THIS AGENDA IS SUBJECT TO CHANGE WITH MINIMUM 24 HOURS NOTICE

JOINT AGENDA OF UNIFIED FIRE SERVICE AREA AND LOCAL BUILDING AUTHORITY OF THE UFSA

June 18, 2024, 8:30 a.m.
(or immediately following the UFA Board meeting, if after 8:30 a.m.)

NOTICE IS HEREBY GIVEN THAT THE UNIFIED FIRE SERVICE AREA BOARD OF TRUSTEES AND THE BOARD OF DIRECTORS OF THE LOCAL BUILDING AUTHORITY OF THE UNIFIED FIRE SERVICE AREA SHALL ASSEMBLE BOTH ELECTRONICALLY AND IN-PERSON FOR A MEETING AT UFA HEADQUARTERS LOCATED AT 3380 SOUTH 900 WEST, SALT LAKE CITY, UT 84119

THE PUBLIC MAY ATTEND IN-PERSON OR ELECTRONICALLY VIA ZOOM WEBINAR AT:
https://zoom.us/j/98255960431?pwd=VW9iWk1KQ0JYTi9lSDIxMS96KzZXZz09
Password: 123911

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1. Call to Order – Chair Hull

2. Public Comment
   Please limit comments to three minutes each and be germane to the agenda items or UFSA/LBA business. The UFSA/LBA Board typically will not engage directly but may direct staff to address comments following the meeting.
   There are three options for comments during this meeting:
   a. In-Person.
   b. Live during the Webinar by logging in as described above. If you wish to make a comment, select the "Raise Hand" button at the bottom of the screen. You will then be added to the queue and invited to speak.
   c. Email: Public comments will be accepted prior to the meeting via email at publiccomment@unifiedfire.org until 7:00 a.m. June 17, 2024. Emailed comments submitted prior to 7:00 a.m. June 17, 2024, will be read or summarized into the record, comments received after the deadline will be forwarded to the UFSA/LBA Board, but not read into the meeting record or addressed during the meeting.

3. Approval of Joint UFSA/LBA Minutes – Chair Hull
   a. May 21, 2024

4. Finance Committee (Meeting held 6/13/24) – Chair Overson

5. Review and Approval of the 2023 Annual Financial Report and Audit – CFO Hill/Chair Overson

6. 2024 Property Tax Review – CFO Hill

7. Consider Resolution 06-2024A Adopting a 2024 Ad Valorem Tax Rate at 12.04% above the Certified Rate on the Taxable Property in the Unified Fire Service Area – CFO Hill

8. Public Hearing to Receive and Consider Comments on Proposed Amendments to the 2024 Fiscal Year Budget – CFO Hill

9. Consider Resolution 06-2024B to Approve a Budget Amendment for the 2024 Fiscal Year Budget – CFO Hill

10. District Administrator Report – Rachel Anderson

11. Possible Closed Session

    The Unified Fire Service Area or Local Building Authority of the UFSA may temporarily recess the meeting to convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonable imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205 or for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137, and for other lawful purposes that satisfy the pertinent requirements of the Utah Open and Public Meetings Act.

    a. the character, professional competence, or physical or mental health of an individual
    b. pending or reasonable imminent litigation
    c. the purchase, exchange, or lease of real property as provided by Utah Code Annotated §52-4-205.

    (If only discussing topic (A), character, etc., then you may move to not record that portion of the closed session per Utah Code § 52-4-206 (6).)

    Re-Open the Meeting

12. Adjournment – Chair Hull

The next Board meeting will be held July 16, 2024, at 8:30 a.m. both electronically and at UFA Headquarters located at 3380 South 900 West, Salt Lake City, UT 84119

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL UFSA MEETINGS.

In accordance with the Americans with Disabilities Act, UFSA will make reasonable accommodation for participation in the meetings. Please call the clerk at least three working days prior to the meeting at 801-743-7213. Motions relating to any of the foregoing, including final action, may be taken at the meeting. This meeting will also be held electronically to allow members of the UFSA/LBA Boards to participate. This agenda is subject to change with a minimum 24-hour notice.

CERTIFICATE OF POSTING

The undersigned, does hereby certify that the above agenda notice was posted on this 17th day of June 2024, on the UFSA bulletin boards, the UFSA website http://unifiedfireservicearea.com , posted on the Utah State Public Notice website http://www.utah.gov/pmn/index.html and was emailed to at least one newspaper of general circulation within the jurisdiction of the public body.

Cynthia Young, UFSA Board Clerk

JOINT UNIFIED FIRE SERVICE AREA AND LOCAL BUILDING AUTHORITY OF THE UFSA
Meeting Minutes
Meeting held at UFA Headquarters and electronically via ZOOM

Board Members Present

Council Member Kathleen Bailey
Mayor Roger Bourke
Council Member Tyler Huish
Council Member Trish Hull
Surveyor Reid Demman
Council Member Sheldon Stewart
Council Member Catherine Harris
Mayor Jeff Silvestrini
Council Member Chrystal Butterfield
Mayor Kristie Overson
Mayor Marcus Stevenson
Mayor Tom Westmoreland

Board Members Absent

Mayor Dan Knopp

Staff

Acting Chief Dustin Dern
Chief Dominic Burchett
Tony Hill, UFA CFO
Rachel Anderson, UFSA Legal Counsel/District Administrator
Cyndee Young, UFSA Clerk

Guests

AC Zach Robinson
AC Pilgrim
OC Wade Russell
Amanda Lawrence
Anthony Widdison
Bill Brass
Brad Larson
Bryan Case
Calogero Ricotta
Casey Bowden
Chad Frisbee, Siddons Martin
Courtney Samuel
Earl Garfield
Embret Fossum
Emily Gray, Holladay City Council
Erica Langenfass
Jay Torgersen
Kate Turnbaugh
Kelly Bird
Ken Aldridge
Kiley Day
Krystal Griffin
Lana Burningham
Lianne Pengra
Mike Greensides
Nile Easton
Paul Story
Rachel Anderson
Rob Ayres
Rob Dahle, Mayor Holladay City
Shelli Fowlks
Steve Quinn
Tara Behunin
Val Greensides

Chair Trish Hull Presided

Called to Order

Chair Hull called the meeting to order at 9:03 a.m. Quorum present.

Public Comment

None.
Public comment was available live and with a posted email address.

Approval of Joint UFSA and LBA Board Meeting and Open Meetings Training Minutes – Chair Hull

Mayor Silvestrini moved to approve the minutes from the April 16, 2024 Open and Public Meetings Training and the April 16, 2024, Joint UFSA LBA Board Meeting with a correction adding Council Member Huish and removing Alan Perry.
Council Member Stewart seconded the motion.
All voted in favor, none opposed.

Finance Committee – Chair Hull

No meeting held.
The next meeting is scheduled for June 13, 2024.

Consider the Date of June 18, 2024 for Two Public Hearings to Receive and Consider Comments on: – CFO Hill

a. Proposed Amendments to the 2024 Fiscal Year Budget
b. Proposed 2024 Judgment Levies

The levy rates have not been received but the Finance Division will have the tax revenue by this meeting.

Mayor Silvestrini moved to set the date of June 18, 2024 for two Public Hearings to receive and consider comments on proposed amendments to the 2024 Fiscal Year Budget and proposed 2024 judgment levies as presented.
Council Member Stewart seconded the motion.
All voted in favor, none opposed.

