

Wasatch Front Regional Council



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2023



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WASATCH FRONT REGIONAL COUNCIL

MISSION

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.

ROLES

To accomplish our mission, the Wasatch Front Regional Council serves the following roles:

Convener

We facilitate collaboration with our communities and partners.

Technical Expert

We are trusted subject-matter experts.

Planner

We proactively plan for the future of our region.

Implementer

We put visions and plans into action.

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WASATCH FRONT REGIONAL COUNCIL
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WASATCH FRONT REGIONAL COUNCIL

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the financial statements of the government-type activities and each major fund of the Wasatch Front Regional Council, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Wasatch Front Regional Council's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental type activities as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Wasatch Front Regional Council's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

in performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Wasatch Front Regional Council's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt Wasatch Front Regional Council's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wasatch Front Regional Council's basic financial statements. The accompanying supplementary information, such as the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal 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 22, 2023, 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, regulation contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wasatch Front Regional Council's 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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
September 22, 2023

WASATCH FRONT REGIONAL COUNCIL

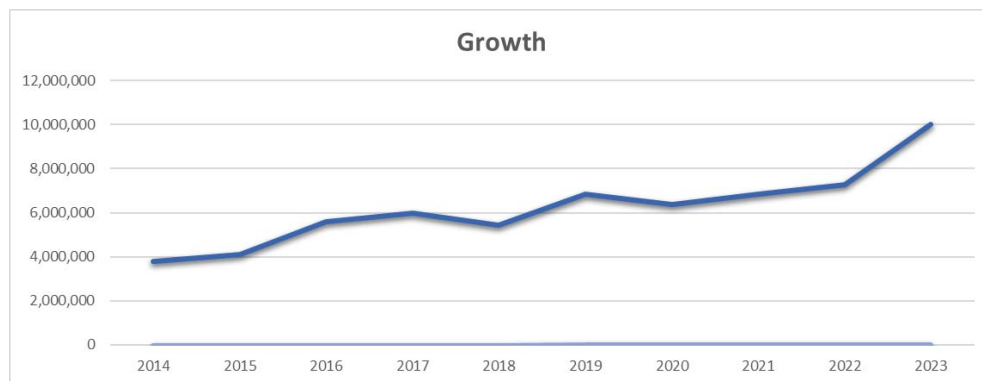
MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended June 30, 2023

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, 2023.

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 has a maximum membership of 27 (21 voting and six non-voting) members, including 19 local elected officials appointed by the county councils of governments in Box Elder (one voting member), Davis (four voting members), Morgan (one voting member), Salt Lake (eight voting members), Tooele (one voting member), and Weber (four voting members) counties. The Utah Department of Transportation (UDOT) and Utah Transit Authority (UTA) are each represented by one voting member. In addition, the Council includes two non-voting members, who represent the Utah League of Cities and Towns and Utah Association of Counties and has the option to add up to five additional non-voting members. Currently, this includes the Utah State Senate, House of Representatives, and Planning Coordinator, as well as Envision Utah.

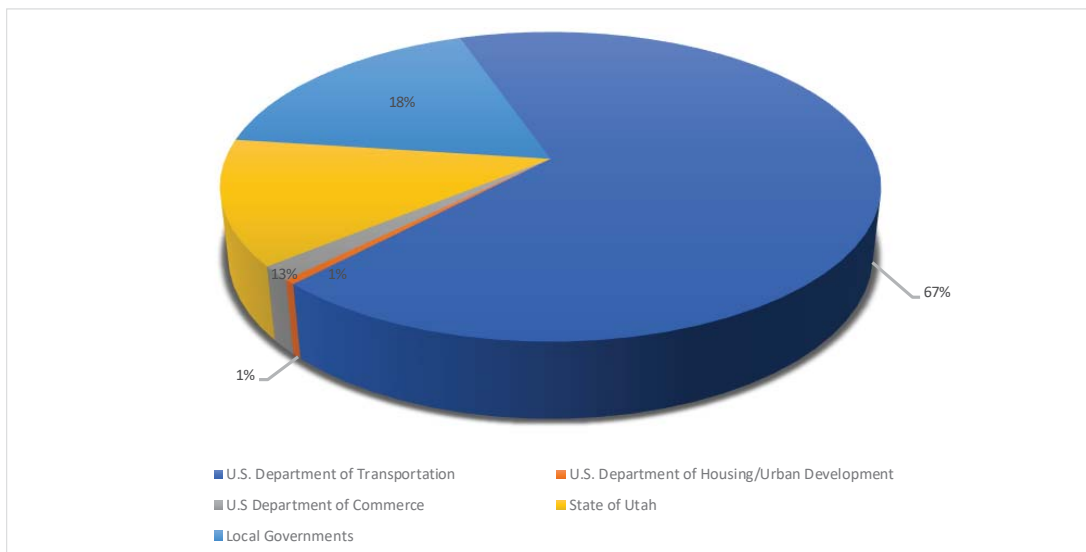
WASATCH FRONT REGIONAL COUNCIL MANAGEMENT DISCUSSION AND ANALYSIS For the year ended June 30, 2023

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.

