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Utah Department of Transportation

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Utah League of Cities & Towns

Lorene Kamala
Utah Association of Counties

Robert Grow
Envision Utah

Evan Curtis
State Planning Coordinator

Andrew Gruber
Executive Director

WFRC Budget Committee Meeting of October 10, 2019

AGENDA

There will be a meeting of the Budget Committee on **Thursday, October 10, 2018 at 11:15 a.m. in the WFRC offices located at 41 North Rio Grande Street, Salt Lake City, Utah.**

The agenda for the meeting will be as follows:

1. Welcome and Introductions (Commissioner Shawn Milne, Chair)
2. **ACTION:** Approval of Minutes of May 09, 2019
3. Public Comment
4.
 - a. **ACTION:** Recommend for approval - FY20 Budget Amendments
 - b. Review WFRC Audit Report for FY19
5. Executive Director's Report
6. Other Business
Next meeting (tentative): January 2020
7. Adjournment

Informational materials can be located on WFRC's website at www.wfrc.org

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WFRC BUDGET COMMITTEE

Minutes of Meeting held May 9, 2019, 10am
41 North Rio Grande Street, Salt Lake City, UT 84101

2017 BUDGET COMMITTEE	IN ATTENDANCE
DAVIS COUNTY	
Commissioner Bob Stevenson	Yes
MORGAN COUNTY	
Councilmember Tina Cannon	Yes
SALT LAKE COUNTY	
Councilmember Michael Jensen	No
Mayor Jeff Silvestrini	Yes
TOOELE COUNTY	
Commissioner Shawn Milne	Yes
WEBER COUNTY	
Mayor Mike Caldwell	No
BOX ELDER COUNTY	
Commissioner Jeff Scott	No
Others in Attendance	
Blake Thomas	Herriman City Council
Andrew Gruber	WFRC
Wayne Bennion	WFRC
Ned Hacker	WFRC
Loveit Baumgardner	WFRC

1. Welcome and Introductions [00:00:05]

Commissioner Shawn Milne, Chair, called the meeting to order and introductions were made.

2. ACTION on Minutes of March 19, 2019 [00:01:13]

Commissioner Milne brought attention to the action for approval of the minutes. Councilmember Tina Cannon made a motion to approve the minutes of March 19 as written. Mayor Jeff Silvestrini seconded the motion and the vote was unanimous in the affirmative.

3. Opportunity for Public Comment [00:01:50]

Commissioner Milne opened the meeting for public comments. There were none.

4a. ACTION: Approve amendment to FY19 Budget [00:02:10]

On April 1, 2019, WFRC completed the sale of its office building located at 295 N. Jimmy Doolittle Road in Salt Lake City. Net proceeds of the sale were \$1,124,066.75 and were received by WFRC on April 1, 2019. The FY19 budget needs to be amended to recognize the revenue from the sale of the building and for the creation of a dedicated account to hold the proceeds. WFRC staff request that the Budget Committee recommend that the Council approve the FY19 budget amendment and the creation of a dedicated fund as presented and authorizes setting up a separate investment account to hold the assigned proceeds from the sale of the building. [00:05:43] Councilmember Tina Cannon made a motion to recommend the FY18 Budget amendment to the Council and it was seconded by Commissioner Milne. The vote was unanimous in the affirmative.

4b. ACTION: Approve WFRC FY20 Budget and Unified Planning Work Program (UPWP [00:06:24]

At its meeting on March 28, 2019, the WFRC Council discussed and then voted unanimously to release for comment a draft FY20 WFRC Budget and Unified Planning Work Program (UPWP) summary. That Budget and UPWP summary were made available to the public and provided to the Councils of Governments for their review and comment. No comments were received by WFRC. The budget presented for approval is the same as the draft previously provided and reviewed. WFRC staff request that the Budget Committee recommend the FY20 Budget and UPWP to the Council for approval. [00:14:34] Councilmember Tina Cannon made a motion to recommend that the Council approve the budget for fiscal year 2020 and the UPWP. Commissioner Bob Stevenson seconded the motion and the vote was unanimous in the affirmative.

5. Request for input on WFRC's FY20 Goals [00:15:39]

6. Executive Director's Report [00:16:49]

Andrew Gruber, Executive Director of WFRC, noted that with the celebration of the 150th Anniversary of the Golden Spike, there were many commitments for the members' time, and he expressed his appreciation for those who were able to attend the WFRC Budget meeting today. Mr. Gruber stated that there would be an informal discussion regarding WFRC's anticipated goals for 2020 and invited those who would like to provide suggestions and feedback, and had the time in their schedules, to remain for that discussion.

7. Other Business [00:16:30]

The next meeting of the Budget Committee is tentatively set for Aug 8, 2019. A determination will be made in July on whether that meeting is needed, and the members will be notified. Commissioner Milne asked if there were any other business items to discuss. There were none. Commissioner Bob Stevenson made a motion to adjourn the meeting. The motion was seconded by Councilmember Tina Cannon and the vote was unanimous in the affirmative. The meeting adjourned at 10:17am.

A recording of this meeting, as well as meeting packet materials, may be found on the WFRC website at www.wfrc.org

DATE: October 24, 2019
AGENDA ITEM: 4a
SUBJECT: **PUBLIC HEARING AND ACTION:** Amend FY20 Budget
PREPARED BY: Loveit Baumgardner

BACKGROUND:

As WFRC completed FY19 and we reviewed the final expenditures, actual spending came in lower than budgeted by \$1,770,970. This resulted mainly from spending on some contractual items that occurred more slowly than was anticipated or from items that were added to the FY19 budget in the later months but did not begin work until FY20. As a result, the amount of funds that carried forward from FY19 into FY20 was higher than was anticipated, resulting in an increase in the FY20 budget as some spending shifts from FY19 to FY20. The majority of the funds and projects carried forward from FY19 to FY20 are for Transportation and Land Use Connection (TLC) Program projects.

There are also several new joint planning projects that include: Micro-mobility tool set, Mode Choice Model update, Unified Transportation Plan document development, Unified Transportation Plan economic impact study, and the Utah Parking Modernization initiative. WFRC uses funds from its Consolidated Planning Grant for part of this work and has partnered with Utah Department of Transportation, Utah Transit Authority and Mountainland Association of Governments who are providing additional funds for the projects. The additional funds received from partners is shown under state and local revenue sources. WFRC anticipates hiring consultants to perform the work and those expenses are included in the Contractual line item in this amended budget.

There is also an adjustment to the Supplies/Software/Sponsorship line item. The FY20 budget originally included \$50,000 in revenue and contractual expense for the Wasatch Choice 2050 Consortium event. Subsequent to the adoption of the budget, WFRC had the opportunity to partner with the Utah League of Cities and Towns to combine the Consortium event with their annual conference leading to a significant reduction in overall costs to sponsor the event. Revenue and contractual expense were therefore reduced by \$50,000 each. The remaining costs associated with sponsoring events to promote Wasatch Choice 2050 have now been included in the Supplies/Software/Sponsorship line item.

The adjustments described above, along with a few minor changes in estimated expenditures, are reflected in the line items on the Expenditure by Function page. The adjustments also impact the projected carry-forward into FY21, again reflecting on-going programs or multi-year projects that bridge the FY20 and FY21 years.

The footnotes that accompany this proposed amended budget provide more detail on the changes to funding sources, expenditures by function, expenditures by program and changes to the fund balances.

RECOMMENDATION:

The WFRC Budget Committee and staff recommend that the Council take action “to amend the WFRC FY20 Budget as proposed.”

CONTACT PERSON:

Loveit Baumgardner (801) 363-4250 ext. 1102

EXHIBITS:

Draft Amended Budget FY20 with Footnotes

**October 24, 2019 Draft Amended
Wasatch Front Regional Council FY 2020 Budget**

Source of Funds

	FY 2020 <small>Approved 5/24/19</small>	FY 2020 <small>Proposed</small>	FY 2020 <small>Difference</small>		
Federal Sources:					
Federal Highway Administration - PL	3,862,041	3,862,041	0	0%	
Federal Highway Administration - STP	1,085,607	1,984,063	898,456	83%	1
Federal Transit Administration	652,734	677,872	25,138	4%	2
Dept. of Housing and Urban Development	50,000	50,000	0	0%	
Economic Development Administration	70,000	70,000	0	0%	
Total Federal Sources	5,720,382	6,643,976	923,594	16%	
State Sources:					
Utah GOMB (CPG match)	140,000	140,000	0	0%	
Community Impact Board	2,000	2,000	0	0%	
UDOT - TLC	303,300	479,528	176,228	58%	1
UDOT - Joint Planning Projects	36,947	115,333	78,386	212%	3
UDOT - Model Development	85,053	85,053	0	0%	
UDOT - Morgan RPO	15,000	15,000	0	0%	
Total State Sources	582,300	836,914	254,614	44%	
Local Sources:					
Dedicated Project Funds	659,900	1,208,107	548,207	83%	4
MAG - Joint Projects	0	86,978	86,978	100%	3
UTA - TLC	150,000	228,936	78,936	53%	1
UTA - Joint Projects	35,000	100,333	65,333	187%	3
UTA - Transit Sales Tax	160,684	160,684	0	0%	
Local Contribution	312,943	312,943	0	0%	
Total Local Sources	1,318,527	2,097,981	779,454	59%	
TOTAL SOURCES	7,621,209	9,578,871	1,957,661	26%	

**October 24, 2019 Draft Amended
Wasatch Front Regional Council FY 2020 Budget**

Expenditure by Function

Expenditure	FY 2020 <small>Approved 5/24/19</small>	FY 2020 <small>Proposed</small>	FY 2020 <small>Difference</small>		
Salaries/Employee Benefits	4,381,640	4,381,640	0	0%	
Contractual	2,340,837	4,068,689	1,727,852	74%	5
Audit and Accounting	20,000	20,000	0	0%	
Dues & Subscriptions	20,100	20,100	0	0%	
Equipment Depreciation	111,884	111,884	0	0%	
Equipment Maintenance	20,000	20,000	0	0%	
Insurance	12,000	12,000	0	0%	
Legal	10,000	10,000	0	0%	
Printing and Publication	10,950	10,950	0	0%	
Rent	411,839	411,839	0	0%	
Supplies/Software/Sponsorships	94,000	109,000	15,000	16%	6
Telephone/Data	38,000	38,000	0	0%	
Training	56,700	56,700	0	0%	
Travel	57,500	57,500	0	0%	
Total Expenditures	7,585,450	9,328,302	1,742,852	23%	
Amounts expected to carry into next FY	35,758	250,569	214,810	601%	7
TOTAL BUDGET	7,621,209	9,578,870	1,957,661	26%	

