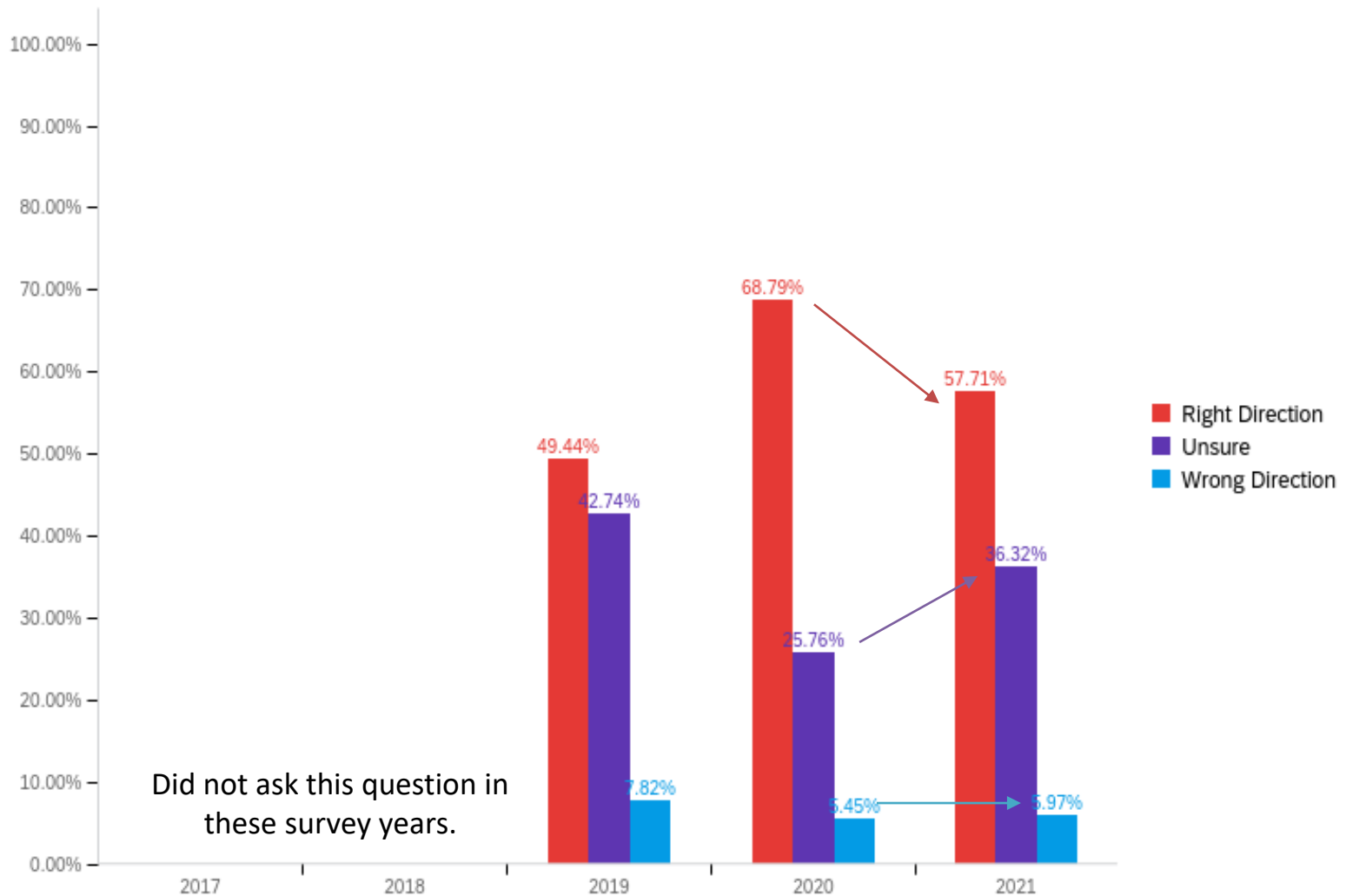
How would you rate the quality of the streets in South Ogden?



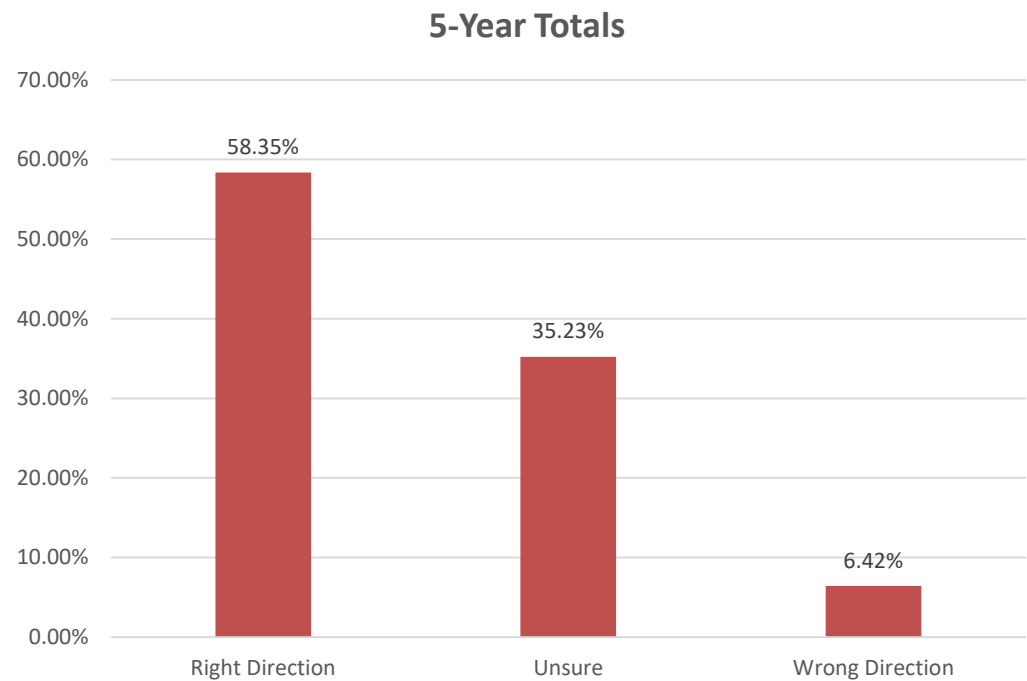
How are you most likely to stay informed with what is happening in South Ogden City?



Overall would you say the City of South Ogden is headed in the right or wrong direction?



Overall would you say the City of South Ogden is headed in the right or wrong direction?



#	Answer	%	Count
1	Right Direction	58.35%	636
2	Unsure	35.23%	384
3	Wrong Direction	6.42%	70
	Total	100%	1090

CITY OF SOUTH OGDEN

BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

Together with Independent Auditor's Report



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

**CITY OF SOUTH OGDEN
TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Statement of Net Position	12
Statement of Activities	14
Balance Sheet – Governmental Funds	15
Reconciliation of Balance Sheet of Governmental Funds to the Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	19
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Community Development and Renewal Agency	20
Statement of Net Position – Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	23
Statement of Cash Flows – Proprietary Funds	24
Notes to Basic Financial Statements	26
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Position Liability – Utah Retirement Systems	52
Schedule of Contributions – Utah Retirement Systems	53
Schedule of Changes in the Total OPEB Liability and Related Ratios.....	55
Notes to Required Supplementary Information.....	56
Supplementary Information:	
Combining Balance Sheet – Nonmajor Governmental Funds	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	58



KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of City Council
South Ogden, Utah

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Ogden, Utah as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of South Ogden, Utah's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type-activities, each major fund, and the aggregate remaining fund information of the City of South Ogden, Utah as of June 30, 2021, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the pension schedule of contributions, the schedule of changes in the total OPEB liability and related ratios, and the notes to required supplementary information, as noted on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Ogden, Utah's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were 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, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 28, 2021, on our consideration of South Ogden City, Utah's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of South Ogden, Utah's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah
December 28, 2021

**SOUTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

This document is a narrative overview and analysis of the financial activities of South Ogden City for the fiscal year ending June 30, 2021. South Ogden City management encourages readers to consider the information presented here in conjunction with the financial statements which follow this section.

Financial Highlights:

At the close of the most recent fiscal year the assets of South Ogden City exceeded its liabilities by \$59,799,587.

As of June 30, 2021, South Ogden City's governmental funds reported a combined ending fund balance of \$6,148,668. Of this amount, \$989,825 is available for spending at the City's discretion, while the remaining balance of \$5,158,843 is classified in accordance with GASB No. 54.

The greatest portion of the City's total long-term debt is comprised of the 2019 Series Sales & Franchise Tax Revenue and Refunding Bonds. This bond issuance was used to refund the 2015 Series. The City also added \$4.3 million to be used to complete the construction of the Burch Creek Park and begin phase I of the construction on the Club Heights Park. The 2012 Series Bonds have one more year of life and were issued to finance road construction. The 2009 Series has been fully retired. The total combined principal outstanding as of June 30, 2021 is \$8,291,000; all bonds will be fully retired by 2039.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to South Ogden City's basic financial statements. The City's basic financial statements include three component parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This portion of the audit report also contains required supplementary information, and other supplementary information in addition to the basic financial statements themselves.

1.) Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of South Ogden City's finances in a format similar to what is provided by private-sector businesses.

The Statement of Net Position presents information pertaining to all of South Ogden City's assets and liabilities. The difference between the two is reported as 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. However, other non-financial factors need to be considered as well.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year reported. 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, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The City's financial statements are distinguished by two different functions. First, governmental activities are those principally supported by taxes and intergovernmental revenues. Second, City business-type activities are those that recover all or a significant portion of their costs through user fees and charges. The governmental activities of South Ogden City include general government, public safety (police & fire), streets, public works, parks and recreation. The business-type activities of the City include providing water, sewer, solid waste, storm drain, and ambulance service.

2.) Fund financial statements: A fund is defined as a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. South Ogden City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

SOUTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

There are three fund types in which all individual fund classifications can be categorized: Governmental Funds, Proprietary Funds and Fiduciary 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 statements, governmental fund financial statements focus on short-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. Governmental fund types include the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City has identified four major governmental funds that are reported separately. They are the general fund, one special revenue fund, a debt service fund and a capital projects fund. There are two non-major funds included within this report.

South Ogden City adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with State budget statutes.

Proprietary Funds: Proprietary funds account for the same functions and utilize the same accounting methods reported as business-type activities in the government-wide financial statements. Full accrual accounting methods are used and provide both long and short-term financial information. The City uses enterprise funds, one type of proprietary fund, to account for its business-type activities which, as previously stated, are water, sewer, solid waste, storm drain, and ambulance service. The City has identified five enterprise funds (as determined by generally accepted accounting principles) that meet the criteria for major fund classification. There are not any enterprise funds classified as non-major within this report. Internal Service Funds are also a form of Proprietary Fund and they are used to report activities that provide services and supplies internally for a City. South Ogden City has no Internal Service Funds.

Fiduciary Funds: Fiduciary funds are used to account for assets held by a City in a trustee capacity or as an agent for individuals, private organizations and other governmental units. A City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. There are four fiduciary fund types: Pension (and other employee benefits) Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds, and Agency Funds. South Ogden City has no fiduciary funds.

3.) 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 to the Financial Statements can be found on pages 29 through 55 of this report.

Differences between Government-Wide and Fund Statements

Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements. Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements. Certain tax revenues that are earned but not yet available are reported as revenue on the government-wide statements. Those revenues are deferred on the governmental fund statements. Government-wide statements provide users with a broad overview of the City's finances in a fashion similar to a private-sector business.

**SOUTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

Government-wide Financial Analysis

As previously noted, an increase or decrease in net position, when viewed over a period of time, may serve as a useful indicator of whether the financial position of a City is improving or deteriorating. In the case of South Ogden City, net position was \$59,799,587 at the close of fiscal year 2021, whereas, at the close of fiscal year 2020, the City's net position was \$54,745,303.

The largest portion of South Ogden City's net position is \$50,121,149 in net investment in capital assets. This reflects its investments in land, buildings, machinery and equipment, less any related debt used to acquire those assets that is still outstanding. South Ogden City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although South Ogden 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.

South Ogden City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 12,532,526	\$ 13,967,809	\$ 7,490,956	\$ 8,338,491	\$ 20,023,482	\$ 22,306,300
Capital assets	49,862,259	47,846,920	10,768,041	8,320,562	60,630,300	56,167,482
Total Assets	62,394,785	61,814,729	18,258,997	16,659,053	80,653,782	78,473,782
Deferred Outflows of Resources	843,344	746,911	174,266	163,042	1,017,610	909,953
Current and other liabilities	3,347,036	4,726,691	1,045,377	807,770	4,392,413	5,534,461
Long-term liabilities	11,065,310	13,681,106	388,350	655,434	11,453,660	14,336,540
Total Liabilities	14,412,346	18,407,797	1,433,727	1,463,204	15,846,073	19,871,001
Deferred Inflows of Resources	5,653,416	4,562,425	372,316	205,006	6,025,732	4,767,431
Net position:						
Net investment in capital assets	39,383,630	37,820,863	10,737,519	8,217,571	50,121,149	46,038,434
Restricted	592,422	1,819,278	108,769	728,966	701,191	2,548,244
Unrestricted	3,196,315	(48,723)	5,780,932	6,207,348	8,977,247	6,158,625
Total Net Position	\$ 43,172,367	\$ 39,591,418	\$ 16,627,220	\$ 15,153,885	\$ 59,799,587	\$ 54,745,303

At the end of the fiscal year, the City was able to report positive balances in net position, for total government activities and for the separate governmental and business-type activities.

Governmental Activities: Governmental activities are reflected in the government-wide activities statement. The governmental activities had a increase, including prior period adjustments, in total net position of \$3,837,675 in 2021.

Taxes are the main source of revenue in the General Fund consisting of 56.40% of total revenue in 2021. The City receives six kinds of taxes (property, sales, delinquent property, fee-in-lieu, franchise, and Prop 1 taxes). Current year property taxes and sales tax revenues account for 32.70% and 46.08% respectively of total taxes collected in 2021. The goal of the City's governing body to be more diversified and not overly dependent upon one type of revenue stream. The sales tax revenues of the City have been growing steadily but the City Council has invested a great deal of time and energy in developing an overall sustainability model for the City. Part of that model includes maintaining the certified tax rate at a constant level if possible. However, in doing so, as property values continue to increase it is then considered a property tax increase at the County and State level. The Council feels a small increase annually is much more fiscally responsible versus doing nothing for years and then implementing a very large increase. The majority of residents also are more amicable to such a process as they understand the cost of doing business and providing the high level of service they are accustomed to also goes up a little bit each year. That is the overall

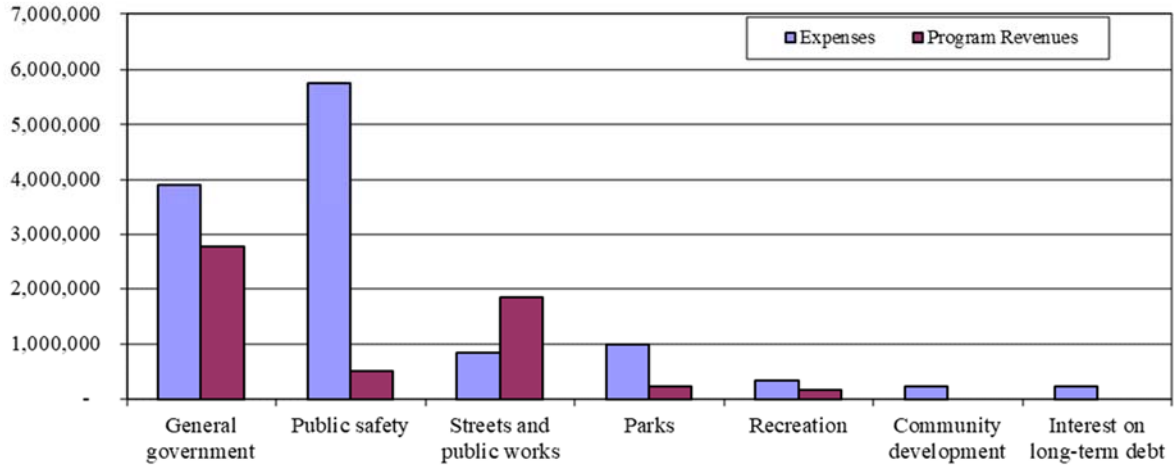
SOUTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

concept, yet the Council is mindful of economic conditions and other factors impacting the residents. A small tax increase was voted in by Council for FY 2021. As mentioned, sales tax revenues continue to increase as local sales continue to be strong and the City is able to add some new businesses. The City also continues to experience a small amount of property tax growth due to new construction. The gap between these two revenues will narrow as the City will again be implementing a small property tax increase as it looks ahead to fiscal year 2022. A new County-wide tax was imposed in 2017 after being voted in by the residents and is referred to as Prop 1 Highway Tax. It is one-tenth of one percent sales tax and is designated to be spent on streets, sidewalks and trails within the City. In fiscal year 2021 the City received \$382,274 of Prop 1 monies.