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, 2023, Wasatch Front Regional Council received funding from the following sources:

U.S. Department of Transportation	\$	6,747,946	67.3%
U.S. Department of Housing/Urban Development		50,000	0.5%
U.S. Department of Commerce		147,450	1.5%
State of Utah		1,309,153	13.1%
Local Governments		<u>1,767,451</u>	<u>17.6%</u>
Total	\$	<u>10,022,000</u>	<u>100.0%</u>



**WASATCH FRONT REGIONAL COUNCIL
MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

FINANCIAL HIGHLIGHTS

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

	<u>2023</u>	<u>2022</u>
Current assets	\$ 6,977,960	\$ 4,537,831
Pension assets	-	1,104,905
Capital assets	<u>1,813,205</u>	<u>1,654,402</u>
Total Assets	<u>8,791,165</u>	<u>7,297,138</u>
Deferred outflows	<u>657,965</u>	<u>470,179</u>
Current liabilities	4,878,029	2,506,116
Non-current liabilities	<u>2,470,012</u>	<u>1,904,389</u>
Total liabilities	<u>7,348,041</u>	<u>4,410,505</u>
Deferred inflows	<u>15,542</u>	<u>1,543,543</u>
Net Position		
Net investment in capital assets	(297,481)	(108,203)
Unrestricted net position	<u>2,383,028</u>	<u>1,921,472</u>
Total Net Position	<u>\$ 2,085,547</u>	<u>\$ 1,813,269</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 \$158,077 for the year.

The bulk of changes from year to year are 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, Station Area Planning, Household Travel Survey, and several joint planning projects.

**WASATCH FRONT REGIONAL COUNCIL
MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

OVERVIEW OF 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 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 are 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 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*. 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 the 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.

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. The council has one 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

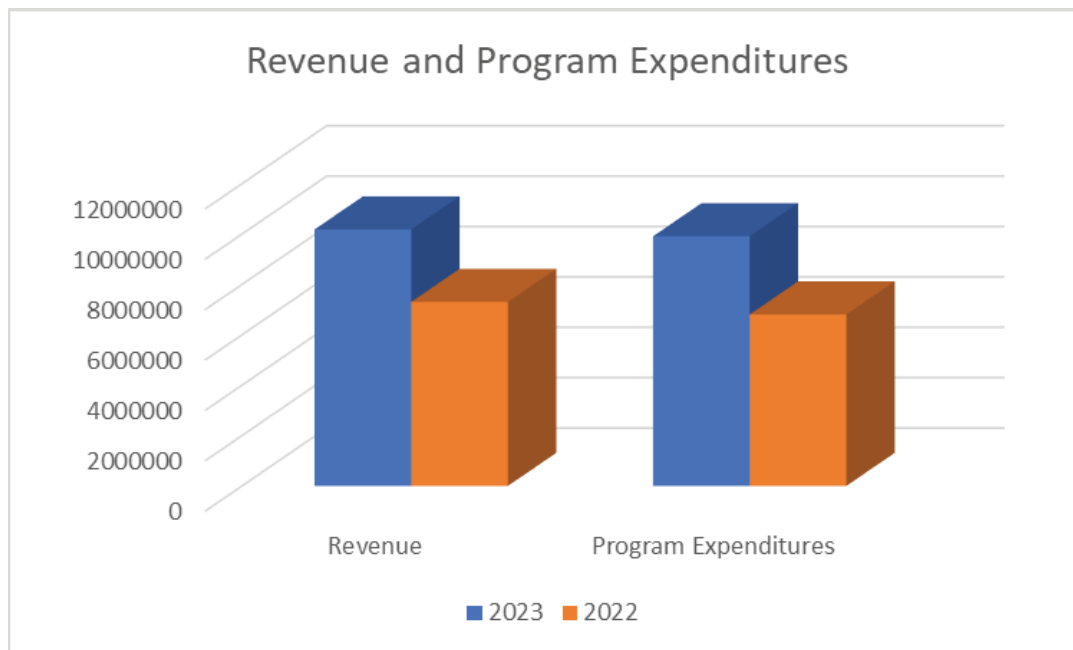
**WASATCH FRONT REGIONAL COUNCIL
MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

statements and government-wide statements, reconciliation between the two types is necessary to understand how the numbers differ. The Council has one major fund which is the General Fund. The General Fund is used for operating activities of the Council. To demonstrate legal compliance, statements comparing budget-to-actual numbers for the general fund 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 \$2,085,547 at the close of the fiscal year ended June 30, 2023. 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 \$(297,481). 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-to-day operations; consequently, these assets are not available for future spending.

