

OGDEN CITY CORPORATION

**Federal Single Audit
and Other Compliance Reports**

For the Year Ended June 30, 2022

HBME

CERTIFIED PUBLIC ACCOUNTANTS

OGDEN CITY CORPORATION

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Single Audit and Other Reports –

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**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***

Independent Auditor's Report

To the Mayor and Members of the City Council
Ogden City Corporation

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

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, as item UT2022-1 in the Schedule of Findings and Responses, as required by the *Utah State Audit Compliance Guide*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBMC, LLC

January 31, 2023



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Mayor and Members of the City Council
Ogden City Corporation

Report on Compliance for Each Major Federal Program

We have audited Ogden City Corporation (the City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each of the City's major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, Ogden City Corporation 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, 2022.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated January 31, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Purpose of This Report

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

HBMC, LLC

January 31, 2023

OGDEN CITY CORPORATION
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

Federal Agency (Pass-Through Agency)	Federal Program	Assistance Listing Number	Award Grant Number	Expenditures			
				From Pass-Through Awards	From Direct Awards	Total	Passed Through to Subrecipient
U.S. Department of Housing and Urban Development							
	Community Development Block Grant - 2019	14.218	B-19-MC-49-0001	\$ -	\$ 564,966	\$ 564,966	\$ -
	Community Development Block Grant - 2020	14.218	B-20-MC-49-0001	-	668,120	668,120	-
	Community Development Block Grant - 2021	14.218	B-21-MC-49-0001	-	1,323,209	1,323,209	-
	COVID19 Community Development Block Grant	14.218	B-20-MW-49-0001	-	177,461	177,461	-
	COVID19 Community Development Block Grant	14.218	B-20-DW-49-0002	64,963	-	64,963	-
	Home Investment Partnership Program - 2020	14.239	M-20-MC-49-0216	-	491,917	491,917	-
	Home Investment Partnership Program - 2021	14.239	M-21-MC-49-0216	-	712,529	712,529	-
	Home Investment Partnership Program - American Rescue Plan	14.239	M-21-MP-49-0216	-	18,516	18,516	-
			Total U.S. Department of Housing and Urban Development	64,963	3,956,718	4,021,681	-
National Park Service							
Utah State Historic Preservation Office	Historic Preservation Fund	15.904	P21AF10707	1,839	-	1,839	-
			Total National Park Service	1,839	-	1,839	-
U.S. Department of Justice							
	COVID-19: BJA - Coronavirus Emergency Supplement Program	16.034	2020-VD-BX-0887	-	60,282	60,282	-
Utah Commission on Criminal and Juvenile Justice (CCJJ)	Violence Against Women Formula Grant - 2021 Police	16.588	19W2114	17,572	-	17,572	-
Utah Commission on Criminal and Juvenile Justice (CCJJ)	Violence Against Women Formula Grant - 2021 Prosecutor	16.588	19W2115	35,174	-	35,174	-
Utah Commission on Criminal and Juvenile Justice (CCJJ)	Violence Against Women Formula Grant - 2022 Police	16.588	20W2214	29,288	-	29,288	-
Utah Commission on Criminal and Juvenile Justice (CCJJ)	Violence Against Women Formula Grant - 2022 Prosecutor	16.588	20W2215	40,702	-	40,702	-
	Bullet Proof Vest Partnership - 2019	16.607	None	-	5,448	5,448	-
	Bullet Proof Vest Partnership - 2020	16.607	None	-	4,316	4,316	-
Northern Utah United Way	Project Safe Neighborhood - 2018	16.609	None	31,327	-	31,327	-
Northern Utah United Way	Project Safe Neighborhood - 2019	16.609	None	99,293	-	99,293	-
Northern Utah United Way	Project Safe Neighborhood - 2020	16.609	None	25,130	-	25,130	-
	Justice Assistance Grant - 2018	16.738	2018-DJ-BX-0347	-	53,097	53,097	-
	Justice Assistance Grant - 2019	16.738	2019-DJ-BX-0876	-	19,261	19,261	-
Utah Commission on Criminal and Juvenile Justice (CCJJ)	Victims of Crime Act Grant - Prosecutor	16.801	21/22VOCOA43	48,563	-	48,563	-
Utah Commission on Criminal and Juvenile Justice (CCJJ)	Victims of Crime Act Grant - Police	16.801	21/22VOCOA42	120,753	-	120,753	-
	Equitable Sharing	16.922	None	-	21,465	21,465	-
			Total Department of Justice	447,802	163,869	611,671	-
U.S. Department of Transportation							
	Airport Improvement Aid Program - AIP	20.106	3-49-0024-48	-	16,515	16,515	-
	Airport Improvement Aid Program - AIP	20.106	3-49-0024-50	-	659,924	659,924	-
	Airport Improvement Aid Program - AIP	20.106	3-49-0024-53	-	1,359,000	1,359,000	-
	Airport Coronavirus Response Grant Program - ACRGP	20.106	3-49-0024-54	-	1,005,491	1,005,491	-
	Airport Coronavirus Response Grant Program - ACRGP	20.106	3-49-0024-55	-	3,462	3,462	-
	Airport Rescue Grant - ARG	20.106	3-49-0024-56	-	143,955	143,955	-
Utah Department of Transportation	Highway Planning and Construction - Ogden Bike Share Program	20.205	None	74,467	-	74,467	-
			Total U.S. Department of Transportation	74,467	3,188,347	3,262,814	-
U.S. Federal Transit Administration							
Utah Transit Authority	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	1167	10,453	-	10,453	-
			Total U.S. Federal Transit Administration	10,453	-	10,453	-
U.S. Department of Treasury							
State of Utah	COVID-19 Coronavirus Relief Fund	21.019	None	2,523	-	2,523	-
			Total U.S. Department of Treasury	2,523	-	2,523	-
U.S. Environmental Protection Agency							
Utah Division of Environmental Quality	Section 319 NPS Source Implementation	66.460	C999818718-0	149,466	-	149,466	-
			Total U.S. Environmental Protection Agency	149,466	-	149,466	-
Executive Office of the President							
	2020/21 HIDTA	95.001	G20RM0047A	-	86,544	86,544	-
	2022/23 HIDTA	95.001	G22RM0047A	-	68,429	68,429	-
			Total Executive Office of the President	-	154,973	154,973	-
U.S. Department of Homeland Security							
	COVID-19: Assistance to Firefighters Grant	97.044	EMW-2020-FG-00146	-	7,731	7,731	-
State of Utah	Disaster Grants - Public Assistance (FEMA 2020 Wind Event)	97.036	PA-08-UT-4578-PW-0063	191,970	-	191,970	-
State of Utah	FEMA Hazard Mitigation Grant	97.039	FEMA-DR-4311	363,716	-	363,716	-
State of Utah	Homeland Security LEPTA Reimbursement	97.067	DEM-2019-SHSP-001	964	-	964	-
State of Utah	Homeland Security LEPTA Reimbursement	97.067	DEM-2021-SHSP-001	3,757	-	3,757	-
			Total Department of Homeland Security	560,407	7,731	568,138	-
			TOTAL FEDERAL AWARDS EXPENDED	\$ 1,311,920	\$ 7,471,638	\$ 8,783,558	\$ -