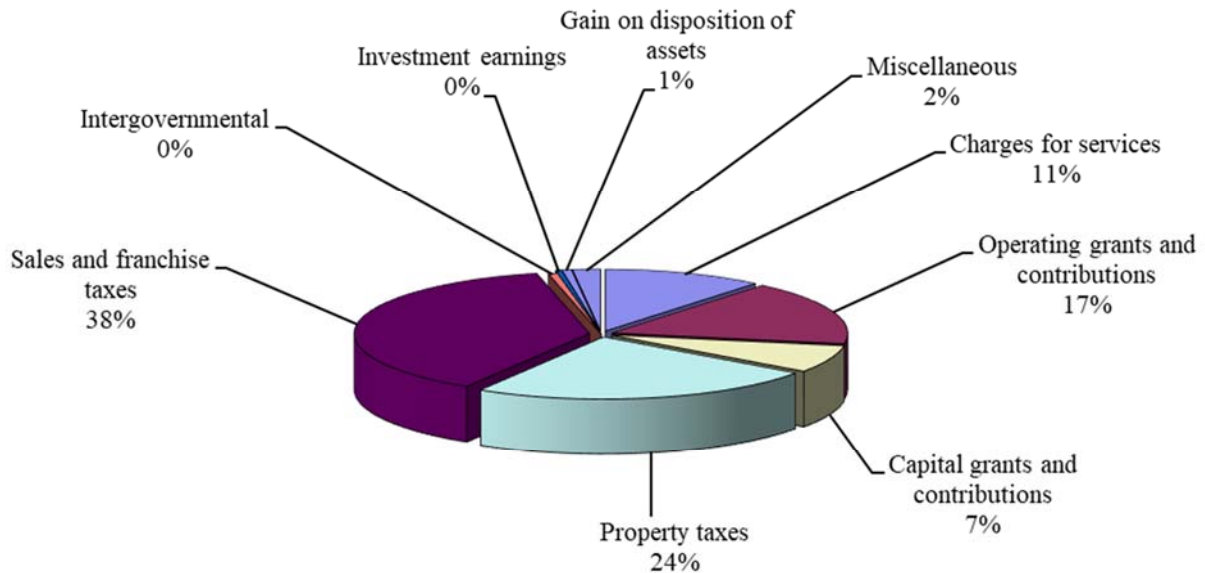
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 1,735,600	\$ 1,672,837	\$ 6,910,343	\$ 6,792,174	\$ 8,645,943	\$ 8,465,011
Operating grants and contributions	2,640,565	1,235,642	-	-	2,640,565	1,235,642
Capital grants and contributions	1,119,714	725,101	108,769	97,963	1,228,483	823,064
General revenues:						
Property taxes	3,754,735	3,416,243	-	-	3,754,735	3,416,243
Sales and franchise taxes	5,933,087	5,689,298	-	-	5,933,087	5,689,298
Intergovernmental	100,881	-	-	-	100,881	-
Investment earnings	63,727	187,258	44,908	137,915	108,635	325,173
Gain on disposition of assets	103,622	133,882	-	50,500	103,622	184,382
Miscellaneous	301,035	285,750	61,412	74,127	362,447	359,877
Total Revenues	15,752,966	13,346,011	7,125,432	7,152,679	22,878,398	20,498,690
Expenses:						
General government	3,911,835	3,740,025	-	-	3,911,835	3,740,025
Public safety	5,752,694	5,859,951	-	-	5,752,694	5,859,951
Streets and public works	824,454	9,085	-	-	824,454	9,085
Parks	978,370	2,051,266	-	-	978,370	2,051,266
Recreation	333,819	263,671	-	-	333,819	263,671
Community development	225,237	267,304	-	-	225,237	267,304
Interest on long-term debt	235,938	451,366	-	-	235,938	451,366
Water	-	-	1,168,378	1,248,936	1,168,378	1,248,936
Sewer	-	-	1,888,175	1,899,001	1,888,175	1,899,001
Storm drain	-	-	754,497	685,527	754,497	685,527
Solid waste	-	-	961,527	927,858	961,527	927,858
Ambulance	-	-	532,464	416,191	532,464	416,191
Total Expenses	12,262,347	12,642,668	5,305,041	5,177,513	17,567,388	17,820,181
Change in net position before transfers	3,490,619	703,343	1,820,391	1,975,166	5,311,010	2,678,509
Transfers	347,056	444,490	(347,056)	(444,490)	-	-
Change in Net Position	3,837,675	1,147,833	1,473,335	1,530,676	5,311,010	2,678,509
Net Position, Beginning	39,591,418	38,443,585	15,153,885	13,623,209	54,745,303	52,066,794
Prior Period Adjustment	(256,726)	-	-	-	(256,726)	-
Net Position, Ending	\$ 43,172,367	\$ 39,591,418	\$ 16,627,220	\$ 15,153,885	\$ 59,799,587	\$ 54,745,303

SOUTH OGDEN CITY MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2021

Expenses and Program Revenues - Governmental Activities



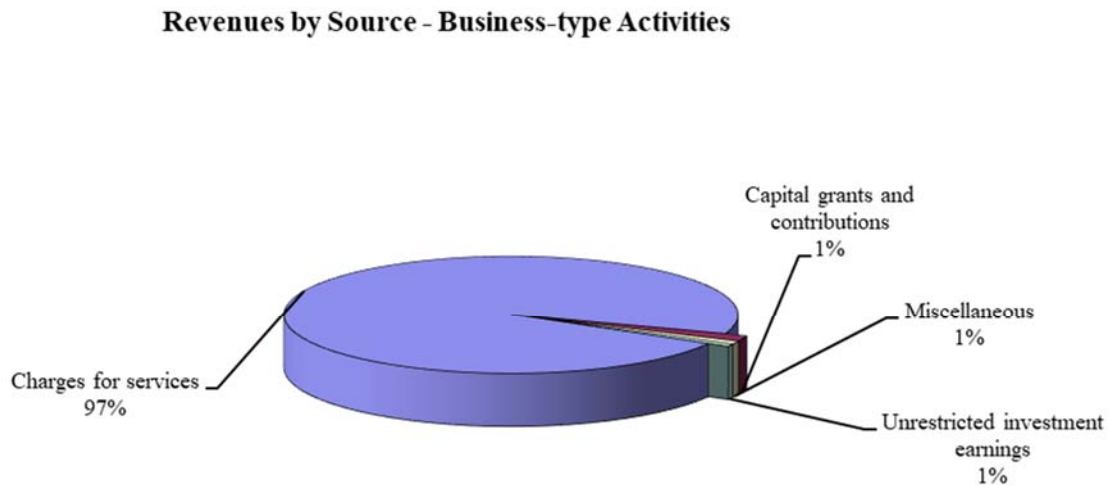
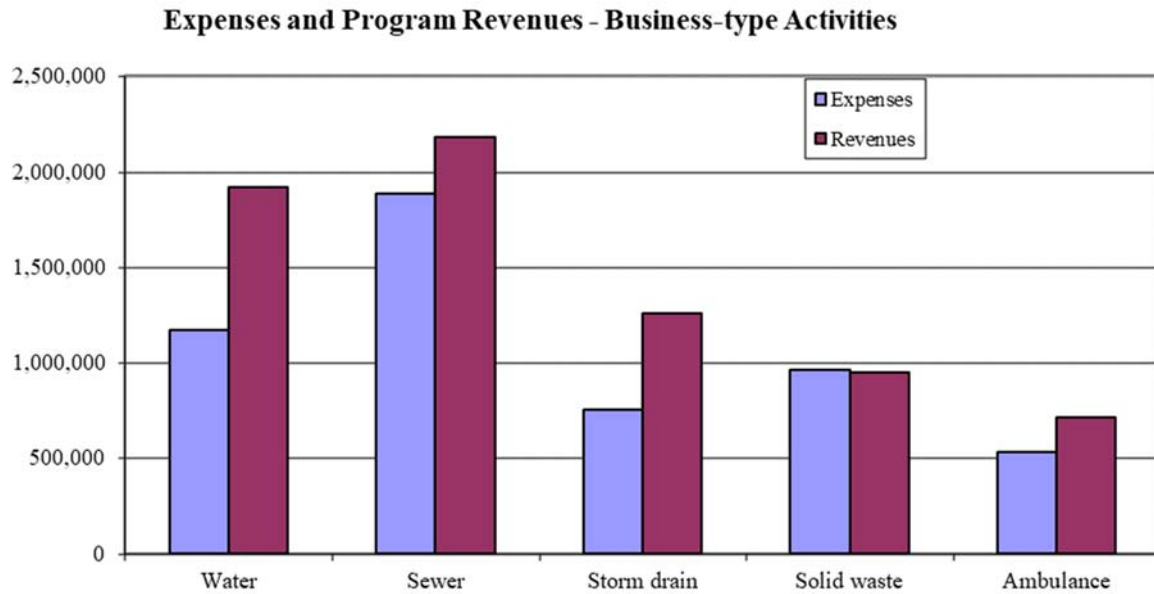
Revenues by Source - Governmental Activities



SOUTH OGDEN CITY MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2021

Business-type Activities: Business-type activities have increased, including prior period adjustments, the City's net position by \$1,473,335 during fiscal year 2021.

The majority of revenues in the business-type activities are in charges for services, which account for 96.09% of the revenues for fiscal year 2021.



SOUTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021

Financial Analysis of Governmental Funds:

The focus of the City's governmental funds is to provide information on short-term inflows, outflows and balances of resources available to spend. Such information is useful in assessing the City's financing requirements.

As of June 30, 2021, the City's governmental funds reported a combined ending fund balances of \$6,148,668. The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds, either by state or local ordinance or by a desire to maintain a matching of revenues and expenses, are accounted for in this fund.

As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separate fund statements included in this report provide the same information for the business-type activities as is provided in the government-wide financial statements. However, the difference is that these fund statements provide more detail.

General Fund Budgetary Highlights:

The original budget adopted in fiscal year 2021 for the general fund totaled \$16,828,242. The City Council approved budget amendments during the year bringing the modified total general fund budget to \$20,835,541.

Explanation of variances between original budgeted amounts and final budgeted amounts:

- The variances on the revenue & expenditure side are mostly associated with some additional revenues that were received and the corresponding expenditures that are tied to the new revenues such as:
 - Reimbursement of police overtime
 - Donations received by the City
 - Small grants received & an adjustment to the City's sales tax revenues
 - Proceeds from the sale of surplus vehicles
- There was an adjustment made to account for excessive overtime in the fire department.
- There was an amendment to incorporate some insurance proceeds and FEMA monies received due to a natural disaster (wind event).
- There was an amendment to incorporate the receipt and usage of the CARES-ACT monies the City received.

Capital Assets and Debt Administration:

As of June 30, 2021, the City has invested \$60,630,300 net of accumulated depreciation in capital assets for its governmental and business-type activities. This amount is \$4,462,818 more than 2020. The City feels that its ability to increase capital assets will improve moving forward. The City Council put in place for the fiscal year 2021 budget process some significant revenue generating steps to work towards fiscal sustainability. The governing body is committed to continue working towards fiscal sustainability for FY 2022. These new monies will allow for infrastructure projects to be undertaken, heavy equipment and vehicles to be replaced as well as additional resources allocated to the City's streets for repairs and maintenance.

**SOUTH OGDEN CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

South Ogden City's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 11,132,437	\$ 10,955,991	\$ 412,413	\$ 412,413	\$ 11,544,850	\$ 11,368,404
Construction in progress	7,482,226	4,285,708	53,026	418,676	7,535,252	4,704,384
Building and improvements	8,183,543	8,184,336	8,137	9,616	8,191,680	8,193,952
Machinery and equipment	2,951,941	3,129,101	643,733	446,754	3,595,674	3,575,855
Infrastructure	20,112,112	21,291,784	9,650,732	7,033,103	29,762,844	28,324,887
Total Capital Assets	<u>\$ 49,862,259</u>	<u>\$ 47,846,920</u>	<u>\$ 10,768,041</u>	<u>\$ 8,320,562</u>	<u>\$ 60,630,300</u>	<u>\$ 56,167,482</u>

As of June 30, 2021, the City's Governmental Activities had a long-term debt outstanding balance of \$11,661,309. This amount is comprised of the following component parts:

2019 Sales & Franchise Tax Revenue & Refunding Bonds - \$8,055,000 – retires in 2039
 2012 Road Revenue Bonds - \$236,000 – retires in 2022
 Capital leases - \$1,366,839
 Compensated absences - \$645,596
 Other post-employment benefits - \$1,032,406
 Weber School District Property Lease - \$325,469

As of June 30, 2021, the City's Business-type Activities had a long-term debt outstanding balance of \$484,631. This amount is comprised of the following component parts:

Compensated absences - \$64,451
 Other post-employment benefits - \$187,556
 Capital Leases - \$200,645

South Ogden City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds payable	\$ 9,144,270	\$ 10,263,086	\$ -	\$ -	\$ 9,144,270	\$ 10,263,086
Notes payable	325,469	374,320	-	-	325,469	374,320
Capital leases	1,366,839	1,810,819	200,645	255,433	1,567,484	2,066,252
Compensated absences	645,595	621,752	64,450	68,302	710,045	690,054
Total	<u>\$ 11,482,173</u>	<u>\$ 13,069,977</u>	<u>\$ 265,095</u>	<u>\$ 323,735</u>	<u>\$ 11,747,268</u>	<u>\$ 13,393,712</u>

Economic Factors and Next Year's Budget and Rates:

Economic indicators for the state are currently stabilizing. Construction of commercial buildings as well as single and multi-family dwellings is still moving at a brisk pace. The local area and the State of Utah were hit hard in the Spring of 2020 by the economic shut-down spawned by the COVID-19 pandemic, as was every sector of the country. The State continues to work through this process but has seen some significant signs of improvement in certain areas. Utah's recent unemployment rate was 2.4%, one of the lowest in the country. Utah has recently been ranked as one of the top states in the nation for businesses.

The City's budget for fiscal year 2022 will be aggressive yet cautious. The City has a number of projects that have been started in FY 2021 and the construction will be finished in FY 2022. There are also some new projects that have been saved up for and will be undertaken as well. The City is being very cautious as we continue to navigate the stormy waters created by the COVID-19 pandemic. Elected officials and City staff are taking all health recommendations and necessary protocols very seriously as we strive to move the City forward in a very productive, safe and responsible manner.