The Council's net position increased by \$272,278 during the fiscal year.



**WASATCH FRONT REGIONAL COUNCIL
MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

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

	2023	2022
Revenue		
Federal sources	\$ 6,056,249	\$ 5,671,912
State sources	1,791,024	463,055
Local sources	2,174,727	1,146,760
Other	1,698	9,480
Interest income	158,077	13,357
	<u>\$ 10,181,775</u>	<u>\$ 7,304,564</u>
Expenses		
Administration	\$ -	\$ 1,577
Planning	9,909,497	6,735,659
Capital Outlay	-	69,235
	<u>\$ 9,909,497</u>	<u>\$ 6,806,471</u>
Total expenses		
	<u>\$ 9,909,497</u>	<u>\$ 6,806,471</u>
(Decrease) increase in net position	\$ 272,278	\$ 498,093
Net position beginning	1,813,269	1,315,176
Net position ending	<u>\$ 2,085,547</u>	<u>\$ 1,813,269</u>

The Council has one fund, the General Fund, that is deemed a major fund. The general fund is the fund that pays for the operations of the Council and activities. At the end of June 2023, the general fund showed an increase of \$159,775.

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	\$1,849,863
Cash restricted	\$3,135,628

**WASATCH FRONT REGIONAL COUNCIL
MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

BUDGETARY HIGHLIGHTS

The Council approved its fiscal year 2023 budget on May 26, 2022. During the year, the FY23 budget was amended to include \$4,107,927 in additional funding for projects such as the Transportation and Land Use Connection, the Safe Streets for All safety action plan, and the Statewide CEDS planning effort. In addition, this total accounts for funds carried forward from the previous year in a variety of projects, most of which 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, 2023, amounts to \$1,813,205 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 and Amortization)

	<u>2023</u>	<u>2022</u>
Right to use assets	\$ 1,738,757	\$ 1,471,606
Furniture and equipment	<u>74,448</u>	<u>182,796</u>
Total	<u><u>\$ 1,813,205</u></u>	<u><u>\$ 1,654,402</u></u>

LONG-TERM DEBT

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Lease liability	\$ 1,762,605	\$ 663,954	\$ 315,873	\$ 2,110,686	\$ 341,241
Pension liability	-	362,802	-	362,802	-
Compensated absences					
Sick leave	179,598	-	83,214	96,384	-
Vacation	<u>211,868</u>	<u>-</u>	<u>29,513</u>	<u>182,355</u>	<u>-</u>
Total	<u>391,466</u>	<u>-</u>	<u>112,727</u>	<u>278,739</u>	<u>-</u>
Total long-term liabilities	<u><u>\$ 2,154,071</u></u>	<u><u>\$ 663,954</u></u>	<u><u>\$ 428,600</u></u>	<u><u>\$ 2,389,425</u></u>	<u><u>\$ 341,241</u></u>

**WASATCH FRONT REGIONAL COUNCIL
MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended June 30, 2023**

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: Marian Florence,
Chief Financial Officer

WASATCH FRONT REGIONAL COUNCIL**Statement of Net Position****June 30, 2023**

	Governmental Activities
<u>ASSETS</u>	
CURRENT ASSETS	
Cash & equivalents	\$ 1,849,863
Restricted cash & equivalents	3,135,628
Accounts receivable	1,961,573
Prepaid expenses	30,896
Total Current Assets	<u>6,977,960</u>
NON-CURRENT ASSETS	
Capital assets (net of accumulated depreciation)	74,450
Right to use assets (net of accumulated amortization)	1,738,755
Total Capital Assets	<u>1,813,205</u>
Total Assets	<u>8,791,165</u>
Deferred outflows of resources related to pension	657,965
Total assets and deferred outflows of resources	<u>\$ 9,449,130</u>
<u>LIABILITIES</u>	
CURRENT LIABILITIES	
Accounts payable	\$ 1,401,160
Lease liability - current portion	341,241
Unearned revenue	3,135,628
Total Current Liabilities	<u>4,878,029</u>
NON-CURRENT LIABILITIES	
Lease liability	1,769,445
Pension liability	362,802
Compensated absences (due after one year)	337,765
Total noncurrent liabilities	<u>2,470,012</u>
Total Liabilities	7,348,041
Deferred inflows of resources related to pension	15,542
Total liabilities and deferred inflows of resources	<u>7,363,583</u>
<u>NET POSITION</u>	
Investment in capital assets, net of related debt	(297,481)
Unrestricted net position	2,383,028
Total net position	<u>\$ 2,085,547</u>

