

WASATCH FRONT REGIONAL COUNCIL

**Financial Statements
With Independent Auditors' Report
For the Year Ended June 30, 2021**



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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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, 2021, 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, 2021, 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 32 through 36 and the schedule of Revenue and Expenditures by Program 49-52, 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 47 through 50 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 30, 2021, 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.



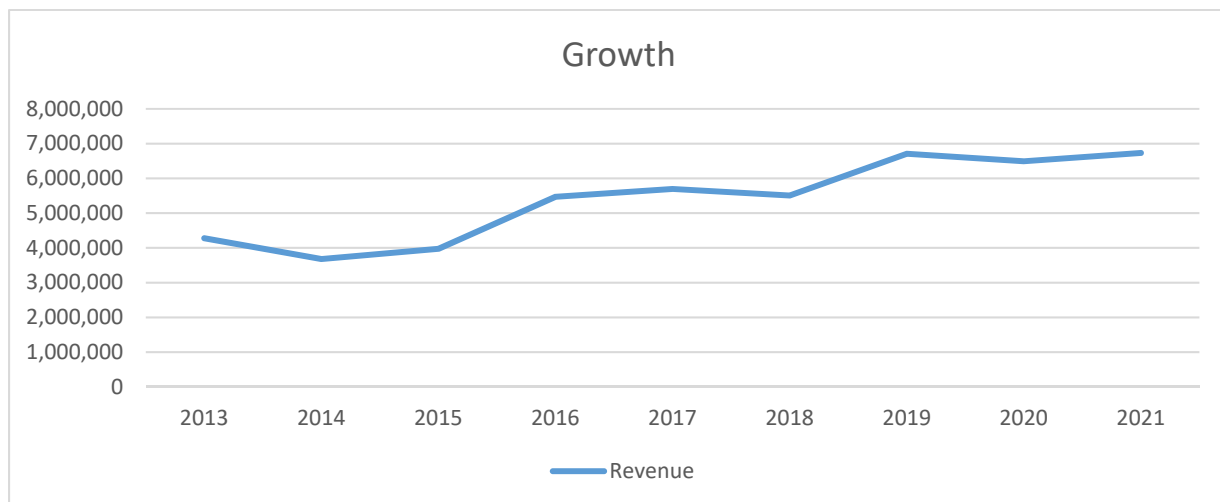
Karren, Hendrix, Stagg, Allen & Company
Salt Lake City, Utah
September 30, 2021

WASATCH FRONT REGIONAL COUNCIL MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2021

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, 2021.

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.

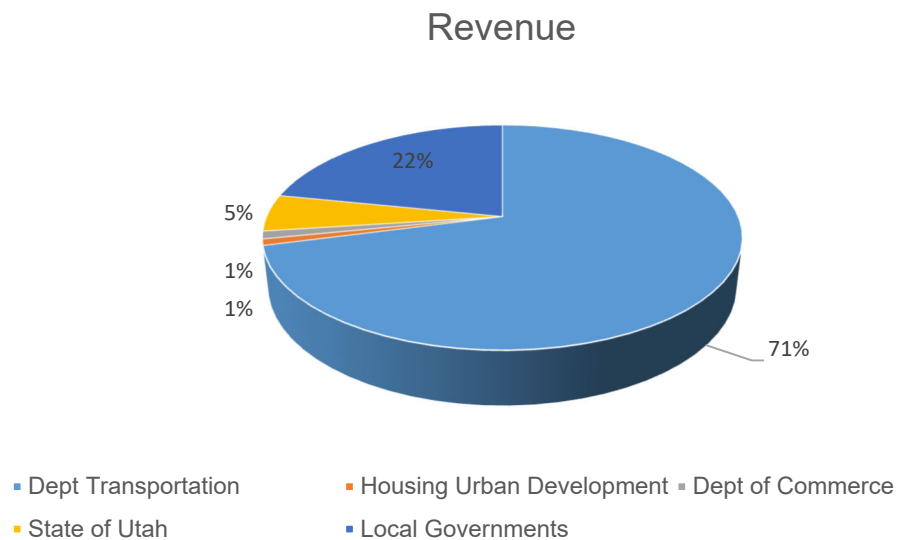
Transportation planning in the Salt Lake Area has been a continuing effort for over four decades. In the 1960's UDOT developed the first Long Range Plan for the area. Since 1973, the WFRC has developed Regional Transportation Plans and has updated them regularly. The process is comprehensive in nature, 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, 2021, Wasatch Front Regional Council received funding from the following sources:

U.S. Department of Transportation	\$ 4,879,915	71.6%
U.S. Department of Housing/Urban Development	56,986	0.8%
U.S. Department of Commerce	63,480	0.9%
State of Utah	335,573	4.9%
Local Governments	1,481,910	21.7%
Total	<u>\$ 6,817,864</u>	<u>100.0%</u>