**October 24, 2019 Draft Amended
Wasatch Front Regional Council FY 2020 Budget**

Expenditure by Program

Program	FY 2020 <small>Approved 5/24/19</small>	FY 2020 <small>Proposed</small>	FY 2020 <small>Difference</small>		
Consolidated Transportation Planning Grant	4,923,718	5,190,506	266,788	5%	1
Transportation & Land Use Connection	1,955,500	3,286,139	1,330,639	68%	1
Economic Development	140,000	140,000	0	0%	
Local Government Service	38,121	243,103	204,982	538%	1
UTA Project Support	82,170	82,170	0	0%	
Model Development	118,748	118,748	0	0%	
Joint Planning Projects	115,952	302,644	186,692	161%	3
Legislative Consulting	90,000	90,000	0	0%	
CDBG - Tooele	50,000	50,000	0	0%	
Mobility Management	10,000	10,000	0	0%	
Tooele Valley RPO	10,000	10,000	0	0%	
Morgan RPO	25,000	25,000	0	0%	
Community Impact Board	2,000	2,000	0	0%	
Davis County Prop 1 Assistance	10,000	10,000	0	0%	
WC2050 Consortium	50,000	0	-50,000	100%	6
Oquirrh Connection	0	18,561	18,561	100%	1
TOTAL EXPENDITURES	7,621,209	9,578,871	1,957,662	-80%	

**October 24, 2019 Draft Amended
Wasatch Front Regional Council FY 2020 Budget**

Local Contributions

County	FY 2020 Approved 5/24/19	FY 2020 Proposed	FY 2020 Difference	
Box Elder, 1 voting member	12,911	12,911	0	0%
Davis, 4 voting members	68,861	68,861	0	0%
Morgan, 1 voting member	12,911	12,911	0	0%
Salt Lake, 8 voting members	136,488	136,488	0	0%
Tooele, 1 voting member	12,911	12,911	0	0%
Weber, 4 voting members	68,861	68,861	0	0%
TOTAL	312,943	312,943	0	0% 10

**October 24, 2019 Draft Amended
Wasatch Front Regional Council FY 2020 Budget**

General Fund

	FY 2020 <small>Approved 5/24/19</small>	FY 2020 <small>Proposed</small>	FY 2020 <small>Difference</small>		
Revenue					
Local Sources	0	3,600	3,600	100%	8
Interest	12,500	0	-12,500	-100%	8
Total revenue	<u>12,500</u>	<u>3,600</u>	<u>-8,900</u>	-71%	
Expenditures					
Operating expenses	<u>3,600</u>	<u>3,600</u>	<u>0</u>	0%	
Total expenditures	<u>3,600</u>	<u>3,600</u>	<u>0</u>	0%	
Excess of revenue over expenditures (usage of fund balance)	8,900	0	-8,900		
Other sources					
Transfers in	0	0	0		
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>		
Net change in fund balance	8,900	0	-8,900		

Special Projects Fund

	FY 2020 <small>Approved 5/24/19</small>	FY 2020 <small>Proposed</small>	FY 2020 <small>Difference</small>		
Revenue					
Federal Sources	5,720,382	6,643,976	923,594	16%	9
State Sources	582,300	836,914	254,614	44%	9
Local Sources	1,318,527	2,094,381	775,854	59%	9
Interest Income	0	12,500	12,500	100%	8
Total revenue	<u>7,621,209</u>	<u>9,587,771</u>	<u>1,966,561</u>		
Expenditures					
Planning	7,621,209	9,578,871	1,957,662	26%	9
Capital Outlay	<u>45,000</u>	<u>45,000</u>	<u>0</u>	0%	
Total expenditures	<u>7,666,209</u>	<u>9,623,871</u>	<u>1,957,662</u>		
Excess of revenue over expenditures (usage of fund balance)	-45,000	-36,100	8,900		
Other sources					
Transfers in	0	0	0		
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>		
Net change in fund balance	-45,000	-36,100	8,900		

**October 24, 2019 Draft Amended
Wasatch Front Regional Council FY 2020 Budget**

Building Fund

	FY 2020 Approved 5/24/19	FY 2020 Proposed	FY 2020 Difference
Revenue			
Interest Income	32,000	32,000	0
Total revenue	<u>32,000</u>	<u>32,000</u>	<u>0</u>
Expenditures			
Capital Outlay	0	0	0
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenue over expenditures (usage of fund balance)	32,000	32,000	0
Other sources			
Transfers in	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	32,000	32,000	0

Wasatch Front Regional Council

FY20 Amended Budget – October 24, 2019

Footnotes

1. These changes include amounts budgeted in FY19 but not spent prior to fiscal year end. These changes reflect the multi-year nature of ongoing projects, most of which are expected to be completed in FY20 or FY21.
2. The increase in Federal Transit Administration funds reflects actual amount apportioned to WFRC. This amount was unknown but estimated in the FY20 budget approved May 24, 2019.
3. WFRC, in partnership with Utah Department of Transportation, Utah Transit Authority, and Mountainland Association of Governments, enters into contracts for joint planning projects or studies. Partner funds for joint planning projects include:
 - \$45,000 for micro-mobility tool set
 - \$75,000 for mode choice model update
 - \$37,910 for Unified Transportation Plan document development
 - \$29,734 for Unified Transportation Plan economic impact study
 - \$115,000 for Utah parking modernization initiative
4. The change to Dedicated Project Funds includes funds carried forward from FY19 for projects in process. The funding shown here includes:
 - \$10,000 for Tooele Valley RPO
 - \$33,695 for model development (MAG)
 - \$10,000 for Davis County Prop 1 assistance
 - \$10,000 for Morgan RPO
 - \$223,043 for Local Government Services
 - \$18,561 for Oquirrh Connection Feasibility Study
 - \$902,808 for Transportation and Land Use Connection Program (includes Salt Lake County and Local match for TLC projects)
5. The increase in contractual expenditures results from projects budgeted in FY19 that are ongoing and expected to be completed in FY20 and FY21. Anticipated contractual expenditures include:
 - \$90,000 for state and federal legislative consulting
 - \$4,440 for human resource consulting
 - \$95,000 for micro-mobility tool set
 - \$5,000 for data resource consulting
 - \$150,000 for mode choice model update
 - \$32,000 for model development
 - \$20,239 for Unified Plan Financial Plan update
 - \$51,000 for Unified Plan Document development
 - \$100,000 for communications and public outreach
 - \$140,000 for Utah parking modernization initiative

- \$40,000 for Unified Plan economic impact study
- \$2,851,817 for Transportation and Land Use Connection projects
- \$50,000 for Access to Opportunity GUI
- \$3,000 for Consortium for scenario planning
- \$50,000 for planning and environment linkage
- \$75,000 for RTP uncertainty scenarios
- \$130,000 for planning studies undesignated
- \$18,604 for GIS technical assistance
- \$53,731 for Strava Metro data
- \$2,500 for NTIC exploring data fusion tech
- \$25,000 for Point of the Mountain transportation study
- \$10,000 for salary survey
- \$2,797 for Provo/Orem BRT Study
- \$50,000 for Wasatch Choice implementation tool improvements
- \$18,561 for Oquirrh Connection study

6. The increase in Supplies/Software/Sponsorships includes additional funding for event expenses associated with promoting Wasatch Choice 2050. The FY20 budget approved on May 24, 2019 included \$50,000 under the Contractual line item for a Wasatch Choice 2050 Consortium and a corresponding \$50,000 in revenue. WFRC had the opportunity to partner with the Utah League of Cities and Towns (ULCT) to combine this event with their annual conference thereby saving WFRC the cost of hosting the event on its own. In this amended budget the \$50,000 originally budgeted under the Contractual line item has been eliminated along with the corresponding revenue. The remaining expenses associated with the ULCT partnering opportunity are now shown under the Supplies/Software/Sponsorship line item.
7. The increase in amount expected to carry forward into the next FY are for projects that are not expected to be completed in FY20 and anticipated to carry forward to FY21.
8. Interest income was moved from the General Fund to the Special Projects fund. This is being proposed because the source of funds from which the interest income is generated are from monies held on deposit for planning projects under the Special Projects Fund and the amendment better reflects the nature of the revenue relative to its source. To maintain required minimums for revenue and expenditures in the General Fund a small amount of local funding was re-budgeted from the Special Projects Fund to the General Fund.
9. Changes in the Special Projects Fund are a reflection of adding funding and expenses for ongoing projects. The majority of the changes reflect projects that were budgeted in FY19 but not completed before the end of the fiscal year and were carried forward to FY20.
10. Consistent with the policy established in the FY18 budget process, in the WFRC FY21 budget the local contributions are expected to increase by a factor representative of the change in the Consumer Price Index (CPI) averaged over the prior three completed WFRC fiscal years, July 1, 2016 through June 30, 2019. That increase, which will become a part of the proposed FY21 budget that will be presented to the Council in March 2020, will be 2.1%. This projected increase supports the ongoing financial stability of the Council. This information is provided now so that it can be factored into the counties' FY20 budget processes.

DATE: October 24, 2019
AGENDA ITEM: 4b
SUBJECT: **ACTION:** Acceptance of the FY19 Audit Report
PREPARED BY: Loveit Baumgardner

BACKGROUND:

An annual audit of the Council's financial records was performed, and a final draft of the report issued as a result of that audit will be provided at the WFRC Budget meeting on October 10, 2019.

The auditors have issued an *unqualified opinion*. There were no findings or questioned costs. A summary of the audit results may be found on page 45 of the report. Tim Rees from the auditing firm of Karren Hendrix Stagg & Allen will be present at the Budget Committee and Council meetings to review the final draft of the audit report.

The final audit report will be submitted to those agencies requiring a copy of the report within 180 days of the close of the fiscal year.

RECOMMENDATION AND MOTION:

The WFRC Budget Committee makes a motion that the Council take action "to accept the WFRC FY19 Audit Report as presented."