WASATCH FRONT REGIONAL COUNCIL

Statement of Activities For the Year Ended June 30, 2023

		Net (Expense) Revenue and Changes in Net Position		
Functions and Programs	Expenses	Program Revenue		Primary Government
		Operating Grants and Contributions	Other Grants and Contributions	Government Activities
PRIMARY GOVERNMENT				
Governmental Activities:				
General government	\$ 9,909,497	\$ 10,022,000	\$ -	\$ 112,503
Total Governmental Activities	9,909,497	10,022,000	-	112,503
Total primary government	9,909,497	10,022,000	-	112,503
General Revenues:				
Other				1,698
Investment earnings				158,077
Total General Revenue				159,775
Change in Net Assets				272,278
Net Position - Beginning				1,813,269
Net Position - Ending				\$ 2,085,547

WASATCH FRONT REGIONAL COUNCIL**Balance Sheet
Governmental Funds
June 30, 2023**

	General Fund	Total Governmental Funds
<u>ASSETS</u>		
Cash	\$ 1,849,863	\$ 1,849,863
Cash - restricted	3,135,628	3,135,628
Accounts receivable	1,961,573	1,961,573
Other	241	241
Prepaid expenses	30,655	30,655
Total Assets	<u>\$ 6,977,960</u>	<u>\$ 6,977,960</u>
<u>LIABILITIES AND FUND BALANCES</u>		
LIABILITIES		
Accounts payable	\$ 1,401,160	\$ 1,401,160
Unearned revenue	3,135,628	3,135,628
Total Liabilities	<u>4,536,788</u>	<u>4,536,788</u>
FUND BALANCES		
Unassigned	2,441,172	2,441,172
Total fund balances	<u>2,441,172</u>	<u>2,441,172</u>
 Total liabilities and fund balances	 <u>\$ 6,977,960</u>	 <u>\$ 6,977,960</u>

WASATCH FRONT REGIONAL COUNCIL
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2023

Total Fund Balance		<u>\$2,441,172</u>
Total Net assets reported for governmental activities in the statements 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	3,888,252	
Less accumulated depreciation and amortization	<u>(2,075,047)</u>	
	1,813,205	1,813,205
Liability for compensated absences is not recognized at the fund level but is recognized for the government wide statement of net assets.		(337,765)
Deferred outflows are not recognized on the fund statements but is recorded on the government wide statement.		657,965
Deferred inflows are not recognized on the fund statements but is recorded on the government wide statement		(15,542)
Long term liabilities including lease liabilities are not recognized in the funds statement		(2,110,686)
Long term pension related activities and changes are not reflected in the funds statement		<u>(362,802)</u>
Net assets of government activities		<u>\$2,085,547</u>

WASATCH FRONT REGIONAL COUNCIL
Statement of Revenue Expenditures,
And Changes in Fund Balances – Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Total Governmental Funds
REVENUE		
Federal sources	\$ 6,056,249	\$ 6,056,249
State sources	1,791,024	1,791,024
Local sources	2,174,727	2,174,727
Other	1,698	1,698
Interest	158,077	158,077
Total Revenue	<u>10,181,775</u>	<u>10,181,775</u>
EXPENDITURES		
Planning	<u>10,022,000</u>	<u>10,022,000</u>
Total Expenditures	<u>10,022,000</u>	<u>10,022,000</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>159,775</u>	<u>159,775</u>
FUND BALANCE, JULY 1	<u>2,281,397</u>	<u>2,281,397</u>
FUND BALANCE, JUNE 30	<u><u>\$ 2,441,172</u></u>	<u><u>\$ 2,441,172</u></u>

WASATCH FRONT REGIONAL COUNCIL
Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Fund Balances – Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	<u>\$ 159,775</u>
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 costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	(418,044)
The decrease in compensated absences is reported in the statement of activities but the liability is not recorded at the fund level.	53,701
Rent expense is recorded in the fund statements but the amount is shown as a interest expense is not recognized in the fund statements.	315,872
Pension expense is reduced by deferred outflows on the government wide statement.	248,080
Gains or losses on the sale of long term capital assets are not reported in the fund statements but are shown in the statement of activities.	(21,494)
Payments or changes in estimates of long term liabilities are not reflected in the fund statements but are shown on the statement of activities.	<u>(65,612)</u>
Change in net position of governmental activities	<u>\$ 272,278</u>

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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:

Cash and Cash Equivalents – Cash and Cash Equivalents are carried at cost or amortized cost, which approximates market. Cash and Cash equivalents are reported on the financial statements as cash and represent deposits with financial institutions. Restricted cash consists of the portion of cash that is restricted for a specific use due to constraints imposed by external parties.