**SOUTH OGDEN CITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2021**

The Council continues to be proactive in maintaining and growing the City’s revenue streams in an effort to aggressively undertake infrastructure projects. The development of the 12.74-acre Burch Creek Park will be completed in FY 2022 and phase I of the Club Heights Park project will be completed as well. The City has been working hard on an in-depth fiscal sustainability analysis and inventory of the needs for street repairs and utility infrastructure and put in to place some funding sources to continue the sustainability process. During the fiscal year 2022 budget process the City Council voted to increase by 6% the utility fee structure, meaning the fees for water, sewer, storm drain, road improvement fee, garbage and recycling will all be changing. Both the Council and the residents of the City are committed to maintaining and improving the services provided and the quality of life that South Ogden City provides for its residents.

Request for Information:

This financial report is designed to provide a general overview of South Ogden City’s finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

South Ogden City
Finance Director
3950 Adams Avenue Suite #1
South Ogden, UT 84403

BASIC FINANCIAL STATEMENTS

SOUTH OGDEN CITY
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	\$ 4,821,516	\$ 5,767,795	\$ 10,589,311
Accounts receivable - net	185,789	1,056,468	1,242,257
Due from other governmental units	509,794	-	509,794
Taxes receivable	4,734,177	-	4,734,177
Prepaid expenses	111,282	95,716	206,998
Notes receivable	500,000	-	500,000
Internal Balances	39,547	(39,547)	-
Restricted cash and cash equivalents	1,037,462	544,640	1,582,102
Capital assets, not being depreciated:			
Land	11,132,437	412,413	11,544,850
Construction in progress	7,482,226	53,026	7,535,252
Capital assets, net of accumulated depreciation:			
Buildings and improvements	8,183,543	8,137	8,191,680
Machinery and equipment	2,951,941	643,733	3,595,674
Infrastructure	20,112,112	9,650,732	29,762,844
Net pension asset	592,959	65,884	658,843
Total Assets	62,394,785	18,258,997	80,653,782
Deferred Outflows of Resources:			
Pensions	834,421	165,653	1,000,074
Other post employment benefits	8,923	8,613	17,536
Total Deferred Outflows of Resources	843,344	174,266	1,017,610
Total Assets and Deferred Outflows of Resources	\$ 63,238,129	\$ 18,433,263	\$ 81,671,392

The notes to the financial statements are an integral part of this statement

SOUTH OGDEN CITY
STATEMENT OF NET POSITION (Continued)
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Liabilities			
Accounts payable	\$ 477,044	\$ 455,486	\$ 932,530
Accrued liabilities	441,891	48,304	490,195
Accrued interest payable	97,165	-	97,165
Unearned Revenue	131,300	-	131,300
Payable from restricted assets:			
Accounts payable	419,195	434,771	853,966
Developer and customer deposits	18,145	1,100	19,245
Noncurrent liabilities:			
Due within one year	1,762,296	105,716	1,868,012
Due in more than one year	11,065,310	388,350	11,453,660
Total Liabilities	14,412,346	1,433,727	15,846,073
Deferred Inflows of Resources:			
Deferred property tax revenue	3,803,325	-	3,803,325
Pensions	1,765,652	340,300	2,105,952
Other post employment benefits	84,439	32,016	116,455
Total Deferred Inflows of Resources	5,653,416	372,316	6,025,732
Net Position:			
Net investment in capital assets	39,383,630	10,737,519	50,121,149
Restricted for:			
Roads	256,901	-	256,901
Impact fees	331,355	108,769	440,124
Debt	103	-	103
State grants	4,063	-	4,063
Unrestricted	3,196,315	5,780,932	8,977,247
Total Net Position	43,172,367	16,627,220	59,799,587
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 63,238,129	\$ 18,433,263	\$ 81,671,392

The notes to the financial statements are an integral part of this statement

SOUTH OGDEN CITY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 3,911,835	\$ 543,781	\$ 2,226,786	\$ -	\$ (1,141,268)	\$ -	\$ (1,141,268)
Public safety	5,752,694	481,365	19,905	-	(5,251,424)	-	(5,251,424)
Streets and public works	824,454	562,625	382,274	902,394	1,022,839	-	1,022,839
Parks	978,370	1,150	-	217,320	(759,900)	-	(759,900)
Recreation	333,819	146,679	11,600	-	(175,540)	-	(175,540)
Community development	225,237	-	-	-	(225,237)	-	(225,237)
Interest on long-term debt	235,938	-	-	-	(235,938)	-	(235,938)
Total Governmental Activities	12,262,347	1,735,600	2,640,565	1,119,714	(6,766,468)	-	(6,766,468)
Business-type Activities:							
Water	1,168,378	1,874,896	-	46,791	-	753,309	753,309
Sewer	1,888,175	2,183,026	-	-	-	294,851	294,851
Storm drain	754,497	1,196,854	-	61,978	-	504,335	504,335
Solid waste	961,527	945,039	-	-	-	(16,488)	(16,488)
Ambulance	532,464	710,528	-	-	-	178,064	178,064
Total Business-type Activities	5,305,041	6,910,343	-	108,769	-	1,714,071	1,714,071
Total Government	\$ 17,567,388	\$ 8,645,943	\$ 2,640,565	\$ 1,228,483	(6,766,468)	1,714,071	(5,052,397)
General Revenues:							
Property taxes					3,754,735	-	3,754,735
Sales taxes					4,797,312	-	4,797,312
Franchise taxes					1,135,775	-	1,135,775
Intergovernmental					100,881	-	100,881
Interest					63,727	44,908	108,635
Gain on disposal of assets					103,622	-	103,622
Miscellaneous					301,035	61,412	362,447
Transfers					347,056	(347,056)	-
Total General Revenues and Transfers					10,604,143	(240,736)	10,363,407
Change in Net Position					3,837,675	1,473,335	5,311,010
Net Position, Beginning					39,591,418	15,153,885	54,745,303
Prior Period Adjustment					(256,726)	-	(256,726)
Net Position, Ending					\$ 43,172,367	\$ 16,627,220	\$ 59,799,587

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Special Revenue CDRA	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 904,298	\$ 132,847	\$ 3,726,446	\$ 57,925	\$ 4,821,516
Taxes receivable	4,683,637	50,540	-	-	4,734,177
Due from other governmental units	509,794	-	-	-	509,794
Accounts receivable	134,638	2,426	-	48,726	185,790
Prepaid items	111,282	-	-	-	111,282
Notes receivable	-	500,000	-	-	500,000
Due from other funds	829,731	-	-	-	829,731
Restricted cash and cash equivalents	630,774	-	406,585	103	1,037,462
Total Assets	\$ 7,804,154	\$ 685,813	\$ 4,133,031	\$ 106,754	\$ 12,729,752
Liabilities:					
Accounts payable	\$ 361,911	\$ 91,579	\$ 18,478	\$ 5,076	\$ 477,044
Accrued liabilities	441,891	-	-	-	441,891
Payable from restricted assets:					
Accounts payable	343,965	-	75,230	-	419,195
Developer deposits	18,145	-	-	-	18,145
Unearned revenue	131,300	-	-	-	131,300
Due to other funds	535,453	254,731	-	-	790,184
Total Liabilities	1,832,665	346,310	93,708	5,076	2,277,759
Deferred Inflows of Resources					
Deferred property tax revenue	3,774,999	28,326	-	-	3,803,325
Unavailable revenue	-	500,000	-	-	500,000
Total Deferred Inflows of Resources	3,774,999	528,326	-	-	4,303,325
Fund Balances:					
Nonspendable:					
Prepaid items	111,282	-	-	-	111,282
Restricted:					
Class "C" roads	256,901	-	-	-	256,901
Impact fees	-	-	331,355	-	331,355
Debt service	-	-	-	103	103
State grants	4,063	-	-	-	4,063
Committed:					
Employee benefits	645,596	-	-	-	645,596
Assigned:					
Special revenue funds	-	-	-	91,373	91,373
Debt service	-	-	-	10,202	10,202
Capital projects	-	-	3,707,968	-	3,707,968
Unassigned	1,178,648	(188,823)	-	-	989,825
Total Fund Balances	2,196,490	(188,823)	4,039,323	101,678	6,148,668
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 7,804,154	\$ 685,813	\$ 4,133,031	\$ 106,754	\$ 12,729,752

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2021

**Amounts reported for governmental activities in the Statement of Net Position
are different because:**

Total Fund Balances - Governmental Funds	\$ 6,148,668
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	49,862,259
The net pension asset resulting from pension assets exceeding pension liabilities is not an available resource and, therefore, is not reported in the funds.	592,959
Deferred outflows of resources related to pensions and other postemployment benefits are not an available resource and, therefore, are not reported in the funds.	843,344
Deferred inflows of resources related to pensions and other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(1,850,091)
Interest expense is not due and payable in the current period and, therefore, is not recorded in the funds.	(97,166)
Long-term liabilities, including bonds, capital leases, net pension, and net other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(12,827,606)
Revenue not received within the availability period is deferred to the period it is available in at the fund level and recognized in revenue when it is earned on the statement of activities.	500,000
Total Net Position - Governmental Activities	<u><u>\$ 43,172,367</u></u>

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General	Special Revenue	Capital	Nonmajor	Total
	Fund	CDRA	Projects	Governmental	Governmental
				Funds	Funds
Revenues:					
Property taxes	\$ 3,729,354	\$ 25,381	\$ -	\$ -	\$ 3,754,735
Sales taxes	4,639,829	157,483	-	-	4,797,312
Franchise taxes	1,135,775	-	-	-	1,135,775
Licenses and permits	356,852	-	-	-	356,852
Intergovernmental	3,307,416	100,881	204,600	-	3,612,897
Charges for services	276,788	-	-	553,839	830,627
Fines and forfeitures	381,435	-	-	-	381,435
Impact Fees	-	-	228,847	-	228,847
Interest	46,682	10,868	6,023	154	63,727
Miscellaneous	350,786	-	-	15,915	366,701
Total Revenues	14,224,917	294,613	439,470	569,908	15,528,908
Expenditures:					
Current:					
General government	2,060,563	-	-	79,450	2,140,013
Public safety	5,953,964	-	-	-	5,953,964
Streets and public works	647,946	-	-	-	647,946
Parks	1,094,060	-	-	-	1,094,060
Recreation	257,155	-	-	-	257,155
Community development	-	225,237	-	-	225,237
Debt service:					
Principal	492,831	-	-	896,000	1,388,831
Interest	76,475	574	-	388,897	465,946
Capital outlay	3,657,867	-	1,351,456	-	5,009,323
Total Expenditures	14,240,861	225,811	1,351,456	1,364,347	17,182,475
Excess (deficiency) of revenues over (under) expenditures	(15,944)	68,802	(911,986)	(794,439)	(1,653,567)
Other Financing Sources (Uses):					
Sale of capital assets	103,622	-	-	-	103,622
Transfers in	3,110,434	-	2,885,222	1,333,392	7,329,048
Transfers out	(3,761,982)	-	(2,663,277)	(556,733)	(6,981,992)
Total Other Financing Sources (Uses)	(547,926)	-	221,945	776,659	450,678
Net Change in Fund Balances	(563,870)	68,802	(690,041)	(17,780)	(1,202,889)
Fund Balance, Beginning	2,760,360	(257,625)	4,729,364	119,458	7,351,557
Fund Balance, Ending	\$ 2,196,490	\$ (188,823)	\$ 4,039,323	\$ 101,678	\$ 6,148,668

The notes to the financial statements are an integral part of this statement.

SOUTH 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, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ (1,202,889)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial cost of more than \$1,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,772,063
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:	1,611,647
In the statement of activities, accrued interest on debt is recorded.	7,192
In the statement of activities, current changes to the net pension asset account to decrease pension expense. The Governmental Funds do not adjust pension contribution expense.	348,922
In the statement of activities, current changes to the net pension liability account to increase pension expense. The Governmental Funds do not adjust pension contribution expense.	1,000,206
In the statement of activities, the current year's pension contributions from January to June are removed from pension expense and shown on the statement of net position as deferred outflows of resources - pensions. The Governmental Funds do not adjust pension contribution expense.	100,097
In the statement of activities, the differences between expected and actual results and changes in assumptions decrease pension expense and are shown on the statement of net position as deferred inflows of resources - pensions. The Governmental Funds do not adjust for these differences.	(778,332)
Some expenses (accrued leave, other post employment benefits) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(21,231)
Changes in net position of governmental activities	<u>\$ 3,837,675</u>

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Property taxes	\$ 3,583,836	\$ 3,583,836	\$ 3,729,354	\$ 145,518
Sales taxes	3,678,242	3,678,242	4,639,829	961,587
Franchise taxes	1,142,695	1,142,695	1,135,775	(6,920)
Licenses and permits	310,167	381,904	356,852	(25,052)
Intergovernmental	1,161,109	2,909,351	3,307,416	398,065
Charges for services	106,603	258,868	276,788	17,920
Fines and forfeitures	396,531	396,531	381,435	(15,096)
Interest	113,508	113,508	46,682	(66,826)
Miscellaneous	161,857	306,122	350,786	44,664
Total Revenues	<u>10,654,548</u>	<u>12,771,057</u>	<u>14,224,917</u>	<u>1,453,860</u>
Expenditures:				
General government:				
City council	175,933	175,933	145,968	29,965
Legal	104,096	134,196	106,916	27,280
Municipal court	382,937	382,937	345,723	37,214
Administrative	82,983	(127,066)	47,413	(174,479)
Non-departmental	1,103,696	1,145,014	1,067,844	77,170
Building and grounds	254,162	310,162	240,108	70,054
Planning and zoning	125,090	116,465	106,591	9,874
Public safety:				
Police	3,326,145	3,967,739	3,783,543	184,196
Fire	2,148,790	2,034,428	2,003,362	31,066
Inspection and planning	138,137	173,210	167,059	6,151
Streets and public works	683,338	746,853	647,946	98,907
Parks	629,904	978,579	1,094,060	(115,481)
Recreation	179,501	270,859	257,155	13,704
Debt service:				
Principal	253,375	657,454	492,831	164,623
Interest	18,470	62,463	76,475	(14,012)
Capital Outlay	3,655,809	4,061,688	3,657,867	403,821
Total Expenditures	<u>13,262,366</u>	<u>15,090,914</u>	<u>14,240,861</u>	<u>850,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,607,818)</u>	<u>(2,319,857)</u>	<u>(15,944)</u>	<u>2,303,913</u>
Other Financing Sources (Uses):				
Sale of capital assets	-	84,049	103,622	19,573
Transfers in	3,693,060	3,693,060	3,110,434	(582,626)
Transfers out	(2,083,958)	(3,706,948)	(3,761,982)	(55,034)
Total Other Financing Sources (Uses)	<u>1,609,102</u>	<u>70,161</u>	<u>(547,926)</u>	<u>(618,087)</u>
Net Change in Fund Balance	<u>\$ (998,716)</u>	<u>\$ (2,249,696)</u>	<u>(563,870)</u>	<u>\$ 1,685,826</u>
Fund Balance, Beginning			<u>2,760,360</u>	
Fund Balance, Ending			<u>\$ 2,196,490</u>	