CONTACT PERSON:

Loveit Baumgardner (801) 363-4250 ext. 1102

EXHIBITS:

Wasatch Front Regional Council Financial Statements with Independent Auditors' Report for the Year Ended June 30, 2019.

WASATCH FRONT REGIONAL COUNCIL

**Financial Statements
With Independent Auditors' Report
For the Year Ended June 30, 2019**



Mission Statement

The Wasatch Front Regional Council builds consensus and enhances quality of life by developing and implementing visions and plans for a well-functioning multi-modal transportation system, livable communities, a strong economy, and a healthy environment.



**WASATCH FRONT REGIONAL COUNCIL
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KARREN | HENDRIX | STAGG | ALLEN
COMPANY

Certified Public Accountants

111 East Broadway • Suite 250 • Salt Lake City, Utah 84111
Phone 801.521.7620 • Fax 801.521.7641
Website www.khsa.biz

Rebecca M. Allred, NCG
Robin W. Bastar, CPA
Lois M. Brandriet, PhD
APRN, GCNS-BC, NCG
Stephen R. Capson, CPA
Douglas G. Carlson, CPA
Scott J. Hanni, CPA
Danny L. Hendrix, CPA
Tim C. Rees, CPA
Jeffrey N. Ririe, CPA
G. John Runia, CPA

INDEPENDENT AUDITORS' REPORT

Members of the Council and Andrew Gruber
Wasatch Front Regional Council
Salt Lake City, Utah

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Wasatch Front Regional Council, Utah, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council'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.

Auditors' 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 from 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 and each major fund of the Wasatch Front Regional Council, Utah, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules on pages 3 through 8 and 30 through 34 and the schedule of Revenue and Expenditures by Program 46-49, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Wasatch Front Regional Council's basic financial statements. The schedule of revenue and expenditures by program on pages 46 through 49 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of revenue and expenditures by program 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. The schedule of revenue and expenditures by program have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them. The schedule of expenditures of federal financial awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 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 schedule of expenditures of federal financial awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2019, on our consideration of the Wasatch Front Regional Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wasatch Front Regional Council's internal control over financial reporting and compliance.



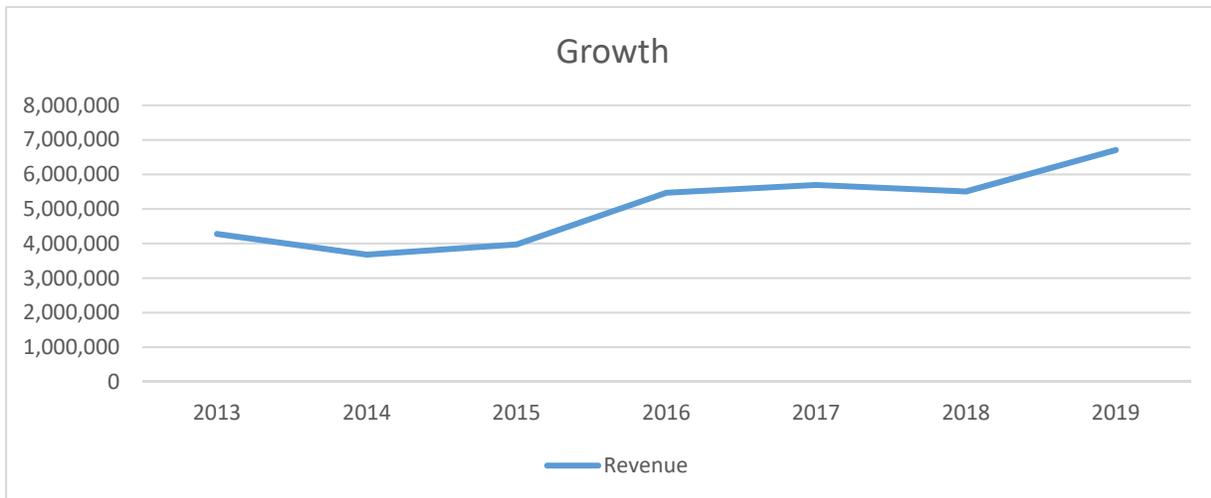
Karren, Hendrix, Stagg, Allen & Company
Salt Lake City, Utah
September 13, 2019

WASATCH FRONT REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2019

As management of the Wasatch Front Regional Council (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2019.

History and Background

The Wasatch Front Regional Council (WFRC) was organized as a volunteer association of local governments in March 1969, among Davis, Salt Lake, and Weber Counties and the cities within, for the purpose of establishing a review agency to comply with requirements to obtain federal grants and loans, and to address the solutions to regional problems. In June 1969, Tooele County and the municipalities within, and, in 1972 Morgan County and the municipalities within, joined the Regional Council. In June 2014, those portions of Box Elder County that were included in the Ogden/Layton urbanized area for transportation planning as defined by the U.S. Census Bureau joined the Regional Council. The WFRC was designated by the governor of Utah as the Metropolitan Planning Organization (MPO) for the Salt Lake and Ogden metropolitan areas in 1971. MPOs are agencies responsible for transportation planning in urbanized areas throughout the United States. Transportation planning in the region is a cooperative effort of state and local agencies, and as the MPO, the WFRC is responsible for coordinating this transportation planning process. In addition to the transportation planning process, the WFRC provides assistance to small communities with Community Development Block Grant (CDBG) applications, participates in developing comprehensive economic development strategies for the region, and provides a forum for local governments to cooperate in resolving problems and developing plans that are common to two or more counties or are regional in nature.



The Council consists of a governing board of twenty-one voting members, 19 elected officials representing local governments from Box Elder, Davis, Morgan, Salt Lake, Tooele and Weber counties, and one representative each from the Utah Department of Transportation and the Utah Transit Authority. The Council also includes six non-voting members representing the Utah State Senate, the Utah House of Representatives, the Utah State Planning Director, the Utah League of Cities and Towns, the Utah Association of Counties, and Envision Utah.

Transportation planning in the Salt Lake Area has been a continuing effort for over four decades. In the 1960's UDOT developed the first Long Range Plan for the area. Since 1973, the WFRC has developed Regional Transportation Plans and has updated them regularly. The process is comprehensive in nature, addressing all modes of transportation, including highways, transit, and active transportation.

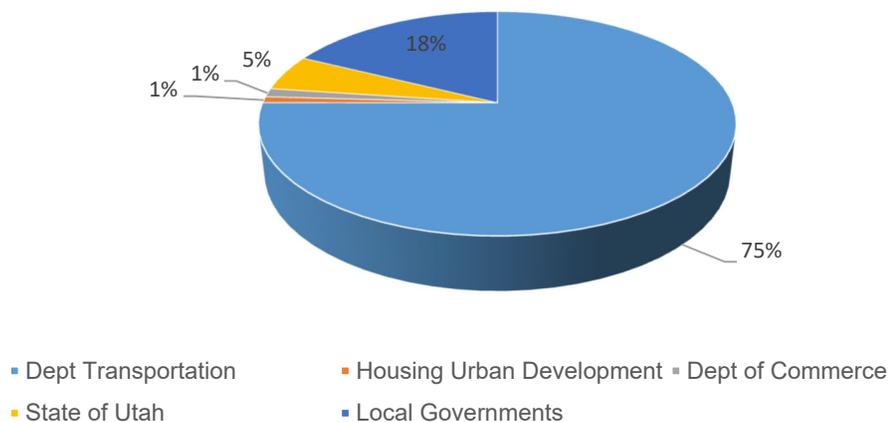
Transportation plans are also part of the comprehensive planning for the overall development of the region.

Two main products are developed through the transportation planning process. The first is a Regional Transportation Plan (RTP), which recommends improvements to highways, transit, and other modes, to meet the transportation needs of the area with a minimum 20-year planning horizon. The second is a Transportation Improvement Program (TIP). The TIP is a six-year capital improvement program for highway and transit and other transportation projects contained in the RTP. The RTP is updated every four years, while the TIP is approved annually.

During the fiscal year ended June 30, 2019, Wasatch Front Regional Council received funding from the following sources:

U.S. Department of Transportation	\$ 4,237,951	75.4%
U.S. Department of Housing/Urban Development	49,915	0.9%
U.S. Department of Commerce	70,000	1.2%
State of Utah	294,620	5.2%
Local Governments	1,017,969	18.0%
Total	\$ 5,670,455	100.7%

Revenue



Financial Highlights

The following table summarizes changes in the Council's assets, liabilities, deferred outflows and deferred inflows:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Current assets	\$ 2,926,415	\$ 1,842,033	\$ 1,084,382
Pension assets	-	-	-
Capital assets	<u>347,163</u>	<u>202,061</u>	<u>145,102</u>
Total assets	<u>\$ 3,273,578</u>	<u>\$ 2,044,094</u>	<u>\$ 1,229,484</u>
Deferred outflows	<u>\$ 763,515</u>	<u>\$ 705,644</u>	<u>\$ 57,871</u>
Current liabilities	883,870	690,067	193,803
Non-current liabilities	<u>1,788,901</u>	<u>1,146,509</u>	<u>642,392</u>
Total liabilities	<u>\$ 2,672,771</u>	<u>\$ 1,836,576</u>	<u>\$ 836,195</u>
Deferred inflows	<u>\$ 30,861</u>	<u>\$ 538,725</u>	<u>\$ (507,864)</u>
Net position			
Net investment in capital assets	347,163	202,061	145,102
Restricted net position	-	290,000	(290,000)
Unrestricted net position	<u>986,298</u>	<u>(117,624)</u>	<u>1,103,922</u>
Total net position	<u>\$ 1,333,461</u>	<u>\$ 374,437</u>	<u>\$ 959,024</u>

Management considers the fluctuation in cash, receivables, prepaid expenses, and accrued payroll liabilities to be normal for this organization. Unearned revenue is advance payments received from local government and other sources for projects in process. Those projects are anticipated to be completed in subsequent fiscal years. Throughout the year, the Council invested funds not immediately needed for operations with the Utah State Public Treasurer's Investment Fund (PTIF). Proceeds from those invested funds were \$27,889 for the year.