Financial Highlights

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

	<u>2021</u>	<u>2020</u>
Current assets	\$ 4,021,225	\$ 3,542,827
Capital assets	<u>1,957,999</u>	<u>273,889</u>
Total assets	<u>\$ 5,979,224</u>	<u>\$ 3,816,716</u>
Deferred outflows	<u>\$ 384,853</u>	<u>\$ 425,549</u>
Current liabilities	1,990,559	1,368,733
Non-current liabilities	<u>2,259,051</u>	<u>1,145,989</u>
Total liabilities	<u>\$ 4,249,610</u>	<u>\$ 2,514,722</u>
Deferred Inflows	<u>\$ 799,291</u>	<u>\$ 411,662</u>
Net Position		
Net investment in capital assets	(34,077)	273,889
Restricted net position	-	-
Unrestricted net position	<u>1,349,253</u>	<u>1,041,992</u>
Total Net Position	<u>\$ 1,315,176</u>	<u>\$ 1,315,881</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 \$11,827 for the year.

The bulk of changes from year to year 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 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, the building fund, and the special projects fund.

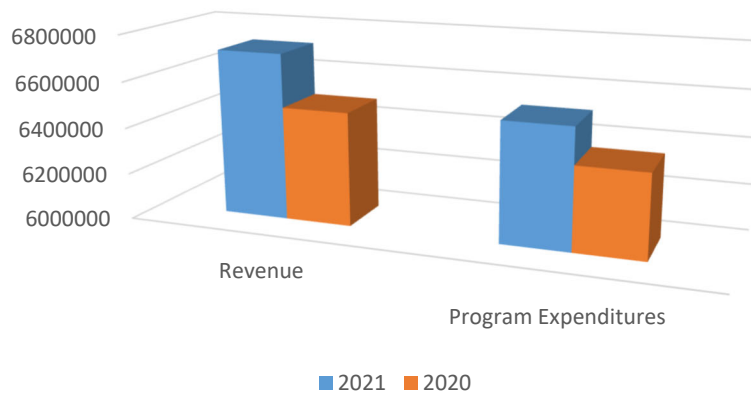
Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, for accounting and reporting purposes, government fund numbers are determined with a different approach. At the fund 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 \$1,315,176 at the close of the fiscal year ended June 30, 2021. 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 \$(34,077). 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 \$217,126 during the fiscal year.

Revenue and Program Expenditures



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

	2021	2020
Revenue		
Federal sources	\$ 5,000,381	\$ 4,631,658
State sources	335,573	455,137
Local sources	1,481,910	1,358,329
Other	1,606	1,255
Sell capital assets	-	-
Interest income	11,827	43,731
Total revenue	<u>\$ 6,831,297</u>	<u>\$ 6,490,110</u>
Expenses		
Administration	\$ 1,496	\$ 1,064
Planning	6,560,258	6,476,794
Capital outlay	52,417	29,832
Total expenses	<u>\$ 6,614,171</u>	<u>\$ 6,507,690</u>
(Decrease) increase in net position	\$ 217,126	\$ (17,580)
Net position beginning	1,315,881	1,333,461
Prior period adjustment	(217,831)	-
Net position, ending	<u>\$ 1,315,176</u>	<u>\$ 1,315,881</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 2021, the general fund showed an increase of \$110, the special projects fund showed an increase of \$80,235, and the building fund showed an increase of \$5,697.

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	\$ 1,777,260
Cash restricted	1,305,240

Budgetary Highlights

The Council approved its fiscal year 2021 budget on May 26, 2020. During the year the 2021 budget was amended to include \$1,957,661 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 were 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, 2021, amounts to \$273,889 net of accumulated depreciation. This investment includes, furniture, equipment, and related improvements. The increase in right to use assets is implementing GASB 87.

Property and Equipment (Net of Depreciation)

	2021	2020
Right to use assets	1,731,301	
Furniture and equipment	226,698	273,889
Total	\$ 1,957,999	\$ 273,889

Long-Term Debt

Description	Beginning Balance	Additions	Deletions	Ending Balance
Pension Liability	\$ 780,735		\$ (676,458)	\$ 104,277
Compensated Absences	365,254	36,270	(9,357)	392,167
Leases (right to use)		2,202,493	(210,416)	1,992,077
Total	\$1,145,989	\$2,238,763	\$ (896,231)	\$2,488,521

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
41 N Rio Grande St, Salt Lake City, UT 84101
Attention: Loveit Baumgardner, Chief Financial Officer

WASATCH FRONT REGIONAL COUNCIL

Statement of Net Position

June 30, 2021

ASSETS

CURRENT ASSETS

Cash	\$ 1,777,260
Cash - restricted	1,305,240
Accounts receivable	914,214
Prepaid expenses	24,511
Total current assets	<u>4,021,225</u>

NON-CURRENT ASSETS (Net of depreciation)

Capital assets	226,698
Leasehold improvements	
Right to use assets	1,731,301
Total capital assets	<u>1,957,999</u>

Total assets	<u>5,979,224</u>
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Deferred outflows of resources

Deferred outflows relating to pensions	<u>384,853</u>
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Total assets and deferred outflows of resources	<u>\$ 6,364,077</u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 455,850
Current portion right to use property	229,469
Unearned revenue	1,305,240
Total current liabilities	<u>1,990,559</u>

