

WEST VALLEY CITY
SUPPLEMENTARY REPORTS
FOR THE YEAR ENDED JUNE 30, 2024

West Valley City
SUPPLEMENTARY REPORTS
TABLE OF CONTENTS

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	2
Schedule of Expenditures of Federal Awards.....	4
Notes to Schedule of Expenditures of Federal Awards	5
Schedule of Findings and Questioned Costs.....	6
Independent Auditor's Report on Financial Data Schedules – Housing Authority Required by The Department of Housing and Urban Development.....	8
Financial Data Schedule – Housing Authority – Entity Wide Balance Sheet	9
Financial Data Schedule – Housing Authority – Entity Wide Revenue and Expense Summary.....	10
Independent Auditor's Report on Compliance And Report on Internal Control Over Compliance as Required By the <i>State Compliance Audit Guide</i>	11
Schedule of Findings and Recommendations	13

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



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

Honorable Mayor and
Members of the City Council
West Valley City
West Valley City, 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, the business-type activities, each major fund, the respective budgetary comparison for the General Fund, Redevelopment Agency Special Revenue fund, and Community Services Special Revenue fund, and the aggregate remaining fund information of West Valley City, Utah (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) 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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 21, 2024

Telephone (801) 590-2600 | 1285 S. 1650 W. Suite 200, Woods Cross, UT 84087

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



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

Honorable Mayor and
Members of the City Council
West Valley City
West Valley City, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited West Valley City, Utah's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2024. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, West Valley City, Utah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

Telephone (801) 590-2600 | 1285 S. 1650 W. Suite 200, Woods Cross, UT 84087

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the respective budgetary comparison for the General Fund, Redevelopment Agency Special Revenue fund, and Community Services Special Revenue fund, and the aggregate remaining fund information of West Valley City, Utah as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise West Valley City, Utah's basic financial statements. We issued our report thereon dated December 21, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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 as a whole.

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

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 21, 2024

West Valley City
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
Department of Housing and Urban Development Programs				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/ Entitlement Grants	14.218		\$ 990,936	\$ 2,283,817
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871		-	5,674,139
Salt Lake County - Home Investment Partnerships Program	14.239	BV16119	304,050	304,050
<i>Total Department of Housing and Urban Development Programs</i>			<u>1,294,986</u>	<u>8,262,006</u>
Department of Justice Programs				
Edward Byrne Memorial Justice Assistance Grant	16.738		-	111,085
State of Utah - Crime Victim Assistance	16.575	22-VOCA-80	-	152,555
State of Utah - Missing Children's Assistance	16.543	231306	-	15,000
<i>Total Department of Justice Programs</i>			<u>-</u>	<u>278,640</u>
Department of Homeland Security Programs				
State of Utah - EMPG Fire Grants	97.042	none	-	21,000
<i>Total Department of Homeland Security</i>			<u>-</u>	<u>21,000</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,294,986</u></u>	<u><u>\$ 8,561,646</u></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

West Valley City
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of West Valley City (the City) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position, or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

West Valley City
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? No

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

Any audit findings disclosed that are required to reported in accordance with 2 CFR 200.516(a)? No

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grant
14.239	Home Investment Partnership Program

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

Auditee qualified as low-risk auditee? Yes

West Valley City
SCHEDULE OF FINDINGS AND QUESTIONED COSTS *(Continued)*
For the Year Ended June 30, 2024

Section II – Financial Statement Findings

None matters were reported.

Section III – Federal Award Findings and Questioned Costs

None matters were reported.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL DATA SCHEDULES –
HOUSING AUTHORITY REQUIRED BY THE DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

Honorable Mayor and
Members of the City Council
West Valley City
West Valley City, Utah

Financial Data Schedule – Housing Authority

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the respective budgetary comparison for the General Fund, Redevelopment Agency Special Revenue fund, and Community Services Special Revenue fund, and the aggregate remaining fund information of West Valley City, Utah as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise West Valley City, Utah's basic financial statements. We have issued our report thereon dated December 21, 2024, which contained unmodified opinions on those financial statements.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise West Valley City's basic financial statements. The accompanying *Financial Data Schedules – Housing Authority* at pages 9 and 10 are presented for purposes of additional analysis as required by the Department of Housing and Urban Development, 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 *Financial Data Schedule – Housing Authority* is fairly stated in all material respects in relation to the basic financial statements as a whole.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 21, 2024

West Valley City
FINANCIAL DATA SCHEDULE – HOUSING AUTHORITY
ENTITY WIDE BALANCE SHEET
For The Year ended June 30, 2024

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted		\$555,886	\$555,886	\$555,886
113 Cash - Other Restricted	\$1,708,252	\$0	\$1,708,252	\$1,708,252
100 Total Cash	\$1,708,252	\$555,886	\$2,264,138	\$2,264,138
124 Accounts Receivable - Other Government		\$1,673	\$1,673	\$1,673
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0
128 Fraud Recovery		\$8,699	\$8,699	\$8,699
128.1 Allowance for Doubtful Accounts - Fraud		-\$4,350	-\$4,350	-\$4,350
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$6,022	\$6,022	\$6,022
150 Total Current Assets	\$1,708,252	\$561,908	\$2,270,160	\$2,270,160
164 Furniture, Equipment & Machinery - Administration		\$24,649	\$24,649	\$24,649
166 Accumulated Depreciation		-\$24,649	-\$24,649	-\$24,649
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$1,708,252	\$561,908	\$2,270,160	\$2,270,160
311 Bank Overdraft				
312 Accounts Payable <= 90 Days		\$1,654	\$1,654	\$1,654
333 Accounts Payable - Other Government		\$67,136	\$67,136	\$67,136
345 Other Current Liabilities		\$15,112	\$15,112	\$15,112
310 Total Current Liabilities	\$0	\$83,902	\$83,902	\$83,902
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0
300 Total Liabilities	\$0	\$83,902	\$83,902	\$83,902
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets		\$0	\$0	\$0
511.4 Restricted Net Position	\$1,708,252	\$91,676	\$1,799,928	\$1,799,928
512.4 Unrestricted Net Position	\$0	\$386,330	\$386,330	\$386,330
513 Total Equity - Net Assets / Position	\$1,708,252	\$478,006	\$2,186,258	\$2,186,258
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,708,252	\$561,908	\$2,270,160	\$2,270,160