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT
AND RENEWAL AGENCY – SPECIAL REVENUE FUND
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ 25,381	\$ 25,381
Sales taxes	112,994	112,994	169,074	56,080
Intergovernmental	134,300	134,300	89,290	(45,010)
Interest	-	-	10,868	10,868
Total Revenues	<u>247,294</u>	<u>247,294</u>	<u>294,613</u>	<u>47,319</u>
Expenditures:				
Community development	169,294	182,176	225,237	(43,061)
Debt Service:				
Principal	100,000	100,000	-	100,000
Interest	3,000	3,000	574	2,426
Total Expenditures	<u>272,294</u>	<u>285,176</u>	<u>225,811</u>	<u>59,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,000)</u>	<u>(37,882)</u>	<u>68,802</u>	<u>106,684</u>
Other Financing Sources (Uses):				
Sale of capital assets	25,000	25,000	-	(25,000)
Transfers in	-	12,882	-	(12,882)
Total Other Financing Sources (Uses)	<u>25,000</u>	<u>37,882</u>	<u>-</u>	<u>(37,882)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>68,802</u>	<u>\$ 68,802</u>
Fund Balance, Beginning			<u>(257,625)</u>	
Fund Balance, Ending			<u>\$ (188,823)</u>	

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
June 30, 2021

	Business-type Activities - Enterprise Funds					Total
	Water	Sewer	Storm Drain	Solid Waste	Ambulance	
Assets:						
Current Assets:						
Cash and cash equivalents	\$ 2,480,317	\$ 1,363,920	\$ 1,639,357	\$ 266,203	\$ 17,998	\$ 5,767,795
Accounts receivable, net	262,514	324,811	109,760	92,378	267,005	1,056,468
Prepays	86,674	-	-	-	9,042	95,716
Due from other funds	297,474	237,979	-	-	-	535,453
Total Current Assets	3,126,979	1,926,710	1,749,117	358,581	294,045	7,455,432
Noncurrent Assets:						
Restricted cash and cash equivalents	123,717	358,645	61,978	300	-	544,640
Capital assets not being depreciated:						
Land	295,405	16,274	100,734	-	-	412,413
Construction in progress	20,178	10,302	22,546	-	-	53,026
Capital assets, net of accumulated depreciation:						
Buildings and improvements	8,137	-	-	-	-	8,137
Machinery and equipment	381,436	36,657	51,726	74,786	99,128	643,733
Infrastructure	4,884,516	1,977,815	2,788,401	-	-	9,650,732
Net pension asset	-	-	-	-	65,884	65,884
Total Noncurrent Assets	5,713,389	2,399,693	3,025,385	75,086	165,012	11,378,565
Total Assets	8,840,368	4,326,403	4,774,502	433,667	459,057	18,833,997
Deferred Outflows of Resources:						
Pensions	36,071	51,837	51,272	-	26,473	165,653
Other post employment benefits	8,613	-	-	-	-	8,613
Total Deferred Outflows of Resources	44,684	51,837	51,272	-	26,473	174,266
Total Assets and Deferred Outflows of Resources	\$ 8,885,052	\$ 4,378,240	\$ 4,825,774	\$ 433,667	\$ 485,530	\$ 19,008,263

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (Continued)
June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Solid Waste	Ambulance	Total
Liabilities:						
Current Liabilities:						
Accounts payable	\$ 119,536	\$ 3,990	\$ 242,816	\$ 74,045	\$ 15,099	\$ 455,486
Accrued wages & benefits	10,400	13,403	14,612	-	9,889	48,304
Unearned revenue	-	-	-	-	-	-
Payable from restricted assets:						
Accounts payable	-	358,645	76,126	-	-	434,771
Customer deposits	800	-	-	300	-	1,100
Compensated absences	15,613	16,117	11,893	-	-	43,623
Capital lease	24,894	-	14,235	15,834	-	54,963
Other post employment benefits	7,130	-	-	-	-	7,130
Due to other funds	-	-	-	-	575,000	575,000
Total Current Liabilities	178,373	392,155	359,682	90,179	599,988	1,620,377
Noncurrent Liabilities:						
Compensated absences	-	5,349	15,479	-	-	20,828
Capital lease	67,535	-	28,871	49,275	-	145,681
Other post employment benefits	46,548	69,078	64,800	-	-	180,426
Net pension liability	10,456	15,026	14,863	-	1,070	41,415
Total Noncurrent Liabilities	124,539	89,453	124,013	49,275	1,070	388,350
Total Liabilities	302,912	481,608	483,695	139,454	601,058	2,008,727
Deferred Inflows of Resources:						
Pensions	76,372	109,751	108,555	-	45,622	340,300
Other post employment benefits	11,306	10,936	9,774	-	-	32,016
Total Deferred Inflows of Resources	87,678	120,687	118,329	-	45,622	372,316
Net Position:						
Net investment in capital assets	5,522,137	2,041,048	2,934,536	74,786	165,012	10,737,519
Restricted for impact fees	122,917	-	(14,148)	-	-	108,769
Unrestricted	2,849,408	1,734,897	1,303,362	219,427	(326,162)	5,780,932
Total Net Position	8,494,462	3,775,945	4,223,750	294,213	(161,150)	16,627,220
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 8,885,052	\$ 4,378,240	\$ 4,825,774	\$ 433,667	\$ 485,530	\$ 19,008,263

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Solid Waste	Ambulance	Total
Operating Revenues:						
Charges for services	\$ 1,874,896	\$ 2,183,026	\$ 1,196,854	\$ 945,039	\$ 710,528	\$ 6,910,343
Miscellaneous	23,705	6,124	-	2,810	28,773	61,412
Total Operating Revenues	1,898,601	2,189,150	1,196,854	947,849	739,301	6,971,755
Operating Expenses:						
Personnel services	294,503	359,192	407,958	-	229,613	1,291,266
Contractual services	531,710	1,353,444	161,460	930,541	162,855	3,140,010
Materials and supplies	152,515	56,220	105,261	12,741	108,076	434,813
Depreciation	187,282	119,319	78,238	16,885	31,920	433,644
Total Operating Expenses	1,166,010	1,888,175	752,917	960,167	532,464	5,299,733
Operating Income (Loss)	732,591	300,975	443,937	(12,318)	206,837	1,672,022
Nonoperating Revenues (Expenses):						
Interest income	22,065	14,305	7,242	1,287	9	44,908
Interest expense	(2,368)	-	(1,580)	(1,360)	-	(5,308)
Total Nonoperating Revenues (Expenses)	19,697	14,305	5,662	(73)	9	39,600
Income (Loss) Before Capital Contributions and Transfers	752,288	315,280	449,599	(12,391)	206,846	1,711,622
Capital Contributions:						
Impact fees	46,791	-	61,978	-	-	108,769
Transfers In	-	-	-	-	100,101	100,101
Transfers Out	(163,691)	(140,802)	(85,959)	(56,705)	-	(447,157)
Change in Net Position	635,388	174,478	425,618	(69,096)	306,947	1,473,335
Net Position, Beginning	7,859,074	3,601,467	3,798,132	363,309	(468,097)	15,153,885
Net Position, Ending	\$ 8,494,462	\$ 3,775,945	\$ 4,223,750	\$ 294,213	\$ (161,150)	\$ 16,627,220

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Solid Waste	Ambulance	Total
Cash Flows From Operating Activities:						
Receipts from customers	\$ 1,885,105	\$ 2,191,484	\$ 1,186,800	\$ 949,973	\$ 644,521	\$ 6,857,883
Receipts of customer deposits	400	-	-	(200)	-	200
Payments to suppliers	(528,109)	(911,753)	16,011	(852,337)	(205,541)	(2,481,729)
Payments to employees and related benefits	(378,163)	(363,896)	(404,025)	-	(250,320)	(1,396,404)
Payments for interfund services used	(247,080)	(283,644)	(161,460)	(100,092)	(64,800)	(857,076)
Net cash provided (used) by operating activities	732,153	632,191	637,326	(2,656)	123,860	2,122,874
Cash Flows From Non-Capital Financing Activities:						
Payments (to) from other funds	76,252	62,376	-	-	(120,000)	18,628
Transfers (to) from other funds	(109,287)	(130,384)	(70,911)	(56,705)	100,101	(267,186)
Net cash provided (used) by non-capital financing activities	(33,035)	(68,008)	(70,911)	(56,705)	(19,899)	(248,558)
Cash Flows From Capital and Related Financing Activities:						
Purchase of capital assets	(1,483,468)	(324,948)	(979,114)	-	(93,595)	(2,881,125)
Principal paid on capital lease	(24,871)	-	(13,874)	(16,044)	-	(54,789)
Interest paid on capital lease	(2,368)	-	(1,580)	(1,360)	-	(5,308)
Impact fees	46,791	-	61,978	-	-	108,769
Net cash provided (used) by capital and related financing activities	(1,463,916)	(324,948)	(932,590)	(17,404)	(93,595)	(2,832,453)
Cash Flows From Investing Activities:						
Interest on investments	22,065	14,305	7,242	1,287	9	44,908
Net cash provided by investing activities	22,065	14,305	7,242	1,287	9	44,908
Net Increase (Decrease) In Cash	(742,733)	253,540	(358,933)	(75,478)	10,375	(913,229)
Cash and Cash Equivalents, Beginning	3,346,767	1,469,025	2,060,268	341,981	7,623	7,225,664
Cash and Cash Equivalents, Ending	\$ 2,604,034	\$ 1,722,565	\$ 1,701,335	\$ 266,503	\$ 17,998	\$ 6,312,435

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (Continued)
For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Storm Drain	Solid Waste	Ambulance	Total
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 732,591	\$ 300,975	\$ 443,937	\$ (12,318)	\$ 206,837	\$ 1,672,022
Adjustments to reconcile operating income (loss) to net cash from (used) by operating activities:						
Depreciation	187,282	119,319	78,238	16,885	31,920	433,644
Enterprise services not billed	(54,404)	(10,418)	(15,048)	-	-	(79,870)
(Increase) decrease in assets:						
Accounts receivable	40,908	12,752	4,994	2,124	(90,971)	(30,193)
Prepays	(6,318)	-	-	-	(9,042)	(15,360)
Net pension asset	-	-	-	-	(38,769)	(38,769)
Deferred outflows	17,235	(10,787)	(12,319)	-	(5,353)	(11,224)
Increase (decrease) in liabilities:						
Accounts payable	(84,646)	214,267	121,272	(9,147)	9,632	251,378
Accrued liabilities	(14,548)	5,048	9,739	-	1,483	1,722
Unearned revenue	-	-	-	-	(3,809)	(3,809)
Customer deposits	400	-	-	(200)	-	200
Net OPEB liability	(9,003)	3,593	4,631	-	-	(779)
Net pension liability	(94,730)	(66,468)	(62,467)	-	267	(223,398)
Deferred inflows	17,386	63,910	64,349	-	21,665	167,310
Net cash provided (used) by operating activities	<u>\$ 732,153</u>	<u>\$ 632,191</u>	<u>\$ 637,326</u>	<u>\$ (2,656)</u>	<u>\$ 123,860</u>	<u>\$ 2,122,874</u>

The notes to the financial statements are an integral part of this statement.

SOUTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

South Ogden City (the City) was incorporated in July 1936. The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police, fire, inspection and animal control), streets and highways, public utilities (water, sewer, storm water, solid waste, and ambulance), parks, recreation, and general administrative services. The financial statements of South Ogden City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

(A) The Reporting Entity

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

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in the related GASB Statement No. 14, *The Financial Reporting Entity*, as amended. The basic, but not the only, criterion for including a potential component unit within the reporting agency is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability of fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the government's operations.

The City is not a component unit of any other entity. The City's basic financial statements include all City operations.

(B) Blended Component Unit

The South Ogden City Community Development and Renewal Agency (CDRA) serves all the citizens of the City and is governed by the Mayor and City Council. Although it is legally separate from the City, it is reported as if it were part of the primary government. The CDRA's sole purpose is to redevelop areas within the City thereby generating additional property tax and sales tax revenue. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the CDRA have been included in the financial reporting entity as a blended component unit. No separate financial statements are available for the CDRA.

(C) Government-Wide and Fund Financial Statements

The City's basic financial statements consist of both government-wide statements and fund statements. The government-wide statements focus on the City as a whole, while the fund statements focus on individual funds. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed

SOUTH OGDEN CITY NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(C) Government-Wide and Fund Financial Statements (Continued)

in whole or in part by fees charged to external parties for goods or services. The effects of interfund activity have been eliminated from the government-wide statements except for the residual amounts due between governmental and business-type activities and interfund services provided.

The Statement of Net Position presents the City's assets and liabilities, with the difference reported as net position. Net Position is restricted when constraints placed upon it are either externally imposed or are imposed by constitutional provisions or enabling legislation. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. The City does not allocate general government (indirect) expenses to other functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other revenues not meeting the definition of program revenues are reported as general revenues.

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 statements.

(D) Measurement Focus and Basis of Accounting

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

The use of financial resources to acquire capital assets are shown as assets in the government-wide financial statements, rather than reported as expenditures in the governmental fund financial statements. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source in the governmental fund financial statements. Amounts paid to reduce long-term debt in the government-wide financial statements are reported as a reduction of the related liability, rather than expenditures in the governmental fund statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The emphasis of the governmental fund financial statements is on major funds. All remaining governmental funds are aggregated and reported as nonmajor funds. 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 (generally within sixty days) to pay liabilities of the current period. Expenditures are generally recorded when a liability is incurred, as under the accrual method of accounting. However, debt service expenditures, as well as expenditure related to compensated absences and claims and judgments are recorded when payment is due.

Sales and use taxes, franchise taxes and earned but not yet reimbursed state and federal grants associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Property taxes are measurable as of the date levied and available only when cash is received by the county treasurer prior to the City's fiscal year end and remitted to the City within sixty days of its fiscal year end.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(D) Measurement Focus and Basis of Accounting (Continued)

The City reports the following major governmental funds:

General Fund – The General Fund is used to account for all financial resources of the City not accounted for by a separate, specialized fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed for specified purposes. The City has one major special revenue funds, the Community Development and Renewal Agency (CDRA) Fund. The CDRA Fund is used to report revenues and expenses related to the CDRA's redevelopment activities.

Capital Projects Fund – The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays. The City accounts for various projects in a capital project fund.

The City reports the following major proprietary funds:

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business. The intent of the governing body is that the costs of providing goods and services be financed and recovered primarily through user charges. The City operates Water, Sewer, Storm Drain, Garbage, and Ambulance Funds as Enterprise Funds.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

(E) Budgetary Data

Annual budgets are prepared and adopted before June 30 for the fiscal year commencing the following July 1, in accordance with the Uniform Fiscal Procedures Act for Utah Cities. State law requires budgeted revenues to equal budgeted expenditures, and legal control is exercised at the department level. Once a budget has been adopted, it remains in effect until it has been formally revised. Budgets for the general fund, special revenue, capital projects and debt service funds are legally required and prepared and adopted on the modified accrual basis of accounting. Therefore, no reconciliation between budgetary schedules and the GAAP statements is required.

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

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(E) Budgetary Data (Continued)

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in any amount greater than 35% of the current year's budgeted revenues.

(F) Taxes

The City's tax rate is adopted before June 30, or September 1 if there is a rate increase, and the City is to certify the tax rate to the County Auditor before June 30 (September 1). Budgets for the general, special revenue, debt service and capital projects funds are adopted in accordance with generally accepted accounting principles (GAAP). The above procedures are authorized by the Utah code Sections 10-6-109 through 10-6-135.

All property taxes levied by the City are collected by Weber County. Tax liens are attached as of January 1, are levied as of October 1, and are due November 30; any delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid, a lien is attached to the property, and the amount of taxes and penalties bears interest until paid. If after five years, delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County monthly.

(G) Capital Assets

Capital assets, which include land, buildings, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated capital assets are recorded at acquisition value.