Fraud Risk Assessment

CFO Hill reminded Board Members that this is a State Auditor tool that is reviewed annually to help predict and protect the organization from fraud.
The score of 355 is considered low risk.
Separation of duties is mitigated in other ways due to the small size of the Finance Division.
There were no points for the annual ethical behavior commitment.
The Pcard and payroll areas are not applicable as UFSA does not have any employees.

Council Member Stewart moved to approve the Fraud Risk Assessment as presented.
Mayor Silvestrini seconded the motion.
All voted in favor, none opposed.

Completion of Station 112 and Seismic Upgrade Grant – AC Robinson

AC Robinson stated that the Seismic Upgrade Grant work that began in 2021 has been completed. This grant allowed for completion of structural retrofits on 6 stations, upgraded non-structural retrofits on 20 stations, and purchased 3 emergency generators for stations that did not have one. 25 of the 26 fire stations now meet seismic construction requirement.

District Administrator Report – Rachel Anderson

Nothing to report for this month.

Closed Session

None

DRAFT

Motion to Adjourn – Chair Hull

Council Member Stewart moved to adjourn the May 21, 2024, Joint UFSA/LBA Board Meeting.
Mayor Silvestrini seconded the motion.
All voted in favor, none opposed.

DRAFT

UNIFIED FIRE SERVICE AREA

ANNUAL FINANCIAL REPORT

December 31, 2023

UNIFIED FIRE SERVICE AREA ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

For the Year Ended December 31, 2023

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Unified Fire Service Area
Salt Lake City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of Unified Fire Service Area (UFSA) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise UFSA's basic financial statements as listed in the table of contents.

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 UFSA, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UFSA and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the UFSA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 UFSA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the UFSA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information for the General Fund, as noted on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the UFSA's basic financial statements. The accompanying budgetary comparison schedule for the Debt Service Fund is presented for purposes of additional analysis and are 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 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 statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule for the Debt Service Fund is 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 our report dated June 13, 2024, on our consideration of the UFSA's internal control over financial reporting and on 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 the UFSA's 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 UFSA's internal control over financial reporting and compliance.

K&C, CPAs

Woods Cross City, Utah
June 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2023

As management of Unified Fire Service Area (UFSA), we offer readers of UFSA's financial statements this narrative overview and analysis of the financial activities of UFSA for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to the financial statements.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

UFSA's *government-wide net position* (the amount by which assets and deferred outflows of resources exceeded its liabilities) as of December 31, 2023, was $22,623,360. This amount decreased by over $2 million (8%) compared to 2022, primarily due a rise in UFA member fees and debt service, without a corresponding property tax revenue increase. *Unrestricted net position,* the portion of net position which represents the amount UFSA can use to meet ongoing financial obligations, was $12,178,612 on December 31, 2023. *Net position invested in capital assets, net of related debt,* was $10,442,145 on December 31, 2023.

UFSA reported combined ending fund balance for governmental funds of $16,506,327 as of December 31, 2023. Combined fund balance decreased by $14,586,209 (47%) from 2022 to 2023. The decrease is primarily due to usage of UFSA's 2021 debt issuance proceeds for land and station construction as well as debt service payments offset by proceeds of $850,000 from the sale of real property. The total spendable fund balance on December 31, 2023, was $15,164,261 which represented 20% of total fund expenditures. Of the total spendable fund balance, $10,815,505 was actually available for appropriation and spending (*unassigned fund balance*). Management believes the current unassigned fund balance to be a good indicator of UFSA's positive financial position.

For information on upcoming changes, see the "Economic Factors and Next Year's Budget" section beginning on page 10.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to UFSA's annual financial report. UFSA's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The *statement of net position* presents information on all of UFSA's assets, deferred outflows of resources, and liabilities, with the difference between them reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of UFSA is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position 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 on an accrual basis. Cash flow from such transactions could impact future fiscal periods.

The government-wide financial statements identify functions of UFSA that are principally supported by taxes and intergovernmental revenues, as *governmental activities.* Revenues designed to recover all or a significant portion of the activity costs are identified as *business-type activities.* UFSA currently does not have any business-type activities.

The Local Building Authority of Unified Fire Service Area (LBA) is chartered under Utah law as a separate governmental entity. However, the government-wide financial statements include the financial statements of this entity since UFSA's Board is the appointed board for the LBA and it is financially accountable to UFSA.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. UFSA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of UFSA's funds are 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 the 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 a 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* in the fund financial statements 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.*

UFSA maintains one major governmental fund, the General fund, and the LBA maintains two major governmental funds, the Capital Projects fund and the Debt Service 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 these funds.

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

Required Supplementary Information: UFSA adopts an annual appropriated budget for its funds. A budgetary comparison statement (page 29) has been provided for the General Fund to demonstrate compliance with the budget.

FINANCIAL ANALYSIS OF UFSA AS A WHOLE

Current assets decreased 49% ($16 million) in 2023 primarily due to usage of cash balances resulting from bond proceeds held in trust, appropriation of net assets for operating deficits, in addition to a 69% decrease in taxes and grant receivable. UFSA's related party long-term note receivable decreased eight percent in 2023 as a result of payments received from Unified Fire Authority. Capital assets, net of accumulated depreciation, increased $9,320,396 (15%) due to asset acquisitions exceeding disposals and depreciation expense in 2023. Deferred outflows of resources decreased $5,039 (8%) due to amortization of UFSA's 2016 loss on bond refunding.

Current liabilities decreased 45% ($1,560,420) over the previous year primarily due to the completion of the majority of UFSA's construction during 2023 offset by an increase of accrued interest resulting from UFSA's 2021 bond issuance. Long-term liabilities decreased five percent as a result of bond principal payments ($2,930,000) and amortization of bond premiums ($364,146) during the year.

As noted earlier, net position may serve over time as a useful measurement to assist with understanding the financial position of UFSA. As of December 31, 2023, assets and deferred outflows of resources exceeded liabilities by $22,623,360, a decrease of $2,008,705 (8%) compared to the previous year. The decrease in net position during the year is mainly due to a rise in UFA member fees and debt service, without a corresponding property tax revenue increase.

Summary of Statement of Net Position
As of December 31,

	2023	2022	% Change
Assets			
Current and other assets	$ 16,550,766	$ 32,597,882	-49%
Long-term note receivable	1,342,066	1,473,578	-9%
Capital assets, net of accumulated depreciation	69,678,819	60,358,733	15%
Total Assets	87,571,651	94,430,193	-7%
Deferred Outflows of Resources			
Deferred charge on refunding	$ 56,364	$ 61,403	-8%
Total Assets and Deferred Outflows of Resources	$ 87,628,015	$ 94,491,596	-7%
Liabilities			
Current and other liabilities	1,866,124	3,426,544	-46%
Long-term liabilities	63,138,841	66,432,987	-5%
Total Liabilities	$ 65,004,965	$ 69,859,531	-7%
Net Position			
Invested in capital assets, net of related debt	10,441,835	8,338,498	25%
Restricted	2,603	432	503%
Unrestricted	12,178,612	16,293,135	-25%
Total Net Position	$ 22,623,050	$ 24,632,065	-8%

UFSA's net position invested in capital assets, net of related debt, totaled $10,442,145, or 46% of total net position. Although UFSA's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position ($2,603 for debt service) represents resources that are subject to external restrictions on how they may be used. Unrestricted net position ($12,178,612) may be used to meet general, ongoing financial obligations without constraints established by debt covenants or other legal requirements.