West Valley City
FINANCIAL DATA SCHEDULE – HOUSING AUTHORITY
ENTITY WIDE REVENUE AND EXPENSE SUMMARY
For The Year ended June 30, 2024

	Project Total	14.871 Housing Choice Vouchers	Subtotal	Total
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$5,812,330	\$5,812,330	\$5,812,330
71100 Investment Income - Unrestricted		\$96,611	\$96,611	\$96,611
71400 Fraud Recovery		\$11,150	\$11,150	\$11,150
71500 Other Revenue		\$20,451	\$20,451	\$20,451
72000 Investment Income - Restricted		\$0	\$0	\$0
70000 Total Revenue	\$0	\$5,940,542	\$5,940,542	\$5,940,542
91100 Administrative Salaries		\$222,889	\$222,889	\$222,889
91200 Auditing Fees		\$5,885	\$5,885	\$5,885
91300 Management Fee		\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative		\$92,857	\$92,857	\$92,857
91600 Office Expenses		\$106,057	\$106,057	\$106,057
91700 Legal Expense		\$2,500	\$2,500	\$2,500
91800 Travel		\$5,280	\$5,280	\$5,280
91900 Other		\$45,000	\$45,000	\$45,000
91000 Total Operating - Administrative	\$0	\$480,468	\$480,468	\$480,468
92500 Total Tenant Services	\$0	\$0	\$0	\$0
93400 Fuel		\$61	\$61	\$61
93800 Other Utilities Expense		\$933	\$933	\$933
93000 Total Utilities	\$0	\$994	\$994	\$994
94000 Total Maintenance	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0
96140 All Other Insurance		\$1,162	\$1,162	\$1,162
96100 Total insurance Premiums	\$0	\$1,162	\$1,162	\$1,162
96600 Bad debt - Other		\$1,116	\$1,116	\$1,116
96000 Total Other General Expenses	\$0	\$1,116	\$1,116	\$1,116
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$483,740	\$483,740	\$483,740
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$5,456,802	\$5,456,802	\$5,456,802
97300 Housing Assistance Payments		\$5,187,216	\$5,187,216	\$5,187,216
97350 HAP Portability-In		\$3,183	\$3,183	\$3,183
90000 Total Expenses	\$0	\$5,674,139	\$5,674,139	\$5,674,139
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$0	\$266,403	\$266,403	\$266,403
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,708,252	\$211,603	\$1,919,855	\$1,919,855
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$0	\$0	\$0
11170 Administrative Fee Equity		\$386,330	\$386,330	\$386,330
11180 Housing Assistance Payments Equity		\$91,676	\$91,676	\$91,676
11190 Unit Months Available	0	6444	6444	6444
11210 Number of Unit Months Leased	0	4439	4439	4439



CERTIFIED PUBLIC
ACCOUNTANTS

Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

Honorable Mayor and
Members of City Council
West Valley City
West Valley City, Utah

Report on Compliance

We have audited West Valley City, Utah's (the City) compliance with applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024, in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Related Restricted Revenues
- Fraud Risk Assessment
- Governmental Fees
- Enterprise Fund Transfers, Reimbursements, Loans, and Services
- Tax Levy Revenue Recognition

Opinion on Compliance

In our opinion, West Valley City, Utah complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2024.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

Telephone (801) 590-2600 | 1285 S. 1650 W. Suite 200, Woods Cross, UT 84087

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

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

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Guide and which are described in the accompanying schedule of findings and recommendations as items 2024-001. Our opinion on compliance is not modified with respect to these matters.

Government Auditing Standards require the auditor to perform limited procedures on the City response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

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

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

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

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 21, 2024

West Valley City
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2024

FINDINGS - FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS

None noted.

FINDINGS – MAJOR FEDERAL AWARDS PROGRAM

None noted.

FINDINGS – STATE OF UTAH COMPLIANCE

2024-001 Expenditures in Excess of Budget (Significant Deficiency)

Criteria: Utah Code 10-6-123 states “City officers may not make or incur expenditures or encumbrances in excess of total appropriations for any department in the budget as adopted or as subsequently amended.”

Condition: During our audit procedures, it was noted that the Park Impact Fee special revenue fund exceeded budgeted expenditures by \$142,992.

Cause: Expenditures were incurred near year-end that were not anticipated in the final amended budget approved by the Council. Invoices for those expenditures were not received until after fiscal year-end.

Effect: As a result, the City was not in compliance with the Utah Code 10-6-123 in the instance described.

Recommendation: We recommend the City evaluate and properly budget for all expenditures to ensure compliance with Utah Code 10-6-123.

Management’s Response: We concur with the finding, and will continue to monitor projects and expenditures near year-end to ensure necessary appropriations are properly budgeted for.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

FINDINGS - FINANCIAL AUDIT AND GOVERNMENT AUDITING STANDARDS

None noted.

FINDINGS – MAJOR FEDERAL AWARDS PROGRAM

None noted.

FINDINGS – STATE OF UTAH COMPLIANCE

None noted.