There was an 9% decrease in revenue and 16% decrease expenditures for the year. The bulk of these changes is due to projects awarded under the Transportation and Land Use Connection program that were not completed during the year and are ongoing. Management considers this to be normal for this organization. From time to time the Council enters into agreements with other agencies to conduct various transportation and other studies and support. For this fiscal year those included work on Transit Support, Community Impact Board, Economic Development planning, CDBG Small Cities support, Transportation and Land Use Connection Program, Tooele Valley Rural Planning Organization, Morgan Rural Planning Organization, Mobility Management, Transportation Model Development, and several joint planning projects.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to Wasatch Front Regional Council's basic financial statements. This report is similar to the last fiscal year's and follows Governmental Accounting Standards Board Statement No. 34. In addition to the Management's Discussion and Analysis, the report consists of government-wide financial statements, fund financial statements, and notes to the financial statements. The first several statements are highly condensed and present a government-wide view of the Council's finances. The governmental activities of the Wasatch Front Regional Council include transportation planning, providing technical assistance to and workshops for small communities for CDBG applications, Economic Development planning, and other planning.

Government-wide Financial Statements. The government-wide *financial* statements are designed to

provide readers with a broad overview of the Council's finances in a manner similar to private-sector business reporting.

The *statement of net position*, a component of the government-wide financial statements, presents information on all of the Council's assets and liabilities, with the difference between the two reported as *net position*. The Council's capital assets are included in this statement and reported net of their accumulated depreciation. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the Council's economic outlook, changes in its demographics, and the condition of its capital assets.

The *statement of activities* presents revenue and expense information showing how the Council's net position changed during the fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, assessment revenue is reported when the assessments are billed, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until sometime later.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts (revenue, expenses, assets, and liabilities) that is used to control resources that have been segregated for specific activities. The Wasatch Front Regional Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by the Council are accounted for in three governmental funds: the general fund, building fund and the special projects fund.

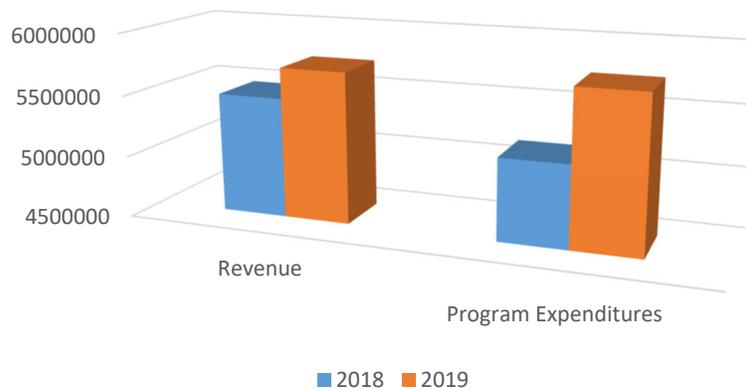
Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, for accounting and reporting purposes, government fund numbers are determined with a different approach. At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliation between the two types is necessary to understand how the numbers differ. Such reconciliation is provided on pages 12 and 14 of this report. The Council has three major funds which are the General Fund, Special Projects Fund and the Building fund. The General Fund is used for operating activities of the Council. The Special Projects Fund is used to account for regional planning activities. The Building Fund is used to fund future capital projects. To demonstrate legal compliance, statements comparing budget-to-actual numbers for these funds are included in the financial statements.

Financial Analysis

The Council's fund balance may serve over time, as a useful indicator of an organization's financial position. In the case of the Council, assets exceeded liabilities by \$1,333,461 at the close of the fiscal year ended June 30, 2019. Net assets are comprised of current assets and capital assets (property and equipment). Currently, the Council's capital assets net of related debt and depreciation is \$347,163. The Council records depreciation using a straight-line method over the lives of the assets. The Council uses these capital assets for day to day operations; consequently, these assets are not available for future spending.

The Council's net position increased by \$959,024 during the fiscal year due to the sale of the old office building.

Revenue and Program Expenditures



Key elements of the increase in net assets are as follows:

	<u>2019</u>	<u>2018</u>
Revenue		
Federal sources	\$ 4,357,866	\$ 3,877,430
State sources	294,620	386,029
Local sources	1,021,741	915,656
Other	83,510	230,159
Sell capital assets	921,757	
Interest income	27,889	12,941
Total revenue	<u>\$ 6,707,383</u>	<u>\$ 5,422,215</u>
Expenses		
Program	<u>\$ 5,748,359</u>	<u>\$ 5,108,828</u>
Total expenses	<u>\$ 5,748,359</u>	<u>\$ 5,108,828</u>
Increase in net position	\$ 959,024	\$ 313,387
Net position, beginning	<u>374,437</u>	<u>61,050</u>
Net position, ending	<u>\$ 1,333,461</u>	<u>\$ 374,437</u>

The Council has three funds that are deemed major funds. The general fund is the fund that pays for the operations of the Council and activities not accounted for in the special projects fund. The special projects fund accounts for the major projects of the Council. The building fund finances capital projects. At the end of June 2019, the general fund showed a decrease of \$338,242, the special projects fund showed an increase of \$95,657, and the building fund showed an increase of \$1,133,165.

Use of Reserved Funds

The Council has funds with various restrictions. When an expense is incurred which meets the requirements to release the restriction, such restricted funds are first used to satisfy the expense followed by any unrestricted funds needed to satisfy the expense. The Council has reserved a portion of its cash for compensated absences.

Cash unrestricted	\$ 1,188,131
Restricted cash	683,373

Budgetary Highlights

The Council approved its fiscal year 2019 budget on May 26, 2018. During the year the 2019 budget was amended to include \$2,112,847 in additional funding for projects such as GPI demographic data support, Oquirrh connection feasibility study, Transportation and Land Use Connection Program, and to account for funds carried forward from the previous year that was estimated at the time the budget was adopted. Several of these projects are multi-year in nature and are anticipated to be completed within the next two years.

Capital Assets

The Council's investment in property and equipment as of June 30, 2019, amounts to \$347,163, net of accumulated depreciation. This investment includes, furniture, equipment, and related improvements. The majority of the total decrease in the Council's investment in property and equipment was from a sale of an office building.

Property and Equipment (Net of Depreciation)

	<u>2019</u>	<u>2018</u>
Land	\$ -	\$ 105,888
Buildings	-	56,059
Improvements	-	14,415
Furniture and equipment	<u>347,163</u>	<u>25,699</u>
Total	<u>\$ 347,163</u>	<u>\$ 202,061</u>

Requests for Information

This financial report is designed to provide a general overview of the Council's finances for all those with an interest. Questions regarding any of the information provided in this report or requests for additional information should be addressed to:

Wasatch Front Regional Council
295 North Jimmy Doolittle Road
Salt Lake City, Utah 84116
Attention: Loveit Baumgardner, Chief Financial Officer

WASATCH FRONT REGIONAL COUNCIL

Statement of Net Position

June 30, 2019

ASSETS

CURRENT ASSETS

Cash	\$ 1,188,129
Cash - restricted	683,374
Accounts receivable	1,029,831
Prepaid expenses	25,081
Total current assets	<u>2,926,415</u>

NON-CURRENT ASSETS (Net of depreciation)

Pension asset	
Capital assets	
Leasehold improvements	-
Furniture and equipment	347,163
Total capital assets	<u>347,163</u>

Total assets 3,273,578

Deferred outflows of resources

Deferred outflows relating to pensions	<u>763,515</u>
--	----------------

Total assets and deferred outflows of resources \$ 4,037,093

LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 200,496
Unearned revenue	683,374
Total current liabilities	<u>883,870</u>

Noncurrent Liabilities

Pension Liability	1,438,001
Compensated absences (due after one year)	350,900
Total noncurrent liabilities	<u>1,788,901</u>

Total liabilities 2,672,771

Deferred Inflows of resources

Deferred inflows relating to pensions	<u>30,861</u>
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Total deferred inflows of resources 30,861

NET POSITION

Investment in capital assets, net of related debt	347,163
Restricted net position	-
Unrestricted net position	986,298

Total net position 1,333,461

Total liabilities, deferred inflows, and net position \$ 4,037,093

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL

Statement of Activities

For the Year Ended June 30, 2019

<u>Functions and Programs</u>	Net (Expense) Revenue and Changes in Net Position			
	<u>Expenses</u>	Program Revenue		Primary Government
		<u>Operating Grants and Contributions</u>	<u>Other Grants and Contributions</u>	<u>Government Activities</u>
PRIMARY GOVERNMENT				
Government activities				
General government	\$ 5,748,359	\$ 5,729,692	\$ -	\$ (18,667)
Total government activities	5,748,359	5,729,692	-	(18,667)
Total primary government	\$ 5,748,359	\$ 5,729,692	\$ -	\$ (18,667)
General revenue				
Investment earnings				27,889
Sale of capital assets				949,802
Total general revenue				977,691
Changes in net assets				959,024
NET POSITION, JULY 1				374,437
NET POSITION, JUNE 30				\$ 1,333,461

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL

Balance Sheet

Governmental Funds

June 30, 2019

	<u>General</u>	<u>Special Projects</u>	<u>Building Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
ASSETS				
Cash	\$ 5,001	\$ 49,965	\$ 1,133,165	\$ 1,188,131
Cash - restricted	-	683,373	-	683,373
Accounts receivable	-	1,029,831	-	1,029,831
Prepaid expenses	-	25,081	-	25,081
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 5,001</u>	<u>\$ 1,788,250</u>	<u>\$ 1,133,165</u>	<u>\$ 2,926,416</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ -	\$ 200,496	\$ -	\$ 200,496
Unearned revenue	-	683,373	-	683,373
Total liabilities	<hr/>	<hr/>	<hr/>	<hr/>
	<u>-</u>	<u>883,869</u>	<u>-</u>	<u>883,869</u>
FUND BALANCES				
Assigned - compensated absences	-	360,900	-	360,900
Assigned - special projects	-	543,481	-	543,481
Assigned - capital assets	-	-	1,133,165	1,133,165
Restricted	-	-	-	-
Unassigned	5,001	-	-	5,001
Total fund balances	<hr/>	<hr/>	<hr/>	<hr/>
	<u>5,001</u>	<u>904,381</u>	<u>1,133,165</u>	<u>2,042,547</u>
Total liabilities and fund balances	<u>\$ 5,001</u>	<u>\$ 1,788,250</u>	<u>\$ 1,133,165</u>	<u>\$ 2,926,416</u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2019

