



## STAFF REPORT

Date: January 10, 2024  
From: Marla Howard, Brian Hartsell, Stewart Okobia  
RE: Form of Government Change Conversion Process

The management team met to discuss the areas that are affected by HB 35.

Attached to this memorandum is a preliminary schedule of the key events to implement the requirements of HB 35. Below is a discussion of the process we used to determine the timeline and tasks.

1. Stewart spoke with Seth Overson with Utah State Auditor's office about the impact on the fiscal reporting and filing process, and he confirmed that with a May 1 transition date, the financial year for our members, other than unincorporated county, will change from a calendar year (Jan to Dec) to a fiscal year (Jul to Jun). This requires a stub year audit for the period of January 1 through June 30.
2. We met with Matt Geddes with Squire, our external auditor, about the impact on financial reporting. MSD will want to stay in the financial year consistent with the majority of the members, thus necessitating a change in the financial year date by resolution of the Board to change from the current calendar year (Jan to Dec) reporting to a fiscal year (Jul to Jun) reporting.
  - a. Resolution:
    - i. At the March 13<sup>th</sup> Board meeting.
  - b. Audits:
    - i. Squire has agreed to the attached timeline.
    - ii. Will perform the audit for 2023 calendar year with a completion date of June 15, 2024 for a filing date of by June 30, 2024
    - iii. Will perform the audit for the stub year ending June 30, 2024, beginning in October for completion by December 6<sup>th</sup>.
  - c. Budgeting:
    - i. The fiscal year change will affect budgeting.
      1. One assumption is to keep the existing 2024 budget and use the same numbers for the fiscal year of July 1, 2024 to June 30, 2025. This decision will have to be made by the respective members of the MSD.
      2. MSD will need to create new budgets for capital projects due to the shift in the timeframe.
    - ii. Create new budgets for the new fiscal year.
      1. Requires new budgets from members on a shorten time frame.
      2. MSD will meet with providers to get updated numbers for the new fiscal year.
3. We met with Nathan Bracken about the impact on the code. He indicated that the changes are quite easy to implement and should not take much time to do.
4. Branding impacts will be managed by Maridene Alexander.