Noncurrent Liabilities

Liability right to use property	1,762,607
Pension Liability	104,277
Compensated absences (due after one year)	392,167
Total noncurrent liabilities	<u>2,259,051</u>

Total liabilities	<u>4,249,610</u>
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Deferred Inflows of resources

Deferred inflows relating to pensions	<u>799,291</u>
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Total deferred inflows of resources	<u>799,291</u>
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NET POSITION

Investment in capital assets, net of related debt	(34,077)
Restricted net position	
Unrestricted net position	<u>1,349,253</u>

Total net position	<u>1,315,176</u>
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Total liabilities, deferred inflows, and net position	<u>\$ 6,364,077</u>
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The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL

Statement of Activities For the Year Ended June 30, 2021

		Net (Expense) Revenue and Changes in Net Position		
<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Primary Government</u>
		<u>Operating Grants and Contributions</u>	<u>Other Grants and Contributions</u>	<u>Government Activities</u>
PRIMARY GOVERNMENT				
Government activities				
General government	\$ 6,614,171	\$ 6,819,470	\$ -	\$ 205,299
Total government activities	6,614,171	6,819,470	-	205,299
Total primary government	<u>\$ 6,614,171</u>	<u>\$ 6,819,470</u>	<u>\$ -</u>	<u>\$ 205,299</u>
General revenue				
Investment earnings				11,827
Total general revenue				<u>11,827</u>
Changes in net assets				217,126
NET POSITION, JULY 1				1,315,881
Prior period adjustment				(217,831)
NET POSITION, JUNE 30				<u>\$ 1,315,176</u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL

Balance Sheet Governmental Funds June 30, 2021

	General Fund	Special Projects	Building Fund	Total Governmental Funds
<u>ASSETS</u>				
ASSETS				
Cash	\$ 5,302	\$ 608,527	\$ 1,163,431	\$ 1,777,260
Cash - restricted	-	1,305,240	-	1,305,240
Accounts receivable	-	914,215	-	914,215
Prepaid expenses	-	24,511	-	24,511
Total assets	<u>\$ 5,302</u>	<u>\$ 2,852,493</u>	<u>\$ 1,163,431</u>	<u>\$ 4,021,226</u>
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES				
Accounts payable	\$ -	\$ 455,849	\$ -	\$ 455,849
Unearned revenue	-	1,305,240	-	1,305,240
Total liabilities	<u>-</u>	<u>1,761,089</u>	<u>-</u>	<u>1,761,089</u>
FUND BALANCES				
Assigned - compensated absences	-	392,169	-	392,169
Assigned - special projects	-	699,235	-	699,235
Assigned - capital assets	-	-	1,163,431	1,163,431
Unassigned	5,302	-	-	5,302
Total fund balances	<u>5,302</u>	<u>1,091,404</u>	<u>1,163,431</u>	<u>2,260,137</u>
Total liabilities and fund balances	<u>\$ 5,302</u>	<u>\$ 2,852,493</u>	<u>\$ 1,163,431</u>	<u>\$ 4,021,226</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, 2021

Total fund balance		\$ 2,260,137
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:		
Property and equipment	3,162,532	
Less accumulated depreciation	<u>(1,204,533)</u>	
Total capital assets	<u>1,957,999</u>	1,957,999
Liability for compensated absences is not recognized at the fund level but is recognized for the government wide statement of net assets.		(392,169)
Pension liability is not recognized on the funds statement but is recorded on the government wide statement.		(104,277)
Deferred outflows is not recognized on the funds statement but is recorded on the government wide statement.		384,853
Deferred inflows is not recognized on the funds statement but is recorded on the government wide statement.		(799,291)
Long term debt is not recognized in the fund statement		(1,992,076)
Total net assets of governmental activities		<u><u>\$ 1,315,176</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, 2021

	General	Special Projects	Building Fund	Totals
REVENUE				
Federal sources	\$ -	\$ 5,000,381	\$ -	\$ 5,000,381
State sources	-	335,573	-	335,573
Local sources	-	1,481,910	-	1,481,910
Other	1,606	-	-	1,606
Interest	-	6,131	5,697	11,828
Total revenue	<u>1,606</u>	<u>6,823,995</u>	<u>5,697</u>	<u>6,831,298</u>
EXPENDITURES				
Administration	1,496	-	-	1,496
Planning	-	6,691,343	-	6,691,343
Capital outlay	-	52,417	-	52,417
Total expenditures	<u>1,496</u>	<u>6,743,760</u>	<u>-</u>	<u>6,745,256</u>
Revenue and other sources (under) over expenditures and other uses	<u>110</u>	<u>80,235</u>	<u>5,697</u>	<u>86,042</u>
Other sources				
Transfers	-	-	-	-
Total other sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue under (over) expenditures and other sources	<u>110</u>	<u>80,235</u>	<u>5,697</u>	<u>86,042</u>
FUND BALANCE, JULY 1	<u>5,192</u>	<u>1,011,169</u>	<u>1,157,734</u>	<u>2,174,095</u>
FUND BALANCE, JUNE 30	<u>\$ 5,302</u>	<u>\$ 1,091,404</u>	<u>\$ 1,163,431</u>	<u>\$ 2,260,137</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, 2021