Charges for services (impact fees) decreased $55,884 (4%) in 2023 compared to the prior year primarily due to several large commercial projects in 2022 that were not replicated in 2023 as well as the wind down of several large multi-family developments. UFSA was awarded a Federal pass-through grant with work commencing in 2021 to provide seismic upgrades to numerous fire stations within its service area; 2023 revenue related to this grant totaled $206,592 ($1,080,136 decrease over prior year). Taxes and motor vehicle fees increased $1,959,178 (4%) compared to 2022, primarily due to new growth. UFA received intergovernmental revenue totaling $774,689 ($761,615 related to Herriman and Riverton's separation from UFSA and $13,074 from UFA members who own stations receiving seismic improvements through the 2021 PDM grant). Interest income increased $610,927 (109%) due to rising interest rates in 2023.

General government expenses were approximately $55.4 million in 2023 and increased 10% (over $5 million) compared to 2022 primarily due to higher UFA member fees paid (8%), and increased tax increment payments (30%). Interest on long-term debt decreased $111,668 (3%) predominantly due to lease revenue bond balances lowering through principal payments.

Summary of Statement of Activities
For the Fiscal Year Ended December 31,

	2023	2022	% Change
Program revenues			
Charges for services	$ 1,208,364	$ 1,264,248	-4%
Grants	136,454	1,174,504	-88%
General revenues			
Property taxes and motor vehicle fees	51,400,406	49,441,228	4%
Intergovernmental revenue	774,689	968,604	-20%
Unrestricted investment earnings	1,172,510	561,583	109%
Loss on disposal of assets	302,667	-	100%
Miscellaneous revenue	17,845	18,502	-4%
Total revenues	55,012,935	53,428,669	3%
Program expenses			
General government	55,447,088	50,285,731	10%
Interest on long-term debt	1,633,628	1,745,296	-6%
Total expenses	57,080,716	52,031,027	10%
Change in net position	(2,067,781)	1,397,642	-248%
Net position - beginning	24,632,064	-	100%
Prior period adjustment	58,767	-	100%
Net position - ending	$ 22,623,050	$ 1,397,642	1519%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: UFSA's investment in capital assets, net of accumulated depreciation, was $69,678,819 at December 31, 2023. Capital assets increased $9,320,085 (15%) from 2022 to 2023 as a result of net additions ($11,415,816) offset by depreciation ($1,548,553) and net disposals ($547,179).

Capital Assets, Net of Depreciation
As of December 31,

	2023	2022	% Change
Construction in progress	$ 6,906,443	$ 22,264,472	-69%
Land	10,269,149	10,587,278	-3%
Building and improvements	51,805,852	26,929,470	92%
Land improvements	422,519	388,677	9%
Machinery and equipment	274,856	188,837	46%
	$ 69,678,819	$ 60,358,734	15%

Major capital asset additions during 2023 included seismic upgrades at four stations ($171,996) and construction for four stations funded with bond proceeds ($11 million), as well as various station remodels and capital maintenance projects totaling $155,877. The sale of the original station #251 in Eagle Mountain was UFSA's major disposition in 2023. Additional information on UFSA's capital assets is available in the notes to the financial statements.

Long-term Debt: In June 2016, the Local Building Authority (LBA) of UFSA issued Lease Revenue & Refunding Bonds Series 2016A to refund its 2008 Lease Revenue bonds and gain additional funding of $6 million to complete Station #117 in Taylorsville. UFSA's bonds are rated Aa2 by Moody's. Principal owed for the 2016A bonds is $24,050,000. Debt payments totaling $2,585,250 ($1,725,000 principal and $860,250 interest) were made during the year on the 2016A series bonds. Unamortized premium on the 2016A bonds is $1,673,769. Amortization of premium on the 2016A bonds was $148,780.

In March 2021, the Local Building Authority (LBA) of UFSA issued Lease Revenue Bonds Series 2021 to gain funding to purchase land and construct five fire stations. UFSA's bonds are rated Aa2 by Moody's. Principal owed for the 2021 bonds is $33,700,000. Debt payments totaling $2,375,625 ($1,205,000 principal and $1,170,625 interest) were made during the year on the 2021 series bonds. Unamortized premium on the 2021 bonds is $3,715,072. Amortization of premium on the 2021 bonds was $215,366.

Additional information about UFSA's long-term liabilities is available in the notes to the financial statements.

FINANCIAL ANALYSIS OF UFSA'S FUNDS

Governmental Funds: As of December 31, 2023, the aggregate fund balance of UFSA's governmental funds was $16,506,327. Unassigned fund balance, which was available for appropriation by the UFSA Board, was $10,815,505. The remainder of the fund balance was not available for new spending because it had already been committed for spending ($4,346,153 committed for capital outlay and $2,603 restricted for debt service).

GENERAL FUND BUDGETARY HIGHLIGHTS

For a detailed budgetary comparison schedule, see the Required Supplementary Information section, beginning on page 29. Significant differences between the original and final budget can be summarized as follows:

- $173,933 increase to property taxes due to new growth
- $200,000 and $700,000 decreases to motor vehicle and impact fees, respectively, to better align with anticipated collections
- Decrease in grant revenue ($224,930) and related expenditures ($299,906) to adjust available grant reimbursements available to actual, based on 2022 spending and related party reimbursements
- $350,000 and $422,254 increase to interest income and interest expenditure due to rising interest rates
- $360,180 rise in operating costs predominantly from increases to RDA/CDA pass-through tax payments, offset by decreases in contracts with other government agencies
- $850,000 increase in proceeds from sale of capital assets related to the sale of former #251 property in Eagle Mountain

Significant variations in actual results compared to final budget in the general fund can be summarized as follows:

- Budgeted grant revenue and related expenditures ($393,478 and $618,802, respectively) were not fully recognized due to related construction projects not completed during 2023
- Budget exceeded actual capital outlay expenditures by $1,302,402, primarily due to delays for building the garage at the temporary Olympus Hills station and capital maintenance projects.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

At the end of 2023, Unified Fire Service Area's economic condition continues to be strong. A key indicator to UFSA of the strong economic condition in the service area is the continued high level of impact fee collections that show high growth of new residential and commercial developments. The entities that make up UFSA have widely developed and diverse economic sectors. Utah continues to be among the top-performing states with Salt Lake and Utah County at the epicenter of Utah economy. With the completion of the most recent census, Salt Lake County had 15.1% population growth since 2010 with Utah County at 27.7%. Our state continues to have unemployment rates well below the national average with positive job growth. Inflation is causing the recovery to be a little uneven with supply constraints and price instability.

In 2024, UFSA will complete the seismic retrofit project funded through a FEMA pre-disaster mitigation grant, including the addition of station 112 in Millcreek. The project provided retrofit to stations identified for needed upgrades in a recently completed seismic evaluation. The grant also provided for emergency generators at three stations; this project was completed in 2023. The March 2020 earthquake in Magna, as well as the ensuing aftershocks, reinforced the importance of the seismic work we have completed and UFSA will continue to evaluate the safety of the stations within the service area. Fire station 102 in Magna, and stations 251 and 253 in Eagle Mountain, that were funded through the 2021 bond were opened in 2023.

UFSA continues to focus on its need to maintain fire stations and has developed capital plans, including the purchase of land for new stations, replacement of aging stations, and remodeling of some existing stations. We continue to be delayed on the rebuilding of station 112 in Millcreek because of building code issues.

UFSA received a bond rating from Moody's Investors Service for the 2021 lease revenue bonds of Aa2 with an affirmed rating of Aa1. The bonds were competitively bid in March 2021 and were sold with a true interest cost of 1.82%.