Total fund balance		\$ 2,042,547
Total net assets reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. Those assets consist of:		
Furniture and equipment	514,402	
Less accumulated depreciation	<u>(167,241)</u>	
Total capital assets	<u>347,161</u>	347,161
Liability for compensated absences is not recognized at the fund level but is recognized for the government wide statement of net assets.		
		(350,900)
Pension liability is not recognized on the funds statement but is recorded on the government wide statement.		
		(1,438,001)
Deferred outflows is not recognized on the funds statement but is recorded on the government wide statement.		
		763,515
Deferred inflows is not recognized on the funds statement but is recorded on the government wide statement.		
		<u>(30,861)</u>
Total net assets of governmental activities		<u><u>\$ 1,333,461</u></u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL
Statement of Revenue, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2019

	<u>General</u>	<u>Special Projects</u>	<u>Building Fund</u>	<u>Totals</u>
REVENUE				
Federal sources	\$ -	\$ 4,357,866	\$ -	\$ 4,357,866
State sources	-	294,620	-	294,620
Local sources	20,889	975,622	-	996,511
Other	3,768	24,276	-	28,044
Interest	-	20,889	7,000	27,889
Total revenue	<u>24,657</u>	<u>5,673,273</u>	<u>7,000</u>	<u>5,704,930</u>
EXPENDITURES				
Administration	1,483	-	-	1,483
Planning	-	5,571,984	-	5,571,984
Capital outlay	290,000	77,047	-	367,047
Total expenditures	<u>291,483</u>	<u>5,649,031</u>	<u>-</u>	<u>5,940,514</u>
Revenue and other sources (under) over expenditures and other uses	<u>(266,826)</u>	<u>24,242</u>	<u>7,000</u>	<u>(235,584)</u>
Other sources				
Proceeds sale of capital assets	-	-	1,126,165	1,126,165
Transfers	(71,415)	71,415	-	-
Total other sources	<u>(71,415)</u>	<u>71,415</u>	<u>1,126,165</u>	<u>1,126,165</u>
Total revenue unde(over) expenditures and other sources	(338,241)	95,657	1,133,165	890,581
FUND BALANCE, JULY 1	<u>343,242</u>	<u>808,724</u>	<u>-</u>	<u>1,151,966</u>
FUND BALANCE, JUNE 30	<u>\$ 5,001</u>	<u>\$ 904,381</u>	<u>\$ 1,133,165</u>	<u>\$ 2,042,547</u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL
Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Funds Balances - Governmental Funds to the Statement of Activities
June 30, 2019

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	890,581
<p>The change in net assets reported for governmental activities in the statement of activities is different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$364,077) is more than depreciation expense (\$42,612).</p>		
		321,465
<p>The increase in compensated absences is reported in the statement of activities but the liability is not recorded at the fund level.</p>		
		(21,425)
<p>The sale of capital assets in the fund statements is reflected as proceeds and the gain is recognized as gain or loss in the government wide statements</p>		
		(176,365)
<p>Pension expense is reduced by deferred outflows on the government wide statement.</p>		
		<u>(55,232)</u>
Change in net position of governmental activities	\$	<u><u>959,024</u></u>

The accompanying notes are an integral part of this statement.

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Wasatch Front Regional Council (Council) is a voluntary organization comprised of representatives of local governments located along the Wasatch Front. The Council was organized in 1969 for the purpose of meeting at regular intervals to discuss and study community challenges of mutual interest and concern and to develop policy and action recommendations for ratification and implementation by the governments in the area served by the Council.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units according to the criteria set forth in Governmental Accounting Standards Board's (GASB) Statement No. 14 and concluded there are no entities that are considered to be component units of the Council, nor is the Council considered a component unit of any other entity.

The Council's programs are funded by Federal grants, state appropriations and grants, and various local contributions, primarily on a year-to-year basis.

Basis of Accounting and Measurement Focus - Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Government-wide statements are comprised of the statement of net position and the statement of activities. They contain information on all of the activities of the primary government. Most effects of inter-fund activities have been eliminated from these statements. The Statement of Net Position and the Statement of Activities are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenue is recorded when earned, and expenses are recorded at the time liabilities are incurred or the economic asset is used. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The statement of activities is presented to show the extent that program revenue of a given activity supports direct expense. Direct expenses are those that can clearly be associated with a particular activity or program. Program revenue is grants or other contributions that are restricted to operations or a specific activity. General revenue is investment earnings.

The *Governmental Fund Balance Sheet*, and the *Statement of Governmental Fund Revenue, and Expenditures and Changes in Fund Balance* use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

The accounting policies of the Council conform to accounting principles generally accepted in the United States of America applicable to governmental units. The following is a summary of the more significant of such policies:

Short-Term Investments – Short-term investments are held by the Utah Public Treasurer's Investment Fund and are recorded at cost which approximates market value.

Capital Assets – The Council capitalizes and depreciates all assets over \$1,000 and values the assets at historical

cost. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

Furniture, fixtures and equipment	3-5 years
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Accrued Vacation Expense – The cost of employee vacations is recorded as an expenditure at the time it is earned by the employee and is charged to the programs on which the employee works.

Accrued Sick Leave – Sick leave benefits are vested and any unused benefits may be redeemed once annually as cash payments for any accrued hours over 80 hours or upon termination of employment.

Program Revenue – The Council reports program revenue, operating grants and contributions, and capital grants and contributions. General revenue includes all investment earnings.

Reconciliation of Government-Wide and Fund Statements – Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the assets, liabilities, revenue, and expenses or expenditures reported in the fund financial statements and the government-wide financial statements. As a result, there must be reconciliation between the two statements to explain the differences. A reconciliation is included as part of the fund financial statements.

Inter-fund Transactions – In the normal course of its operations, the Council has various transactions between funds. Transfers are recognized as operating transfers in and out, respectively, by the funds receiving and providing the transfer.

Minimum Fund Balance – Utah Code requires that a minimum fund balance of 5% of the total general fund revenue be maintained and not budgeted.

Revenue from Local Sources – Revenue from local sources is generally used to meet matching revenue requirements related to Federal grants and for other approved projects. Such revenue from local sources is recognized in the period in which the funds are received. This revenue and the related receivables are principally with local governmental entities represented by the Council.

Governmental Funds – Major individual funds are reported in separate columns in the governmental fund's statements. A fund is considered major if it is the general fund of the Council. Other funds are considered major if total assets, liabilities, revenue, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Wasatch Front Regional Council has three major governmental funds; the general fund, special projects fund, and the building fund. The general fund is the main operating fund and accounts for all the financial resources of the Council except those required to be accounted for in another fund. The special projects fund accounts for resources dedicated to regional planning projects. The building fund is to account for future building needs.

Prepays – Payments made for goods and services that will benefit periods beyond June 30, 2019, are recorded as prepaid.

Unearned Revenue – Funds which are specifically restricted as to their use are recorded as revenue when the related costs are incurred. Such funds received in advance of costs incurred are recorded as unearned revenue. Restricted sources are used before unrestricted sources.

Indirect Costs – Indirect costs are charged to the various programs on a monthly basis. Such costs are comprised of total overhead costs for the month and are allocated based on the total person-hours worked in each program.

Budget – Annual budgets are adopted by the Board of Council members. Budgets are submitted to the State of Utah. The budgets are adopted using *the modified accrual basis of accounting*.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Council to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimated maturities.

Deferred Inflows and Outflows

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, represent 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. Currently, Wasatch Front has only one deferred outflow relating to pensions.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement, deferred inflows of resources, represent an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Wasatch Front has only one deferred inflow related to pensions.

Pensions

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

NOTE 2—CASH AND INVESTMENTS

The Council maintains a cash and investment pool, which includes cash on hand, one cash account, and one investment account.

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

Utah State law requires that the Council's funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize the risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

The Utah Money Management Act also governs the scope of securities allowed as appropriate temporary investments for the Council and conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

As of June 30, 2019, the Council had the following deposits and investments:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>
Cash on deposit	\$ 355,632
State Treasurer's investment pool	<u>1,644,552</u>
Total	<u>\$ 2,000,184</u>

The Council is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. 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 based upon the participants' average daily balances. As of June 30, 2019, the Utah Public Treasurer's Investment Fund was unrated.

As of June 30, 2019, the Council had the following investments:

Investment Maturities (in Years)

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 - 10 Years</u>	<u>More Than 10 Years</u>
State of Utah Public Treasurer Investment fund	\$1,644,552	\$1,644,552	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$1,644,552</u>	<u>\$1,644,552</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk – Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

Interest Rate Risk – Interest rate risk is the risk that, changes in interest rates of debt investments, will adversely affect the fair value of an investment. The Council manages its exposure to declines in fair value by only investing in the PTIF.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be returned. As of June 30, 2019, \$250,000 of the Council's deposits were covered by federal insurance.

Custodial Credit Risk – Investments – In the case of investments, this is the risk that in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments that are in the possession of an outside party. The Utah Public Treasurer's Investment Fund is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are uncollateralized, and are subject to the same market risks as any similar investment in money market funds.

Components of cash and investments (including interest earning deposits) on June 30, 2019, are as follows:

Cash on hand	\$ 300
Cash in bank	226,651
Utah State Treasurer's investment pool	<u>1,644,552</u>
Total	<u>\$ 1,871,503</u>

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

Cash	\$ 1,188,129
Restricted cash	<u>683,374</u>
Total	<u>\$ 1,871,503</u>

The Council categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The association has the following recurring fair value measurements as of June 30, 2019:

Public Treasurer's Investment fund position is \$1,188,129. The unit of account is each share held, and the value of the position is the fair value of the Pool's share price multiplied by the number of shares held (Level 2).

NOTE 3—ACCOUNTS RECEIVABLE

Accounts receivable from all sources as of June 30, 2019, consisted of the following:

There is no allowance for uncollectable accounts.