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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Depreciation of these assets is computed by the use of the straight-line method over their estimated useful lives as follows:

Buildings and improvements	10-50 Years
Sewer collection system	50 Years
Water distribution systems	50 Years
Infrastructure and improvements	10-30 Years
Machinery and equipment	4-15 Years
Other improvements	10-40 Years

(H) Long-term Obligations

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

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Cash and cash equivalents

For purposes of the Statement of Cash Flows, the City considered all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(J) Use of Estimates

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

(K) Equity Classifications

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

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

The City collects impact fees to offset the costs of improvements to the City’s infrastructure as a result of new development. Impact fees are imposed through the passing of legislation by the City Council and can only be used for the specific infrastructure projects outlined in the respective Capital Facilities Plan. As of June 30, 2021, the portion of restricted net position that was due to enabling legislation was \$440,124.

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.

- (1) Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- (2) Restricted fund balance classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditor, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- (3) Committed fund balance classification include those funds that can only be used for specific purpose pursuant to constraints imposed by formal action (City Resolution) of the city council, which is government’s highest level of decision-making authority.
- (4) Assigned fund balance classification includes amounts that are constrained by the government’s intent to use the funds for specific purposes, but are neither restricted nor committed, as established by the Finance Director. It also includes all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, nor committed and are intended to be used for specific purposes.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(K) Equity Classifications (Continued)

(5) Unassigned fund balance classification is for all other spendable amounts.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use, it is the city's policy to use committed resources first, followed by assigned resources, then unassigned resources as they are needed.

(L) 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 fair value.

(M) Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to pensions (discussed above) in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred revenue from property taxes (described more fully in Note 13) and deferred inflows related to pension (discussed above) in this category.

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Investments are stated at cost, which approximate fair value. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "restricted cash and cash equivalents," which includes cash accounts that are separately held by several of the City's funds.

The City's deposit and investment policy is to follow the Utah Money Management Act; however, the City does not have a separate deposit and investment policy that addresses specific types of deposit and investment risks to which the City is exposed.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

Components of cash and investments (including interest earning deposits) at June 30, 2021 are as follows:

Cash on hand and on deposit:	
Petty Cash	\$ 450
Cash on Deposit	(136,810)
PTIF Investment	<u>12,307,773</u>
Total cash and investments	<u>\$ 12,171,413</u>
Cash and investments are included in the accompanying combined statement of net position as follows:	
Cash and cash equivalents	\$ 10,589,311
Restricted cash and cash equivalents	<u>1,582,102</u>
Total cash and investments	<u>\$ 12,171,413</u>

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2021, \$337,773 of the City's \$761,809 balance of deposits was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks of investments is to comply with the Utah Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poor's; banker acceptance obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined by the Act.

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City manages its exposure by investing mainly in the Utah Public Treasurer's Investment Fund and by adhering to the Utah Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested.

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 investment in the Utah Public Treasurer's Investment Fund has no concentration of credit risk.

SOUTH OGDEN CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND INVESTMENTS (Continued)

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. Additional information is available at the Utah State Treasurer's Office.

For the year ended June 30, 2021, the City had investments of \$12,307,773 with the PTIF. This investment matures in less than one year and is not rated.

Fair Value of Investments

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

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

At June 30, 2021, the City had the following cash and investments:

	<u>Carrying Value</u>	<u>Fair Value Factor</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Avg. Maturity (Years)</u>
Cash on hand and on deposit:					
Cash on hand	\$ 450	1	\$ 450	N/A	N/A
Cash on deposit	(136,810)	1	(136,810)	N/A	N/A
Utah State Treasurer's investment pool accounts	<u>12,307,773</u>	1.003352	<u>12,349,033</u>	N/A	< 3 mos.
Total cash on hand and deposit	<u><u>\$12,171,413</u></u>		<u><u>\$12,212,673</u></u>		

The City's PTIF investments is classified as level 2 and is calculated by applying the June 30, 2021 fair value factor, as calculated by the Utah State Treasurer, to the City's balance in the fund.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

Certain assets are restricted as follows as of June 30, 2021:

	Amount
Impact fees	\$ 440,124
Debt service	103
Central Weber Sewer Improvement District impact fees payable	358,645
Developer and customer deposits	19,245
Road funds	256,901
State liquor allotment	4,063
Retainage payable	495,321
Unearned revenue	7,700
Total restricted cash and cash equivalents	\$ 1,582,102

NOTE 4 CAPITAL ASSETS

The Governmental Activities property, plant and equipment consist of the following at June 30, 2021:

	Balance June 30, 2020, as restated	Additions	Deletions	Balance June 30, 2021
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,132,437	\$ -	\$ -	\$ 11,132,437
Construction in progress	4,285,708	4,941,216	(1,744,698)	7,482,226
Total capital assets, not being depreciated	15,418,145	4,941,216	(1,744,698)	18,614,663
Capital assets, being depreciated:				
Buildings and improvements	12,031,369	233,621	-	12,264,990
Machinery and equipment	8,878,163	425,022	(551,923)	8,751,262
Infrastructure	51,177,687	1,530,446	-	52,708,133
Total capital assets, being depreciated	72,087,219	2,189,089	(551,923)	73,724,385
Less accumulated depreciation for:				
Buildings and improvements	(3,847,033)	(234,414)	-	(4,081,447)
Machinery and equipment	(5,749,062)	(602,182)	551,923	(5,799,321)
Infrastructure	(30,819,073)	(1,776,948)	-	(32,596,021)
Total accumulated depreciation	(40,415,168)	(2,613,544)	551,923	(42,476,789)
Total capital assets, net of accumulated depreciation	31,672,051	(424,455)	-	31,247,596
Governmental activities capital assets, net	\$ 47,090,196	\$ 4,516,761	\$ (1,744,698)	\$ 49,862,259

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 CAPITAL ASSETS (Continued)

Governmental activities depreciation expense was charged to functions/programs as follows:

Governmental activities

General government	\$ 2,054,547
Public Safety	279,190
Streets and public works	155,567
Parks	122,232
Recreation	<u>2,008</u>
Total depreciation expense - governmental activities	<u><u>\$ 2,613,544</u></u>

The Business-type Activities property, plant and equipment consist of the following at June 30, 2021:

Business-type Activities:	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land and water rights	\$ 412,413	\$ -	\$ -	\$ 412,413
Construction in progress	<u>418,676</u>	<u>2,640,061</u>	<u>(3,005,711)</u>	<u>53,026</u>
Total capital assets, not being depreciated	<u>831,089</u>	<u>2,640,061</u>	<u>(3,005,711)</u>	<u>465,439</u>
Capital assets, being depreciated:				
Buildings and improvements	105,563	-	-	105,563
Machinery and equipment	2,259,857	342,501	-	2,602,358
Infrastructure	<u>13,980,067</u>	<u>2,904,272</u>	<u>-</u>	<u>16,884,339</u>
Total capital assets, being depreciated	<u>16,345,487</u>	<u>3,246,773</u>	<u>-</u>	<u>19,592,260</u>
Less accumulated depreciation for:				
Buildings and improvements	(95,947)	(1,479)	-	(97,426)
Machinery and equipment	(1,813,103)	(145,522)	-	(1,958,625)
Infrastructure	<u>(6,946,964)</u>	<u>(286,643)</u>	<u>-</u>	<u>(7,233,607)</u>
Total accumulated depreciation	<u>(8,856,014)</u>	<u>(433,644)</u>	<u>-</u>	<u>(9,289,658)</u>
Total capital assets, net of accumulated depreciation	<u>7,489,473</u>	<u>2,813,129</u>	<u>-</u>	<u>10,302,602</u>
Business-type activities capital assets, net	<u><u>\$ 8,320,562</u></u>	<u><u>\$ 5,453,190</u></u>	<u><u>\$ (3,005,711)</u></u>	<u><u>\$ 10,768,041</u></u>

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 CAPITAL ASSETS (Continued)

The Business-type activities depreciation consists of the following at June 30, 2021:

Business-type activities

Water	\$ 187,282
Sewer	119,319
Storm Drain	78,238
Solid Waste	16,885
Ambulance	31,920
Total depreciation expense - business-type activities	<u>\$ 433,644</u>

NOTE 5 ACCOUNTS RECEIVABLE

Accounts receivable are recorded net of the allowance for doubtful accounts. As of June 30, 2021, the allowance for all funds is \$18,490.

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2021:

	June 30, 2020	Additions	Deletions	June 30, 2021	Due Within One Year
Governmental Activities:					
Revenue bonds	\$ 8,720,000	\$ -	\$ (665,000)	\$ 8,055,000	\$ 705,000
Unamortized Premium	1,076,086	-	(222,816)	853,270	-
Revenue bonds from direct placements	467,000	-	(231,000)	236,000	236,000
Notes payable from direct borrowings	374,320	-	(48,851)	325,469	50,317
Capital leases	1,810,819	-	(443,980)	1,366,839	455,670
Compensated absences	621,752	393,281	(369,438)	645,595	290,606
Other post employment benefits	623,625	37,714	(22,143)	639,196	24,703
Net pension liability	1,706,443	-	(1,000,206)	706,237	-
Governmental activities long-term liabilities	<u>15,400,045</u>	<u>430,995</u>	<u>(3,003,434)</u>	<u>12,827,606</u>	<u>1,762,296</u>
Business-type Activities:					
Capital leases	255,433	-	(54,788)	200,645	54,963
Compensated absences	68,302	61,757	(65,609)	64,450	43,623
Other post employment benefits	188,335	12,547	(13,326)	187,556	7,130
Net pension liability	264,813	-	(223,398)	41,415	-
Business-type activities long-term liabilities	<u>776,883</u>	<u>74,304</u>	<u>(357,121)</u>	<u>494,066</u>	<u>105,716</u>
	<u>\$ 16,176,928</u>	<u>\$ 505,299</u>	<u>\$ (3,360,555)</u>	<u>\$ 13,321,672</u>	<u>\$ 1,868,012</u>

Compensated absences, other postemployment benefits and the net pension liability for governmental activities are liquidated by the general fund.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 LONG-TERM LIABILITIES (Continued)

Governmental Activities:

Revenue Bonds

Series 2019 Sales and Franchise Tax Revenue and Refunding Bonds, original issue of \$9,500,000 with a net premium of \$1,175,040, principal due in annual installments beginning May 2019, interest at 2.00% to 5.00% due in semi-annual installments beginning May 2019, with the final payment due May 2029. The bonds were issued to refund the Series 2009 and Series 2015 Sales and Excise Tax Revenue Bonds and to finance the construction of park improvements. Significant events of default consist of (a) failure to pay principal or interest when due; (b) failure to fulfill all obligations; and (c) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings. Upon the occurrence of an event of default, the City may be required to make monthly deposits into the bond fund.

\$ 8,055,000

Unamortized premium

853,270

Total Revenue Bonds - Governmental Activities

\$ 8,908,270

Revenue Bonds from Direct Placements

Series 2012 Road Revenue Bonds, original issue of \$2,166,000, principal due in annual installments beginning May 2013, interest at 2.075% due in semi-annual installments. The final payment is due May 2022. The bonds were issued to finance road construction. Significant events of default consist of (a) failure to pay principal or interest when due; (b) failure to fulfill all obligations; and (c) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings. Upon the occurrence of an event of default, the City may be required to make monthly deposits into the bond fund.

\$ 236,000

Notes Payable from Direct Borrowings

Weber School District note, original issue of \$247,500, interest at 3.00%, principal and interest due in annual installments beginning July 2017, with the final payment due July 2026. The note was issued to finance the acquisition of land. The note is secured by land with a carrying value of \$203,969. Contains a provision that in the event the City does not budget and appropriate funds for the required annual payments, lender may begin non-judicial foreclosure proceedings against any interest the City has in the land.

\$ 157,178

Weber School District note, original issue of \$265,000, interest at 3.00%, principal and interest due in annual installments beginning July 2017, with the final payment due July 2026. The note was issued to finance the acquisition of land. The note is secured by land with a carrying value of \$399,900. Contains a provision that in the event the City does not budget and appropriate funds for the required annual payments, lender may begin non-judicial foreclosure proceedings against any interest the City has in the land.

168,291

Total Notes Payable from Direct Borrowings - Governmental Activities

\$ 325,469

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 LONG-TERM LIABILITIES (Continued)

The City's Revenue Bonds are payable solely by a pledge and assignment of their associated revenue sources. The current revenue recognized during the period for Revenue bonds was \$5,046,225 compared to principal and interest of \$1,281,897. Principal and interest are 25.4% of pledged revenues for the year ending June 30, 2021. Interest incurred and charged to expense totaled \$394,862.

The annual debt service requirements to maturity, including principal and interest for long-term debt, as of June 30, 2021, are as follows:

Year Ending June 30,	Governmental Activities					
	Revenue Bonds		Revenue Bonds from Direct Placements		Notes Payable from Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 705,000	\$ 342,956	\$ 236,000	\$ 4,897	\$ 50,317	\$ 9,764
2023	740,000	307,706	-	-	51,826	8,255
2024	780,000	270,706	-	-	53,381	6,700
2025	630,000	231,706	-	-	54,982	5,098
2026	655,000	200,206	-	-	56,632	3,449
2027-2031	2,615,000	508,731	-	-	58,331	1,750
2032-2036	1,160,000	193,356	-	-	-	-
2037-2039	770,000	42,450	-	-	-	-
	<u>\$ 8,055,000</u>	<u>\$ 2,097,819</u>	<u>\$ 236,000</u>	<u>\$ 4,897</u>	<u>\$ 325,469</u>	<u>\$ 35,016</u>

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment for the City. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The capital assets acquired through capital leases are as follows. All amortization expense for the capital leases has been included in depreciation expense.

	<u>Amount</u>
Machinery and equipment	\$ 2,356,681
Less: Accumulated depreciation	<u>(729,389)</u>
	<u>\$ 1,627,292</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 553,110
2023	518,206
2024	485,008
2025	<u>99,660</u>
Total minimum lease payment	1,655,984
Less: amount representing interest	<u>(88,500)</u>
Present value of minimum lease payments	<u>\$ 1,567,484</u>

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7 COMPENSATED ABSENCES

Accumulated unpaid vacation, compensatory leave pay and other employee benefit amounts are accrued when incurred in proprietary funds (using the accrual basis of accounting). The total compensated absences are reported in the government-wide financial statements as long-term debt in accordance with the Governmental Accounting Standards. Based off historical experience, the City estimates that \$334,229 of the compensated absences balance will be due in the next year.

NOTE 8 OTHER POST EMPLOYMENT BENEFITS

Plan Description

In addition to providing pension benefits through the Utah Retirement Systems (URS), the City provides other postemployment benefits (OPEB) through a single-employer defined benefit OPEB plan (the plan) that is administered by the City. The benefits, benefits levels, employee contributions and employer contributions were adopted by the City Council and can be amended by the City Council at any time.

Employees of the City hired before February 18, 1997, who meet the conditions for retirement as determined by the City-sponsored retirement plan may elect to receive City-paid medical, dental and/or pension benefits for a period of five years from retirement or until age 65 in the case of health benefits. The plans are closed to new entrants.

Public Safety Employees

Public safety employees with at least 20 years of safety employment with the City but fewer than 25 years of service under the URS Public Safety Retirement Program have the option of receiving either (i) a pension equal to 10 percent of the employee's highest annual base salary for the last five years of City employment, to be paid for five years after retirement, or (ii) medical and dental insurance for retiree and covered dependents for the lesser of five years or until age 65.

Public safety employees with at least 20 years of safety employment with the City and at least 25 years of service under the URS Public Safety Retirement Program may receive both benefits described in the preceding paragraph.

