

BEAR RIVER ASSOCIATION OF GOVERNMENTS

FINANCIAL REPORT

JUNE 30, 2021

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
FINANCIAL REPORT  
JUNE 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Bear River Association of Governments  
Logan, Utah

We have audited the accompanying financial statements of the governmental activities and each major fund of Bear River Association of Governments, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bear River Association of Governments' basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Bear River Association of Governments as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 and the Schedule of Required Supplementary Information Utah Retirement Systems on pages 36-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bear River Association of Governments' basic financial statements. The Budget to Actual statement for the Bear River Community Services Foundation on page 38 and the Supplemental Information to Input to REAC schedules on pages 39-42 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budget to Actual statement for the Bear River Community Services Foundation and the Supplemental Information to Input to REAC schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budget to Actual statement for the Bear River Community Services Foundation and Supplemental Information to Input to REAC schedules are 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 a report dated November 24, 2021, on our consideration of Bear River Association of Governments' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, 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 Bear River Association of Governments' 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 Bear River Association of Governments' internal control over financial reporting and compliance.

*Wiggins & Co., PC*  
Brigham City, Utah  
November 24, 2021

## **Management's Discussion and Analysis Bear River Association of Governments**

This section of the Bear River Association of Governments' (BRAG, Association) annual financial report presents management's discussion and analysis of BRAG's financial performance during the year ending June 30, 2021. Please read it in conjunction with BRAG's financial statements, which follows this section.

### **History and Purpose of Bear River Association of Governments**

The Bear River Association of Governments (BRAG) is a voluntary association of local governments in Box Elder, Cache, and Rich Counties. The association was formed in 1971 to address problems that extend beyond traditional jurisdictional boundaries and affect the entire tri-county region. BRAG was also designed to eliminate duplication of effort and to provide a stronger role for local government officials in planning, coordinating and administering state and federal programs at the local level.

As stated in the Articles of Association, the organization's creation document, "The Bear River Association of Governments ... shall be a voluntary organization of governments to facilitate inter-governmental cooperation and insure the orderly and harmonious coordination of federal, state, and local programs for the solution of mutual problems of the region." The overall goal is "to serve as a multipurpose organization, utilizing our combined total resources, to provide a more effective means for planning and development of the physical, economic and human resources of the region."

BRAG is not intended to become a new layer of government, but rather provide a shared professional staff to local elected officials enabling them to better meet the needs of their constituents.

### **Financial Highlights**

- The Association's assets exceeded liabilities by \$1,148,811 at the close of the most recent fiscal year.
- During the year, expenses were \$242,708 less than the \$10,167,388 generated in revenues for government activities.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to BRAG's basic financial statements. The Association's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of BRAG's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of BRAG, 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 Association is improving or deteriorating.

The *statement of activities* presents information showing how the net position of BRAG changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements of BRAG are reported as governmental activities. (BRAG has no business-type activities.) Governmental activities include administration; regional planning including transportation planning; community, economic, and housing development; regional housing authority; community action agency; weatherization; and area agency on aging. State and federal grants finance most of these activities.

### **Fund Financial Statements**

A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. BRAG, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of BRAG are governmental funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

BRAG maintains two governmental funds: the Association’s general fund and the Bear River Community Services Foundation, which is reported as a special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the special revenue fund, which are considered to be major funds.

BRAG adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

## Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

### Government-wide Financial Analysis

#### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Association, assets exceeded liabilities by \$1,148,811 at the close of the most recent fiscal year.

#### Bear River Association of Governments’ Net Position

	Governmental Activities		Total
	2021	2020	Changes 2021-2020
Current and Other Assets	\$ 2,284,785	\$ 2,221,640	\$ 63,145
Capital Assets	599,616	554,308	45,308
Total Assets	2,884,401	2,775,948	108,453
Deferred Outflows of Resources	245,127	246,530	(1,403)
Total Assets and Deferred Outflows	\$ 3,129,528	\$ 3,022,478	\$ 107,050
Current and Other Liabilities	\$ 347,788	\$ 243,736	\$ 104,052
Long-Term Liabilities Outstanding	1,152,248	1,546,791	(394,543)
Total Liabilities	1,500,036	1,790,527	(290,491)
Deferred Inflows of Resources	480,681	325,848	154,833
Total Liabilities and Deferred Inflows	\$ 1,980,717	\$ 2,116,375	\$ (135,658)
Net Position:			
Invested in Capital Assets, Net of related Debt	\$ 599,616	\$ 554,308	\$ 45,308
Restricted	704,123	599,415	104,708
Unrestricted	(154,928)	(247,620)	92,692
Total Net Position	\$ 1,148,811	\$ 906,103	\$ 242,708

- The total net position of BRAG increased by \$242,708 during the fiscal year. The change in assets was due to an increase in cash of \$173,513, a decrease in accounts receivable of \$115,636, and an increase in capital

assets of \$45,308, an increase in prepaids of \$5,268 and a decrease in deferred outflows of \$1,403. Liabilities decreased because of an increase in accounts payable of \$97,455, an increase in deferred revenue of \$154,833, a decrease in compensated absences of \$958, and a decrease of \$365,767 for unfunded pension liabilities in the Utah State Retirement Fund as required by GASB statement Numbers 68 and 71. (Refer to note 4 of the financial statements for more details).

### Changes in Net Position

BRAG's total position increased \$242,708 during the fiscal year ended June 30, 2021.

### Bear River Association of Governments' Change in Net Position

	Governmental Activities		Total
	2021	2020	Changes 2021-2020
Revenues:			
Program Revenues:			
Charges for Services	\$ 522,648	\$ 342,403	\$ 180,245
Operating Grants and Contributions	9,417,673	7,531,464	1,886,209
Capital Grants and Contributions	107,737	61,894	45,843
General Revenues:			
Grants and Contributions Not Restricted to Specific Programs	119,330	146,800	(27,470)
Total Revenues	<u>\$10,167,388</u>	<u>\$ 8,082,561</u>	<u>\$ 2,084,827</u>
Expenses:			
Governmental Activities:			
Salaries and Fringe	\$ 3,040,058	\$ 2,847,828	\$ 192,230
Capital Outlay	25,905	27,818	(1,913)
Operating Expenses	560,276	521,479	38,797
Direct or Contracted Services	6,298,441	4,573,250	1,725,191
Total Expenses:	<u>\$ 9,924,680</u>	<u>\$ 7,970,375</u>	<u>\$ 1,954,305</u>
Change in Net Position	\$ 242,708	\$ 112,186	\$ 130,522
Net Position, Beginning	\$ 906,103	\$ 793,917	\$ 112,186
Net Position, Ending	<u>\$ 1,148,811</u>	<u>\$ 906,103</u>	<u>\$ 242,708</u>

- The Association's total revenues increased by 25.79% to \$10,167,388. Federal and state grants make up 88.19% of BRAG's revenues; local revenue generates 2.74% of the revenues; the remainder of revenues is from various other contributions for programs administered by BRAG.
- The total expenses of all programs and services increased by 24.52% to \$9,924,680.

### Financial Analysis of the Association's Funds

As noted earlier, BRAG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental funds

The focus of BRAG's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing BRAG's financing requirements. As BRAG completed the year, its governmental funds reported a fund balance of \$891,286, which was \$21,092 more than the previous year.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into Restricted, Assigned, or Unassigned portions. Restricted indicates the portion of the fund balances that are not available for appropriation. Assigned reflects BRAG's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Unassigned balances in the general fund are required by state to be appropriated in the following year's budget.



## General Fund Budgetary Highlights

- The budget of \$11,547,301 for the general fund was adopted by the Governing Board on June 24, 2020.