Herriman City and Riverton City withdrew from UFSA as of January 2021. As part of the withdrawal agreement with each entity, UFSA will distribute each entity's share of UFSA's minimum reserve fund balance ($1,076,293 for Riverton and $789,576 for Herriman). In turn, both cities will pay their portion of the 2016 outstanding bond debt ($4,152,344 from Riverton and $6,318,778 from Herriman). Payments made to and from UFSA will be made annually over the remaining life of the 2016 bonds through 2035.

Much like 2023, the 2024 budget will be difficult as we continue to balance the growth and needs of the services area with the property tax revenue being collected. UFSA's fund balance will be bolstered by a 12.04% tax increase that was approved as part of the 2023 budget process.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of UFSA's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, 3380 South 900 West, Salt Lake City, UT, 84119.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS
GOVERNMENTAL FUND FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

December 31, 2023

ASSETS		
Cash and cash equivalents	$	10,824,937
Cash and cash equivalents held by fiscal agent		4,507,432
Receivables		1,218,397
Long-term related party note receivable		1,342,066
Capital assets, net of accumulated depreciation		69,678,819
Total Assets		87,571,651
DEFERRED OUTFLOWS OF RESOURCES		
Loss on refunding		56,364
Total Assets and Deferred Outflows of Resources	$	87,628,015
LIABILITIES		
Accounts payable	$	42,688
Restricted accounts payable		221,816
Accrued liabilities		1,601,620
Lease revenue bonds payable		
Due within one year		3,075,000
Due in more than one year		60,063,841
Total Liabilities		65,004,965
NET POSITION		
Net Investment in Capital Assets		10,441,835
Restricted for debt service		2,603
Unrestricted		12,178,612
Total Net Position	$	22,623,050

The accompanying notes are an integral part of the financial statements.

STATEMENT OF ACTIVITIES

Year ended December 31, 2023

Function/Programs	Expenses	PROGRAM REVENUES Charges for Services	Operating Grants	Capital Grants	NET EXPENSE AND NET POSITION
GOVERNMENTAL ACTIVITIES:					
General government	$ 55,447,088	$ 1,208,364	$ 7,457	$ 128,997	$ (54,102,270)
Interest on long-term debt	1,633,628	-	-	-	(1,633,628)
Total	$ 57,080,716	$ 1,208,364	$ 7,457	$ 128,997	(55,735,898)
GENERAL REVENUES					
Real property taxes					49,232,635
Motor vehicle fees					2,167,771
Intergovernmental revenue					774,689
Rental income					11,736
Unrestricted investment earnings					1,172,510
Gain on disposal of assets					302,667
Miscellaneous income					6,109
Total general revenues					53,668,117
Change in net position					(2,067,781)
Net position - beginning					24,632,064
Prior period adjustment					58,767
Net position - ending					$ 22,623,050

The accompanying notes are an integral part of the financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	MAJOR FUNDS			
	General Fund	Capital Improvement Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 9,660,837	$ 1,164,100	$ -	$ 10,824,937
Cash and cash equivalents held by fiscal agent	-	4,504,829	2,603	4,507,432
Receivables:				
Taxes receivable	1,150,473	-	-	1,150,473
Grants receivable	19,909	-	-	19,909
Interest receivable	26,974	21,041	-	48,015
Net receivables	1,197,356	21,041	-	1,218,397
Total Current Assets	10,858,193	5,689,970	2,603	16,550,766
Long-term related party note receivable	1,342,066	-	-	1,342,066
TOTAL ASSETS	$ 12,200,259	$ 5,689,970	$ 2,603	$ 17,892,832
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts payable	$ 42,688	$ -	$ -	$ 42,688
Restricted accounts payable	-	221,816	-	221,816
Retention payable	-	1,122,001	-	1,122,001
TOTAL LIABILITIES	42,688	1,343,817	-	1,386,505
TOTAL LIABILITIES AND DEFERRED INFLOWS	42,688	1,343,817	-	1,386,505
FUND BALANCES				
Nonspendable	1,342,066	-	-	1,342,066
Spendable:				
Restricted for Debt Service	-	-	2,603	2,603
Restricted for Capital Outlay	-	4,346,153	-	4,346,153
Unassigned	10,815,505	-	-	10,815,505
TOTAL FUND BALANCES	12,157,571	4,346,153	2,603	16,506,327
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	$ 12,200,259	$ 5,689,970	$ 2,603	$ 17,892,832

The accompanying notes are an integral part of the financial statements.

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

December 31, 2023

Total Fund Balances - Governmental Funds		$ 16,506,327
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets in governmental activities are not financial resources and therefore are not reported in the funds.		69,678,819
Long-term liabilities, including lease revenue bonds, are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest on long term debt	$ (479,619)	
Loss on bond refunding	56,364	
Lease revenue bonds	(63,138,841)	
		(63,562,096)
Net Position of Governmental Activities		$ 22,623,050

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended December 31, 2023

	MAJOR FUNDS			
	General Fund	Capital Improvement Fund	Debt Service Fund	Total Governmental Funds
REVENUES				
Real property taxes	$ 49,232,635	$ -	$ -	$ 49,232,635
Motor vehicle fees	2,167,771	-	-	2,167,771
Impact fees	1,208,364	-	-	1,208,364
Grants	206,592	-	-	206,592
Intergovernmental	774,689	-	-	774,689
Lease/rent revenue	11,736	-	4,946,184	4,957,920
Investment earnings	673,228	482,420	16,862	1,172,510
Other income	6,109	-	-	6,109
Total Revenues	54,281,124	482,420	4,963,046	59,726,590
EXPENDITURES				
Current				
Operations	57,322,333	-	-	57,322,333
General and administrative	832,533	-	-	832,533
Capital outlay	351,830	11,064,141	-	11,415,971
Debt service				
Principal	-	-	2,930,000	2,930,000
Interest	672,253	-	2,030,875	2,703,128
Debt issuance cost and fees	17,600	-	-	17,600
Total Expenditures	59,196,549	11,064,141	4,960,875	75,221,565
Excess (Deficiency) of Revenues Over (Under)Expenditures	(4,915,425)	(10,581,721)	2,171	(15,494,975)
OTHER FINANCING SOURCES & USES				
Proceeds from sale of capital assets	850,000	-	-	850,000
Total other financing sources	850,000	-	-	850,000
Net change in fund balances	(4,065,425)	(10,581,721)	2,171	(14,644,975)
Fund balances at beginning of year	16,222,996	14,869,107	432	31,092,535
Prior period adjustment	-	58,767	-	58,767
Fund balances at end of year	$ 12,157,571	$ 4,346,153	$ 2,603	$ 16,506,327

The accompanying notes are an integral part of the financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended December 31, 2023

Total Net Change in Fund Balances - Governmental Funds		$ (14,644,975)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets isallocated over their estimated useful lives as depreciation expense. In the current year, these amounts were as follows:		
Disposition of capital assets	$ (547,333)	
Depreciation expense	(1,548,553)	
Capital outlay	11,415,971	
		9,320,085
Net revenues in the Statement of Activities that do not provide currentfinancial resources are not reported as revenues in the governmental funds.		(70,138)
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Repayment of long-term debt	2,930,000	
		2,930,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of the following:		
Amortization of refunding bond premium	$ 364,146	
Amortization of loss on bond refunding	(5,039)	
Accrued interest on long-term debt	38,140	
		397,247
Change in Net Position of Governmental Activities		$ (2,067,781)

The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Year ended December 31, 2023

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Salt Lake Valley Fire Service Area (SLVFSA) was created in 2004 to manage and provide fire protection services. The fire service area was created to provide fire protection and emergency medical services to the unincorporated areas of Salt Lake County. Effective January 1, 2008, SLVFSA assessed and recorded its own property taxes apart from Salt Lake County. Also beginning January 1, 2008, Unified Fire Authority (UFA) assumed management and administrative support for SLVFSA. Prior to these two changes, Salt Lake County reported SLVFSA as a blended component unit of its primary government. In March 2013, the Board approved changing SLVFSA's entity name to Unified Fire Service Area (UFSA). UFSA is a separate legal entity, with a thirteen-member board of elected officials, two of which represent unincorporated areas of Salt Lake County and nine of which represent the cities of Eagle Mountain, Midvale, Millcreek, and Taylorsville, as well as metro townships of Copperton, Emigration Canyon, Kearns, Magna, and White City.