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

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Receivables – Amounts receivable consist mainly of amounts due from federal, state, and local governments where collectability is reasonably assured. Accordingly, no allowance for uncollectable accounts has been established.

Capital Assets – The Council capitalizes and depreciates all assets over \$5,000 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 40 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.

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

Federal, State, Interest, and Other Revenue – Intergovernmental revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Wasatch Front Regional Council has one major governmental fund, the general 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.

Prepays – Payments made for goods and services that will benefit periods beyond June 30, 2023, 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, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, Wasatch Front has only one deferred outflow relating 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, represents 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.

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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.

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, 2023, the Utah Public Treasurer's Investment Fund was unrated.

As of June 30, 2023, the Council had the following investments:

	Investment Maturities (In Years)			
	Fair Value	Less Than 1 Year	1 - 10 Years	More Than 10 Years
State of Utah Public Treasurer	\$ 4,471,532	\$ 4,471,532	\$ -	\$ -
Total Investments	<u>\$ 4,471,532</u>	<u>\$ 4,471,532</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.

Inherent 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, 2023, all deposits were covered by federal insurance.

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, are as follows:

Cash in bank	\$ 513,959
Utah State Treasurer's investment pool	<u>4,471,532</u>
Total	<u>\$ 4,985,491</u>

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

Cash	\$ 1,849,863
Restricted cash	<u>3,135,628</u>
	<u>\$ 4,985,491</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, 2023:

Public Treasurer's Investment fund position is \$4,471,532. The unit of each 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. RESTRICTED CASH

The Council has restricted cash in the amount of \$3,135,628 for advanced grant payments and outside restrictions.

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable from all sources as of June 30, 2023, considered the following:

There is no allowance for uncollectable accounts.

Cache County MPO	\$ 8,141
Dixie MPO	18,477
Mountainland Association of Governments	58,336
US Department of Housing and Urban Development	50,000
Utah Department of Transportation	1,657,468
Utah Governor's Office of Economic Opportunity	120,000
Utah Governor's Office of Planning and Budget	29,000
Utah Transit Authority (UTA)	<u>20,151</u>
	<u><u>\$ 1,961,573</u></u>

NOTE 5. PROPERTY AND EQUIPMENT

A summary of changes in property and equipment for the year ended June 30, 2023 is as follows:

	Balance			Balance
	June 30, 2022	Additions	Retirement	June 30, 2023
Depreciated assets				
Right to use equipment	2,596,951	852,960	-	3,449,911
Equipment, furniture, and fixtures	<u>618,215</u>	<u>-</u>	<u>179,873</u>	<u>438,342</u>
Total depreciated assets	<u>3,215,166</u>	<u>852,960</u>	<u>179,873</u>	<u>3,888,253</u>
Less accumulated depreciation				
Accumulated amortization nondepreciable assets	1,125,345	585,811	-	1,711,156
Equipment, furniture, and fixtures	<u>435,419</u>	<u>86,852</u>	<u>158,379</u>	<u>363,892</u>
Total accumulated depreciation	<u>1,560,764</u>	<u>672,663</u>	<u>158,379</u>	<u>2,075,048</u>
Net property and equipment	<u>1,654,402</u>	<u>180,297</u>	<u>21,494</u>	<u>1,813,205</u>

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE 6. LONG TERM DEBT

A summary of changes in long-term debt for the year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Right to use assets liability	\$ 1,762,605	\$ 663,954	\$ 315,873	\$ 2,110,686	\$ 341,241
Pension liability	-	362,802	-	362,802	-
Compensated absences					
Sick leave	179,598	-	83,214	96,384	-
Vacation	211,868	29,513	-	241,381	-
Total	391,466	29,513	83,214	337,765	-
Total long-term liabilities	<u>\$ 2,154,071</u>	<u>\$ 1,056,269</u>	<u>\$ 399,087</u>	<u>\$ 2,448,451</u>	<u>\$ 341,241</u>

LEASES

The entity adopted GASB 87 in 2022 which requires that leased assets that meet the criteria of long-term leases be recorded on the balance sheet as a right to use asset and a corresponding lease liability. During 2023 the lease estimate was changed to include tenant improvement payback as part of the calculation. The company rents a building that has a value of \$2,596,951 and accumulated amortization of \$1,711,156. The Council is required to make monthly lease payments of \$30,883. The leases have an interest rate of 4.5% and the liability at year end was \$2,110,686. The right to use the building office space has an estimated useful life of ten years.