Actual expenditures were \$1,398,516 below final budget amounts. Actual revenues were \$1,377,424 less than final budget. Variances primarily result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; unspent grant amounts are carried forward and included in the succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

## Capital Asset and Debt Administration

### Capital Assets

BRAG acquired capital assets totaling \$91,721 during the year ended June 30, 2021, for equipment, minor building maintenance and multiple vehicles.

Capital assets at June 30, 2021 and 2020, are outlined below:

### Bear River Association of Governments' Capital Assets

	Governmental Activities		Total
	2021	2020	Changes 2021-2020
Land	\$ 40,050	\$ 40,050	\$ -
Construction in Progress	-	-	-
Building	655,937	652,037	3,900
Improvements	10,111	10,111	-
Furniture and Fixtures	41,976	41,976	-
Office Equipment	241,779	233,774	8,005
Vehicles	273,569	203,717	69,852
Accumulated Depreciation	(663,806)	(627,357)	(36,449)
Total Capital Assets	<u>\$ 599,616</u>	<u>\$ 554,308</u>	<u>\$ 45,308</u>

Additional information on the Association's capital assets can be found in the notes to the basic financial statements.

### Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors a general overview of BRAG's finances and to demonstrate the Association's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Bear River Association of Governments, Executive Director, 170 North Main, Logan, UT 84321.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
STATEMENT OF NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activity
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	
Cash and cash equivalents	\$ 1,241,348
Accounts Receivable:	
Federal Sources:	
Department of Agriculture	250
Department of Treasury	695
Department of Transportation	752
Department of Health and Human Services	568,487
Department of Housing and Urban Development	259,451
Other sources:	
State of Utah	85,843
Other	121,837
Revolving loans and contracts receivable (net of allowance for doubtful accounts)	
Prepaid expenses	6,122
Capital assets (net of accumulated depreciation)	
Land	40,050
Buildings	425,580
Improvements other than buildings	-
Furniture and fixtures	4,609
Equipment	47,585
Vehicles	81,792
Total Assets	2,884,401
Deferred outflows of resources:	
Deferred outflows of resources relating to pensions	245,127
Total Deferred Outflows of Resources	245,127
Total Assets and Deferred Outflows of Resources	3,129,528
<b>LIABILITIES</b>	
Accounts payable	279,095
Payroll liabilities	68,693
Unearned revenue	994,529
Unfunded pension liability	62,370
Compensated absences payable	95,349
Total Liabilities	1,500,036
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources relating to pensions	480,681
Total Deferred Inflows of Resources	480,681
Total Liabilities and Deferred Inflows of Resources	1,980,717
<b>NET POSITION</b>	
Investment in capital assets, net of debt	599,616
Restricted for:	
Department of Housing & Urban Development	317,818
Other programs	386,305
Unrestricted	(154,928)
Total Net Position	\$ 1,148,811

The notes to the financial statements are an integral part of this statement.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b><u>FUNCTIONS/PROGRAMS</u></b>					
<b><u>PRIMARY GOVERNMENT</u></b>					
Governmental activities:					
General government:					
Salaries	\$ 2,020,387	\$ 47,500	\$ 1,899,591	\$ -	\$ (73,296)
Fringe benefits	1,019,671	24,597	1,141,262	-	146,188
Capital outlay	25,905	-	-	107,737	81,832
Operating expenses	560,276	143,913	576,932	-	160,569
Direct or contracted services	6,298,441	306,638	5,799,888	-	(191,915)
Revolving loans	-	-	-	-	-
Total Governmental Activities	\$ 9,924,680	\$ 522,648	\$ 9,417,673	\$ 107,737	123,378
General Revenues					
Grants and contributions not restricted to specific programs					87,506
Interest earnings					7,265
Dividend and refunds received					24,559
Gain (loss) on disposition of fixed assets					-
Total General Revenues and Transfers					119,330
Change in Net Position					242,708
Net Position - beginning					906,103
Net Position - ending					\$ 1,148,811

The notes to the financial statements are an integral part of this statement.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Special Revenue Fund		
	General	Bear River Community Services Foundation	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Cash and cash equivalents	\$ 1,111,099	\$ 130,249	\$ 1,241,348
Receivables (net of allowance for uncollectible):			
Federal sources	829,635	-	829,635
State sources	85,843	-	85,843
Other sources	121,837	-	121,837
Prepaid expenses	6,122	-	6,122
<b>Total Assets</b>	<b>2,154,536</b>	<b>130,249</b>	<b>2,284,785</b>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 200,028	\$ 79,062	\$ 279,090
Payroll liabilities	68,693		68,693
Unearned revenue	994,529	-	994,529
<b>Total Liabilities</b>	<b>1,263,250</b>	<b>79,062</b>	<b>1,342,312</b>
 <b>Fund Balances</b>			
Restricted for Housing & Urban Development Programs	317,818	-	317,818
Restricted for various state and local programs	335,128	51,177	386,305
Unassigned	238,340	10	238,350
<b>Total Fund Balances</b>	<b>891,286</b>	<b>51,187</b>	<b>942,473</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,154,536</b>	<b>\$ 130,249</b>	<b>\$ 2,284,785</b>

The notes to the financial statements are an integral part of this statement.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2021

Total Fund Balances-Governmental Funds \$ 942,473

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. These assets consist of:

Land	\$	40,050	
Buildings		655,937	
Improvements		10,111	
Furniture and fixtures		41,976	
Equipment		241,779	
Vehicles		273,569	
Accumulated depreciation		<u>(663,806)</u>	
Total Capital Assets			599,616

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Deferred outflows/inflows (net) - pension	\$	(235,559)	
Unfunded pension liability/asset (net)		(62,370)	
Compensated absences		<u>(95,349)</u>	
			<u>(393,278)</u>

Total Net Position-Governmental Activities \$ 1,148,811

The notes to the financial statements are an integral part of this statement.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Fund		
	General	Bear River Community Services Foundation	Total
<b>REVENUES</b>			
Intergovernmental	\$ 9,660,815	\$ -	\$ 9,660,815
Charges for services	477,348	45,300	522,648
Interest earnings	7,155	110	7,265
Other income	23,148	0	23,148
Dividends received	1,411	-	1,411
Total Revenues	<u>10,169,877</u>	<u>45,410</u>	<u>10,215,287</u>
<b>EXPENDITURES</b>			
General government:			
Salaries	2,021,341	-	2,021,341
Fringe benefits	1,229,202	-	1,229,202
Capital outlay	117,626	-	117,626
Operating expenses	513,863	-	513,863
Direct or contracted services	6,266,753	79,587	6,346,340
Revolving loans	-	-	-
Total Expenditures	<u>10,148,785</u>	<u>79,587</u>	<u>10,228,372</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,092</u>	<u>(34,177)</u>	<u>(13,085)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	21,092	(34,177)	(13,085)
Fund Balances - beginning	870,194	85,364	955,558
Fund Balances - ending	<u>\$ 891,286</u>	<u>\$ 51,187</u>	<u>\$ 942,473</u>

The notes to the financial statements are an integral part of this statement.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 RECONCILIATION OF THE STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (13,085)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay, \$91,721 was exceeded by depreciation, \$46,413, in the current period. 45,308

In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net position differs from the change in fund balance by the basis of the asset sold. -

The liability for unfunded pension costs is not recorded in the governmental funds, but is reported in the statement of net assets. The amount of deferred outflows/inflows related to unfunded pension costs also is not recorded in the governmental funds, but is reported in the statement of net assets. These amounts represent the current year change in the liability for unfunded pension costs and the changes in the deferred outflow/inflow of resources related to the unfunded pension amounts:

Unfunded pension costs	365,767
Deferred outflow of resources - amounts deposited since measurement date	26,497
Deferred inflow of resources - differences between expected and actual experience and projected and actual investment earnings on plan assets.	(182,737)

The liability for compensated absences is not recorded in the governmental funds, but is reported in the statement of net position. This is the current year change in the liability, reported as an increase to expense in the statement of activities. 958