Public Employees

Public employees of the City other than public safety employees who have been employed for at least 25 years with the City, who retire under the URS Public Employee Retirement Program, and who exercise their rights under URS to buy additional credit to qualify for a 30-year retirement under URS, may receive both the 10 percent pension and the medical and dental benefits described above for public safety employees. Pension benefits continue for five years from retirement and health benefits continue for the lesser of five years or until age 65.

The plan does not issue a separate report. The activity of the plan is reported in the City's financial statements.

Funding Policy

The funding policy for this benefit is a "pay-as-you-go" method. The City will fund benefit payments at the time they are required and no assets are accumulated in a trust.

Net OPEB liability, deferred outflow and deferred inflows of resources related to OPEB and OPEB expense
At June 30, 2021 the City did not have a net asset because of its funding method. The City reported a net OPEB liability of \$826,752, which was measured as June 30, 2021 by an actuarial valuation using generally accepted actuarial procedures.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

At June 30, 2021 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,338	\$ 91,780
Changes in assumptions	13,198	24,675
	<u>\$ 17,536</u>	<u>\$ 116,455</u>

The amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Net Deferred Outflows (Inflows) of Resources
2022	\$ (23,784)
2023	(23,784)
2024	(24,539)
2025	(27,036)
2026	224
Thereafter	-
	<u>\$ (98,919)</u>

For the year ending June 30, 2021, the City recognized an actuarially calculated OPEB expense of \$18,926.

OPEB plan covered employees

As of June 30, 2021, the City had four inactive employees receiving benefits, no inactive employees entitled to but not receiving benefits, and 11 active employees in the plan.

Actuarial Assumptions

The actuarial valuation calculating the total net OPEB liability as of June 30, 2021 was determined using the following actuarial assumptions with a measurement date of June 30, 2021.

Inflation rate	2.75%
Discount Rate	2.16%
Health Care Trend Rate	4.00%

Mortality rates were based on the Society of Actuaries' RP-2014 Mortality for Active Employees.

Discount rate

The discount rate used to measure the total OPEB liability was 2.20 percent. This rate was based on Bond Buyer 20-Bond General Obligation Index

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability calculated using the discount rate of 2.16 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	<u>1% Decrease</u> <u>(1.16%)</u>	<u>Discount Rate</u> <u>(2.16%)</u>	<u>1% Increase</u> <u>(3.16%)</u>
Net OPEB liability as June 30, 2021	\$ 860,204	\$ 826,752	\$ 792,525

Sensitivity of the net OPEB liability to changes in the health care trend rate

The following presents the net OPEB liability calculated using the health care trend rate of 4.00 percent, as well as what the net OPEB liability would be if it were calculated using a health care trend rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate range:

	<u>1% Decrease</u> <u>(3.00%)</u>	<u>Current Rates</u> <u>(4.00%)</u>	<u>1% Increase</u> <u>(5.00%)</u>
Net OPEB liability as June 30, 2021	\$ 761,071	\$ 826,752	\$ 898,414

Net OPEB liability

The following is the schedule of changes in the OPEB liability for the actuarial measurement date of June 30, 2021:

Total OPEB Liability (TOL)

Service cost at beginning of year	\$ 24,971
Interest on TOL plus service cost, less 1/2 benefit payments	17,739
Changes of assumptions	1,344
Benefit payments	<u>(29,262)</u>

Net Change in Total OPEB Liability 14,792

Total OPEB Liability, Beginning 811,960

Total OPEB Liability, Ending \$ 826,752

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

NOTE 9 COMMITMENTS AND CONTINGENCIES

The City believes that possible contingencies (contingencies incurred but not reported) where the loss cannot be reasonably estimated are immaterial to the financial statements of the City. The City has \$494,251 in outstanding construction commitments at June 30, 2021.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RETIREMENT PLANS

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:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System); and Firefighters Retirement System (Firefighters System) are multiple-employer, cost-sharing public employee retirement systems.
- The Public Safety Retirement System (Public Safety System) is a multiple-employer, cost-sharing, public retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple-employer, cost-sharing, public employee retirement systems.

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.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RETIREMENT PLANS (Continued)

Benefits provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

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
Firefighters 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 4%
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 2020 2.00% per year thereafter	Up to 2.5%

* with actuarial reductions

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

Contribution Rate Summary

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

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RETIREMENT PLANS (Continued)

Contribution rates as of June 30, 2021 are as follows:

Utah Retirement Systems	Employee	Employer	Employer 401(k)
Contributory System:			
111 Local Government Div - Tier 2	N/A	15.80%	0.89%
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 Tier 2 DB Hybrid Public Safety	2.27%	26.99%	N/A
Noncontributory			
75 Other Div A with 4% COLA	N/A	35.71%	N/A
Firefighters Retirement System			
31 Other Division A	15.05%	4.61%	N/A
132 Tier 2 DB Hybrid Firefighters	2.27%	14.08%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	12.99%	14.00%
232 Firefighters	N/A	0.08%	14.00%

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

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 309,398	N/A
Public Safety System	344,311	-
Firefighters System	36,624	119,563
Tier 2 Public Employees System	81,652	-
Tier 2 Public Safety and Firefighter	161,405	18,101
Tier 2 DC Only System	9,090	N/A
Tier 2 DC Public Safety and Firefighter System	14,352	N/A
Total Contributions	\$ 956,832	\$ 137,664

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.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RETIREMENT PLANS (Continued)

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

At June 30, 2021, we reported a net pension asset of \$658,843 and a net pension liability of 747,652.

Measurement Date: December 31, 2020					
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2019	Change (Decrease)
Noncontributory System	\$ -	\$ 103,919	0.2025944%	0.1949790%	0.0076154%
Public Safety System	-	607,007	0.7311213%	0.7481508%	-0.0170295%
Firefighters System	658,843	-	2.3562083%	2.1863623%	0.1698460%
Tier 2 Public Employees System	-	4,215	0.0293082%	0.0278401%	0.0014681%
Tier 2 Public Safety and Firefighter	-	32,511	0.3624619%	0.3072518%	0.0552101%
	<u>\$ 658,843</u>	<u>\$ 747,652</u>			

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 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, 2021, we recognized pension expense of \$186,597.

At June 30, 2021 we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 373,245	\$ 29,088
Changes in assumptions	115,088	46,253
Net difference between projected and actual earnings on pension plan investments	-	1,973,165
Changes in proportion and differences between contributions and proportionate share of contributions	50,013	57,446
Contributions subsequent to the measurement date	461,728	-
	<u>\$ 1,000,074</u>	<u>\$ 2,105,952</u>

\$461,728 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, 2020.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RETIREMENT PLANS (Continued)

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

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (455,391)
2022	(184,654)
2023	(658,735)
2024	(308,860)
2025	12,537
Thereafter	<u>27,497</u>
	<u><u>\$ (1,567,606)</u></u>

Actuarial Assumptions

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 – 9.75 percent, average, including inflation
Investment rate of return	6.95 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 upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actual 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.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RETIREMENT PLANS (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	Target Asset Allocation	Expected Return Arithmetic Basis	
		Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
		Inflation	2.50%
		Expected arithmetic nominal return	7.34%

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate

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

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 2,562,693	\$ 103,919	\$ (1,311,397)
Public Safety System	299,318	607,007	(981,006)
Firefighters System	70,931	(658,843)	(1,433,796)
Tier 2 Public Employees System	153,278	4,215	(46,821)
Tier 2 Public Safety and Firefighter	1,801,653	32,511	(63,809)
Total	\$ 4,887,873	\$ 88,809	\$ (3,836,829)

SOUTH OGDEN CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 RETIREMENT PLANS (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 Contributions Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

South Ogden City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

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

	2021	2020	2019
<i>401(k) Plan</i>			
Employer Contributions	\$ 110,919	\$ 57,631	\$ 80,189
Employee Contributions	131,751	101,228	99,261
<i>457(b) Plan</i>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	114,840	94,600	87,256
<i>Roth IRA Plan</i>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 17,817	\$ 9,163	\$ 7,180

NOTE 11 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. This insurance covers all of these risks except natural disasters. The City participates in the Utah Local Government Insurance Trust (Trust), a public entity risk pool to manage its risk of loss. The City pays an annual premium to the trust for its general insurance coverage. As of June 30, 2021, there were no outstanding unpaid claims. Also, the City has no claim settlements during the three years ending June 30, 2021 which exceeded its insurance coverage.

SOUTH OGDEN CITY
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2021 is as follows:

	Interfund Receivable			Total Interfund Payables
	General Fund	Water	Sewer	
Interfund Payable				
General Fund	\$ -	\$ 297,474	\$ 237,979	\$ 535,453
CDRA	29,731	-	-	29,731
CDRA	225,000	-	-	225,000
Ambulance	575,000	-	-	575,000
Total Interfund Receivables	\$ 829,731	\$ 297,474	\$ 237,979	\$ 1,365,184

The interfund balances between the General Fund and the Water, and Sewer Funds are due to a loan for the purchase of a transport engine. The interest rate is 2.797% with principal and interest payments due annually through 2025.

The interfund balances between the CDRA and the General Fund is due to a loan for the creation of the 36th Street Project Area and to supplement shortfalls in the tax increment needed for debt service. The interest is variable and equals the PTIF rate as of June 30 of each year. Principal and interest payments are due annually until balance is paid off.

The interfund balances between the CDRA and the General Fund are due to a loan for the acquisition of property. The loan bears no interest, and the principal is due on December 31, 2025.

The interfund balances between the General Fund and the Ambulance Fund are for the cash flow needs of the Ambulance Fund.

Interfund transfers for the year ended June 30, 2021 were as follows:

	Transfers In				Total Transfers Out
	General Fund	Capital Projects	Nonmajor Governmental Funds	Ambulance	
Transfers Out					
General Fund	\$ -	\$ 2,328,489	\$ 1,333,392	\$ 100,101	\$ 3,761,982
Nonmajor Governmental Funds	-	556,733	-	-	556,733
Capital Projects	2,663,277	-	-	-	2,663,277
Water	163,691	-	-	-	163,691
Sewer	140,802	-	-	-	140,802
Storm Drain	85,959	-	-	-	85,959
Solid Waste	56,705	-	-	-	56,705
Total Transfers In	\$ 3,110,434	\$ 2,885,222	\$ 1,333,392	\$ 100,101	\$ 7,429,149

SOUTH OGDEN CITY

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (Continued)

The transfer from the General Fund to the Nonmajor Funds is to provide funding for the South Ogden Days celebration and to provide the necessary funds to make debt payments. The transfers from the General, and Nonmajor Funds to the Capital Projects Fund is to provide funds for various road projects. The transfers from the Water, Sewer, Storm Drain, and Solid Waste Funds to the General Fund are for franchise fees and unbilled services.

NOTE 13 DEFERRED INFLOWS OF RESOURCES

Deferred Property Taxes

Property taxes attach as an enforceable lien on property as of the first day of January, taxes are levied on October 1, and then are due and payable at November 30. The City has a legal right to collect the taxes when the lien is placed on the property on January 1, 2020, but these funds will be used to fund activities in the subsequent reporting period. GASB Statement 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended, requires that the City record the assets related to these property taxes in the year ended June 30, 2021, but not record the revenue until the subsequent reporting period. In conjunction with these requirements, the City has recorded a property tax receivable and a deferred inflow of resources in the General Fund and CDRA Fund in the amounts of \$3,774,999 and \$28,326, respectively.

NOTE 14 REDEVELOPMENT AGENCY OF THE CITY OF SOUTH OGDEN

For the year ended June 30, 2021, the following activity occurred in the City's Redevelopment Agency:

Property Tax Increment Received:

Project Area 1

36th street	\$ 92,445
-------------	-----------

Project Area 2

Automall Community	22,226
--------------------	--------

Total tax increment received by RDA	\$ 114,671
-------------------------------------	------------

Property Tax Increment Expended:

Administrative costs	\$ 43,777
----------------------	-----------

Outstanding loans to finance RDA projects	87,822
---	--------

Total tax increment expended by RDA	\$ 131,599
-------------------------------------	------------

NOTE 15 TAX ABATEMENTS

The CDRA is authorized by Title 17C of the Utah State Code Annotated to enter into agreements for the purpose of attracting or retaining businesses. Additionally, an interlocal agreement with the City provides for the CDRA to offer an abatement of the City's .05% sales tax to Young Subaru (Participant 1) for the purpose of Participant 1 operating a new and used full-service Subaru car dealership within the City. The abatement is subject to Participant 1:

- Being the fee title owner of the location,
- Opening a full-service new and used Subaru car dealership,
- Operating the dealership consistently and without unreasonable interruption for a significant majority of each year,
- Employing, on an average basis each year, at least 25 full-time equivalent employees,
- Paying the employees an average annual wage of at least 100% of the Weber County average annual wage (as reported by the Utah Department of Workforce Services for non-farm wages),
- Generating at least \$15,240,332 point-of-sale taxable sales each year, and
- Timely paying all property taxes each year.

Provided that Participant 1 meets these objectives, the City is to transfer the first \$40,000 and half of the remaining .05% sales tax collected from January 1 to December 31 as a result of Participant 1's operations to the CDRA for payment back to Participant 1. This agreement is in effect until December 31, 2035 or until \$1,275,000 has been paid out to Participant 1. For the year ended June 30, 2021, the CDRA abated sales taxes totaling \$149,335 under this program, which is the amount received from the City.

The City has also entered into an interlocal agreement with the CDRA to offer an abatement of the City's .05% sales tax to Young Mazda (Participant 2) for the purpose of Participant 2 construction and operating a full-service, franchised, new-car dealership within the City. The abatement is subject to Participant 2:

- Constructing buildings reasonably required for the operation of a franchised, full-service, new-car dealership
- Operating a full-service, franchised, new-car dealership in a commercially reasonable manner in accordance with industry standards.
- Continuing operations of a full-service, franchised, new-car dealership through December 31, 2029.

Provided that Participant 2 meets these objectives, the City is to transfer 10 percent of the .05% sales tax collected from January 1 to December 31 as a result of Participant 2's operations to the CDRA for payment back to Participant 2. This agreement is in effect until December 31, 2029 or until \$220,000 has been paid to Participant 2. For the year ended June 30, 2021, the CDRA abated sales taxes totaling \$20,534 under the program, which was the amount received by the City from January 1, 2018 to June 30, 2021.