Blended Component Unit

The Local Building Authority of the Salt Lake Valley Fire Service Area (LBA) was created in 2008. The LBA is governed by the Board of UFSA. Although it is legally separate from UFSA, it is reported as if it were part of the primary government. The LBA was created solely for the benefit of UFSA with a purpose to acquire, improve, construct, and finance capital facilities within the fire service area. The LBA currently has one capital projects fund and one debt service fund.

Government-Wide and Fund Financial Statements

Government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of UFSA. The effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific program. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Other items not properly included among program revenues are reported as general revenues.

Fund financial statements present each major individual fund as a separate column. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. UFSA segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Risk Management

UFSA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which it carries commercial insurance. There were no significant reductions in coverage from prior year, and settlement claims resulting from these risks have not exceeded commercial insurance coverage.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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.

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. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Property taxes are recognized as revenues in the year for which they are levied.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Governmental funds are those through which most of the governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflows of resources, and liabilities is reported as fund balance. UFSA has presented the following major governmental funds:

- *General Fund* – the general fund is the main operating fund of UFSA, used for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.
- *Capital Improvements Fund* – a capital projects fund used to account for funds received and expended for the acquisition and construction of capital equipment and facilities throughout UFSA's jurisdiction.
- *Debt Service Fund* – the LBA's debt service fund is used to account for the accumulation of resources for and the payment of long-term debt principal, interest, and related costs.

Cash Equivalents

Cash equivalents are highly liquid investments with original maturities of three months or less, when purchased.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by UFSA as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. If purchased, such assets are recorded at historical cost. Assets are recorded at acquisition value at the date of gift, if donated. Assets transferred from other governmental entities are recorded at the net book value removed from the conveying government's books.

Major additions are capitalized while maintenance and repairs, which do not improve or extend the life of the respective assets, are charged to expense. No depreciation is recognized on construction in progress until the asset is placed in service. UFSA does not possess any infrastructure. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Building and improvements	5 – 40 years
Land improvements	15 – 31 years
Machinery and equipment	5 – 30 years

Restricted Assets

Certain proceeds of UFSA's 2016 and 2021 lease revenue bonds, as well as certain resources set aside for their repayment, are maintained in separate bank accounts and are classified as restricted assets because their use is limited by bond covenants. The "reserve fund" accounts, with a balance of $4,507,432 at December 31, 2023, are used to report resources set aside for construction costs as well as the payment of principal and interest on the lease revenue bonds.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Nonexchange transactions, in which UFSA receives value without directly giving value in return, include grants and donations. On the accrual basis, this revenue is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include: timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which UFSA must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to UFSA on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must be available before it can be recognized. UFSA considers revenue available if received within 90 days.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position/Fund Balances

The difference between assets and deferred outflows of resources and liabilities is reported as net position on the government-wide financial statements and fund balance on the governmental fund statements. UFSA's net position is classified as follows:

- *Net investment in capital assets* – This component of net position consists of UFSA's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are excluded as a component of invested in capital assets, net of related debt.
- *Restricted for debt service* – This component of net position consists of net position related to funds held in escrow that are restricted for debt service payments.
- *Unrestricted* – This component of net position consists of items of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the governmental fund statements, fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation. Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the UFSA Board, such as an appropriation. Assigned fund balance is constrained by the Board's intent to be used for specific purposes, by directive of the Board. When an expenditure is incurred for purposes which restricted, committed, assigned and unassigned resources are available, UFSA generally uses restricted resources first, followed by committed and assigned resources before unassigned resources are used.

Expenditure Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources. When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, UFSA generally uses restricted resources first, then unrestricted resources.

Implementation of New Governmental Accounting Standards Board (GASB) Pronouncement

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The objective is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITAs), improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. GASB 96 is effective for periods beginning after June 15, 2022. UFSA has implemented GASB 96 in the financial statements for the year ended June 30, 2023, but has no applicable SBITAs.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents, and investments consisted of the following as of December 31, 2023:

Cash and cash equivalents:	
Cash - net of outstanding checks	$ 601,999
Public Treasurer's Investment Fund (PTIF)	10,222,938
Total unrestricted cash and cash equivalents	10,824,937
Cash and cash equivalents held by fiscal agent (invested in PTIF)	4,507,432
Total cash, cash equivalents, and investments	$ 15,332,369

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds. UFSA follows the requirements of the Utah Money Management Act in handling its depository and investment transactions. The Act requires depositing of UFSA's 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 State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the local government's deposits may not be recovered. UFSA's deposits are insured up to $250,000 per institution by the Federal Depository Insurance Corporation (FDIC). Deposits above $250,000 are exposed to credit risk. As of December 31, 2023, UFSA's depository bank balance was $593,609, of which $343,609 is uninsured. Utah State Law does not require deposits to be insured or collateralized. UFSA does not have a formal deposit policy for custodial credit risk. To date, we have not experienced uninsured losses, and we believe the risk of future loss is negligible. The Money Management Act defines the types of securities authorized as appropriate investments for UFSA's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Investments

These statutes authorize UFSA to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund (PTIF).

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The Utah State Treasurer's Office operates the PTIF and is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds in the PTIF. The participant's monthly investment amount is based upon their average daily balance.

At June 30 and December 31 each year, the fair value of the investments is determined to enable participants (public entities having those year ends) to adjust their investments in the pool. As of December 31, 2023, UFSA had $4,506,054 invested in PTIF. Additionally, $10,222,938 held by a fiscal agent was invested in PTIF at December 31, 2023. The entire balance had a maturity of less than one year. The PTIF pool has not been rated. The PTIF is reported as a fiduciary fund by the State of Utah in its Comprehensive Annual Financial Report. A copy of the report may be obtained online at https://treasurer.utah.gov/investor-information/comprehensive-annual-financial-report-cafr.

Fair Value of Investments

UFSA measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The fair value measurement of UFSA's PTIF investments is considered Level 2. At December 31, 2023, UFSA had the following cash and investments:

	Carrying Value	Fair Value Factor	Fair Value	Credit Rating	Weighted Average Maturity
Cash on deposit:					
Cash on deposit	$ 601,999	1.000000	$ 601,999	N/A	N/A
Utah State Treasurer's investment pool accounts	14,730,370	1.001522	14,752,788	N/A	N/A
Total cash on deposit	$ 15,332,369		$ 15,354,787		

Custodial Credit Risk for investments is the risk that, in the event of a failure of the counterparty, UFSA will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. UFSA's policy for limiting the credit risk of investments is to comply with the Money Management Act, as previously discussed. All of UFSA's investments at December 31, 2023, were with the PTIF and therefore are unrated and are not categorized as to custodial credit risk.