Change in Net Assets of Governmental Activities \$ 242,708

The notes to the financial statements are an integral part of this statement.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 11,547,301	\$ 11,547,301	\$ 9,660,815	\$ (1,886,486)
Charges for services	-	-	477,348	477,348
Interest earnings	-	-	7,155	7,155
Other income	-	-	23,148	23,148
Dividends received	-	-	1,411	1,411
Total Revenues	<u>11,547,301</u>	<u>11,547,301</u>	<u>10,169,877</u>	<u>(1,377,424)</u>
EXPENDITURES				
Current:				
General government:				
Salaries	1,833,190	1,833,190	2,021,341	(188,151)
Fringe benefits	1,114,782	1,114,782	1,229,202	(114,420)
Capital outlay	62,500	62,500	117,626	(55,126)
Operating expenses	466,030	466,030	513,863	(47,833)
Direct or contracted services	8,070,799	8,070,799	6,266,753	1,804,046
Total Expenditures	<u>11,547,301</u>	<u>11,547,301</u>	<u>10,148,785</u>	<u>1,398,516</u>
Excess of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>21,092</u>	<u>21,092</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>21,092</u>	<u>21,092</u>
Fund Balances - beginning	<u>870,194</u>	<u>870,194</u>	<u>870,194</u>	<u>-</u>
Fund Balances - ending	<u>\$ 870,194</u>	<u>\$ 870,194</u>	<u>\$ 891,286</u>	<u>\$ 21,092</u>

The notes to the financial statements are an integral part of this statement.



BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Association operates under a Governing Board and is an association of governmental entities located in Box Elder, Cache and Rich Counties in northern Utah. The Association provides grant related services to the tri-county area.

The financial statements of the Association have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Association's accounting principles are described below.

**A. Reporting Entity**

The accompanying financial statements include the Association, which is a political subdivision with corporate powers created under Utah State law, and its blended component unit, Bear River Community Services Foundation, collectively referred to as the financial reporting entity. As required by GAAP, these financial statements present Bear River Association of Governments (referred to as the "primary government" for reporting purposes) and its "component unit" (separate legal entity for which the Association is considered to be financially accountable). No other entities were determined to be component units of the Association.

The Bear River Community Services Foundation is a separate but affiliated, self-sustaining, not-for-profit organization. The Foundation was established to sponsor and carryout charitable and related activities and objectives within the tri-county area. The Foundation is considered to be a component unit of the Association because the purpose of the Foundation is to exclusively, or almost exclusively, benefit the Association by soliciting contributions, managing the revolving loan funds and assisting with other programs related to the Association's functions. The Foundation is presented as a special revenue fund. The Foundation does not have a separate audit performed.

**B. Government-wide and Fund Financial Statements**

**Government-wide and Fund Financial Statements.** The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties for goods or services. The Association only presents governmental activities.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Government-wide and Fund Financial Statements (continued)**

**Fund Financial Statements.** Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. There are no enterprise funds or non-major funds.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**Government-wide Financial Statements.** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt are reported as a reduction of the related liability, rather than as an expenditure in the government-wide financial statements.

**Governmental Fund Financial Statements.** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Association considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)**

Grant revenue is recognized when qualified expenditures are incurred and a contractual claim exists with the grantor agency. All other revenue items are considered to be measurable and available only when cash is received by the Association.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include principal and interest on long-term debt as well as expenditures related to compensated absences, which are recognized when payment is due.

The Association reports the following major governmental funds:

General Fund – the General Fund accounts for all activities of the Association. The principal source of revenue for this fund is intergovernmental grants and programs.

Special Revenue Fund – the Special Revenue Fund accounts for all activities of the Foundation. The principal sources of revenue for this fund are repayment of loans made through the revolving loan program, reimbursements of some program costs and small corporate grants.

**D. Budgets**

Budgets are legally adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for funds. All annual appropriations lapse at fiscal year-end.

The Association operates within the budget requirements as specified by State law. The financial reports reflect the following budgetary standards.

- 1 For the fiscal year beginning July 1, the Executive Director prepares a tentative budget which is presented to the Governing Board on or before June 30.
2. By resolution, the Governing Board legally adopts the final budget prior to June 30, after a public hearing has been held.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Budgets (Continued)**

3. Once adopted, the budget can be amended by subsequent Board action. Reductions in appropriations can be approved by the Board upon recommendation from the Executive Director, but increased appropriations require a public hearing prior to amending the budget. The budgets presented are the final approved and year-end adjusted budget. Budgets for the General Fund are prepared on the modified accrual basis of accounting.
4. Adjustments in estimated revenue and revisions of appropriations due to operational changes in the departments or changes in categorical program funding during the fiscal year have been integrated into the budget approved by the Board.
5. At the end of a year, encumbered appropriations lapse.

**E. Cash and Cash Equivalents**

Cash balances of all programs are combined to form a pool of cash and investments which is managed by management in accordance with the Utah Money Management Act. Income from the investment of pooled cash is recorded when earned. Restricted cash consists of that portion of pooled cash that is restricted for a specific use due to constraints imposed by external parties or enabling legislation, or is cash held in trust in compliance with grant terms and conditions. When both restricted and unrestricted sources are available for use, it is the Association's policy to use restricted resources first, then unrestricted resources as they are needed.

Investments are recorded at fair value based upon quoted market prices at year-end (Level 1 inputs) and other significant observable inputs (Level 2), except where there is no material difference between cost and fair value. The difference between the purchase price and fair value, when material, is recorded as interest income.

The Association considers cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Utah Public Treasurer's Investment Fund (UPTIF) to be cash and cash equivalents.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Interfund Transactions**

Interfund transactions represent transactions between different funds within the Association. In general, interfund activity has been eliminated from the government-wide financial statements in an effort to minimize the doubling-up of revenues and expenses resulting from such transactions.

**G. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports 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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Association reports unfunded pension amounts as deferred outflows.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Association reports unfunded pension amounts as deferred inflows.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Capital Assets**

Capital assets include land, buildings, leasehold improvements, furniture, fixtures, equipment, and vehicles. These assets are reported in the government-wide financial statements in the relevant column on the Statement of Net Position under governmental activities. Capital assets acquired by governmental funds are recorded as expenditures in the governmental fund financial statements. The capitalization threshold for personal property is defined to be assets with a useful life of at least one year and costing at least \$1,200; real property thresholds vary by type of asset, but are generally established at the same amount. Assets purchased or constructed are generally recorded at cost. If precise cost is not available (as was the case with certain infrastructure), the asset is recorded at estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

When constructing capital assets, interest incurred relating to governmental activities is expensed. During 2021, no interest was expensed because no significant construction occurred.

Depreciation of all exhaustible capital assets is charged to the various functional expenses in the government-wide Statement of Activities. Accumulated depreciation is reported on the government-wide Statement of Net Position. Depreciation is provided over the estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Buildings	10-40 years
Improvements	5-40 years
Equipment	5-20 years
Vehicles	5-10 years

**I. Compensated Absences**

It is the Association's policy to permit employees to accumulate earned but not used vacation benefits. An estimate of vacation pay is accrued when incurred in government-wide financial statements and reported as a liability. A liability for these amounts is reported in the governmental funds only if benefits have matured as a result of employee resignations or retirements.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**J. Long-term Liabilities**

In the government-wide financial statements, long-term debt is reported as a liability. Bond premiums, discounts, and defeasance costs, (the difference between the carrying amount of the defeased debt and its price in bond refundings), are deferred and amortized over the life of the bonds. The Association had no long-term liabilities other than compensated absences and unfunded pension at June 30, 2021.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**K. Net Position/Fund Balances**

The difference between assets and liabilities is “Net Position” on the government-wide and “Fund Balance” on the governmental fund financial statements. Net position is divided into invested in capital assets (net of related debt), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon them by external parties or are imposed by constitutional provisions or enabling legislation.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Association is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Non-spendable** – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provision or enabling legislation.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Net Position/Fund Balances (continued)**

**Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Governing Board. These amounts cannot be used for any other purposes unless the Governing Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** – This classification includes amounts that are constrained by the Association’s intent to be used for specific purposes which are neither restricted nor committed. This intent can be expressed by the Governing Board or the Executive Director. No other body or official has the authority to constrain such amounts. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**Unassigned** – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances for any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Association considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Association considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

**L. 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’ 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.



BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 2. REVOLVING LOANS AND CONTRACT RECEIVABLE**

All loans are recorded on the records of the Bear River Community Services Foundation.