NOTE 16 PRIOR PERIOD ADJUSTMENT

Beginning net position has been restated for the following prior period adjustment:

- Management determined that land purchased for a road project was originally misclassified when the project was capitalized during the year ended June 30, 2019. Management also determined that certain parcels of this land were sold during the year ended June 30, 2020. The effect of the adjustment to correct these items in the current year decreased net position by \$256,726.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTH OGDEN CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY – UTAH RETIREMENT SYSTEMS
June 30, 2021 – 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 payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Noncontributory Retirement System					
2020	0.2025944%	\$ 103,919	\$ 1,799,305	5.78%	99.20%
2019	0.1949790%	734,850	1,721,742	42.68%	93.70%
2018	0.1960667%	1,443,780	1,715,168	84.18%	87.00%
2017	0.1874685%	821,356	1,623,412	50.59%	91.90%
2016	0.1896824%	1,217,993	1,639,191	74.30%	87.30%
2015	0.1857427%	1,051,023	1,575,175	66.72%	87.80%
2014	0.1815122%	788,169	1,544,571	51.03%	90.20%
Public Safety System					
2020	0.7311213%	\$ 607,007	\$ 1,043,574	58.17%	95.50%
2019	0.7481508%	1,201,244	1,088,782	110.33%	90.90%
2018	0.7785005%	2,002,759	1,124,336	178.13%	84.70%
2017	0.8382768%	1,314,971	1,246,344	105.51%	90.20%
2016	0.8234270%	1,670,961	1,174,421	142.28%	86.50%
2015	0.7793397%	1,395,993	1,101,150	126.78%	87.10%
2014	0.8169367%	1,027,366	1,138,360	90.25%	90.50%
Firefighters Retirement System					
2020	2.3562083%	\$ (658,843)	\$ 768,693	-85.71%	110.50%
2019	2.1863623%	(271,152)	729,871	-37.15%	105.00%
2018	2.0822122%	270,370	722,656	37.41%	94.30%
2017	2.1346254%	(133,317)	696,916	-19.13%	103.00%
2016	2.1497992%	(16,948)	673,790	-2.52%	100.40%
2015	2.1927969%	(39,714)	652,606	-6.09%	101.00%
2014	2.1834989%	(124,599)	633,885	-19.66%	103.50%
Tier 2 Public Employees Retirement System					
2020	0.0293082%	\$ 4,215	\$ 468,226	0.90%	98.30%
2019	0.0278401%	6,261	386,927	1.62%	96.50%
2018	0.0248852%	10,658	290,305	3.67%	90.80%
2017	0.0233803%	2,061	228,917	0.90%	97.40%
2016	0.0327885%	3,658	268,890	1.36%	95.10%
2015	0.0362875%	(79)	234,438	-0.03%	100.20%
2014	0.0364228%	(1,104)	178,846	-0.62%	103.50%
Tier 2 Public Safety and Firefighters Retirement					
2020	0.3624619%	\$ 32,511	\$ 716,736	4.54%	93.10%
2019	0.3072518%	28,901	506,367	5.71%	89.60%
2018	0.3410389%	8,545	456,604	1.87%	95.60%
2017	0.3334788%	(3,859)	351,953	-1.10%	103.00%
2016	0.3640513%	(3,160)	300,793	-1.05%	103.60%
2015	0.3038292%	(4,439)	180,832	-2.45%	110.70%
2014	0.0288238%	(4,264)	119,069	-3.58%	120.50%

**The 10-year schedule will be built prospectively. The schedule above is only for the years listed.*

**SOUTH OGDEN CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
June 30, 2021 – Last 10 Fiscal Years***

For the 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
Noncontributory System					
2021	\$ 309,398	\$ 309,398	\$ -	\$ 1,697,213	18.23%
2020	326,173	326,173	-	1,765,963	18.47%
2019	316,107	316,107	-	1,713,706	18.45%
2018	306,971	306,971	-	1,664,139	18.45%
2017	308,630	308,630	-	1,673,026	18.45%
2016	289,328	289,328	-	1,568,579	18.45%
2015	287,003	287,003	-	1,566,898	18.32%
2014	264,666	264,666	-	1,539,134	17.20%
Public Safety System					
2021	\$ 344,311	\$ 344,311	\$ -	\$ 1,010,716	34.07%
2020	367,350	367,350	-	1,072,076	34.27%
2019	379,354	379,354	-	1,102,631	34.40%
2018	404,904	404,904	-	1,171,971	34.55%
2017	439,344	439,344	-	1,251,091	35.12%
2016	397,728	397,728	-	1,114,356	35.69%
2015	402,017	402,017	-	1,125,782	35.71%
2014	384,138	384,138	-	1,124,194	34.17%
Firefighters System					
2021	\$ 36,624	\$ 36,624	\$ -	\$ 794,438	4.61%
2020	33,740	33,740	-	731,883	4.61%
2019	30,824	30,824	-	737,607	4.18%
2018	24,973	24,973	-	711,589	3.51%
2017	24,151	24,151	-	692,110	3.49%
2016	23,962	23,962	-	666,039	3.60%
2015	21,686	21,686	-	629,264	3.45%
2014	16,719	16,719	-	624,671	2.68%
Tier 2 Public Employees System**					
2021	\$ 81,652	\$ 81,652	\$ -	\$ 516,783	15.80%
2020	63,525	63,525	-	405,655	15.66%
2019	53,354	53,354	-	343,336	15.54%
2018	37,837	37,837	-	250,533	15.10%
2017	37,756	37,756	-	253,222	14.91%
2016	38,012	38,012	-	254,941	14.91%
2015	31,748	31,748	-	212,505	14.94%
2014	20,566	20,566	-	147,002	13.99%
Tier 2 Public Safety and Firefighter System**					
2021	\$ 161,405	\$ 161,405	\$ -	\$ 797,413	20.24%
2020	105,006	105,006	-	609,868	17.22%
2019	78,689	78,689	-	463,093	16.99%
2018	64,631	64,631	-	417,828	15.47%
2017	45,308	45,308	-	321,831	14.08%
2016	35,620	35,620	-	240,708	14.80%
2015	20,601	20,601	-	137,453	14.99%
2014	15,402	15,402	-	107,325	14.35%

**SOUTH OGDEN CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS (Continued)
June 30, 2021 – Last 10 Fiscal Years***

For the 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
Tier 2 Public Employees DC Only System**					
2021	\$ 9,090	\$ 9,090	\$ -	\$ 135,877	6.69%
2020	8,378	8,378	-	125,230	6.69%
2019	7,802	7,802	-	116,619	6.69%
2018	7,582	7,582	-	113,339	6.69%
2017	5,632	5,632	-	84,185	6.69%
2016	1,500	1,500	-	22,421	6.69%
2015	-	-	-	-	0.00%
2014	-	-	-	-	0.00%
Tier 2 Public Safety and Firefighter DC Only System**					
2021	\$ 14,352	\$ 14,352	\$ -	\$ 121,042	11.86%
2020	8,515	8,515	-	115,440	7.38%
2019	5,856	5,856	-	78,412	7.47%
2018	1,857	1,857	-	14,298	12.99%
2017	-	-	-	-	0.00%
2016	-	-	-	-	0.00%
2015	-	-	-	-	0.00%
2014	-	-	-	-	0.00%

**The 10-year schedule will be built prospectively. The schedule above is only for the years listed*

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

SOUTH OGDEN CITY
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
AND RELATED RATIOS
June 30, 2021 – Last 10 Fiscal Years*

Total OPEB Liability (TOL)	2021	2020	2019	2018
Service cost at beginning of year	\$ 24,971	\$ 20,754	\$ 14,190	\$ 14,687
Interest on TOL plus service cost, less 1/2 benefit payments	17,739	33,336	35,859	32,797
Difference between actual and expected experience	-	(137,670)	(5,738)	2,929
Changes of assumptions	1,344	(37,013)	12,459	(12,990)
Benefit payments	(29,262)	(19,082)	(26,567)	(21,748)
Net Change in Total OPEB Liability	14,792	(139,675)	30,203	15,675
Total OPEB Liability, Beginning	811,960	951,635	921,432	905,757
Total OPEB Liability, Ending	\$ 826,752	\$ 811,960	\$ 951,635	\$ 921,432
Covered-employee Payroll	\$ 902,085	\$ 919,305	\$ 944,194	\$ 989,754
Total OPEB Liability as a Percentage of Covered-employee Payroll	91.65%	88.32%	100.79%	93.10%

**The 10-year schedule will be built prospectively. The schedule above is only for the years listed.*

SOUTH OGDEN CITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2021

NOTE 1 CHANGES IN ASSUMPTIONS – PENSION PLAN

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the “Retirement Office” column using the “Reports and Stats” tab.

NOTE 2 ACTUARIAL ASSUMPTIONS – OTHER POSTEMPLOYMENT BENEFITS

The actuarial valuation calculating the total net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense for the year ended June 30, 2021, was determined using the following actuarial methods and assumptions:

Actuarial cost method.....	Entry Age
Amortization method.....	Level Percentage of Payroll
Salary Increases.....	2.75%
Discount rate.....	2.16%, based on Bond Buyer 20-Bond General Obligation Index
Health care trend rates.....	4.00%
Retirees' share of cost.....	Retiree assumes all OPEB costs upon attainment of Medicare eligibility age (65). Pensions may continue beyond age 65 for the remainder of the 5-year benefit period.
Inflation.....	2.75%
Mortality	Based on the Society of Actuaries' RP-2014 Mortality for Active Employees
Pre-retirement turnover.....	Public Safety Employees - 2.0% per year until eligible to retire; according to retirement rates thereafter. Public Employees - 2.5% per year until eligible to retire; according to retirement rates thereafter.

NOTE 3 FUNDING – OTHER POSTEMPLOYMENT BENEFITS

The OPEB plan does not have assets accumulated in a trust to meet the required needs of this plan. The City has determined to fund the benefits on a “Pay-As-You-Go” basis.

SUPPLEMENTARY INFORMATION

SOUTH OGDEN CITY
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	<u>Special Revenue</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Road Improvement Fee</u>	<u>South Ogden Days</u>	<u>Debt Service</u>	
Assets:				
Cash and cash equivalents	\$ -	\$ 47,723	\$ 10,202	\$ 57,925
Accounts receivable	48,726	-	-	48,726
Restricted cash and cash equivalents	-	-	103	103
Total Assets	<u>\$ 48,726</u>	<u>\$ 47,723</u>	<u>\$ 10,305</u>	<u>\$ 106,754</u>
Liabilities:				
Accounts payable	\$ -	\$ 5,076	\$ -	5,076
Total Liabilities	<u>-</u>	<u>5,076</u>	<u>-</u>	<u>5,076</u>
Fund Balances:				
Restricted:				
Debt service	-	-	103	103
Assigned:				
Special Revenue Funds	48,726	42,647	-	91,373
Debt service	-	-	10,202	10,202
Total Fund Balances	<u>48,726</u>	<u>42,647</u>	<u>10,305</u>	<u>101,678</u>
Total Fund Balances	<u>\$ 48,726</u>	<u>\$ 47,723</u>	<u>\$ 10,305</u>	<u>\$ 106,754</u>

SOUTH OGDEN CITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue		Debt	Total
	Road	South	Service	Nonmajor
	Improvement Fee	Ogden Days		Governmental
				Funds
Revenues:				
Charges for services	\$ 553,839	\$ -	\$ -	\$ 553,839
Interest	-	-	154	154
Miscellaneous	-	15,915	-	15,915
Total Revenues	553,839	15,915	154	569,908
Expenditures:				
Current:				
Recreation	-	79,450	-	79,450
Debt service:				
Principal	-	-	896,000	896,000
Interest	-	-	388,897	388,897
Total Expenditures	-	79,450	1,284,897	1,364,347
Excess (deficiency) of revenues over (under) expenditures	553,839	(63,535)	(1,284,743)	(794,439)
Other Financing Sources (Uses):				
Transfers in	-	50,004	1,283,388	1,333,392
Transfers out	(556,733)	-	-	(556,733)
Total Other Financing Sources (Uses)	(556,733)	50,004	1,283,388	776,659
Net Change in Fund Balances	(2,894)	(13,531)	(1,355)	(17,780)
Fund Balance, Beginning	51,620	56,178	11,660	119,458
Fund Balance, Ending	\$ 48,726	\$ 42,647	\$ 10,305	\$ 101,678

CITY OF SOUTH OGDEN
SUPPLEMENTARY REPORTS
For the Year Ended June 30, 2021



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

**SOUTH OGDEN CITY
SUPPLEMENTARY REPORTS
TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	2
Schedule of Expenditures of Federal Awards.....	4
Notes to the Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs.....	6
Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i>	7
Schedule of Findings and Recommendations	9



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Ogden, Utah as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of South Ogden, Utah's basic financial statements and have issued our report thereon dated December 28, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of South Ogden, Utah'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 of South Ogden, Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of South Ogden, Utah's internal control.

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

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

Compliance and Other Matters

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

Keddington & Christensen, LLC
Salt Lake City, Utah
December 28, 2021



KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

We have audited the City of South Ogden, Utah's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City of South Ogden, Utah's major federal program for the year ended June 30, 2021. The City of South Ogden, Utah's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City of South Ogden, Utah's major federal programs based on our audit of the types of 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 audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of South Ogden, Utah'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 the major federal program. However, our audit does not provide a legal determination of the City of South Ogden, Utah's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of South Ogden, Utah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City of South Ogden, Utah is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of South Ogden, Utah's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 of South Ogden, Utah'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 type of compliance requirement of a federal program 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Ogden, Utah as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of South Ogden, Utah's basic financial statements. We have issued our report thereon dated December 28, 2021, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of South Ogden, Utah's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Purpose of Report

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

Keddington & Christensen, LLC

Salt Lake City, Utah
December 28, 2021

SOUTH OGDEN CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor Program Title	Federal CFDA Number	Pass-through Entity Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>Department of Housing and Urban Development</u>				
Passed through the State of Utah Department of Workforce Services:				
Community Development Block Grant	14.228	B-20-DC-49-0001	\$ -	\$ 204,600
Total Department of Housing and Urban Development			\$ -	\$ 204,600
<u>Department of the Treasury</u>				
Passed through the State of Utah:				
COVID-19 - Coronavirus Relief Fund	21.019	None	\$ 459,226	\$ 1,461,761
Total Department of the Treasury			\$ 459,226	\$ 1,461,761
<u>Department of Homeland Security</u>				
Passed through the State of Utah Department of Public Safety:				
Disaster Grants - Public Assistance	97.036	4578-DR-UT	\$ -	\$ 98,122
COVID-19 - Disaster Grants - Public Assistance	97.036	4578-DR-UT	-	185,340
Total Department of Homeland Security			\$ -	\$ 283,462
Total Expenditures of Federal Awards			\$ 459,226	\$ 1,949,823

SOUTH OGDEN CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

- General – The *Schedule of Expenditures of Federal Awards* presents the activity of all federal awards of South Ogden, Utah (the City). Federal awards received directly from federal agencies as well as federal awards passed through other governmental agencies are included on the *Schedule of Expenditures of Federal Awards*.
- Basis of Accounting – The *Schedule of Expenditures of Federal Awards* is presented using the modified-accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.
- Indirect Cost Rate – The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

SOUTH OGDEN CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|---|------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None noted |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------------|
| 1. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified? | None noted |
| 2. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 3. Any findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. Any audit findings in the prior year regarding federal awards? | No |
| 5. Federal programs tested as a major program: | |
| <u>Name of Federal Program:</u> | <u>CFDA Number:</u> |
| Coronavirus Relief Fund | 21.019 |
| 6. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 7. Auditee qualified as low-risk auditee? | No |



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

Honorable Mayor and
Members of City Council
South Ogden, Utah

Report on Compliance

We have audited the City of South Ogden, Utah's compliance with the applicable state requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Restricted Taxes and Related
Restricted Revenues

Fraud Risk Assessment
Government Fees
Cash Management
Tax Levy Revenue Recognition

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 City of South Ogden, Utah complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

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 the accompanying Schedule of Findings and Recommendations as items 2019-002 and 2021-001. 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 Schedule of Findings and Recommendations. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance 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 to detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Recommendations as items 2019-002 and 2021-001 that we consider to be a significant deficiency.

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

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

Keddington & Christensen, LLC

Salt Lake City, Utah
December 28, 2021

SOUTH OGDEN CITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2021

2019-002: Deficit Fund Balance - State Compliance – Reissued

Condition: During the test work for state compliance it was noted that at the end of June 30, 2021, the City's CDRA Fund had a deficit fund balance of \$188,824.

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

Cause: The CDRA fund did not have an appropriation to retire the deficit fund balance in the subsequent budget year.

Effect: The City was out of compliance with state law.

Recommendation: We recommend the City comply with the code section listed above.

Management's Response: The City thought they had addressed this issue as in the FY 2021 and FY 2022 budgets there was an amount budgeted to be transferred based on the appropriate method of calculations provided by the State in the Code. However, the monies were not actually transferred, they were just budgeted. This project area will begin generating tax increment in January 2022 and should resolve this issue in its entirety.