Year	Principal	Interest
June 30, 2024	\$ 341,241	\$ 88,060
June 30, 2025	368,123	72,157
June 30, 2026	396,589	55,011
June 30, 2027	426,714	36,550
June 30, 2028	458,577	16,698
June 30, 2029 - 2033	119,441	897
Totals	<u>\$ 2,110,686</u>	<u>\$ 269,372</u>

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.

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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:

Defined Benefit Plans

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

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting 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 benefit earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023, are as follows:

WASATCH FRONT REGIONAL COUNCIL NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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 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) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by state 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, 2023 are as follows:

	Employee	Employer	Employer 401(k)
Contributory System:			
111-Local Governmental Division Tier 2	N/A	16.01	0.18
Noncontributory System			
15-Local Government Division Tier 1	N/A	17.97	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.19	10.00

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

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$257,883	-
Tier 2 Public Employees System	187,664	-
Tier 2 DC Only System	29,775	-
Total Contributions	\$475,322	\$ -

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

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

At June 30, 2023, we reported a net pension asset of \$0 and a net pension liability of \$362,802.

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change (Decrease)
Noncontributory System	\$ -	\$312,472	0.1824391%	0.1903612%	-0.0079221%
Tier 2 Public Safety and Fire Fig	-	50,330	0.0462208%	0.0346988%	0.0115220%
Total Net Pension Asset / Liability	\$ -	\$362,802			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022, 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, 2023, we recognized pension expense of \$226,066.

At June 30, 2023 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	\$ 122,986	\$ 1,996
Changes in assumptions	67,549	1,376
Net difference between projected and actual earnings on pension plan investments	226,401	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,639	12,170
Contributions subsequent to the measurement date	234,390	-
Total	\$ 657,965	\$ 15,542

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

\$234,390 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2023	\$ (51,698)
2024	13,089
2025	92,196
2026	334,581
2027	4,079
Thereafter	15,785

Actuarial Assumptions

The total pension liability in the December 31, 2022, 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	6.85 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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 investments 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 within 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	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	35%	6.58%	2.30%
Debt securities	20%	1.08%	0.22%
Real assets	18%	5.72%	1.03%
Private equity	12%	9.80%	1.18%
Absolute return	15%	2.91%	0.44%
Cash and cash equivalents	0%	-11.00%	0.00%
Totals	100%		5.17%
		Inflation	2.50%
		Expected arithmetic nominal return	7.67%

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

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

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

System	1% Decrease 5.85%	Discount Rate -6.85%	1% Increase -7.85%
Noncontributory System	\$1,969,306	\$312,472	(\$1,071,899)
Tier 2 Public Safety and Firefighter	219,912	50,330	(80,313)
Total	2,189,218	362,802	(1,152,212)

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

Defined Contribution Savings Plans

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

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 Plan for fiscal year ended June 30th were as follows:

	2023	2022	2021
401(k) Plan			
Employer Contributions	\$ 426,323	\$ 369,434	\$ 312,118
Employee Contributions	100,403	116,162	84,655
401(k) Plan			
Employer Contributions	-	-	-
Employee Contributions	172,657	179,661	182,912
401(k) Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 11,433	\$ 2,825	\$ 450

NOTE 9. ECONOMIC DEFICIENCY

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

NOTE 10. FUND BALANCE

These financial statements include the provisions of GASB Statement No. 54, which refined 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. 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 11. TRANSFERS

The Council did not show any transfers during the year.

NOTE 12. Subsequent Events

Management has evaluated events and transactions which occurred through the date of the audit report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

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WASATCH FRONT REGIONAL COUNCIL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUE				
Federal sources	\$ 7,318,774	\$ 9,368,140	\$ 6,056,249	\$ (3,311,891)
State sources	3,604,012	4,052,585	1,791,024	(2,261,561)
Local sources	2,366,444	3,961,431	2,174,727	(1,786,704)
Other	-	-	1,698	1,698
Interest	7,200	15,000	158,077	143,077
Total revenue	<u>13,296,430</u>	<u>17,397,157</u>	<u>10,181,775</u>	<u>(7,215,382)</u>
EXPENDITURES				
Planning	<u>13,289,230</u>	<u>17,397,157</u>	<u>10,022,000</u>	<u>(7,375,157)</u>
Total expenditures	<u>13,289,230</u>	<u>17,397,157</u>	<u>10,022,000</u>	<u>(7,375,157)</u>
Excess of revenue over expenditures (usage of fund balance)	<u>7,200</u>	<u>-</u>	<u>159,775</u>	<u>159,775</u>
Net change in fund balance	<u>7,200</u>	<u>-</u>	<u>159,775</u>	<u>159,775</u>
Fund Balance, July 1	<u>2,281,397</u>	<u>2,281,397</u>	<u>2,281,397</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,288,597</u>	<u>\$ 2,281,397</u>	<u>\$ 2,441,172</u>	<u>\$ 159,775</u>