	Bear River Community Services Foundation
Revolving loans	\$ 108,547
Allowance for doubtful accounts	<u>(108,547)</u>
Revolving loans (net)	<u><u>\$ -</u></u>

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 40,050	\$ -		\$ 40,050
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated	<u>40,050</u>	<u>-</u>	<u>-</u>	<u>40,050</u>
Capital Assets Being Depreciated:				
Buildings	652,037	3,900	-	655,937
Improvements and infrastructure	10,111	-	-	10,111
Furniture and fixtures	41,976	-	-	41,976
Equipment	233,774	17,969	(9,964)	241,779
Vehicles	203,717	69,852	-	273,569
Total Capital Assets Being Depreciated	<u>1,141,615</u>	<u>91,721</u>	<u>(9,964)</u>	<u>1,223,372</u>
Less Accumulated Depreciation				
Buildings	(213,796)	(16,561)	-	(230,357)
Improvements and infrastructure	(10,111)	-	-	(10,111)
Furniture and fixtures	(35,655)	(1,712)	-	(37,367)
Equipment	(187,955)	(16,203)	9,964	(194,194)
Vehicles	(179,840)	(11,937)	-	(191,777)
Total Accumulated Depreciation	<u>(627,357)</u>	<u>(46,413)</u>	<u>9,964</u>	<u>(663,806)</u>
Total Capital Assets Being Depreciated, net	<u>514,258</u>	<u>45,308</u>	<u>-</u>	<u>559,566</u>
Governmental Activity Capital Assets, net	<u>\$ 554,308</u>	<u>\$ 45,308</u>	<u>\$ -</u>	<u>\$ 599,616</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Operating expenses	\$ 46,413
Total Depreciation Expense - Governmental Activities	<u>\$ 46,413</u>

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 4. 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 Contributory Retirement System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

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

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 4. RETIREMENT PLANS (continued)**

**Summary of Benefits by System**

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as follows:

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 age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

\* Actuarial reductions are applied.

\*\*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 statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021, are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System				
111- Local Governmental Division Tier 2	N/A	N/A	15.80%	0.89%
Noncontributory System				
15- Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Tier 2 DC Only				
211-Local Government	N/A	N/A	6.69%	10.00%

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

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 4. RETIREMENT PLANS (continued)**

For the fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

<b>System</b>	<b>Employer Contributions</b>	<b>Employee Contributions</b>
Noncontributory System	\$ 160,891	N/A
Tier 2 Public Employees System	113,255	\$ -
Tier 2 DC Only System	9,649	N/A
Total Contributions	<u>\$ 283,795</u>	<u>\$ -</u>

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.

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

At June 30, 2021, the Association reported a net pension asset of \$0 and a net pension liability of \$62,370.

**(Measurement Date): December 31, 2020**

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	0.1105331%	\$ -	\$ 56,697
Tier 2 Public Employees System	0.0394442%	-	5,673
Total Net Pension Asset/Liability		<u>\$ -</u>	<u>\$ 62,370</u>

The net pension asset and liability were measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2021, the recognized pension expense was \$74,017.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 4. RETIREMENT PLANS (continued)**

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 81,285	\$ 2,598
Changes in assumptions	7,176	7,622
Net difference between projected and actual earnings on pension plan investments	-	430,589
Changes in proportion and differences between contributions and proportionate share of contributions	9,624	39,872
Contributions subsequent to the measurement date	147,042	-
Total	\$ 245,127	\$ 480,681

\$147,042 was reported as deferred outflows of resources related to pensions results from contributions made by the Association prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020.

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

Year Ended December 31,	Deferred Outflows (inflows) of Resources
2021	(\$124,481)
2022	(\$52,173)
2023	(\$148,155)
2024	(\$69,714)
2025	\$1,979
Thereafter	\$9,948

**Actuarial Assumptions**

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

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 4. RETIREMENT PLANS (continued)**

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

Mortality rates were developed 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, 2020, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

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

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	37%	6.30%	2.34%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
<b>Totals</b>	100%		4.84%
		Inflation	2.50%
		Expected arithmetic nominal return	7.34%

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 4. RETIREMENT PLANS (continued)**

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

*Discount rate:* The discount rate used to measure the total pension liability was 6.95 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 benefit 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. The discount rate remained unchanged at 6.95 percent.

*Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:* The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

<b>System</b>	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 982,960	\$ 56,697	\$ (715,483)
Tier 2 Public Employees System	95,463	5,673	(63,013)
Total	<u>\$ 1,078,423</u>	<u>\$ 62,370</u>	<u>\$ (778,496)</u>

*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.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 4. RETIREMENT PLANS (continued)**

**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.

Bear River Association of Governments 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 Contribution Savings Plans for fiscal year ended June 30, were as follows:

	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>401(k) Plan</b>			
Employer Contributions	\$ 189,013	\$ 163,549	\$ 151,358
Employee Contributions	\$ 29,113	\$ 27,374	\$ 60,838
<b>457 Plan</b>			
Employer Contributions	\$ -	\$ -	\$ -
Employee Contributions	\$ 3,655	\$ 3,634	\$ 3,082
<b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 11,197	\$ 7,263	\$ 24,942

**NOTE 5. DISBURSEMENTS TO OTHER GOVERNMENTAL AGENCIES AND UNITS**

Direct or contracted services include expenses which represent funds disbursed to local agencies by the Association. All governmental units to which funds are transferred are independently audited.



BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 6. LONG-TERM AND SHORT-TERM OBLIGATIONS**

The following is a summary of long-term debt transactions of the Association for the year ended June 30, 2021.

	Obligation for Compensated Absences	Obligation for Unfunded Pension	Total Long-Term Liabilities
Long-term debt at July 1, 2020	\$ 96,286	\$ 428,137	\$ 524,423
Amount earned/additions	91,687	(365,767)	(274,080)
Amount used/reductions	(92,624)	-	(92,624)
Long-term debt at June 30, 2021	<u>\$ 95,349</u>	<u>\$ 62,370</u>	<u>\$ 157,719</u>

The obligation for compensated absences arises from the accrual of unused vacation time provided for eligible employees.

**NOTE 7. CASH AND INVESTMENTS**

The Association follows the requirements of the Utah Money Management Act (Utah Code annotated 1953, Section 51, Chapter 7) and related Rules of the Money Management Council (Council) in handling its depository and temporary cash and investment transactions. This law requires the deposit of funds in a “qualified depository”. The Act defines a “qualified depository” as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. The Act also authorizes the Association to invest in the Utah Public Treasurers’ Investment Fund (UPTIF), certificates of deposit, US Treasury obligations, US agency issues, high-grade commercial paper, banker’s acceptances, repurchase agreements, corporate bonds, money market funds and obligations of governmental agencies within the State of Utah. The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The Association considers the rules of the Council to be necessary and sufficiently adequate protection of its uninsured bank deposits.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 7. CASH AND INVESTMENTS (continued)**

**Deposits**

At June 30, 2021, the carrying amount of the Association deposits was \$445,278 and the bank balance was \$626,845. Of the bank balances, \$380,250 was covered by federal depository insurance and the remainder was uninsured and uncollateralized. Deposits are not collateralized nor are they required to be by state statute. However, the State Commissioner of Financial Institutions monitors financial institutions and establishes limits for deposit of public money at individual financial institutions, and the Association follows these recommendations. The Association has no formal policies related to custodial credit risk; however, they follow the Utah State Money Management Act.