OGDEN CITY CORPORATION
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. PURPOSE OF THIS SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to Ogden City Corporation's (the City) basic financial statements and is presented for additional analysis. The Schedule is required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule includes the federal grant activity of the City. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Federal Financial Assistance Pursuant to the Single Audit Act of 1984; the Single Audit Act Amendments of 2015, and the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, endowments, or direct appropriations. Federal financial assistance does not include direct federal cash assistance to individuals.

Assistance Listing Number (ALN) - The Uniform Guidance requires the Schedule to show the total expenditures for each of the City's federal financial assistance programs as identified in the Schedule. The Schedule is a government-wide summary of individual federal programs. Each program included in the Schedule is assigned a five-digit program identification number, or ALN, which is reflected in the Schedule. Federal financial assistance programs and contracts which have not been assigned an ALN number have been identified as *Unknown* in the ALN Column of the Schedule.

Type A and Type B Programs--The Single Audit Act of 1984 (as amended in 2015) and the Uniform Guidance establish the levels to be used in defining Type A and Type B federal programs. Type A programs for The City are those programs that exceeded \$750,000 in the federal awards expended for the fiscal year ended June 30, 2022. All other programs are classified as Type B by the City.

Reporting Entity

The City's reporting entity is fully described in *Footnote 1* of the City's basic financial statements. The Schedule includes all federal financial assistance programs administered by the City for the year ended June 30, 2022.

OGDEN CITY CORPORATION
Notes to Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Federal financial assistance programs included in the Schedule are reported in the City's basic financial statements as intergovernmental revenue in the General Fund and Special Revenue Funds. The Schedule is presented using the same basis of accounting used for each fund as described in *Footnote 1* of the City's basic financial statements.

3. INDIRECT COST RATE

The City has not elected to use the 10% de minimis cost rate.