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 86,042
The change in net assets reported for governmental activities in the statement of activities is different because:	
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 (\$51,475 is less than depreciation and amortization expense (\$353,027).	(301,552)
The increase in compensated absences is reported in the statement of activities but the liability is not recorded at the fund level.	(26,912)
Rent expense is recorded in the fund statements but the amount is shown as a reduction in right to use assets in the Government wide statement	305,275
Interest is expense is not recognized in the fund statement	(94,859)
Pension expense is reduced by deferred outflows on the government wide statement.	249,132
Change in net position of governmental activities	\$ 217,126

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, 2021**

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 as amended 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

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, 2021, 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. The estimated pension liability is a major estimate that is subject to changes based on investment earnings and actuarial valuations and the changes in estimated liability could be material.

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 two investment accounts.

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, 2021, the Council had the following deposits and investments:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>
Cash on deposit	\$ 182,402
State Treasurer's investment pool	<u>2,900,098</u>
Total	<u>\$ 3,082,500</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, 2021, the Utah Public Treasurer's Investment Fund was unrated.

As of June 30, 2021, 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	\$2,900,098	\$2,900,098	\$ -	\$ -
		-	-	-
Total investments	<u>\$2,900,098</u>	<u>\$2,900,098</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, 2021, all amounts 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, 2021, are as follows:

Cash on hand	\$ 318
Cash in bank	182,084
Utah State Treasurer's investment pool	<u>2,900,098</u>
Total	<u>\$ 3,082,500</u>

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

Cash	\$ 1,777,260
Restricted cash	<u>1,305,240</u>
Total	<u>\$ 3,082,500</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, 2021:

Public Treasurer's Investment fund position is \$2,900,098. 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, 2021, consisted of the following:

There is no allowance for uncollectable accounts.

Utah Department of Transportation	\$ 871,588
Utah Transit authority	1,645
Mountainland Assn of Govts	11,375
Workforce services	26,856
Travel advances	<u>2,750</u>
Total	<u>\$ 914,214</u>

NOTE 4—PROPERTY AND EQUIPMENT

A summary of changes in property and equipment for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Retirement	Balance June 30, 2021
Nondepreciable assets				
Work in process	\$ -	\$ 15,268	\$ -	\$ 15,268
Total nondepreciable assets	-	15,268	# -	15,268
Depreciated assets				
Right to use equipment		2,596,951		2,596,951
Equipment, furniture, and fixtures	522,182	36,207	(8,076)	550,313
Total depreciated assets	522,182	2,633,158	- (8,076)	3,147,264
Less accumulated depreciation				
Accumulated amortization nondepreciable assets		865,650		865,650
Equipment, furniture, and fixtures	248,293	98,666	(8,076)	338,883
Total accumulated depreciation	248,293	964,316	(8,076)	1,204,533
Net property and equipment	\$ 273,889	\$ (47,191)	\$ -	\$ 1,957,999

Depreciation and amortization expense were \$352,027 for general government.

NOTE 5—LONG-TERM DEBT

A summary of changes in long-term debt for the year ended June 30, 2021, is as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Right to use assets liability	\$ -	\$ 2,202,493	\$ (210,416)	1,992,077	\$ 229,469
Pension liability	780,735	-	(676,458)	104,277	-
Compensated absences					
Sick leave	144,010	36,270	-	180,280	-
Vacation	221,244	-	(9,357)	211,887	-
Total	1,145,989	- 2,238,763	- (896,231)	2,488,521	229,469
Total long-term liabilities	\$ 1,145,989	\$ 2,238,763	\$ (896,231)	\$ 2,488,521	\$ 229,469

LEASES

The entity adopted GASB 87 in the current year which requires that leased assets that meet the criteria of long-term leases be recorded on the balance sheet. The company rents a building that has a value of \$2,596,951 and accumulated amortization of \$865,650. The Council is required to make monthly lease payments of \$29,060. The leases have an interest rate of 4.5% and the liability at year end was \$1,992,077. The right to use the building office space has an estimated useful life of ten years.

Year	Principal	Interest
June 30, 2022	\$ 229,469	\$ 85,002
June 30, 2023	249,682	74,263
June 30, 2024	267,742	62,635
June 30, 2025	290,154	50,129
June 30, 2026	313,882	36,588
June 30, 2027-2032	641,148	28,213
Totals	\$ 1,992,077	\$ 336,830

NOTE 6—NET POSITION

The unrestricted net position of the special projects fund on June 30, 2021, 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 to Utah Retirement Systems 550 East 200 South Salt Lake City, Utah 84102, or visiting the website www.urs.org/general/publications.