The Association's investment types and balances at June 30, 2021, are noted below:

<u>Investment Type</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Utah Public Treasurer's Investment Fund	N/A	Not rated	\$ 796,070
Total Investments			<u>796,070</u>
Deposits - Cash in bank			<u>445,278</u>
 Total Cash and Investments			 <u><u>\$ 1,241,348</u></u>

The Association 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 asset.

Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Association has the following recurring fair value measurements as of June 30, 2021:

Utah Public Treasurer's Investment Fund - \$796,070 - Level 2-using the Association's book value which is not materially different than the Fund's published fair value factor obtained from the UPTIF.

The Association does not have a formal investment policy. The Association, however, invests the majority of its excess funds in the UPTIF. The UPTIF permits the Association to withdraw funds one day after giving withdrawal notification.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 7. CASH AND INVESTMENTS (continued)**

**Deposits (continued)**

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Association manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments do not exceed the period of availability of the funds invested. The Act further limits the remaining term to maturity on all investments in commercial paper to 270 days or less and fixed-income securities to 365 days or less. The Association has no investment policy that would further limit its interest rate risk.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Association's policy for reducing exposure to credit risk is to comply with the Act and other related rules. The Act and other related rules limit investments in commercial paper to a first-tier rating of investments in fixed-income to a rating of A or higher as rated by Moody's Investor Service or by Standard and Poor's Corporation. The Association has no investment policy that would further limit its investment choices. The investments that exceed 5% of the total investment pool are Utah Public Treasurer's Investment Fund.

*Concentration of Credit Risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of the Association's investment in a single issuer. The Association's policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the Association's total portfolio with a single issuer. At June 30, 2021, the Association had 100% of its investments in the Utah Public Treasurer's Investment Fund. The Association places no other limits on the amount it may invest in any one issuer.

*Custodial Credit Risk.* For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Association will not be able to recover the value of its investments that are in the possession of an outside party. The Association's policy for managing this risk is to comply with the Act and related rules. The Association places no other limit on the amount of investments to be held by counterparties. All the Association's investments are held by the Utah Public Treasurer's Investment Fund.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 7. CASH AND INVESTMENTS (continued)**

**Deposits (continued)**

The Utah Public Treasurer's Investment Fund is an external deposit and investment pool where 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 subject to the same market risks as any similar investment in money market funds. The fund investments must comply with the provisions of the Utah Money Management Act. The fund is not SEC registered. The fair value of the Association's position in the fund is the same as the value of fund shares.

**NOTE 8. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

For the year ended June 30, 2021, there were no deficit fund balances. The Association did not incur fund expenditures over budget.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 9. DETAIL OF FUND/PROGRAM BALANCE**

The following are the program fund balances at June 30, 2021:

Logan City Housing Authority	\$	156,895
Logan Mainstream		66,479
Bear River Housing Authority		94,444
Restricted for HUD Programs		317,818
CDBG FTHB and FTHB Payback		161,862
Aging Miscellaneous Donations and Alternative Fees		2,889
Aging New Choices Waiver		96,857
Aging Senior Housing Coordinator		7,255
Veteran Directed Care		52,389
Bear River Heritage Area		3,513
Community Emergency Assistance		176
CVTD Med Voucher		10,187
Restricted for State and Local Programs		335,128
BRAG Support		-
BRAG Building Maintenance		(7,675)
Tri-County Support		127,499
Aging Discretionary		76,653
Revolving Loan Fund Administration		319
Crown at Tremonton Village Management		41,186
Weatherization Cost Share		358
Unassigned		238,340
	\$	891,286
Special Revenue Fund - Foundation		
Revolving Loans	\$	51,177
Other Restricted Amounts		-
Unrestricted		10
	\$	51,187

**NOTE 10. ACTIVITY BETWEEN THE ASSOCIATION AND THE BEAR RIVER COMMUNITY SERVICES FOUNDATION**

During the year ended June 30, 2021, the Foundation paid \$38,953 for administrative fees for the Housing Rehabilitation Program. The Foundation also gave the Association \$40,109 for matching funds for Federal programs.

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
UTAH RETIREMENT SYSTEMS  
MEASUREMENT DATE OF DECEMBER 31, 2020  
JUNE 30, 2021

Last 10 Fiscal Years\*

	Noncontributory System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)		
2020	0.1105331%	0.0394442%
2019	0.1115640%	0.0340940%
2018	0.1232865%	0.0318747%
2017	0.1353711%	0.0296028%
2016	0.1371845%	0.0301585%
2015	0.1354986%	0.0255317%
2014	0.1331563%	0.0188567%
Proportionate share of the net pension liability (asset)		
2020	\$56,697	\$5,673
2019	\$420,469	\$4,668
2018	\$907,848	\$13,651
2017	\$593,101	\$2,610
2016	\$880,892	\$3,364
2015	\$766,717	(\$56)
2014	\$578,196	(\$571)
Covered employee payroll		
2020	\$826,963	\$630,547
2019	\$895,014	\$473,610
2018	\$1,014,945	\$372,219
2017	\$1,135,336	\$289,842
2016	\$1,165,756	\$247,325
2015	\$1,135,831	\$164,964
2014	\$1,140,524	\$92,423
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		
2020	6.86%	0.90%
2019	46.98%	1.62%
2018	89.45%	3.87%
2017	52.24%	0.90%
2016	75.56%	1.36%
2015	67.50%	-0.03%
2014	50.70%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability		
2020	99.2%	98.3%
2019	93.7%	96.5%
2018	87.0%	90.8%
2017	91.9%	97.4%
2016	87.3%	95.1%
2015	87.8%	100.2%
2014	90.2%	103.5%

\* In accordance with paragraph 81.a 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 current year and four prior years.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
UTAH RETIREMENT SYSTEMS  
JUNE 30, 2021

	As of fiscal year ended	Actuarial Determined	Contributions in relation to the contractually required	Contributions deficiency	Covered employee	Contributions as a percentage of covered employee
	June 30,	Contributions	Contributions	(excess)	payroll	payroll
<b>Noncontributory System</b>	2012	\$ 204,213	\$ 204,213	\$ -	\$ 1,486,296	13.74%
	2013	\$ 192,664	\$ 192,664	\$ -	\$ 1,199,845	16.06%
	2014	\$ 194,068	\$ 194,068	\$ -	\$ 1,130,410	17.17%
	2015	\$ 211,452	\$ 211,452	\$ -	\$ 1,144,835	18.47%
	2016	\$ 213,746	\$ 213,746	\$ -	\$ 1,157,258	18.47%
	2017	\$ 213,571	\$ 213,571	\$ -	\$ 1,156,317	18.47%
	2018	\$ 201,248	\$ 201,248	\$ -	\$ 1,089,595	18.47%
	2019	\$ 176,032	\$ 176,032	\$ -	\$ 953,069	18.47%
	2020	\$ 151,950	\$ 151,950	\$ -	\$ 822,685	18.47%
	2021	\$ 160,891	\$ 160,891	\$ -	\$ 871,094	18.47%
<b>Tier 2 Public Employees System*</b>	2012	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A
	2014	\$ 11,049	\$ 11,049	\$ -	\$ 78,974	13.99%
	2015	\$ 17,707	\$ 17,707	\$ -	\$ 118,522	14.94%
	2016	\$ 29,972	\$ 29,972	\$ -	\$ 201,017	14.91%
	2017	\$ 41,471	\$ 41,471	\$ -	\$ 278,141	14.91%
	2018	\$ 49,402	\$ 49,402	\$ -	\$ 326,946	15.11%
	2019	\$ 62,977	\$ 62,977	\$ -	\$ 405,259	15.54%
	2020	\$ 88,447	\$ 88,447	\$ -	\$ 564,799	15.66%
	2021	\$ 113,255	\$ 113,255	\$ -	\$ 716,804	15.80%
<b>Tier 2 Public Employees DC Only</b>	2012	N/A	N/A	N/A	N/A	N/A
	2014	N/A	N/A	N/A	N/A	N/A
	2015	\$ 1,399	\$ 1,399	\$ -	\$ 20,816	6.72%
	2016	\$ 2,727	\$ 2,727	\$ -	\$ 40,757	6.69%
	2017	\$ 2,312	\$ 2,312	\$ -	\$ 34,552	6.69%
	2018	\$ 3,821	\$ 3,821	\$ -	\$ 57,121	6.69%
	2019	\$ 3,546	\$ 3,546	\$ -	\$ 53,009	6.69%
	2020	\$ 6,569	\$ 6,569	\$ -	\$ 98,185	6.69%
	2021	\$ 9,649	\$ 9,649	\$ -	\$ 144,224	6.69%