2021-001: Budgetary Compliance – State Compliance

Condition: During the test work for state compliance, it was noted that for the year ended June 30, 2021, the City's solid waste fund spent \$72,887 more than budgeted expenditures for the fund.

Criteria: Utah State Code 10-6-123 states, "City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended."

Cause: The solid waste fund incurred expenditures in excess of total appropriations for the fund.

Effect: The City was out of compliance with state law.

Recommendation: We recommend the City comply with the code section listed above.

Management's Response: The City missed this item as the year ended and wasn't able to amend the budget accordingly. The fees for waste pickup with a 3rd party vendor and the tipping fees paid by the City both exceeded the budgeted amount significantly. It is believed that a large contributor to this are the effects of COVID-19 as many residents are ordering more items online and restaurant meals to go generating considerably more waste than normal. Be that as it may, the City will monitor these items more closely and make the appropriate budget amendments if necessary.



NOTICE AND AGENDA SOUTH OGDEN CITY COUNCIL MEETING

TUESDAY, JANUARY 4, 2022

WORK SESSION – 5 PM

REGULAR COUNCIL MEETING - 6 PM

Notice is hereby given that the South Ogden City Council will hold their regularly scheduled council meeting at 6 pm Tuesday, January 4, 2022. The meeting will be located at City Hall, 3950 Adams Ave., South Ogden, Utah, 84403, in the city council chambers. The meeting is open to the public; however, the city will abide by all COVID-19 restrictions in place at the time of the meeting, including social distancing, wearing of masks, and number of people allowed to gather in one place. Some members of the council may be attending the meeting electronically. The meeting will also be streamed live over www.facebook.com/southogdencity.

CITY COUNCIL MEETING AGENDA

I. OPENING CEREMONY

- A. Call to Order – Mayor Russell Porter
- B. Prayer/Moment of Silence -
- C. Pledge of Allegiance – Council Member Mike Howard

II. PRESENTATION OF AUDIT REPORT

Ben Bailey- Keddington and Christensen

- III. PUBLIC COMMENTS – This is an opportunity to address the mayor and council with any concerns, suggestions, or praise. No action can or will be taken at this meeting on comments made.
Please limit your comments to three minutes.

IV. RESPONSE TO PUBLIC COMMENT

V. CONSENT AGENDA

- A. Approval of December 21, 2021 Council Minutes
- B. Set Date for Public Hearing (January 18, 2022 at 6 pm or as soon as the agenda permits)
To Receive and Consider Comments on Possible Community Development Block Grant Projects

VI. RECESS INTO SOUTH OGDEN CITY ARTS COUNCIL MEETING

See separate agenda

VII. RECONVENE SOUTH OGDEN CITY COUNCIL MEETING

VIII. ANNUAL DEPARTMENT REPORTS

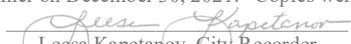
- A. Parks, Recreation, Building- Director Jon Andersen
- B. Finance- Director Steve Liebersbach
- C. Police- Chief Darin Parke

IX. REPORTS/DIRECTION TO CITY MANAGER

- A. City Council Members
- B. City Manager
- C. Mayor

X. ADJOURN

The undersigned, duly appointed City Recorder, does hereby certify that a copy of the above notice and agenda was posted to the State of Utah Public Notice Website, on the City's website (southogdencity.gov) and emailed to the Standard Examiner on December 30, 2021. Copies were also delivered to each member of the governing body.


Leesa Kapetanov, City Recorder

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during the meeting should notify the City Recorder at 801-622-2709 at least 48 hours in advance.



MINUTES OF THE SOUTH OGDEN CITY COUNCIL MEETING

TUESDAY, DECEMBER 21, 2021, 6 PM
COUNCIL CHAMBERS, CITY HALL

COUNCIL MEMBERS PRESENT

Mayor Russell Porter, Council Members Sallee Orr, Brent Strate, Susan Stewart, and Mike Howard

COUNCIL MEMBERS EXCUSED

Jeanette Smyth

STAFF MEMBERS PRESENT

City Manager Matthew Dixon, Assistant City Manager Doug Gailey, Parks and Public Works Director Jon Andersen, Police Chief Darin Parke, Fire Chief Cameron West, Communications and Events Specialist Jamie Healy, and Recorder Leesa Kapetanov

MEMBERS OF THE PUBLIC PRESENT

Wesley Stewart

Note: The time stamps indicated in blue correspond to the audio recording of this meeting, which can be found by clicking the link:

https://www.southogdencity.com/document_center/Sound%20Files/2021/CC211221_1759.mp3

or by requesting a copy from the office of the South Ogden City Recorder.

I. OPENING CEREMONY

A. Call To Order

- At 6:00 pm, Mayor Porter called the meeting to order and entertained a motion to begin
00:00:00

Council Member Stewart so moved. The motion was seconded by Council Member Howard. In a voice vote, Council Members Orr, Strate, Stewart, and Howard all voted aye.

B. Prayer/Moment of Silence

The mayor led those present in a moment of silence.

37 C. Pledge Of Allegiance

- 38 • Council Member Stewart led everyone in the Pledge of Allegiance.
- 39
- 40

41 **II. PUBLIC COMMENTS**

- 42 • Wesley Stewart- 00:01:29
- 43
- 44

45 **III. RESPONSE TO PUBLIC COMMENT** 00:06:05

- 46 • After his response to public comment, Mayor Porter checked and was informed there had been
- 47 no online public comment 00:08:31
- 48
- 49

50 **V. CONSENT AGENDA**

51 A. Approval of December 7, 2021 Council Minutes

- 52 • The mayor read the consent agenda and asked if there were any comments. No one
- 53 commented so the mayor called for a motion to approve the consent agenda.

54 00:08:35

55

56 **Council Member Howard so moved, followed by a second from Council Member Strate.**

57 **The voice vote was unanimous in favor of the motion.**

58

59

60 **VI. DISCUSSION / ACTION ITEMS**

61 A. Consideration of Resolution 21-41 – Adopting Voter Participation Areas for the City

- 62 • Staff overview 00:08:57
- 63 • There was no discussion by the Council on this item
- 64 • Motion 00:12:02

65 **Mayor Porter called for a motion to approve Resolution 21-41, adopting voter**

66 **participation areas for the City. Council Member Strate so moved. The motion was**

67 **followed by a second from Council Member Howard. The mayor asked if there were**

68 **further comment, and seeing none, called the vote:**

69

Council Member Orr -	Yes
Council Member Strate -	Yes
Council Member Stewart -	Yes
Council Member Howard -	Yes

74

75 **Resolution 21-41 was approved.**

76

77

B. Consideration of Resolution 21-42 – Approving Participation In and Acceptance of the Terms and Conditions of the July 21, 2021 National Opioid Settlement Agreement

- Staff overview 00:12:25
- Council discussion 00:15:08
- Motion 00:17:45

Mayor Porter called for a motion to approve Resolution 21-42. Council Member Orr so moved. Council Member Howard seconded the motion. There was no further discussion. The mayor made a roll call vote:

Council Member Howard -	Yes
Council Member Stewart -	Yes
Council Member Strate -	Yes
Council Member Orr -	Yes

The motion stood.

VIII. REPORTS/DIRECTION TO CITY MANAGER

A. City Council Members

- Council Member Howard - 00:18:04
- Council Member Strate - 00:18:28
- Council Member Smyth - 00:18:32
- Council Member Stewart - 00:18:54

B. City Manager 00:20:54

C. Mayor Porter 00:24:00

- As part of his report, Mayor Porter announced the winners of the Gingerbread House Decorating Contest 00:24:39
Winners were: First Place, Hadlee; Second Place, Remi and Scout; Third Place, Mia

IX. ADJOURN

- At 6:25 pm, the mayor called for a motion to adjourn city council meeting 00:25:40

Council Member Strate so moved. The motion was seconded by Council Member Howard. All present voted aye.

I hereby certify that the foregoing is a true, accurate and complete record of the South Ogden City Pre-Council Work Session and Council Meeting held Tuesday, December 21, 2021.


Kapetanov, City Recorder

Leesa
Date Approved by the City Council



NOTICE AND AGENDA

SOUTH OGDEN CITY ARTS COUNCIL MEETING

Tuesday, January 4, 2022 – 6:00 p.m.

Notice is hereby given that the South Ogden City Arts Council will hold a meeting at 6 pm on Tuesday, January 4, 2022. The meeting will be located at City Hall, 3950 Adams Ave., South Ogden, Utah, 84403, in the city council chambers. The meeting is open to the public; however, the city will abide by all COVID-19 restrictions in place at the time of the meeting, including social distancing, wearing of masks, and number of people allowed to gather in one place. Some members of the council may be attending the meeting electronically. The meeting will also be streamed live over www.facebook.com/southogdencity.

I. CALL TO ORDER – Chair Sallee Orr

II. CONSENT AGENDA

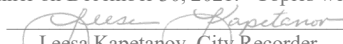
- A.** Approval of January 5, 2021 Arts Council Minutes

III. DISCUSSION/ACTION ITEMS

- A.** Discussion and Vote On RAMP Grant Project Applications

IV. ADJOURN

The undersigned, duly appointed City Recorder, does hereby certify that a copy of the above notice and agenda was posted to the State of Utah Public Notice Website, on the City's website (southogdencity.gov) and emailed to the Standard Examiner on December 30, 2021. Copies were also delivered to each member of the governing body.


Leesa Kapetanov, City Recorder

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during the meeting should notify the City Recorder at 801-622-2709 at least 48 hours in advance.



MINUTES OF THE SOUTH OGDEN CITY ARTS COUNCIL MEETING

TUESDAY, JANUARY 5, 2021

COUNCIL CHAMBERS, CITY HALL

ARTS COUNCIL MEMBERS PRESENT

Chair Sallee Orr, Council Members Russell Porter, Brent Strate, Susan Stewart, Mike Howard, and Jeanette Smyth Note: Council Members Howard and Smyth joined the meeting via the Microsoft Teams App

STAFF MEMBERS PRESENT

City Manager Matthew Dixon, Assistant City Manager Doug Gailey, Parks and Public Works Director Jon Andersen, Fire Chief Cameron West, Police Chief Darin Parke, Special Events Coordinator Jamie Healy, and Recorder Leesa Kapetanov

Note: City Manager Dixon, Parks and Public Works Director Jon Andersen, and Police Chief Parke, joined the meeting via Microsoft Teams.

CITIZENS PRESENT

Bruce & Joyce Hartman

Note: The time stamps indicated in blue correspond to the audio recording of this meeting which can be found at this link:

https://www.southogdencity.gov/document_center/Sound%20Files/2021/CC210105_1806.mp3

or requested from the office of the South Ogden City Recorder.

Motion from City Council Meeting to convene into Arts Council meeting:

Council Member Strate moved to recess city council meeting and convene as the South Ogden Arts Council, followed by a second from Council Member Orr. The voice vote was unanimous in favor of the motion.

I. CALL TO ORDER

- Chair Sallee Orr called the meeting to order at 6:45 pm and went to the consent agenda

II. CONSENT AGENDA

A. Approval of December 17, 2019 Arts Council Minutes

The chair asked if there were any questions about the minutes. Seeing none, she called for a motion to approve them. 00:38:52

Arts Council Member Porter moved to approve the December 17, 2019 minutes, followed by a second from Council Member Strate. Arts Council Members Porter, Strate, Stewart, and Howard all voted aye. Council Member Smyth abstained because she was not a member of the Arts Council at the time.

III. DISCUSSION / ACTION ITEMS

A. Discussion and Vote On RAMP Grant Project Applications

- Discussion 00:39:22
- During the discussion, it was determined that grants for monuments and for South Ogden Days would be the second and third grant priority, respectively.
- Motion 00:57:16

Arts Council Member Porter moved that the City apply for two Heritage Trail monuments for \$44,000, implying they would ask for more each year. There was discussion as to whether one of the monuments would be for Kit Carson. It was determined that one of the monuments would be of Kit Carson. Chair Orr asked if Arts Council Member Porter would like to add the South Ogden Days third option grant request to his motion. He confirmed he would. Chair Orr asked if there was a second to the motion. Arts Council Member Howard seconded the motion. The chair then called the vote:

Arts Council Member Strate-	Yes
Arts Council Member Smyth-	No
Arts Council Member Howard-	Yes
Arts Council Member Stewart-	No
Arts Council Member Porter-	Yes

The motion stood.

IV. ADJOURN

- Chair Orr called for a motion to adjourn 01:00:44

Arts Council Member Strate moved to adjourn the South Ogden City Arts Council meeting. Council Member Porter seconded the motion. All present voted aye.

The meeting concluded at 7:07 pm.

I hereby certify that the foregoing is a true, accurate and complete record of the South Ogden City Arts Council Meeting held Tuesday, January 5, 2021.


Leesa Kapetanov, City Recorder

Date Approved by the Arts Council _____

SOUTH OGDEN CITY HERITAGE TRAIL

This Heritage Trail at Friendship Park will feature major monuments to highlight such groups as: Native Americans, Trappers, Explorers, Mormon Pioneers, etc.

Minor monuments or plaques will be featured between major monuments to highlight important individuals.

Lastly, aluminum QR codes will be placed on each monument. This will allow visitors the opportunity to access additional information about the group or individual being highlighted. This information can be modified and updated as needed.

Monument Example



Sons of the Utah Pioneers QR Code



South Ogden City
3950 Adams Ave. Suite 1
South Ogden City, UT 84403
Phone: 801-622-2702
E-mail: mdixon@southogdencity.gov



SOUTH OGDEN CITY HERITAGE TRAIL

In partnership with the Ogden Chapter of the Sons of the Utah Pioneers, South Ogden City is excited to develop a Heritage Trail at Friendship Park.



Friendship Park

HERITAGE TRAIL

HERITAGE TRAIL

HERITAGE TRAIL

HERITAGE TRAIL

HERITAGE TRAIL

John C. Fremont
1813 - 1890

Pathfinder, explorer and political leader John C. Fremont and a party of 100, with Kit Carson as guide, entered the Great Salt Lake and made geographical observations from the point, September 6, 1845. They explored the nearest Indian (Pawnee) lands. Fremont rendered valuable service in establishing the claims of the United States to the territory between the Missouri River and the Pacific Ocean through exploration trips in 1842, '43 and '45. His report and maps published in 1845 contained the first detailed information regarding the territory. This report was of great assistance to Brigham Young and the Mormon Pioneers on their journey westward in 1847.

Historical Monuments

H. Guy Child Elementary School

Google Earth





DEC 22, 2021

To : Weber County RAMP
2380 Washington Blvd Suite 360
Ogden, UT 84401

Dear Weber County RAMP Committee,

We write in support of South Ogden City and SUP's proposed creation of a new Heritage Trail at Friendship Park in South Ogden.

The windstorm's destruction of a Kit Carson monument on Washington Blvd. has provided a special opportunity to consider South Ogden's history and heritage, as well as the way the city tells its story.

The proposed vision for a trail with multiple markers is a great way to broaden the city's spotlight on historical figures who shaped the present.

As historical consultants on the project, we would specifically advocate for the inclusion of women, Native Americans, immigrants, and other groups previously sidelined in historical narratives. We are happy to provide historical research as well as writing/editing of the monuments. The completed trail could, we hope, present a story of South Ogden in line with our motto, "Our roots are deep and strong, and everyone belongs."

We have committed \$4,000 in in-kind historical research, consultancy and writing toward the project.

Sincerely,

Kate Stewart, President
Katie Nelson, Executive Director