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

	<u>Employee Paid</u>	<u>Employer Contribution Rate</u>	<u>Employer Rate for 401(k) Plan</u>
Contribution System			
111 Local Government Div Tier 2	N/A	15.80	0.89
Noncontributory System			
15 Local Government Div. Tier 1	N/A	18.47	N/A
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, 2021, the employer and employee contributions to the Systems were as follows:

System	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory system	\$ 288,038	N/A
Tier 2 Public Employees System	106,276	-
Tier 2 DC Only System	15,145	N/A
Total contributions	<u>\$ 409,459</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, 2021, we reported a net pension asset of \$0 and a net pension liability of \$104,277.

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share Dec. 31, 2018</u>	<u>Change (Decrease)</u>
Noncontributory System	\$ -	\$ 98,272	0.1915841%	0.2049394%	0.0133553%
Tier 2 Public	-	6,005	0.0417529%	0.0371020%	0.0046509%
Total	<u>\$ -</u>	<u>\$ 104,277</u>			

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020, and rolled forward using generally accepted actuarial procedures. The

proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2021, we recognized pension expense of \$161,241

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 137,366	\$ 2,750
Changes in assumptions	7,596	13,072
Net difference between projected and actual earnings on pension plan investments	-	735,138
Changes in proportion and differences between contributions and proportionate share of contributions	38,980	48,331
Contributions subsequent to the measurement date	<u>200,911</u>	<u>-</u>
Total	<u>\$ 384,853</u>	<u>\$ 799,291</u>

\$200,911 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, 2020. 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>
2021	\$ (161,134)
2022	(86,758)
2023	(258,424)
2024	(120,248)
2025	1,954
Thereafter	9,260

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

For the year ended June 30, 2021, we recognized pension expense of \$102,542.

At June 30, 2021, we report 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	\$ 131,838	\$ -
Changes in assumptions	-	12,854
Net difference between projected and actual earnings on pension plan investments	-	717,585
Changes in proportion and differences between contributions and proportionate share of contributions	30,364	47,926
Contributions subsequent to the measurement date	<u>139,683</u>	<u>-</u>
Total	<u>\$ 301,885</u>	<u>\$ 778,365</u>

\$ 139,683 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (158,043)
2022	(84,901)
2023	(254,253)
2024	(118,965)
2025	-
Thereafter	-

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

For the year ended June 30, 2021, we recognized pension expense of \$ 58,699.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pension from the following sources.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,528	\$ 2,750
Changes in assumptions	7,596	218
Net difference between projected and actual earnings on pension plan investments	-	17,553
Changes in proportion and differences between contributions and proportionate share of contributions	8,615	405
Contributions subsequent to the measurement date	<u>61,228</u>	<u>-</u>
Total	<u>\$ 82,967</u>	<u>\$ 20,926</u>

\$61,228 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020.

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 pension, will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (3,091)
2022	(1,857)
2023	(4,171)
2024	(1,283)
2025	1,954
Thereafter	9,260

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

Inflation	2.50 Percent
Salary increases	3.25 - 9.75 Percent, average, including inflation
Investment rate of return	6.95 Percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from MP-2019 improvement assumptions using a base year of 2020. The mortality assumption for active embers is the PUB-20010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January, 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

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

Asset Class	Target Asset Allocation	Annual Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0%	0%
	<u>100%</u>		<u>4.84%</u>
Inflation			2.50%
Expected arithmetic nominal retrun			7.34%

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

Discount rate: The discount rate used to measure the total pension liability was 6.95%. 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	\$ 1,703,739	\$ 98,272	\$ (1,240,127)
Tier 2 Public Employees System	<u>101,050</u>	<u>6,005</u>	<u>(66,702)</u>
Total	<u>\$ 1,804,789</u>	<u>\$ 104,277</u>	<u>\$ (1,306,829)</u>

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
- Roth IRA Plan

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
401(k) Plan			
Employer contributions	\$ 312,118	\$ 271,467	\$ 268,085
Employee contributions	84,655	77,992	55,772
457 Plan			
Employer contributions	-	-	-
Employee contributions	182,912	168,010	162,850
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions'	450	-	-

NOTE 9— ECONOMIC DEPENDENCY

The Council receives a substantial amount of its revenue from the U.S. Department of Transportation. This agency provides 67% 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 \$1,305,240 for advanced grant payments and outside restrictions.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

The prior period adjustment is implementation of GASB 87 on leases change in accounting principle. The building that was not previously listed as a capital lease was capitalized and recorded as a capital lease.

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 14-TRANSFERS

The Council did not show any transfers during the year.