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

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues. The schedule above is only for the current year and five prior years.

*Changes in Assumptions:*

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



BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SPECIAL REVENUE FUND – BEAR RIVER COMMUNITY SERVICES FOUNDATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2021

	Actual Amounts
<b>REVENUES</b>	
Intergovernmental	\$ -
Charges for services	45,300
Interest earnings	110
Other income	-
Dividends received	-
Total revenues	45,410
<b>EXPENDITURES</b>	
Current:	
General government:	
Salaries	-
Fringe benefits	-
Capital outlay	-
Operating expenses	-
Direct or contracted services	79,587
Total expenditures	79,587
Excess of revenues over expenditures	(34,177)
<b>OTHER FINANCING SOURCES (USES)</b>	
Sale of capital assets	-
Total other financing sources and uses	-
Net change in fund balances	(34,177)
Fund balances - beginning	85,364
Fund balances - ending	\$ 51,187

Notes to Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2021

Bear River Community Services Foundation is not required to have a legally adopted budget. Accordingly, no budget to actual presentation is included in this required supplementary information.

OTHER SUPPLEMENTARY INFORMATION

LOGAN CITY HOUSING AUTHORITY (UT026)  
LOGAN, UT  
STATEMENT OF NET POSITION  
SUPPLEMENTAL INFORMATION TO INPUT TO REAC  
AS OF JUNE 30, 2021

	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	Totals
111 Cash - Unrestricted	\$ 275,687	\$ 33,921	\$ 309,608
113 Cash - Other Restricted	21,625	79,514	101,139
100 Total Cash	<u>297,312</u>	<u>113,435</u>	<u>410,747</u>
120 Total Accounts Receivable	-	-	-
142 Prepaid Expenses and Other Assets	-	-	-
150 Total Current Assets	<u>297,312</u>	<u>113,435</u>	<u>410,747</u>
190 Total Assets	<u>\$ 297,312</u>	<u>\$ 113,435</u>	<u>\$ 410,747</u>
310 Total Current Liabilities	\$ -	\$ -	\$ -
350 Total Non-Current Liabilities	-	-	-
300 Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
511.1 Restricted Net Position	21,625	79,514	101,139
512.1 Unrestricted Net Position	<u>275,687</u>	<u>33,921</u>	<u>309,608</u>
513 Total Net Position	<u>297,312</u>	<u>113,435</u>	<u>410,747</u>
600 Total Liabilities and Net Position	<u>\$ 297,312</u>	<u>\$ 113,435</u>	<u>\$ 410,747</u>

LOGAN CITY HOUSING AUTHORITY (UT026)  
LOGAN, UT  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
SUPPLEMENTAL INFORMATION TO INPUT TO REAC  
FOR THE YEAR ENDED JUNE 30, 2021

	14.871 Housing Choice Vouchers	14.HCC HCV CARES Act Funding	14.879 Mainstream Vouchers	14.MSCHCV CARES Act Funding	Totals
HUD PHA Operating Grants - HAP	\$ 1,403,926	\$ -	\$ 304,451	\$ -	\$ 1,708,377
HUD PHA Operating Grants - Admin	284,080	112,965	55,025	23,104	475,174
70600 Total HUD PHA Operating Grants	1,688,006	112,965	359,476	23,104	2,183,551
Fraud Recovery - HAP	13,480	-	1,606	-	15,086
Fraud Recovery - Admin	13,479	-	1,605	-	15,084
71400 Total Fraud Recovery	26,959	-	3,211	-	30,170
71500 Port In	4,747	-	-	-	4,747
70000 Total Revenue	1,719,712	112,965	362,687	23,104	2,218,468
91100 Administrative Salaries	56,842	53,310	15,709	10,571	136,432
91200 Auditing Fees	-	5,855	-	1,143	6,998
91500 Employee Benefit Contributions - Admin	40,702	35,167	10,464	6,961	93,294
91600 Office Expenses	25,948	17,981	5,034	4,265	53,228
91800 Travel	399	637	171	154	1,361
91000 Total Operating - Administrative	123,891	112,950	31,378	23,094	291,313
96120 Liability Insurance	1,466	15	338	10	1,829
96100 Total Insurance Premiums	1,466	15	338	10	1,829
96900 Total Operating Expenses	125,357	112,965	31,716	23,104	293,142
Excess of Operating Revenue over Operating					
97000 Expenses	1,594,355	-	330,971	-	1,925,326
97300 Housing Assistance Payments	1,448,900	-	309,088	-	1,757,988
97350 Housing Assistance Payments - Portability	4,870	-	-	-	4,870
90000 Total Expenses	1,579,127	112,965	340,804	23,104	2,056,000
11180-020 Transfer From Admin	-	-	-	-	-
11170-100 Transfer to HAP	-	-	-	-	-
Excess (Deficiency) of Total Revenue Over					
10000 (Under) Total Expenses	140,585	-	21,883	-	162,468
Beginning Net Position - HAP	53,119	-	82,545	-	135,664
Beginning Net Position - Admin	103,608	-	9,007	-	112,615
11030 Beginning Net Position	156,727	-	91,552	-	248,279
11170 Ending Administrative Fee Net Position	275,687	-	33,921	-	\$ 309,608
11180 Ending Housing Assist Payments Net Position	21,625	-	79,514	-	\$ 101,139
11190 Unit Months Available	4,428	-	900	-	5,328
11210 Number of Unit Months Leased	4,312	-	908	-	5,220

BEAR RIVER REGIONAL HOUSING AUTHORITY (UT030)  
 LOGAN, UT  
 STATEMENT OF NET POSITION  
 SUPPLEMENTAL INFORMATION TO INPUT TO REAC  
 AS OF JUNE 30, 2021

		14.871	14.879	
		Housing Choice	Mainstream	Total
		Vouchers	Vouchers	
111	Cash - Unrestricted	\$ 146,409	\$ -	\$ 146,409
113	Cash - Other Restricted	16,027	8,788	24,815
100	Total Cash	<u>162,436</u>	<u>8,788</u>	<u>171,224</u>
120	Total Accounts Receivable	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-
150	Total Current Assets	<u>162,436</u>	<u>8,788</u>	<u>171,224</u>
190	Total Assets	<u>\$ 162,436</u>	<u>\$ 8,788</u>	<u>\$ 171,224</u>
310	Total Current Liabilities	\$ -	\$ -	\$ -
350	Total Non-Current Liabilities	-	-	-
300	Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
511.1	Restricted Net Position	16,027	8,788	24,815
512.1	Unrestricted Net Position	<u>146,409</u>	<u>-</u>	<u>146,409</u>
513	Total Net Position	<u>162,436</u>	<u>8,788</u>	<u>171,224</u>
600	Total Liabilities and Net Position	<u>\$ 162,436</u>	<u>\$ 8,788</u>	<u>\$ 171,224</u>