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. UFSA's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council, as applicable. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. UFSA manages its exposure to declines in fair value by investment mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. UFSA's investment policy limits the term of investments to a maximum maturity that shall not exceed five years in order to manage its exposure to fair value losses arising from increasing interest rates. The investment policy also specifies that UFSA's investment portfolio will remain sufficiently liquid to enable UFSA to meet all operating requirements which might be reasonably anticipated.

NOTE 3 – CAPITAL ASSETS

The changes in capital assets for the year ended December 31, 2023, are as follows:

	January 1, 2023	Additions/ Transfers In	Disposals/ Transfers Out	December 31, 2023
Capital assets not being depreciated:				
Construction in progress	$ 22,264,472	$ 3,190,822	$ (18,548,851)	$ 6,906,443
Land	10,587,278	14,053	(332,182)	10,269,149
Total capital assets not being depreciated	32,851,750	3,204,875	(18,881,033)	17,175,592
Capital assets being depreciated:				
Building and improvements	37,173,515	26,511,867	(336,665)	63,348,717
Land improvements	937,542	127,678	(35,466)	1,029,754
Machinery and equipment	271,571	120,093	(40,412)	351,252
Total capital assets being depreciated	38,382,628	26,759,638	(412,543)	64,729,723
Less accumulated depreciation for:				
Building and improvements	(10,244,045)	(1,471,484)	172,664	(11,542,865)
Land improvements	(548,865)	(60,838)	2,468	(607,235)
Machinery and equipment	(82,734)	(16,231)	22,569	(76,396)
Total accumulated depreciation	(10,875,644)	(1,548,553)	197,701	(12,226,496)
Total capital assets being depreciated, net	27,506,984	25,211,085	(214,842)	52,503,227
Total capital assets, net	$ 60,358,734	$ 28,415,960	$ (19,095,875)	$ 69,678,819

Depreciation charged for governmental activities for the year ended December 31, 2023, was $1,548,553.

NOTE 4 – PROPERTY TAXES

Property taxes attach an enforceable lien on property as of January 1 in the year in which due and are assessed in July through billing to the property owner. All unpaid taxes are due and become delinquent on November 30. Property tax revenues are recognized by UFSA when they are collected. Property taxes are billed and collected by Salt Lake County and Utah County on behalf of UFSA and remitted monthly. Property taxes received by UFSA within 60 days after year end are recorded as revenue as of year-end. The 2023 Certified Tax Rate for UFSA is .001346 (.001339 for general operations and .000007 for discharge of judgement).

In addition to various taxes UFSA levies for its own purposes, it levies taxes for other governments; those taxes are forwarded to those other governments as the taxes are collected. Taxes levied in 2023 for other governments are recorded as revenue with an equivalent amount of expenditure totaling $4,131,152. Incremental taxes forwarded during 2023 to various redevelopment agencies within the service area for the purposes of financing urban renewal, economic development, and community development projects by earmarking property tax revenue from increases in assessed values within the project areas are as follows:

	Taxes Abated During Year	
Project	Percentage	Amount
Eagle Mountain Sweetwater #1	80%	1,626,234
Eagle Mountain Pole Canyon	60%	115,503
Magna Arbor Park	90%	49,880
Magna Main Street	80%	105,676
Midvale Bingham Junction	80%	916,941
Midvale Jordan Bluffs	80%	412,802
Millcreek City Center	80%	85,771
West Millcreek	80%	217,422
Taylorsville 5400 S Bangerter Highway	75%	44,865
Taylorsville 6200 S Redwood Road	75%	53,544
Taylorsville Bennion Point	75%	170,640
Utah Inland Port Authority	75%	331,874
		$ 4,131,152

**Note: Eagle Mountain Sweetwater #1 percentage for personal property is 100%*

NOTE 5 – SHORT-TERM DEBT

In April 2023, UFSA issued Tax and Revenue Anticipation Notes, Series 2023 (TRAN), in the amount of $24 million at a 3.97% interest rate for a short-term basis until tax revenue was received. Issuance costs related to the TRAN were $17,600. Principal and interest totaling $24,672,253 were paid on December 26, 2023.

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term obligations for the year ended December 31, 2023:

	Beginning	Increases	(Decreases)	Ending
LBA Lease Revenue & Refunding Bonds, series 2016	$ 25,775,000	$ -	$ (1,725,000)	$ 24,050,000
LBA Lease Revenue & Refunding Bonds, series 2016 premium	1,822,548	-	(148,780)	1,673,769
LBA Lease Revenue Bonds series 2021	34,905,000	-	(1,205,000)	33,700,000
LBA Lease Revenue Bonds series 2021 premium	3,930,439	-	(215,366)	3,715,072
Local Building Authority lease revenue bonds	$ 66,432,987	$ -	$ (3,294,146)	$ 63,138,841

Local Building Authority Lease Revenue and Refunding bonds, series 2016A, were issued on June 14, 2016, in the amount of $32,375,000 to refund the 2008 LBA Lease Revenue Bonds originally issued in the aggregate principal amount of $32,950,000. The new bonds bear interest from 2.00% to 4.00% and are due in annual installments ranging from $1,282,500 to $2,595,500 through April 1, 2035. These bonds are not considered general obligation bonds of UFSA but are special obligations payable from the lease revenues derived from the assets acquired or constructed with bond proceeds. The new issue provided $6,000,000 in additional funding to build a fire station in Taylorsville City. The bond refunding reduces debt service payments by $7,032,548 through 2033.

Local Building Authority Lease Revenue, series 2021, were issued on March 30, 2021, in the amount of $34,905,000 for land and construction of five fire stations located in Magna, Midvale, Millcreek, and Eagle Mountain. The bonds bear interest from 2.00% to 5.00% and are due in annual installments ranging from $1,205,000 to $2,350,000 through April 1, 2041. These bonds are not considered general obligation bonds of UFSA but are special obligations payable from the lease revenues derived from the assets acquired or constructed with bond proceeds.

Assets pledged as collateral on these bonds include original cost of $63,736,196, with $7,415,536 of accumulated amortization.

NOTE 6 - LONG-TERM DEBT (Continued)

UFSA's outstanding bonds contain provisions related to events of default as follows:

- Acceleration – Upon an Event of Default, bondholders holding 25% of aggregate principal of the outstanding bonds can vote to make all principal and interest due immediately. Funds available to pay the obligations are restricted to any appropriations of the Service Area MBA and amounts held in bond accounts but do not create a general obligation of UFSA or the MBA.
- Surrender of Possession of MBA buildings – In an Event of Default, Trustee will take possession of the buildings and seek to recoup funds by leasing or selling them to satisfy the obligation.
- Waiver of Default Provisions – A majority of bondholders can choose to waive default provisions by vote signifying such to the Trustee in writing.
- Opportunity to Cure – The MBA will have a 30-day period after receipt of notice from bondholders to correct a default.