UDOT Consolidated Planning Grant	\$ 640,993
UDOT - Transportation and Land Use Connection	341,625
UDOT - Model development	20,607
Morgan RPO	1,204
CDBG	10,138
UTA - Mobility management	2,175
MAG - Model development	7,728
TLC - Local match	4,540
Other	<u>821</u>
Total	<u>\$ 1,029,831</u>

NOTE 4—PROPERTY AND EQUIPMENT

A summary of changes in property and equipment for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Additions	Retirement	Balance June 30, 2019
Non-depreciated assets				
Land	\$ 105,888	\$ -	\$ (105,888)	\$ -
Total non-depreciated assets	<u>105,888</u>	<u>-</u>	<u>(105,888)</u>	<u>-</u>
Depreciated assets				
Building	952,993	-	(952,993)	-
Leasehold improvements	44,262	-	(44,262)	-
Equipment, furniture, and fixtures	319,258	364,078	(168,931)	514,405
Total depreciated assets	<u>1,316,513</u>	<u>364,078</u>	<u>(1,166,186)</u>	<u>514,405</u>
Less accumulated depreciation				
Building	896,933	-	(896,933)	-
Leasehold improvements	29,846	-	(29,846)	-
Equipment, furniture, and fixtures	293,561	42,612	(168,931)	167,242
Total accumulated depreciation	<u>1,220,340</u>	<u>42,612</u>	<u>(1,095,710)</u>	<u>167,242</u>
Net property and equipment	<u>\$ 202,061</u>	<u>\$ 321,466</u>	<u>\$ (176,364)</u>	<u>\$ 347,163</u>

Depreciation expense was \$42,612 for general government.

NOTE 5—LONG-TERM DEBT

A summary of changes in long-term debt for the year ended June 30, 2019, is as follows:

	June 30, 2018	Additions	Reductions	June 30, 2019	Within One Year
Compensated absences					
Pension liability	\$ 817,034	\$ 620,967	\$ -	\$ 1,438,001	\$ -
Sick leave	127,392	37,392	-	164,784	-
Vacation	202,083	-	(15,967)	186,116	-
Total	<u>1,146,509</u>	<u>658,359</u>	<u>(15,967)</u>	<u>1,788,901</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,146,509</u>	<u>\$ 658,359</u>	<u>\$ (15,967)</u>	<u>\$ 1,788,901</u>	<u>\$ -</u>

NOTE 6—NET POSITION

The unrestricted net position of the special projects fund on June 30, 2019, was designated by the

Council for future programs, local matching for Federally-funded projects, and compensated absences. The assigned balance of the building fund is for future building projects.

NOTE 7—RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Council carries commercial insurance. The Council carries a Workers' Compensation Policy for which the premiums are based on past experience.

NOTE 8—RETIREMENT PLANS

General Information About the Pension Plan

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

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

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

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2019, are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible For Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest of 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%
Tier 2 Public Employees System	Highest 5 years	35 Years any age 20 Years any age 60* 10 Years age 62* 4 Years age 65	1.5% Per year all years	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) increases 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 Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contributions rates as of June 30, 2019 are as follows:

	Employee Paid	Employer Contribution Rate	Employer Rate for 401(k) Plan
Contribution System			
111 Local Government Div Tier 2	N/A	15.54	1.15
Noncontributory System			
15 Local Government Div. Tier 1	N/A	18.47	N/A
Tier 2 DC Only	N/A	6.69	10.00
211 Local Government			

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

For fiscal year ended June 30, 2019, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory system	\$ 321,464	N/A
Tier 2 Public Employees System	83,486	-
Tier 2 DC Only System	<u>3,996</u>	<u>N/A</u>
Total contributions	<u>\$ 408,946</u>	<u>-</u>

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

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

At June 30, 2019, we reported a net pension asset of \$0 and a net pension liability of \$1,438,001.

	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share Dec. 31, 2015	Change (Decrease)
Noncontributory System	\$ -	\$ 1,418,381	0.1926173%	0.1855225%	0.0070948%
Tier 2 Public	<u>\$ -</u>	<u>19,620</u>	<u>0.0458105%</u>	<u>0.0476816%</u>	<u>0.0018711%</u>
Total	<u>\$ -</u>	<u>\$ 1,438,001</u>			

The net pension asset and liability were measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018, 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, 2019, we recognized pension expense of \$464,133

At June 30, 2019, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 18,380	\$ 30,509
Changes in assumptions	197,926	352
Net difference between projected and actual earnings on pension plan investments	301,538	-
Changes in proportion and differences between contributions and proportionate share of contributions	40,623	-
Contributions subsequent to the measurement date	<u>208,048</u>	<u>-</u>
Total	<u>\$ 766,515</u>	<u>\$ 30,861</u>

\$208,048 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year-end, but subsequent to the measurement date of December 31, 2018. 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>Deferred Outflows (Inflows) of Resources</u>
2019	\$ 232,534
2020	99,922
2021	45,180
2022	142,944
2023	563
Thereafter	3,464

Actuarial assumptions: The total pension liability in December 31, 2018, 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 developed from actual experience and mortality tables, based on gender,

Scale AA, a model developed by the Society of Actuaries.

As for the actuarial assumptions used on January 1, 2018, the valuation was based on the results of an actuarial experience study for the five-year period ending December 31, 2016.

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Annual Return Arithmetic Basis</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Equity securities	40%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0%	0%
	<u>100%</u>		<u>4.75%</u>
Inflation			2.50%
Expected arithmetic nominal retrun			7.25%

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 7.20%. 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 employees 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 currently 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 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%, 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%) or 1- percentage-point higher (7.95%) than the current rate:

System	1% Decrease 5.95%	Discount Rate 6.95%	1% Increase 7.95%
Non-contributory System	\$ 2,906,915	\$ 1,418,381	\$ 178,825
Tier 2 Public Employees System	78,600	19,620	(25,899)
Total	\$ 2,985,515	\$ 1,438,001	\$ 152,926

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

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as primary retirement plans. 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.

Wasatch Front Regional Council participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

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

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

	2019	2018	2017
401(k) Plan			
Employer contributions	\$ 267,085	\$ 132,318	\$ 17,535
Employee contributions	5,772	52,034	48,287
457 Plan			
Employer contributions	-	-	-
Employee contributions	162,850	130,851	137,664

The increase in 401(k) Employer contributions from 2018 to 2019 is due to a change in vendors. In 2018 a portion of these funds were contributed to ICMA Retirement Corporation. In 2019 the Council ended those contributions to ICMA and instead made them to the employees' Utah State Retirement 401(k) accounts.

NOTE 9— ECONOMIC DEPENDENCY

The Council receives a substantial amount of its revenue from the U.S. Department of Transportation. This agency provides 68% of the Council's total revenue. Loss of this support could adversely affect the Council's activities.

NOTE 10— RESTRICTED CASH

The Council has restricted cash in the amount of \$683,373 for advanced grant payments and outside restrictions.

NOTE 11 – NEWLY ISSUED ACCOUNTING STANDARDS

The GASB has issued the following statements that will apply to the Commission in future years:

- GASB 83 Certain Retirement Obligations
- GASB 84 Fiduciary Activities
- GASB 87 Leases
- GASB 88 Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements
- GASB 89 Accounting for interest cost incurred before the end of a construction period
- GASB 90 Majority Equity Interests and amendment of GASB statements No 14 and no. 61

GASB 87 will impact the financial for operating leases and will be shown on the balance sheet as an asset and a liability. None of the other statements will impact the financial statements.

NOTE 12— FUND BALANCE

These financial statements include the provisions of GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statement. Fund balances are classified as follows:

Non-spendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Council.

Assigned – Amounts that are designated by the Council for a specific purpose but are not spendable until specific conditions are met.

Unassigned – All amounts not included in the other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 11). Restricted funds are used first as appropriate. Assigned funds are used when specific conditions are met such as a request for reimbursement to the Department of Workforce Services for a claim for unemployment compensation. Decreases to the fund balance first reduce Unassigned Fund Balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

NOTE 13— LEASES

The Council signed a contract in October of 2018 to lease a new office space which was remodeled and the entity took occupancy in the new building in March of 2019. The rent paid for the year ending June 30, 2019, was \$318,466. The yearly rent expense for the next five years is as follows:

<u>Year ending</u>	<u>Amount</u>
June 30, 2020	\$ 296,388
June 30, 2021	305,262
June 30, 2022	314,472
June 30, 2023	323,946
June 30, 2024	328,728

The lease can be terminated by the provisions of the lease agreement and may be extended after the lease term.

NOTE 14-TRANSFERS

The Council transferred \$71,415 from the special projects fund to the general fund for operating expenses.

REQUIRED SUPPLEMENTARY INFORMATION

WASATCH FRONT REGIONAL COUNCIL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUE				
Federal sources	\$ 59,429	\$ 59,429	\$ -	\$ (59,429)
State sources	6,513	6,513	-	(6,513)
Local sources	15,468	15,468	20,889	5,421
Other	10,500	10,500	3,768	(6,732)
Interest	-	-	-	-
Total revenue	<u>91,910</u>	<u>91,910</u>	<u>24,657</u>	<u>(67,253)</u>
EXPENDITURES				
Administration	1,700	1,700	1,483	(217)
Capital outlay	45,000	290,000	290,000	-
Total expenditures	<u>46,700</u>	<u>291,700</u>	<u>291,483</u>	<u>(217)</u>
Excess of revenue over expenditures (usage of fund balance)	45,210	(199,790)	(266,826)	(67,036)
Other sources				
Transfers in	-	-	(71,415)	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	45,210	(199,790)	(338,241)	(67,036)
FUND BALANCE, JULY 1	<u>343,242</u>	<u>343,242</u>	<u>343,242</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 388,452</u>	<u>\$ 143,452</u>	<u>\$ 5,001</u>	<u>\$ (67,036)</u>

The accompanying notes are an integral part of this statement.

Wasatch Front Regional Council
Budgetary Comparison Schedule
Special Projects Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUE				
Federal sources	\$ 4,684,030	\$ 4,684,030	\$ 4,357,866	\$ (326,164) ^a
State sources	536,487	536,487	294,620	(241,867)
Local sources	1,319,591	1,319,591	975,622	(343,969)
Other	-	-	24,276	24,276
Interest	-	-	20,889	20,889
Total revenue	<u>6,540,108</u>	<u>6,540,108</u>	<u>5,673,273</u>	<u>(866,835)</u>
EXPENDITURES				
Planning	6,540,108	6,540,108	5,571,984	(968,124)
Capital Outlay	-	77,047	77,047	-
Total expenditures	<u>6,540,108</u>	<u>6,617,155</u>	<u>5,649,031</u>	<u>(968,124)</u>
Excess of revenue over expenditures (usage of fund balance)	<u>-</u>	<u>(77,047)</u>	<u>24,242</u>	<u>101,289</u>
Other sources				
Transfers out	-	-	71,415	(71,415)
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	(77,047)	95,657	101,289
FUND BALANCE, JULY 1	<u>808,724</u>	<u>808,724</u>	<u>808,724</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 808,724</u>	<u>\$ 731,677</u>	<u>\$ 904,381</u>	<u>\$ 101,289</u>

Footnote revenue variance

a - When new projects are added the entire contract is included in the budget year in which it was received. However many projects are multi-year projects. Amounts not spent at the end of the fiscal year are carried forward and re-budgeted in subsequent years until the project is complete.