BEAR RIVER REGIONAL HOUSING AUTHORITY (UT030)  
 LOGAN, UT  
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
 SUPPLEMENTAL INFORMATION TO INPUT TO REAC  
 FOR THE YEAR ENDED JUNE 30, 2021

	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	14.HCC HCV Cares Act Funding	Total
HUD PHA Operating Grants - HAP	\$ 591,613	\$ 21,900	\$ -	\$ 613,513
HUD PHA Operating Grants - Admin	93,734	-	37,700	131,434
70600 Total HUD PHA Operating Grants	<u>685,347</u>	<u>21,900</u>	<u>37,700</u>	<u>744,947</u>
Fraud Recovery - HAP	6,712	-	-	6,712
Fraud Recovery - Admin	6,711	-	-	6,711
71400 Total Fraud Recovery	<u>13,423</u>	<u>-</u>	<u>-</u>	<u>13,423</u>
70000 Total Revenue	<u>698,770</u>	<u>21,900</u>	<u>37,700</u>	<u>758,370</u>
91100 Administrative Salaries	19,355	-	18,547	37,902
91200 Auditing Fees	-	-	2,339	2,339
91500 Employee Benefit Contributions - Admin	13,088	-	12,204	25,292
91600 Office Expenses	9,255	-	4,317	13,572
91800 Travel	176	-	293	469
91000 Total Operating - Administrative	<u>41,874</u>	<u>-</u>	<u>37,700</u>	<u>79,574</u>
96120 Liability Insurance	451	-	-	451
96100 Total Insurance Premiums	<u>451</u>	<u>-</u>	<u>-</u>	<u>451</u>
96900 Total Operating Expenses	<u>42,325</u>	<u>-</u>	<u>37,700</u>	<u>80,025</u>
97000 Excess of Operating Revenue over Operating Expenses	656,445	21,900	-	678,345
97300 Housing Assistance Payments	592,687	13,112	-	605,799
90000 Total Expenses	<u>635,012</u>	<u>13,112</u>	<u>37,700</u>	<u>685,824</u>
11180-020 Transfer from Admin	-	-	-	-
11170-100 Transfer to HAP	-	-	-	-
Excess (Deficiency) of Total Revenue Over				
10000 (Under) Total Expenses	<u>63,758</u>	<u>8,788</u>	<u>-</u>	<u>72,546</u>
Beginning Net Position - HAP	10,389	-	-	10,389
Beginning Net Position - Admin	88,288	-	-	88,288
11030 Beginning Net Position	<u>98,677</u>	<u>-</u>	<u>-</u>	<u>98,677</u>
11170 Ending Administrative Fee Net Position	146,409	-	-	146,409
11180 Ending Housing Assistance Payments Net Position	<u>16,027</u>	<u>8,788</u>	<u>-</u>	<u>24,815</u>
11190 Unit Months Available	1,464	80	-	1,544
11210 Number of Unit Months Leased	1,444	40	-	1,484

REPORTS AND SCHEDULES  
REQUIRED BY  
THE SINGLE AUDIT ACT



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

To the Governing Board  
Bear River Association of Governments  
Logan, Utah

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

We have audited Bear River Association of Governments' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Bear River Association of Governments' major federal programs for the year ended June 30, 2021. Bear River Association of Governments' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Bear River Association of Governments' 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 Bear River Association of Governments' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Bear River Association of Governments' compliance.

***Opinion on Each Major Federal Program***

In our opinion, Bear River Association of Governments 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 Bear River Association of Governments 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 Bear River Association of Governments' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Bear River Association of Governments' 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 that will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

We have audited the financial statements of the governmental activities and each major fund of Bear River Association of Governments as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bear River Association of Governments' basic financial statements. We issued our report thereon dated November 24, 2021, 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 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 taken as a whole.

*Wiggins & Co., PC*  
Brigham City, Utah  
November 24, 2021

**BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass through Grantor Program/Title	Contract Number	CFDA Number	Expenditures/ Disbursements	Major Program
<u>U.S. Department of Agriculture</u>				
Direct:				
Rural Development	AM701xxxxg022	10.170	\$ 250	
Total U.S. Department of Commerce			<u>250</u>	
<u>U.S. Department of Commerce</u>				
Direct:				
Support for Planning Organizations	FED16DEN3020085	11.302	70,000	X
Support for Planning Organizations - CARES ACT	FED21DEN3020020	11.302	<u>131,416</u>	X
	FED20DEN3070123			
Total U.S. Department of Commerce			<u>201,416</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Direct:				
Cluster:				
Mainstream Vouchers	UT026DV	14.879	350,705	
Section 8 Housing Choice Voucher	UT026VO	14.871	2,172,044	
	UT030DV			
	UT030VASH			
	UT026DV			
	UT026VO			
	UT030VO			
CARES Act	UT026DVCARES	14.HCC	173,769	
	UT026VO			
	UT026CARES			
	UT030CARES			
Total Housing Choice Voucher Program Cluster			<u>2,696,518</u>	
Supportive Housing Program	UT0101L8T031805	14.267	<u>123,577</u>	
	UT0101L8T031906			
Total Direct U.S. Department of Housing and Urban Development			<u>2,820,095</u>	
<u>U.S. Department of Homeland Security</u>				
Direct:				
Pre-Disaster Mitigation	EMD-2018-PC-0003	97.047	<u>1,213</u>	
Total Direct U.S. Department of Homeland Security			<u>1,213</u>	
Total Direct Funding			<u>3,022,974</u>	

**BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

U.S. Department of Health and Human Services

Passed through:

State of Utah Department of Human Services:

Title III Special Programs for the Aging and Nutrition Services Cluster:

Title III, Part B, Grants for Supportive

Services and Senior Centers A03137 93.044 230,736

Title III, Part C, Nutrition Services A03137 93.045 426,157

Nutrition Services Incentive Program A03137 93.053 84,384

741,277

Medical Assistance Program A03137 93.778 14,554

Title III, Part F, Disease Prevention and

Health Promotion Services A03137 93.043 7,657

Title VII, Prevention of Abuse, Neglect and

Title VII, Chapter 2, Long Term Care Ombudsman

Services for Older Individuals A03137 93.042 12,100

Title III E NFCSP (Caregiver) A03137 93.052 88,372

Senior Medicare Patrol Grant A03137 93.048 16,450

Health Care Financing Research,

Demonstrations and Evaluations A03137 93.779 22,445

Medicare Enrollment Assistance Program A03137 93.071 16,880

Social Services Block Grant A03137 93.667 107,803

172068

Total passed through State of Utah Department of Human

Services 1,027,538

Passed through:

National Council on Aging

Medicare Enrollment Assistance Program 90MINC0001 93.071 74,080

Total passed through National Council on Aging 74,080

Passed through:

State of Utah Department of Workforce Services:

Housing and Community Development:

Temporary Assistance for Needy Families 18DWS0141 93.558 60,304

Community Service Block Grant 211901 93.569 171,417

Community Service Block Grant- CARES 203640 93.569 72,516

212225

Total Community Service Block Grant 243,933

Low Income Home Energy Assistance Cluster:

Low Income Home Energy Assistance 191810 93.568 1,251,349

182144

210216

211785

201294

Total passed through State of Utah Department of Workforce

Services 1,555,586

Total Passed Through U.S. Department of

Health and Human Services 2,657,204

**BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021**

				Major Program
<u>U.S. Department of Energy</u>				
Passed through:				
State of Utah DWS-Housing and Community Development:				
Weatherization Assistance for Low-Income Persons	210217	81.042	<u>240,647</u>	
Total Passed Through U.S. Department of Energy			<u>240,647</u>	
<u>U.S. Department of Housing and Urban Development</u>				
Passed Through:				
State of Utah Department of Workforce Services:				
Housing and Community Development:				
Community Development Block Grants	211279	14.228	146,399	
	211618			
Community Development Block Grants- CARES	210245	14.228	151,033	
Emergency Shelter Grant	210946	14.231	60,385	
Emergency Shelter Grant- CARES	203486	14.231	99,416	
Total Passed Through State of Utah Department of Workforce Services			<u>457,233</u>	
Total Passed Through U.S. Department of Housing and Urban Development			<u>457,233</u>	
<u>U.S. Department of Transportation</u>				
Passed through:				
Utah Department of Transportation:				
Highway Administration:				
Human Services Transportation	198139	20.505	6,101	
UDOT Mobility Mgmt	198140	20.513	<u>6,346</u>	
Total Pass Through U.S. Department of Transportation			<u>12,447</u>	
<u>U.S. Department of Treasury</u>				
Passed through Utah Community Action Partnership Assn.:				
Voluntary Income Tax Assistance	19VITA19-20 21VITA20-21	21.009	<u>5,500</u>	
Passed through Box Elder County				
Coronavirus Relief Fund		21.019	<u>100,000</u>	X
Passed through State of Utah DWS- Housing and Community Development:				
HAP	210205 212004	21.019	<u>1,381,593</u>	X
ERA	212241	21.023	<u>96,155</u>	
Total Pass Through U.S. Department of Treasury			<u>1,583,248</u>	
Total Passed Through Funding			<u>4,950,779</u>	
Total Expenditures of Federal Awards			<u>\$ 7,973,753</u>	

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE SCHEDULE OF  
EXPENDITURES OFFEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 1. PURPOSE OF THE SCHEDULE**

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

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Presentation**

The information in the schedule is presented in accordance with the Uniform Guidance.

**Federal Awards.** Pursuant to the Single Audit Act of 1984 (Public Law 98-502), the Single Audit Act Amendments of 1996 (Public Law 104-156) and the Uniform Guidance, federal awards are 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 or direct appropriations. 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. Federal awards do not include direct federal cash assistance to individuals. Solicited contracts between the State and Federal government for which the Federal Government procures tangible goods or services are not considered to be federal awards.

**Type A and Type B Programs.** The Single Audit Act Amendments of 1996 and the Uniform Guidance establish the levels of expenditures or expenses to be used in defining Type A and Type B federal award programs. Type A programs, for the Association, are those programs which exceed \$750,000 in federal expenditures, distributions or issuances for the fiscal year ended June 30, 2021.

**2. Reporting Entity**

The reporting entity is fully described in Note 1 of the Association's financial statements. The schedule includes all federal awards programs administered by the Association for the year ended June 30, 2021.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
NOTES TO THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. 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 reimbursements.

The Association did not elect to use the 10% *de minimus* indirect cost rate as allowed.

**Matching Costs.** The schedule does not include matching expenditures.

**Direct and Indirect Flow-Through Federal Assistance.** Some of the Association's federal awards are received directly from the granting federal agency (i.e., the Association is the primary recipient). However, the majority of federal awards, as identified on the schedule, are passed through a separate entity prior to receipt by the Association (i.e., the Association is a sub-recipient).

**Sub-recipients.** The Association acts as a pass-through to area Senior Citizen Centers to provide funding for meals and programs from Federal and State Aging programs. The total amount expended during the year ended June 30, 2021, was \$858,289 of which \$668,081 were Federal funds.

The Association acts as a pass-through for SSBG funds. The amount expended for the year was \$56,800.

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2021

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified  
 Internal control over financial reporting:  
   Material weaknesses identified? \_\_\_ yes X no  
   Significant deficiencies identified  
     not considered to be material weaknesses? \_\_\_ yes X none reported  
 Noncompliance material to financial statements noted? \_\_\_ yes X no

**Federal Awards**

Internal Control over major programs:  
   Material weaknesses identified? \_\_\_ yes X no  
   Significant deficiencies identified  
     not considered to be material weaknesses? \_\_\_ yes X none reported

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

Any audit findings disclosed that are required  
 to be reported in accordance with the  
 Uniform Guidance? \_\_\_ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
11.302	US Department of Commerce Support for Planning Organizations
21.019	US Department of Treasury: Corona Virus Relief Fund

Dollar threshold used to distinguish  
 between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes \_\_\_ no

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

There were no significant deficiencies, material weaknesses or instances of noncompliance noted during the audit that are required to be reported.

**Section III – Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs noted during our audit that are required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Accordingly, no such matters are reported.



BEAR RIVER ASSOCIATION OF GOVERNMENTS  
MANAGEMENT REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
MANAGEMENT REPORT  
FOR THE YEAR ENDED JUNE 30, 2021

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

To the Governing Board  
Bear River Association of Governments  
Logan, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Bear River Association of Governments, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Bear River Association of Governments' basic financial statements, and have issued our report thereon dated November 24, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Bear River Association of Governments' internal control over financial reporting (internal control) to as a basis for designing 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 Bear River Association of Governments' internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Bear River Association of Governments' 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.

*Wiggins & Co., PC*  
Brigham City, Utah  
November 24, 2021



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

To the Governing Board and Executive Director  
Bear River Association of Governments

**Report on Compliance**

We have audited Bear River Association of Governments' compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the 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
- Fund Balance
- Fraud Risk Assessment
- Government Fees

***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 Association'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 Association'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 Association's compliance with those requirements.

***Opinion on Compliance***

In our opinion, Bear River Association of Governments 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 instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which are described in the accompanying schedule of findings and recommendations as item 21-1 below. Our opinion on compliance is not modified with respect to these matters.

The Association's response to the noncompliance findings identified in our audit is described in the accompanying letter. The Association's response was not subject 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 Association 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 Association'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 Association's internal control over compliance.

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

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

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

*Wiggins & Co., PC*

Brigham City, Utah  
November 24, 2021

BEAR RIVER ASSOCIATION OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 2021

**STATE LEGAL COMPLIANCE**

**OTHER MATTERS**

**21-1 FRAUD RISK ASSESSMENT**

**Condition:**

Fraud risk assessment was not presented in a governing board meeting before the end of the fiscal year end.

**Criteria:**

The State Legal Compliance requires the Association to complete the State Auditor's fraud risk assessment and present it in a governing board meeting.

**Cause of Condition:**

The Fraud Risk Assessment was a new requirement for Fiscal Year 2020. The Association was not aware of this being an annual requirement.

**Potential effect:** The Association would not be compliant with the requirements of State Legal Compliance Guide.

**Recommendation:**

We recommend the assessment be presented in the next governing board meeting. The Association should also complete the 2022 Fraud Risk Assessment as soon as possible to ensure they are in compliance for FY 2022.

**Response:** See accompanying letter.



# BEAR RIVER ASSOCIATION OF GOVERNMENTS

170 N. Main, Logan, Utah 84321 ♦ (435) 752-7242 ♦ Fax (435) 752-6962 ♦ [www.brag.utah.gov](http://www.brag.utah.gov)

## 21-1 FRAUD RISK ASSESSMENT

### **Cause of Condition:**

The Fraud Risk Assessment was a new requirement for Fiscal Year 2020. The Association was not aware of this being a yearly requirement.

**Potential effect:** The City would not be compliant with the State Legal Compliance Guide.

### **Recommendation:**

We recommend the assessment be presented in the next governing board meeting. The association should also complete the 2022 Fraud Risk Assessment as soon as possible to ensure they are in compliance for FY 2022.

### **Response:**

To correct this finding the fraud risk assessment will be presented at the next governing board meeting to be held on November 29, 2021. In addition, the assessment for FY22 will also be presented to the board in the same meeting to ensure compliance next year. We will also make sure that it is scheduled each subsequent year during the same meeting when the audit is presented and this document is fresh in our minds.