REQUIRED SUPPLEMENTARY INFORMATION

WASATCH FRONT REGIONAL COUNCIL**Budgetary Comparison Schedule****General Fund****For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUE				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-
Local sources	-	-	-	-
Other	1,600	1,600	1,606	6
Interest			-	-
Total revenue	<u>1,600</u>	<u>1,600</u>	<u>1,606</u>	<u>6</u>
EXPENDITURES				
Administration	1,600	1,600	1,496	(104)
Capital outlay			-	-
Total expenditures	<u>1,600</u>	<u>1,600</u>	<u>1,496</u>	<u>(104)</u>
Excess of revenue over expenditures (usage of fund balance)	-	-	110	110
Other sources				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	110	110
FUND BALANCE, JULY 1	<u>5,192</u>	<u>5,192</u>	<u>5,192</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 5,192</u>	<u>\$ 5,192</u>	<u>\$ 5,302</u>	<u>\$ 110</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUE				
Federal sources	\$ 5,944,345	\$ 5,944,345	\$ 5,000,381	\$ (943,964) a
State sources	550,372	550,372	335,573	(214,799)
Local sources	1,950,406	1,950,406	1,481,910	(468,496)
Other	-	-	-	-
Interest	-	-	6,131	6,131
Total revenue	<u>8,445,123</u>	<u>8,445,123</u>	<u>6,823,995</u>	<u>(1,621,128)</u>
EXPENDITURES				
Planning	8,445,123	8,445,120	6,691,343	(1,753,777)
Capital Outlay	45,000	80,000	52,417	(27,583)
Total expenditures	<u>8,490,123</u>	<u>8,525,120</u>	<u>6,743,760</u>	<u>(1,781,360)</u>
Excess of revenue over expenditures (usage of fund balance)	<u>(45,000)</u>	<u>(79,997)</u>	<u>80,235</u>	<u>160,232</u>
Other sources				
Transfers out	-	-	-	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(45,000)	(79,997)	80,235	160,232
FUND BALANCE, JULY 1	<u>1,011,169</u>	<u>1,011,169</u>	<u>1,011,169</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 966,169</u>	<u>\$ 931,172</u>	<u>\$ 1,091,404</u>	<u>\$ 160,232</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
June 30, 2021
Last 10 Fiscal Years*

	Tier 1 System	Tier 2 Public Employees System
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%
2020	0.2049394%	0.0371020%
2021	0.1915841%	0.0417529%
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
2020	772,390	8,345
2021	98,272	6,005
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
2020	1,791,683	515,854
2021	1,627,447	667,383
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%
2020	43.1%	1.62%
2021	6.0%	0.90%
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%
2020	93.7%	95.5%
2021	99.2%	98.3%

* 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

The accompanying notes are an integral part of this statement.

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

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
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%
	2020	317,966	317,966	-	1,721,525	18.47%
	2021	288,038	288,038	-	1,559,490	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%
	2020	88,751	88,751	-	556,740	15.66%
	2021	106,276	106,276	-	672,630	15.80%
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%
	2020	5,109	5,109	-	76,367	6.69%
	2021	15,145	15,145	-	226,378	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, 2021

Changes of Assumptions

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

SUPPLEMENTARY INFORMATION

Wasatch Front Regional Council
Budgetary Comparison Schedule
Building Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUE				
Federal sources	\$ -	\$ -	\$ -	\$ - a
State sources	-	-	-	-
Local sources	-	-	-	-
Other	-	-	-	-
Interest	30,500	30,500	5,697	(24,803)
Total revenue	<u>30,500</u>	<u>30,500</u>	<u>5,697</u>	<u>(24,803)</u>
EXPENDITURES				
Administration	-	-	-	-
Planning	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over expenditures (usage of fund balance)	<u>30,500</u>	<u>30,500</u>	<u>5,697</u>	<u>(24,803)</u>
Other sources				-
Transfers out	-	-	-	-
Transfers in	-	-	-	-
Total other sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>30,500</u>	<u>30,500</u>	<u>5,697</u>	<u>(24,803)</u>
FUND BALANCE, JULY 1	<u>1,157,734</u>	<u>1,157,734</u>	<u>1,157,734</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 1,188,234</u>	<u>\$ 1,188,234</u>	<u>\$ 1,163,431</u>	<u>\$ (24,803)</u>

The accompanying notes are an integral part of this statement.



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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, 2021.

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

Cash Management
Budgetary Compliance
Restricted Cash and Related Revenue

Fund Balance
Fraud Risk Assessment
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, 2021.

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 30, 2021



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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, 2021, 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 30, 2021.

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 30, 2021



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

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, Utah, 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, Utah's major federal programs for the year ended June 30, 2021. Wasatch Front Regional Council, Utah's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Wasatch Front Regional Council, Utah's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for 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, Utah, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its

major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Wasatch Front Regional Council, Utah is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements ref Wasatch Front Regional Council, Utah's referred to above. In planning and performing our audit of compliance, we considered Wasatch Front Regional Council, Utah'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 with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Wasatch Front Regional Council Utah's internal control over compliance. A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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



