

**WOODS CROSS CITY  
WOODS CROSS, UTAH**

**SUPPLEMENTARY REPORTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**



**Keddington & Christensen, LLC**  
Certified Public Accountants

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**WOODS CROSS CITY  
SUPPLEMENTARY REPORTS  
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KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Honorable Mayor and  
Members of the City Council  
Woods Cross 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 activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woods Cross, Utah (the City), as of and for the year ended June 30, 2021, 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 7, 2021.

**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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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 no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Keddington & Christensen*

Salt Lake City, Utah  
December 7, 2021



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

Honorable Mayor and  
Members of the City Council  
Woods Cross City, Utah

**Report on Compliance for Each Major Federal Program**

We have audited the City of Woods Cross, Utah's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

**Report on Internal Control over Compliance**

Management of the City 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A

*significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated December 7, 2021, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Purpose of Report**

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

*Keddington & Christensen*

Salt Lake City, Utah  
December 7, 2021

**WOODS CROSS CITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

<b>Federal Grantor/Pass-through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Entity Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b><u>Department of Housing and Urban Development</u></b>				
Passed through Davis County, Utah:				
Community Development Block Grant	14.218	B-20-UC-49-0002	\$ -	\$ 160,000
<b>Total Department of Housing and Urban Development</b>			<b>\$ -</b>	<b>\$ 160,000</b>
<b><u>Department of the Treasury</u></b>				
Passed through the State of Utah:				
COVID-19 - Coronavirus Relief Fund	21.019	None	\$ 287,565	\$ 950,275
<b>Total Department of the Treasury</b>			<b>\$ 287,565</b>	<b>\$ 950,275</b>
<b><u>Department of Homeland Security</u></b>				
Passed through the State of Utah Department of Public Safety:				
Disaster Grants - Public Assistance	97.036	4578-DR-UT	\$ -	\$ 12,570
COVID-19 - Disaster Grants - Public Assistance	97.036	4578-DR-UT	-	23,742
<b>Total Department of Homeland Security</b>			<b>\$ -</b>	<b>\$ 36,312</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 287,565</b>	<b>\$ 1,146,587</b>

**WOODS CROSS CITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

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

**WOODS CROSS CITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

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

**Federal Awards**

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





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

Honorable Mayor and  
Members of the City Council  
Woods Cross City, Utah

**Report on Compliance**

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

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

- |   |  |
|---|--|
| Budgetary Compliance                            | Government Fees                            |
| Fund Balance                                    | Cash Management                            |
| Justice Court                                   | Enterprise Fund Transfers, Reimbursements, |
| Restricted Taxes and Related Restricted Revenue | Loans, and Services                        |
| Fraud Risk Assessment                           | Open and Public Meetings Act               |

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Compliance**

In our opinion, Woods Cross City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *State Compliance Audit Guide*, and which is described in the accompanying Schedule of Findings and Recommendations as 2021-01 and 2021-02. Our opinion on compliance is not modified with respect to these matters.

The City's responses to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Recommendations. The City's responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### **Report on Internal Control over Compliance**

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

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

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

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

*Keddington & Christensen*

Salt Lake City, Utah  
December 7, 2021

**WOODS CROSS CITY**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**For the Year Ended June 30, 2021**

**STATE COMPLIANCE**

**2021-01 Fund Balance (Significant Deficiency)**

**Condition:** During our audit procedures, we noted a fund deficit in the Park Development fund in the amount of \$22,865 and noted that there did not appear to be an appropriation made in the subsequent fiscal year's approved budget to retire that deficit.

**Criteria:** Utah Code 10-6-117(2)(a) states: "If there is a deficit fund balance in a fund at the close of the last completed fiscal year, the governing body of a city shall include an item of appropriation for the deficit in the current budget of the fund equal to at least 5% of the total revenue of the fund in the last completed fiscal year."

**Cause:** The City did not make an appropriation in the subsequent fiscal year's budget to retire the deficit in the Park Development fund.

**Effect:** The City did not comply with Utah Code 10-6-117

**Recommendation:** We recommend the City comply with the Utah Code 10-6-117

**Response:** The City will make an appropriation to retire the deficit fund balance in the Park Development Fund.

**2021-02 Cash Management (Significant Deficiency)**

**Condition:** During our audit procedures, we noted that the City reported inaccurate data concerning cash balances in their Deposit and Investment Report for the period ended 6/30/2021.

**Criteria:** Utah Code 51-7-15(3)(a)(b)(i) states: "A public treasurer shall file a written report with the council on or before January 31 and July 31 of each year. The report shall contain: the information about the deposits and investments of that public treasurer during the preceding six months ending December 31 and June 30, respectively, that the council requires by rule."

**Cause:** The City included \$31,250 and \$79,250 of 2014 Water Revenue Bond payments in their Deposit and Investment Report as if they were cash held in a depository.

**Effect:** The City did not comply with Utah Code 51-7-15

**Recommendation:** We recommend the City comply with the Utah Code 51-7-15

**Response:** The City will provide training to comply with Utah Code 51-7-15