WASATCH FRONT REGIONAL COUNCIL
Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2023
Last 10 Fiscal Years*

		Tier 1 System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	2023	0.1824391%	0.0462208%
	2022	0.1903612%	0.0346988%
	2021	0.1915841%	0.0417529%
	2020	0.2049394%	0.0371020%
	2019	0.1926173%	0.0458105%
	2018	0.1855225%	0.0476816%
	2017	0.1838020%	0.0542080%
	2016	0.1774581%	0.0430644%
	2015	0.1707007%	0.0472560%
Proportionate share of the net pension liability (asset)	2023 \$	312,472	\$ 50,330
	2022 \$	(1,090,216)	\$ (644,380)
	2021 \$	98,272	\$ 6,005
	2020 \$	772,390	\$ 8,345
	2019 \$	1,418,381	\$ 19,620
	2018 \$	812,830	\$ 4,204
	2017 \$	1,180,234	\$ 6,047
	2016 \$	1,004,144	\$ (94)
	2015 \$	741,223	\$ (1,234)
Covered Employee Payroll	2023 \$	1,480,219	\$ 1,005,874
	2022 \$	1,564,600	\$ 644,380
	2021 \$	1,627,447	\$ 667,383
	2020 \$	1,791,683	\$ 515,854
	2019 \$	1,613,028	\$ 535,216
	2018 \$	1,516,557	\$ 466,787
	2017 \$	1,507,181	\$ 444,548
	2016 \$	1,449,896	\$ 278,274
	2015 \$	1,402,300	\$ 199,888
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2023	21.11%	5.00%
	2022	-69.70%	-2.28%
	2021	6.00%	0.90%
	2020	43.10%	1.62%
	2019	87.90%	3.67%
	2018	53.60%	0.90%
	2017	78.30%	1.36%
	2016	69.3%	-0.03%
	2015	52.9%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability.	2023	97.5%	92.3%
	2022	108.7%	103.8%
	2021	99.2%	98.3%
	2020	93.7%	96.5%
	2019	87.0%	90.8%
	2018	91.9%	97.4%
	2017	87.3%	95.1%
	2016	87.8%	100.2%
	2015	90.2%	103.5%

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

WASATCH FRONT REGIONAL COUNCIL

Schedule of Required Supplementary Information

Utah Retirement Systems

	Contributions in Relation to the				Contribution deficiency (excess)	Contributions as a percentage of	
	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contractually Required Contribution	Covered Employee Payroll		Covered Employee Payroll	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%	
	2022	284,729	284,729	-	1,546,562	18.41%	
	2023	257,883	257,883	-	1,463,267	17.62%	
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	15.94%	
	2021	106,276	106,276	-	672,630	15.80%	
	2022	121,484	121,484	-	755,969	16.07%	
	2023	187,664	187,664	-	1,180,775	15.89%	
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%	
	2022	29,290	29,280	-	437,669	6.69%	
	2023	29,775	29,775	-	481,018	6.19%	

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

Paragraph 81.b of GASB 68 requires employees 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 practices.

WASATCH FRONT REGIONAL COUNCIL

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2023

Changes in Assumptions:

No changes were made in actuarial assumptions from the prior year.'



**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 City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental-type activities of Wasatch Front Regional Council as of and for the year ended June 30, 2023 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 22, 2023.

Report on 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) as a basis for designing 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. Accordingly, we do not express an opinion on the effectiveness 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 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wasatch Front Regional Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

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.

LARSON & COMPANY, PC

Larson & Company

Spanish Fork, Utah

September 22, 2023



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

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

Report on Compliance with General State Compliance Requirements

We have audited Wasatch Front Regional Council's compliance with applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on Wasatch Front Regional Council for the year ended June 30, 2023

State compliance requirements were tested for the tested for the year ended June 30, 2023 in the following areas:

Compliance Audit Planning Procedures
Budgetary Compliance
Fund Balance
Utah Retirement Systems

Fraud Risk Assessment
Cash Management
Public Treasurer's Bond
Open and Public Meetings

Opinion on Compliance

In our opinion Wasatch Front Regional Council complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the County for the year ended June 30, 2023.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Wasatch Front Regional Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Wasatch Front Regional Council's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Wasatch Front Regional Council's government programs..