The following is a schedule of future maturities on lease revenue bonds in the LBA as of December 31, 2023:

Date	Series 2016A		Series 2021	
	Principal	Interest	Principal	Interest
2024	1,800,000	789,750	1,275,000	1,108,625
2025	1,875,000	716,250	1,350,000	1,043,000
2026	1,950,000	639,750	1,425,000	973,625
2027	2,025,000	570,375	1,475,000	901,125
2028	2,075,000	508,875	1,550,000	825,500
2029	2,150,000	445,500	1,650,000	745,500
2030	2,200,000	380,250	1,725,000	661,125
2031	2,275,000	313,125	1,800,000	582,000
2032	2,350,000	232,000	1,875,000	508,500
2033	2,450,000	136,000	1,950,000	432,000
2034	1,425,000	65,625	2,025,000	352,500
2035	1,475,000	22,125	2,100,000	291,000
2036	-	-	2,150,000	248,500
2037	-	-	2,175,000	205,250
2038	-	-	2,225,000	161,250
2039	-	-	2,275,000	116,250
2040	-	-	2,325,000	70,250
2041	-	-	2,350,000	23,500
	$ 24,050,000	$ 4,819,625	$ 33,700,000	$ 9,249,500
Plus unamortized premium	1,673,770	-	3,715,072	-
	$ 25,723,770	$ 4,819,625	$ 37,415,072	$ 9,249,500

NOTE 7 – INTERFUND ACTIVITY

During the course of operations, UFSA has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated.

Debt service on the LBA Lease Revenue Bonds is payable from lease payments by UFSA to the LBA for the use of fire stations. During 2023, lease payments of $4,946,184 were paid by the General fund to the LBA's Debt Service fund. Future lease payments are equal to the required debt service payments, less interest earned on the bond funds. Assets recorded under this operating lease are land and buildings having original cost of $63,736,196, with $7,415,536 of accumulated depreciation.

NOTE 8 – RELATED PARTY TRANSACTIONS

UFSA has been a member of UFA since its inception in July 2004. Beginning in 2008, UFA assumed management of UFSA from Salt Lake County. UFSA paid member fees of $47,182,800 to UFA during 2023. UFA provides fire protection service and staffing, equipment, and station maintenance for the fees it receives from UFSA. In 2023, UFSA paid management fees to UFA for its services ($511,601) and reimbursed UFA for vendor payments made on its behalf ($7,923).

In February 2012, UFSA entered into an interlocal agreement with UFA to finance the purchase of a warehouse in West Jordan, Utah. In March 2012, UFSA loaned $2.5 million to UFA for purchase of the building. The agreement requires UFA to pay 228 monthly payments of $15,672 beginning 30 days following the termination of its current warehouse lease. Prior to the commencement of payments, UFA paid interest monthly at the Utah PTIF rate. Upon commencement of payments, the agreement bears 4% interest. UFA paid $131,512 in principal and $56,549 in interest to UFSA in 2023. The following is a schedule by years of future minimum payments required under the agreement as of December 31, 2023:

2024	$ 136,870
2025	142,446
2026	148,249
2027	154,289
2028	160,575
2029-2032	599,637
	$ 1,342,066

Herriman City and Riverton City terminated participation in Unified Fire Service Area on January 1, 2021. As part of the withdrawal agreements with each entity, UFSA will distribute each entity's share of UFSA minimum reserve fund balance. In turn, both cities will pay their portion of the 2016 outstanding bond debt. Payments made to and from UFSA will be made annually over the remaining life of the 2016A Bonds through 2035. Amounts paid in 2023 include fund balance distributions to the cities of $101,773 and debt service contributions from them totaling $761,615. Future payments related to these agreements are shown in the schedule on the next page.

NOTE 8 – RELATED PARTY TRANSACTIONS (CONTINUED)

	Fund Balance Distribution		Bond Debt Reimbursement	
	Herriman	Riverton	Herriman	Riverton
2024	37,941	63,832	446,991	315,950
2025	37,941	63,832	447,250	316,133
2026	37,941	63,832	446,991	315,950
2027	37,941	63,832	447,962	316,636
2028	37,941	63,832	445,977	315,233
2029	37,941	63,832	447,983	316,651
2030	37,941	63,832	445,351	314,791
2031	37,941	63,832	446,710	315,751
2032	37,941	63,832	445,653	315,004
2033	37,941	63,832	446,344	315,492
2034	37,941	63,832	257,282	181,856
2035	258,404	182,649	258,404	182,649

Note: UFSA will hold back a portion of the cities' fund balance payouts equal to the 2035 debt payments and use that amount to make each city's final payment. As a result, UFSA will not actually make a fund balance payment to the cities in 2035; it will use the amount held back towards making the final bond payment.

NOTE 9 – SUBSEQUENT EVENTS

In March 2024, UFSA issued a Tax and Revenue Anticipation Note of $30 million, bearing 4.39% interest.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

As of December 31, 2023, UFSA did not have any pending litigation or potential nondisclosed liabilities. As of December 31, 2023, UFSA had construction commitments as follows:

General fund	$ 66,140
Capital Projects fund	1,038,749

NOTE 11 - PRIOR PERIOD ADJUSTMENT

UFSA passed on accruing interest receivable in 2022. We are now posting a prior period adjustment for the amount that would have been receivable in 2022.

	Government-wide Net Assets	Governmental Fund Balance
Original ending	$ 24,632,065	$ 31,092,536
Adjustment	58,767	58,767
Restated	$ 24,690,832	$ 31,151,303

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
REVENUES				
Real property taxes	$ 48,986,239	$ 49,160,172	$ 49,232,635	$ 72,463
Motor vehicle fees	2,400,000	2,200,000	2,167,771	(32,229)
Impact fees	2,000,000	1,300,000	1,208,364	(91,636)
Grants and donations	825,000	600,070	206,592	(393,478)
Intergovernmental revenue	761,615	774,689	774,689	(0)
Rent income	11,736	11,736	11,736	(0)
Interest income	200,000	550,000	673,228	123,228
Other income	10,000	10,000	6,109	(3,891)
Total Revenues	55,194,590	54,606,667	54,281,124	(325,543)
EXPENDITURES				
Current				
Operations	57,104,752	57,464,932	57,322,333	142,599
General and administrative	804,074	863,574	832,533	31,041
Capital outlay	1,954,158	1,654,232	351,830	1,302,402
Debt service				
Interest	250,000	672,254	672,253	1
Debt issuance costs and fees	25,000	25,000	17,600	7,400
Total Expenditures	60,137,984	60,679,992	59,196,549	1,483,443
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,943,394)	(6,073,325)	(4,915,425)	1,157,900
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	850,000	850,000	-
Net change in fund balance	(4,943,394)	(5,223,325)	(4,065,425)	$ 1,157,900
Fund balance at beginning of year	16,222,997	16,222,997	16,222,997	
Fund balance at end of year	$ 11,279,603	$ 10,999,672	$ 12,157,572	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2023

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Unified Fire Service Area (UFSA) adopts an "appropriated budget" for all of its funds. UFSA is required to present the adopted and final amended budgeted revenue and expenditures for each of these funds.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- By the first regularly scheduled Board meeting in November, UFSA prepares a tentative budget for the next succeeding fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
- The UFSA budget for any calendar year must be adopted by Board Resolution, following a public hearing, before the end of December of the prior calendar year, subject to later amendment as provided by law. The budget includes anticipated property tax revenue to be received during the budget year, which serves as the basis for determining the property tax levy to be set by the Board of Trustees, subject to applicable statutory limitations. Subject to possible "truth in taxation" statutory procedures that are required if the Board determines to exceed the certified tax rate, the Board generally will establish the property tax levy by June 22 of the current tax year.
- Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, as reflected in the official minutes of the Board, and are not made after fiscal year end.
- Each budget is prepared and controlled by the budget officer at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board of Trustees.
- The budgets for all funds must be filed with the Utah State Auditor within 30 days of adoption.