Wasatch Front Regional Council
Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
December 31, 2019
Last 10 Fiscal Years*

	<u>Noncontributory System</u>	<u>Tier 2 Public Employees System</u>
Proportion of the net pension liability (asset)		
2015	0.1707007%	0.0407256%
2016	0.1774581%	0.0430644%
2017	0.1838020%	0.0542080%
2018	0.1855225%	0.0476816%
2019	0.1926173%	0.0458105%
Proportionate share of the net pension liability (asset)		
2015	\$ 741,223	\$ (1,234)
2016	1,004,144	(94)
2017	1,180,234	6,047
2018	812,830	4,204
2019	1,418,381	19,620
Covered employee payroll		
2015	\$ 1,402,300	\$ 199,888
2016	1,449,896	278,274
2017	1,507,181	444,548
2018	1,516,557	466,787
2019	1,613,028	535,216
Proportionate share of the net pension liability (asset as a percentage of its covered employee payroll)		
2015	52.9%	-0.06%
2016	69.3%	-0.03%
2017	78.3%	1.36%
2018	53.6%	0.90%
2019	87.9%	3.67%
Plan fiduciary net pension as a percentage of the total pension liability		
2015	90.2%	103.5%
2016	87.8%	100.2%
2017	87.3%	95.1%
2018	91.9%	97.4%
2019	87.0%	90.8%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history proportionate share of the Net Pension Liability (Asset) in their RSI. This schedule will be built prospectively. The schedule above is only for the current year.

WASATCH FRONT REGIONAL COUNCIL
Schedule of Required Supplementary Information
Schedule of Contributions
Utah Retirement Systems

	<u>As of Fiscal Year Ended June 30</u>	<u>Actuarial Determined Contributions</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Noncontributory system	2015	\$ 252,255	\$ 252,255	\$ -	\$ 1,365,759	18.47%
	2016	275,203	275,203	-	1,489,997	18.47%
	2017	282,809	282,809	-	1,531,176	18.47%
	2018	282,164	282,164	-	1,527,690	18.47%
	2019	321,464	321,464	-	1,740,467	18.47%
Tier 2 Public employees system *	2015	33,858	33,858	-	226,625	14.94%
	2016	52,322	52,322	-	350,920	14.91%
	2017	72,155	72,155	-	483,938	14.91%
	2018	76,192	76,192	-	504,252	15.11%
	2019	83,486	83,486	-	537,232	15.54%
Tier 2 Public Employees DC only system *	2015	6,728	6,728	-	100,120	6.72%
	2016	5,914	5,914	-	88,400	6.69%
	2017	5,968	5,968	-	89,203	6.69%
	2018	5,922	5,922	-	88,511	6.69%
	2019	3,996	3,993	-	59,724	6.69%

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

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

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2019

Changes of Assumptions

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

SUPPLEMENTARY INFORMATION

Wasatch Front Regional Council
Budgetary Comparison Schedule
Building Fund
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUE				
Federal sources	\$ -	\$ -	\$ -	\$ - a
State sources	-	-	-	-
Local sources	-	-	-	-
Other	-	-	-	-
Interest	-	7,000	7,000	-
Total revenue	-	7,000	7,000	-
EXPENDITURES				
Administration	-	-	-	-
Planning	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenue over expenditures (usage of fund balance)	-	7,000	7,000	-
Other sources				
Proceeds sale of assets	-	1,126,165	1,126,165	-
Transfers out	-	-	-	-
Transfers in	-	-	-	-
Total other sources	-	1,126,165	1,126,165	-
Net change in fund balance	-	1,133,165	1,133,165	-
FUND BALANCE, JULY 1	-	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ 1,133,165	\$ 1,133,165	\$ -

The accompanying notes are an integral part of this statement.



KARREN | HENDRIX | STAGG | ALLEN
COMPANY

Certified Public Accountants

111 East Broadway • Suite 250 • Salt Lake City, Utah 84111
Phone 801.521.7620 • Fax 801.521.7641
Website www.khsa.biz

Rebecca M. Allred, NCG
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INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE STATE COMPLIANCE AUDIT GUIDE

Members of the Council and Andrew Gruber
Wasatch Front Regional Council
Salt Lake Council, Utah

Report on Compliance

We have audited the Wasatch Front Regional Council’s compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide, issued by the Office of the state Auditor, that could have a direct and material effect on Wasatch Front Regional Council* for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019, in the following areas:

- | | |
|-------------------------------------|------------------------------------|
| Cash Management | Fund Balance |
| Budgetary Compliance | Utah Retirement Systems Compliance |
| Restricted Cash and Related Revenue | Treasure Bond |
| | Open and Public Meetings Act |

Management’s Responsibility

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

Auditors’ Responsibility

Our responsibility is to express an opinion on *Wasatch Front Regional Council’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 *Wasatch Front Regional Council’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 *Wasatch Front Regional Council’s* compliance with those requirements.

Opinion on Compliance

In our opinion, Wasatch Front Regional Council complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Wasatch Front Regional Council 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 Wasatch Front Regional Council'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 Wasatch Front Regional Council's internal control over compliance.

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

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

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



Karren Hendrix Stagg Allen and Company
Salt Lake City, Utah
September 13, 2019



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

Members of the Council and Andrew Gruber
Wasatch Front Regional Council
Salt Lake Council, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wasatch Front Regional Council, Utah, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Wasatch Front Regional Council's basic financial statements and have issued our report thereon dated September 13, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wasatch Front Regional Council's internal control over financial reporting (internal control) to determine the auditing 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 Wasatch Front Regional Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wasatch Front Regional Council'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 over financial reporting 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 Wasatch Front Regional Council's financial

statements are free of material misstatement, we performed tests of its compliance with certain provisions, 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.

A handwritten signature in blue ink that reads "Karren, Hendrix, Stagg, Allen & Company". The signature is written in a cursive, flowing style.

Karren, Hendrix, Stagg, Allen & Company
Salt Lake City, Utah
September 13, 2019



KARREN | HENDRIX | STAGG | ALLEN
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE REQUIREMENTS

Members of the Council and Andrew Gruber
Wasatch Front Regional Council
Salt Lake Council, Utah

Report on Compliance for Each Major Federal Program

We have audited the Wasatch Front Regional Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Wasatch Front Regional Council's major federal programs for the year ended June 30, 2019. Wasatch Front Regional Council's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Wasatch Front Regional Council'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 requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Those standards and the Uniform Guidance required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the type 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 Wasatch Front Regional Council'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 major federal program. However, our audit does not provide a legal determination of the Wasatch Front Regional Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Wasatch Front Regional Council, 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, 2019.

Report on Internal Control over Compliance

Management of the Wasatch Front Regional Council, 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 Wasatch Front Regional Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance 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 Wasatch Front Regional Council'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 a combination of deficiencies, in internal control over compliance with a type of compliance requirements 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 which we consider to be a material weakness. However, martial weaknesses may exist that have not been identified.

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



Karren Hendrix Stagg Allen and Company
Salt Lake City, Utah
September 13, 2019

WASATCH FRONT REGIONAL COUNCIL
Schedule of Federal Financial Assistance
For the Year Ended June 30, 2019

U.S. Department	Description	Federal CFDA Number	State Grant Number	2018-2019 Expenditures (Accrual Basis)
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Federal Highway Administration	Consolidate Planning Grant (through Utah Department of Transportation)	20.205	19-8056	\$ 3,477,006
Federal Highway Administration	Pass through from UDOT for Model Development	20.205		82,083
Federal Highway Administration	Consolidated Planning Grant (through UDOT, through Mountainlands AOG)	20.205		42,281
Federal Highway Administration	STP Funds passed through UDOT Transportation and Land Use Connection Program Salt Lake County	20.205	14-8915	395,531
Federal Highway Administration	STP Funds passed through UDOT Transportation and Land Use Connection Program Weber and Davis Counties	20.205	14-8969	<u>237,842</u>
Total Federal Highway Administration				<u>4,234,743</u>
Federal Transit Administration	Mobility Management Study (through Utah Transit Authority)	20.513	18-2580	<u>3,208</u>
Total Federal Transit Administration				<u>3,208</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>4,237,951</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Department of Economic Development	Support for planning organizations	11.302	ED160EN3020587	<u>70,000</u>
TOTAL DEPARTMENT OF COMMERCE				<u>70,000</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Community Development Block Grant	Small city CDBG assistance from the State Department of Workforce Services passed through Tooele County, B-17-DC-49-0001	14.228	19-0415	<u>49,915</u>
Total U.S. Department of Housing and Urban Development				<u>49,915</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>4,357,866</u></u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL
NOTES TO FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019

NOTE 1 - PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards is a supplementary schedule to the Council's financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the Council, it is not intended to, and does not present financial position, changes in fund balances, or the current funds, revenue, expenditures, and other changes of the Council.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in the schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards.

Federal Awards

Pursuant to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* assistance is defined by a federal agency, either directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriation. Accordingly, non-monetary federal assistance, including federal surplus property, would be included in federal awards, if applicable, and therefore, would be reported on the schedule in federal awards. Federal awards include direct federal cash assistance to individuals.

Type A and Type B Programs

The Single Audit Act Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards* establish the levels of expenditures or expenses to be used in defining Type A and Type B federal award programs. Type A programs, for the Council, are those programs which exceed \$750,000 in federal expenditures, distributions, or issuances for the fiscal year ended June 30, 2019.

Reporting Entity

The reporting entity is fully described in Note 1 of the Council financial statements. The schedule includes all federal award programs administered by the Council for the year ended June 30, 2019.

Basis of Accounting

The expenditures in the schedule are recognized as incurred based on the modified accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance, Cost Principles for State and Local Governments. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Matching Costs

The schedule does not include matching expenditures.

10% De Minimis Indirect Cost Rate

The entity did not choose to use the 10% minimis cost rate.

Direct and Indirect Flow-Through Federal Assistance

Some of the Council's Federal awards are received directly from the granting federal agency. However, the majority of federal awards as identified on the schedule are passed through a separate entity prior to receipt by the Council.