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Wasatch Front Regional Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Wasatch Front Regional Council's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Wasatch Front Regional Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Wasatch Front Regional Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Wasatch Front Regional Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Guide. Accordingly, this report is not suitable for any other purpose.

LARSON & COMPANY, PC

Larson & Company, PC

Spanish Fork, Utah
September 22, 2023



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 City, Utah

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAMS

Opinion on Compliance for Each Major Federal Program

We have audited Wasatch Front Regional Council's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Wasatch Front Regional Council's major federal programs for the year ended June 30, 2023. Wasatch Front Regional Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Wasatch Front Regional Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Wasatch Front Regional Council and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Wasatch Front Regional Council's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Wasatch Front Regional Council's major federal programs.

Auditor's Responsibilities for the Audit Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Wasatch Front Regional Council's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Wasatch Front Regional Council's compliance with the requirements of each major federal program.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Wasatch Front Regional Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Wasatch Front Regional Council's internal control over compliance relevant to the audit in order to design audit procedures that appropriate in the circumstances and to test and report on the internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Wasatch Front Regional Council's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies in material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we identified no deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

LARSON & COMPANY, PC

Larson & Company, PC

Spanish Fork, Utah
September 22, 2023

WASATCH FRONT REGIONAL COUNCIL
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Federal Grantor/Pass-Thru/ Grantor/Program Title	Federal CFDA Number	Pass-Through Grantors Contract	Amount of Expenditures
Department of Transportation (DOT)			
<i>Direct Assistance</i>			
<i>Highway Planning and Construction Cluster</i>			
* CPG-Consolidated Planning	20.205		4,471,242
* Model Development (through UDOT)	20.205		97,311
* Model Development (through MAG)	20.205		36,331
* STP Funds For TLC SLC (through UDO)	20.205		406,013
* STP Funds for TLC Ogden Layton (throu	20.205		440,867
* STP Funds for HTS (through UDOT)	20.205		539,519
* Joint Planning (through UDOT)	20.205		384,562
* Joint Planning (through MAG)	20.205		267,328
* Joint Planning (through Cache MPO)	20.205		42,876
* Joint Planning (through Dixie MPO)	20.205		60,741
<i>Transit Services Programs</i>			
Mobility Management (through UTA)	20.205		1,156
<i>Total Highway Planning and Construction Cluster</i>			6,746,790
Total Department of Transportation (DOT)			<u>6,747,946</u>
Department of Commerce (DOC)			
<i>Direct Assistance</i>			
Economic Development Administration	11.302		84,694
Economic Development Administration	11.302		17,500
<i>Economic Development Cluster</i>			
Economic Development Administration	11.307		45,258
<i>Total Economic Development Cluster</i>			45,258
Total Department of Commerce (DOC)			<u>147,452</u>
Department of Housing and Urban Development (HUD)			
<i>Direct Assistance</i>			
Community Development Block Grant	14.228		50,000
Total Department of Housing and Urban Development (HUD)			<u>50,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 6,945,398</u>

* Major Program

** Non-cash assistance

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WASATCH FRONT REGIONAL COUNCIL
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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 the purpose 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, expenditure, and other changes of the Council.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The information in the schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost of 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 expenditure 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, 2023.

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, 2023.

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.

WASATCH FRONT REGIONAL COUNCIL
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

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.

Non-Cash Assistance

The council did not receive any non-cash assistance for the year ended June 30, 2023

WASATCH FRONT REGIONAL COUNCIL
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

I. Summary of Auditor's Results

Financial Statements

The independent auditor's report expressed an unmodified opinion on the basic financial statements of Wasatch Front Regional Council.

Internal Control over financial reporting:

- Material weaknesses identified ☐ Yes ☒ No
- Significant deficiencies identified ☐ Yes ☒ No
- Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over federal programs

- Material weaknesses identified ☐ Yes ☒ No
- Significant deficiencies identified ☐ Yes ☒ No

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes ☐ No ☒

Identification of Federal Major Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs

20.205 Highway Planning and Construction Cluster

Unmodified

Dollar threshold used to distinguish between type A and type B Programs:

\$750,000

Auditee qualified as a low-risk auditee?

☒ Yes ☐ No

WASATCH FRONT REGIONAL COUNCIL
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

II. Governmental Auditing Standards Findings

None noted

III. Federal Award Findings

None noted

Prior Audit Findings Related to Financial Statements

None

Prior Audit Findings Related to Federal Awards

None