OGDEN CITY CORPORATION
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of The City.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the *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*.
3. No instances of noncompliance with federal award programs material to the financial statements of the City were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for the City expresses an unmodified opinion.
5. There was an audit finding required to be reported under The Uniform Guidance or *Government Auditing Standards*, as item 2022-1 in the *Utah State Audit Compliance Guide*, in a separate report dated January 31, 2023.
6. The programs tested as major programs were:

U.S. Department of Housing and Urban Development
CFDA # 14.239 HOME INVESTMENT PARTNERSHIP PROGRAM
U.S. Department of Homeland Security
CFDA # 97.036 DISASTER GRANTS – PUBLIC ASSISTANCE (2020 WIND EVENT)
CFDA # 97.039 HAZARD MITIGATION GRANT

7. The threshold for distinguishing Type A and B programs was \$750,000.
8. The City was determined to be a low-risk auditee.

B. CURRENT YEAR FINDINGS AND QUESTIONED COSTS FEDERAL AWARD PROGRAMS

No reportable conditions noted.

C. PRIOR YEAR FINDINGS AND QUESTIONED COSTS FEDERAL AWARD PROGRAMS

No reportable conditions noted.

OGDEN CITY CORPORATION

Compliance Reports
and Utah State Audit Compliance

For the Year Ended June 30, 2022

OGDEN CITY CORPORATION

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**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***

Independent Auditor's Report

To the Mayor and Members of the City Council
Ogden City Corporation

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

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, therefore, material weaknesses or significant deficiencies may

exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, as item UT2022-1 in the Schedule of Findings and Responses, as required by the *Utah State Audit Compliance Guide*.

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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBME, LLC

December 30, 2022



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

Independent Auditor's Report

To the Mayor and Members of the City Council
Ogden City Corporation

Report on Compliance

We have audited Ogden City Corporation's (the City) compliance with the state compliance requirements described in the *Utah State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2022.

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

Budgetary Compliance	Governmental Fees
Fund Balance	Enterprise Fund Transfers,
Justice Court	Reimbursements, Loans, and Services
Restricted Taxes and Related Restricted Revenues	Utah Retirement Systems
Fraud Risk Assessment	Public Treasurer's Bond

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *Utah State Compliance Audit Guide*. Those standards and the *Utah State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance or other matter, which is required to be reported in accordance with the *Utah State Compliance Audit Guide* and which is described in the accompanying Schedule of Findings and Responses as items UT2022-1. Our opinion on compliance is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

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

Purpose of This Report

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 *Utah State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HBME, LLC

December 30, 2022

OGDEN CITY CORPORATION
Schedule of Findings and Responses
For the Year Ended June 30, 2022

CURRENT YEAR FINDING

UT2022-1 Budgetary Compliance

Repeat Finding from Prior Year(s): No

Condition: For the year ended June 30, 2022, we noted in the Downtown Special Assessment Fund that actual expenditures exceeded final appropriated expenditures by \$44,434.

Criteria: State law, Utah Code 10-6-123) stipulates that City officers and employees may not make or incur expenditures in excess of total appropriations for any department or fund. \

Cause: The non-departmental expenses were higher than anticipated and the corresponding budget was not amended prior to year-end.

Effect: The City is not in compliance with Utah Code regarding the incurrence of expenditures in excess of total appropriations which could result in improper purchases.

Recommendation: The City should monitor the status of expenditures compared to the budget throughout the year and amend the budget or limit spending, as necessary, to ensure compliance with State Code.

Management's Response: Management will monitor the status of expenditures throughout the year and will amend the budget as necessary to ensure compliance with State Code.

PRIOR YEAR FINDING

UT2021-1 Deficit Fund Balance

Repeat Finding from Prior Year(s): Yes

Condition: We noted a deficit fund balance in the Dinosaur Park Fund of \$27,795 as of June 30, 2021.

Criteria: Utah Code 10-6-117(2) stipulates that deficit fund balances in any fund are not permitted.

Cause: The fund ended with a *due to other funds* balance, the fund ended with a negative fund balance and needs a transfer to eliminate the deficit.

OGDEN CITY CORPORATION
Schedule of Findings and Responses (Continued)
For the Year Ended June 30, 2022

Effect: The City is not in compliance with Utah Code regarding fund balance deficits and needs to comply with the required corrective action plan of budgeting to eliminate at least 5% of the deficit per fiscal year.

Recommendation: The City should take appropriate action to eliminate this deficit fund balances in accordance with State Code.

Management's Response: The City Comptroller will request the City Council consider and authorize a budget resolution to transfer \$27,795 from the City's General Fund to the Dinosaur Park Fund to eliminate the deficit fund balance. The Council will have the opportunity to review and vote on this budget resolution in February 2022. If Council authorizes this transfer, it will be immediately entered in the City's general ledger.

Current Year Status: The finding was adequately satisfied during the current fiscal year.