Karren, Hendrix, Stagg, Allen & Company
Salt Lake City, Utah
September 30, 2021

WASATCH FRONT REGIONAL COUNCIL

Schedule of Federal Financial Assistance

For the Year Ended June 30, 2021

U.S. Department	Description	Federal CFDA Number	State Grant Number	2020-2021 Expenditures (Accrual Basis)
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Federal Highway Administration	Consolidate Planning Grant (through Utah Department of Transportation)	20.205	20-8137	\$ 3,830,515
Federal Highway Administration	Pass through from UDOT for Model Development	20.205		88,229
Federal Highway Administration	Consolidated Planning Grant (through UDOT, through Mountainland's AOG)	20.205		38,086
Federal Highway Administration	STP Funds passed through UDOT Transportation and Land Use Connection Program Salt Lake County	20.205	14-8915	596,705
Federal Highway Administration	STP Funds passed through UDOT Transportation and Land Use Connection Program Weber and Davis Counties	20.205	14-8969	274,648
Federal Highway Administration	Pass through from UDOT for Joint Planning Projects	20.205		29,125
Federal Highway Administration	Consolidated Planning grant through UDOT through Mountainland's AOG for Joint Planning Projects	20205		19,004
Total Federal Highway Administration				<u>4,876,312</u>
Federal Transit Administration	Mobility Management Study (through Utah Transit Authority)	20.513	18-2580	<u>3,603</u>
Total Federal Transit Administration				<u>3,603</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				<u>4,879,915</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Department of Economic Development	Support for planning organizations	11.302	ED16DEN3020087	58,236
Economic Development Administration	CARES Economic Recovery	11.307	ED20DEN3070117	<u>5,244</u>
TOTAL DEPARTMENT OF COMMERCE				<u>63,480</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Community Development Block Grant	Small City CDBG	14.228	20-1065	50,000
Community Development Block Grant	Community Development Block Grant - CV Business Assistance	14.228	21-0349	<u>6,986</u>
Total U.S. Department of Housing and Urban Development				<u>56,986</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				<u><u>5,000,381</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, 2021

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, 2021.

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, 2021.

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, 2021**

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 REVENUES AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021

DESCRIPTION	CPG	TRANSIT SUPPORT	TOOELE VALLEY RPO	LOCAL GOVT SERVICE	MOBILITY MGMT
REVENUES					
Federal sources:	3,830,514.72	-	-	-	3,602.89
Total federal sources	3,830,514.72	-	-	-	3,602.89
State sources:					
State funds	140,000.00	-	-	-	-
Total state sources	140,000.00	-	-	-	-
Local sources:					
Cities and counties	77,574.19	-	7,981.19	8,731.23	-
Equipment rental fees					
Other	60,582.88	69,128.00	-	-	-
Total local sources	138,157.07	69,128.00	7,981.19	8,731.23	-
TOTAL REVENUE	4,108,671.79	69,128.00	7,981.19	8,731.23	3,602.89
EXPENDITURES					
Salaries and employee benefits	2,800,363.50	53,324.21	6,437.61	1,789.50	2,945.40
Contractual services	299,484.80	-	-	-	-
Equipment - purchase	-	-	-	-	-
Equipment - rental	11,954.18	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	-	-	-	-	-
Travel	5,763.39	-	-	-	-
Training	7,648.96	-	-	400.00	-
Supplies & software	53,340.49	-	-	5,570.77	-
Telephone & data	-	-	-	-	-
Accounting	-	-	-	-	-
Dues and subscriptions	26,925.06	-	-	-	-
Insurance	-	-	-	-	-
Legal	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Indirect cost	903,191.41	15,803.79	1,543.58	970.96	657.49
TOTAL EXPENDITURES	4,108,671.79	69,128.00	7,981.19	8,731.23	3,602.89
OTHER REVENUE/(EXPENSE)					
Interest income	-	-	-	-	-
TOTAL OTHER REV/(EXP)	-	-	-	-	-
Excess of revenue over (under) expenditures	(0.00)	-	-	-	(0.00)

DESCRIPTION	JOINT PROJECTS	CIB \$2K	ECONOMIC DEVELOPMENT	CDBG TOOELE	TLC SL	TLC WD
REVENUES						
Federal sources:	48,129.55	-	58,236.25	50,000.00	596,704.64	274,648.37
Total federal sources	48,129.55	-	58,236.25	50,000.00	596,704.64	274,648.37
State sources:						
State funds	-	2,000.00	-	-	116,962.18	27,587.45
Total state sources	-	2,000.00	-	-	116,962.18	27,587.45
Local sources:						
Cities and counties	3,287.84	-	70,000.00	-	565,107.05	142,515.66
Equipment rental fees						
Other	21,884.36	-	-	-	127,299.76	72,495.15
Total local sources	25,172.20	-	70,000.00	-	692,406.81	215,010.81
TOTAL REVENUE	73,301.75	2,000.00	128,236.25	50,000.00	1,406,073.63	517,246.63
EXPENDITURES						
Salaries and employee benefits	-	1,243.88	92,157.20	31,518.47	136,356.08	102,267.01
Contractual services	73,301.75	-	-	-	1,199,384.82	363,355.02
Equipment - purchase	-	-	-	-	-	-
Equipment - rental	-	-	188.76	-	-	-
Equipment - repair/maintenance	-	-	-	-	-	-
Rent - building	-	-	-	-	-	-
Travel	-	-	826.44	-	501.63	376.25
Training	-	-	150.00	-	1,765.14	198.86
Supplies & software	-	-	383.05	129.11	713.91	535.45
Telephone & data	-	-	-	-	-	-
Accounting	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Bank charges and other	-	-	-	-	-	-
Indirect cost	-	756.12	34,530.80	18,352.42	67,352.05	50,514.04
TOTAL EXPENDITURES	73,301.75	2,000.00	128,236.25	50,000.00	1,406,073.63	517,246.63
OTHER REVENUE/(EXPENSE)						
Interest income	-	-	-	-	-	-
TOTAL OTHER REV/(EXP)	-	-	-	-	-	-
Excess of revenue over (under) expenditures	-	-	-	-	0.00	-

WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUES AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021

DESCRIPTION	TLC TOOELE	MORGAN RPO	DAVIS COUNTY RANKING	LEGISLATIVE CONSULTANT	MAG MODEL DEVELOPMENT	UDOT MODEL DEVELOPMENT
REVENUES						
Federal sources:	-	-	-	-	38,085.94	88,229.16
Total federal sources	-	-	-	-	38,085.94	88,229.16
State sources:						
State funds	49,023.60	-	-	-	-	-
Total state sources	49,023.60	-	-	-	-	-
Local sources:						
Cities and counties	20,000.00	7,714.16	10,000.00	118,000.00	-	-
Equipment rental fees						
Other	-	-	-	-	-	-
Total local sources	20,000.00	7,714.16	10,000.00	118,000.00	-	-
TOTAL REVENUE	69,023.60	7,714.16	10,000.00	118,000.00	38,085.94	88,229.16
EXPENDITURES						
Salaries and employee benefits	-	5,811.02	7,964.30	-	25,741.69	68,644.49
Contractual services	69,023.60	-	-	118,000.00	5,000.00	-
Equipment - purchase	-	-	-	-	-	-
Equipment - rental	-	-	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-	-
Rent - building	-	-	-	-	-	-
Travel	-	31.36	-	-	-	-
Training	-	-	-	-	-	-
Supplies & software	-	-	-	-	-	-
Telephone & data	-	-	-	-	-	-
Accounting	-	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Legal	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Bank charges and other	-	-	-	-	-	-
Indirect cost	-	1,871.78	2,035.70	-	7,344.25	19,584.67
TOTAL EXPENDITURES	69,023.60	7,714.16	10,000.00	118,000.00	38,085.94	88,229.16
OTHER REVENUE/(EXPENSE)						
Interest income	-	-	-	-	-	-
TOTAL OTHER REV/(EXP)	-	-	-	-	-	-
Excess of revenue over (under) expenditures	-	-	-	-	-	-

DESCRIPTION	CDBG CARES GRANT	EDA CARES GRANT	ALLOCABLE	Special Projects Fund TOTAL	General Fund TOTAL	Building Fund TOTAL
REVENUES						
Federal sources:	6,985.72	5,243.96	-	5,000,381.20	-	-
Total federal sources	6,985.72	5,243.96	-	5,000,381.20	-	-
State sources:						
State funds	-	-	-	335,573.23	-	-
Total state sources	-	-	-	335,573.23	-	-
Local sources:						
Cities and counties	-	-	-	1,030,911.32	-	-
Equipment rental fees			99,608.68	99,608.68		
Other	-	-	-	351,390.15	1,605.98	-
Total local sources	-	-	99,608.68	1,481,910.15	1,605.98	-
TOTAL REVENUE	6,985.72	5,243.96	99,608.68	6,817,864.58	1,605.98	-
EXPENDITURES						
Salaries and employee benefits	3,538.69	4,108.89	442,197.32	3,786,409.26	-	-
Contractual services	-	-	11,000.00	2,138,549.99	-	-
Equipment - purchase	-	-	52,417.41	52,417.41	-	-
Equipment - rental	-	-	87,465.74	99,608.68	-	-
Equipment - repair/maintenance	-	-	36,793.18	36,793.18	-	-
Rent - building	-	-	427,306.99	427,306.99	-	-
Travel	-	-	468.76	7,967.83	-	-
Training	-	-	2,373.65	12,536.61	-	-
Supplies & software	2,000.00	-	54,300.09	116,972.87	-	-
Telephone & data	-	-	32,474.73	32,474.73	-	-
Accounting	-	-	20,045.89	20,045.89	-	-
Dues and subscriptions	-	-	-	26,925.06	-	-
Insurance	-	-	12,574.81	12,574.81	-	-
Legal	-	-	90.00	90.00	-	-
Miscellaneous	-	-	-	-	-	-
Bank charges and other	-	-	-	-	1,496.71	-
Indirect cost	1,447.03	1,135.07	(1,127,091.16)	-	-	-
TOTAL EXPENDITURES	6,985.72	5,243.96	52,417.41	6,770,673.31	1,496.71	-
OTHER REVENUE/(EXPENSE)						
Interest income	-	-	6,129.89	6,129.89	-	5,697.51
TOTAL OTHER REV/(EXP)	-	-	6,129.89	6,129.89	-	5,697.51
Excess of revenue over (under) expenditures	-	-	53,321.16	53,321.16	109.27	5,697.51