Sub-recipients

The Council does not pass through to any sub-recipients.

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Wasatch Front Regional Council were disclosed by the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the accompanying schedule.
5. The auditors' report on compliance for the major federal award program of Wasatch Front Regional Council expresses an unqualified opinion.
6. There are no audit findings relating to the federal award programs that are required to be reported.
7. The program tested as a major program was Federal Highway Administration, CFDA Number 20.205.
8. The threshold used for distinguishing Types A and B programs was \$750,000.
9. Wasatch Front Regional Council was determined to be a low-risk auditee as defined by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDING AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PRIOR YEAR**

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDING AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

DESCRIPTION	CPG GRANT	TRANSIT SUPPORT	TOOELE VALLEY RPO	LOCAL GOVT SERVICE	MOBILITY MGMT
REVENUES					
Federal sources:	3,477,005.58	-	-	-	3,208.46
Total federal sources	<u>3,477,005.58</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,208.46</u>
State sources:					
State funds	140,000.00	-	-	-	-
Total state sources	<u>140,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Local sources:					
Cities and counties	69,427.17	-	7,940.87	-	-
Gain on sale of asset	-	-	-	-	-
Other	43,059.46	115,947.54	-	-	-
Total local sources	<u>112,486.63</u>	<u>115,947.54</u>	<u>7,940.87</u>	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u><u>3,729,492.21</u></u>	<u><u>115,947.54</u></u>	<u><u>7,940.87</u></u>	<u><u>-</u></u>	<u><u>3,208.46</u></u>
EXPENDITURES					
Salaries and employee benefits	2,556,834.18	83,000.03	5,812.64	54.56	2,582.76
Contractual services	175,923.50	-	-	3,000.00	-
Equipment - purchase	-	-	-	-	-
Equipment - rental	16,177.46	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	-	-	-	-	-
Rent - building operating exp	-	-	-	-	-
Travel	57,453.15	-	68.87	2,712.25	-
Training	29,227.91	-	-	1,010.61	-
Publications	2,622.88	-	-	-	-
Supplies & software	38,939.26	-	-	12,632.42	-
Telephone & data	-	-	-	-	-
Accounting	-	-	-	-	-
Dues and subscriptions	16,547.46	-	-	-	-
Insurance	-	-	-	-	-
Legal	2,500.00	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Indirect cost	833,266.41	32,947.51	2,059.36	30.51	625.70
TOTAL EXPENDITURES	<u><u>3,729,492.21</u></u>	<u><u>115,947.54</u></u>	<u><u>7,940.87</u></u>	<u><u>19,440.35</u></u>	<u><u>3,208.46</u></u>
OTHER REVENUE/(EXPENSE)					
Interest income	-	-	-	19,440.35	-
TOTAL OTHER REV/(EXP)	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>19,440.35</u></u>	<u><u>-</u></u>
Excess of revenue over (under) expenditures	<u><u>(0.00)</u></u>	<u><u>(0.00)</u></u>	<u><u>(0.00)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
(under) expenditures	<u><u>\$ 3,729,492</u></u>	<u><u>\$ 115,948</u></u>	<u><u>\$ 7,941</u></u>	<u><u>\$ -</u></u>	<u><u>3,208.46</u></u>

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

DESCRIPTION	CIB \$2K GRANT	ECONOMIC DEVELOPMENT	CDBG TOOELE	TLC SL	TLC WD
REVENUES					
Federal sources:	-	70,000.00	49,914.93	395,531.28	237,841.52
Total federal sources	-	70,000.00	49,914.93	395,531.28	237,841.52
State sources:					
State funds	2,000.00	-	-	91,408.22	11,427.27
Total state sources	2,000.00	-	-	91,408.22	11,427.27
Local sources:					
Cities and counties	-	70,000.00	-	264,963.28	203,792.75
Gain on sale of asset					
Other	-	-	-	74,645.92	39,642.86
Total local sources	-	70,000.00	-	339,609.20	243,435.61
TOTAL REVENUE	2,000.00	140,000.00	49,914.93	826,548.70	492,704.40
EXPENDITURES					
Salaries and employee benefits	1,260.82	80,585.47	29,520.24	117,916.30	88,437.22
Contractual services	-	31,947.76	-	634,390.02	348,585.37
Equipment - purchase	-	-	-	-	-
Equipment - rental	-	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	-	-	-	-	-
Rent - building operating exp	-	-	-	-	-
Travel	-	1,631.77	209.59	2,245.91	1,684.43
Training	-	3,106.52	9.98	3,704.21	2,778.15
Publications	-	-	-	358.07	268.56
Supplies & software	-	49.27	117.15	61.26	45.95
Telephone & data	-	-	-	-	-
Accounting	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Insurance	-	-	-	-	-
Legal	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Indirect cost	739.18	22,679.21	20,057.97	67,872.93	50,904.72
TOTAL EXPENDITURES	2,000.00	140,000.00	49,914.93	826,548.70	492,704.40
OTHER REVENUE/(EXPENSE)					
Interest income	-	-	-	-	-
TOTAL OTHER REV/(EXP)	-	-	-	-	-
Excess of revenue over (under) expenditures	-	-	-	-	(0.00)

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

DESCRIPTION	TLC TOOELE	MORGAN RPO	DAVIS COUNTY RANKING	LEGISLATIVE CONSULTANT	MAG MODEL DEVELOPMENT
REVENUES					
Federal sources:	-	-	-	-	42,280.95
Total federal sources	-	-	-	-	42,280.95
State sources:					
State funds	39,179.50	10,605.15	-	-	-
Total state sources	39,179.50	10,605.15	-	-	-
Local sources:					
Cities and counties	6,000.00	11,203.72	-	48,551.15	-
Gain on sale of asset					
Other	20,000.00	-	-	-	-
Total local sources	26,000.00	11,203.72	-	48,551.15	-
TOTAL REVENUE	65,179.50	21,808.87	-	48,551.15	42,280.95
EXPENDITURES					
Salaries and employee benefits	-	15,153.99	-	-	23,866.43
Contractual services	65,179.50	-	-	50,000.00	11,499.65
Equipment - purchase	-	-	-	-	-
Equipment - rental	-	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	-	-	-	-	-
Rent - building operating exp	-	-	-	-	-
Travel	-	725.23	-	-	-
Training	-	-	-	-	-
Publications	-	-	-	-	-
Supplies & software	-	-	-	-	-
Telephone & data	-	-	-	-	-
Accounting	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Insurance	-	-	-	-	-
Legal	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Indirect cost	-	5,929.65	-	-	6,914.87
TOTAL EXPENDITURES	65,179.50	21,808.87	-	50,000.00	42,280.95
OTHER REVENUE/(EXPENSE)					
Interest income	-	-	-	1,448.85	-
TOTAL OTHER REV/(EXP)	-	-	-	1,448.85	-
Excess of revenue over (under) expenditures	-	-	-	-	(0.00)
(under) expenditures	\$ 65,180	\$ 21,809	\$ -	\$ 48,551	\$ 42,281

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2019**

DESCRIPTION	UDOT MODEL DEVELOPMENT	GPI DECISION SUPPORT	INDIRECT	Special Projects Fund TOTAL	General Fund TOTAL	Building Fund TOTAL
REVENUES						
Federal sources:	82,083.47	-	-	4,357,866.19	-	-
Total federal sources	<u>82,083.47</u>	<u>-</u>	<u>-</u>	<u>4,357,866.19</u>	<u>-</u>	<u>-</u>
State sources:						
State funds	-	-	-	294,620.14	-	-
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,620.14</u>	<u>-</u>	<u>-</u>
Local sources:						
Cities and counties	-	-	-	681,878.94	20,891.20	-
Gain on sale of asset	-	-	-	-	-	1,126,165.00
Other	-	480.78	-	315,200.91	3,769.77	-
Total local sources	<u>-</u>	<u>480.78</u>	<u>-</u>	<u>997,079.85</u>	<u>24,660.97</u>	<u>1,126,165.00</u>
TOTAL REVENUE	<u>82,083.47</u>	<u>480.78</u>	<u>-</u>	<u>5,649,566.18</u>	<u>24,660.97</u>	<u>1,126,165.00</u>
EXPENDITURES						
Salaries and employee benefits	63,643.80	354.73	507,246.02	3,576,269.19	-	-
Contractual services	-	-	21,440.25	1,341,966.05	-	-
Equipment - purchase	-	-	-	74,076.51	290,000.00	-
Equipment - rental	-	-	26,434.46	-	-	-
Equipment - repair/maintenance	-	-	17,349.07	17,349.07	-	-
Rent - building	-	-	318,466.24	284,150.28	-	-
Rent - building operating exp	-	-	36,291.16	36,291.16	-	-
Travel	-	-	6,803.15	73,534.35	-	-
Training	-	-	3,047.11	42,884.49	-	-
Publications	-	-	-	3,249.51	-	-
Supplies & software	-	-	43,297.42	95,142.73	-	-
Telephone & data	-	-	37,581.61	37,581.61	-	-
Accounting	-	-	17,069.29	17,069.29	-	-
Dues and subscriptions	-	-	3,500.00	20,047.46	-	-
Insurance	-	-	14,001.35	14,001.35	-	-
Legal	-	-	10,066.60	12,566.60	-	-
Miscellaneous	-	-	-	-	-	-
Bank charges and other	-	-	-	-	1,483.21	-
Indirect cost	18,439.67	126.05	(1,062,593.73)	0.01	-	-
TOTAL EXPENDITURES	<u>82,083.47</u>	<u>480.78</u>	<u>-</u>	<u>5,646,179.66</u>	<u>291,483.21</u>	<u>-</u>
OTHER REVENUE/(EXPENSE)						
Interest income	-	-	-	20,889.20	-	6,999.72
TOTAL OTHER REV/(EXP)	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,889.20</u>	<u>-</u>	<u>6,999.72</u>
Excess of revenue over (under) expenditures	<u>-</u>	<u>(0.00)</u>	<u>-</u>	<u>24,275.72</u>	<u>(266,822.24)</u>	<u>1,133,164.72</u>
(under) expenditures	<u>\$ 82,083</u>	<u>\$ 481</u>	<u>\$ -</u>	<u>\$ 5,649,566</u>	<u>\$ 24,661</u>	<u>-</u>