Budgets are prepared on a modified accrual basis of accounting according to GAAP for governmental funds.

OTHER SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

SUPPLEMENTAL REPORTS

BUDGETARY COMPARISON SCHEDULES
Year ended December 31, 2023

LOCAL BUILDING AUTHORITY – DEBT SERVICE FUND

	Budgeted Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget
REVENUES				
Rent income	$ 4,960,875	$ 4,960,875	$ 4,946,184	$ (14,691)
Interest income	1,000	-	16,862	16,862
Total Revenues	4,961,875	4,960,875	4,963,046	2,171
EXPENDITURES				
Debt service				
Principal	2,930,000	2,930,000	2,930,000	-
Interest	2,030,875	2,030,875	2,030,875	-
Total Expenditures	4,960,875	4,960,875	4,960,875	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	-	2,171	2,171
Net change in fund balance	1,000	-	2,171	$ 2,171
Fund balance at beginning of year	433	433	433	
Fund balance at end of year	$ 1,433	$ 433	$ 2,604	

CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

Board of Trustees
Unified Fire Service Area
Salt Lake 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 and each major fund of Unified Fire Service Area (UFSA), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise UFSA's basic financial statements, and have issued our report thereon dated June 13, 2024.

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

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether UFSA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

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 UFSA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UFSA'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 City, Utah
June 13, 2024

CERTIFIED PUBLIC
ACCOUNTANTS

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

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

Board of Trustees
Unified Fire Authority
Salt Lake City, Utah

Report On Compliance

We have audited Unified Fire Service Area's (UFSA) compliance with the following applicable state compliance requirements described in the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor, for the year ended December 31, 2023.

State compliance requirements were tested for the year ended December 31, 2023 in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Public Treasurer's Bond

Opinion on Compliance
In our opinion, Unified Fire Service Area complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2023.

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 UFSA 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 UFSA'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 UFSA's government programs.

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

Auditor’s Responsibility 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 UFSA'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 UFSA's compliance with the requirements of the government program as a whole.

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 UFSA’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 UFSA’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 UFSA’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 one instance of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying *Schedule of Findings & Recommendations* as items 2023-001. Our opinion on compliance is not modified with respect to this matter. UFSA’s response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings & Recommendations.

Government Auditing Standards require the auditor to perform limited procedures on UFSA’s response to the noncompliance finding identified in our audit described in the accompanying *Schedule of Findings & Recommendations*. UFSA’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

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross City, Utah
June 13, 2024

UNIFIED FIRE SERVICE AREA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For The Year Ended December 31, 2023

2023-001: Cash Management (Significant Deficiency)

Condition: During our audit procedures, we noted that UFSA did not report three bond fund cash balances in their Deposit and Investment Report for the period ended 12/31/2023.

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

Cause: UFSA did not include the 2016 Bond Fund account, the 2021 Bond Fund account, and the 2021 Construction account in their Deposit and Investment Report.

Effect: UFSA did not comply with Utah Code 51-7-15

Recommendation: We recommend that UFSA comply with the Utah Code 51-7-15

Management Response: Management will start including these accounts in the Deposit and Investment Report to better comply with Utah Code 51-7-15. While Management takes full responsibility for not including these accounts, UFSA has never included Bond Funds in this report and up now has not heard anything from the State or their external auditor.

Property Tax Review
2024 Budget

Total Taxable Value

$Billions	2020	2021	2022	2023	2024
	$29.6	$26.0	$33.4	$33.6	$35.6

Eligible New Growth

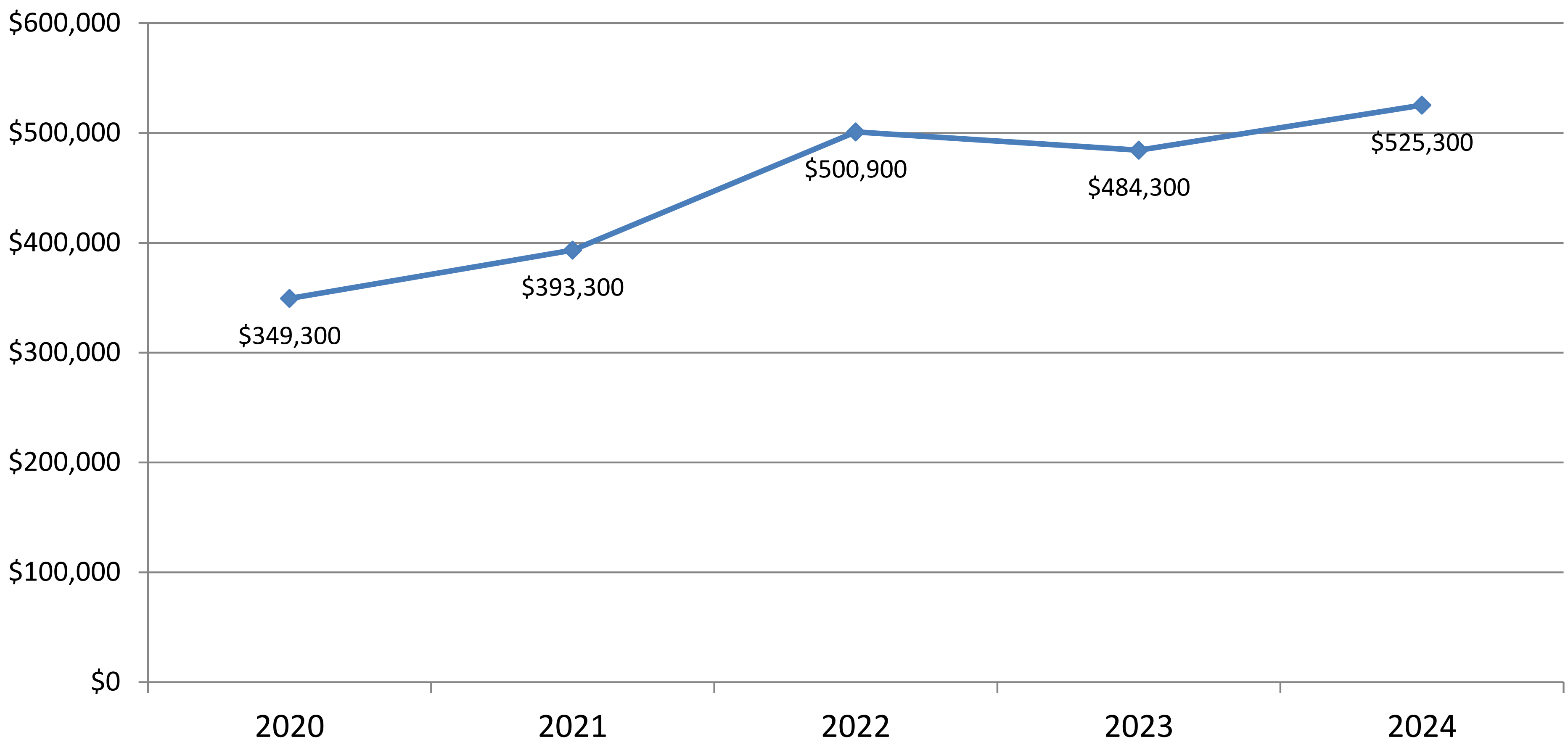
2024
$630,810,205

2023	2022	2021	2020
$745,447,517	$2,172,414,652	$870,883,055	$980,752,195

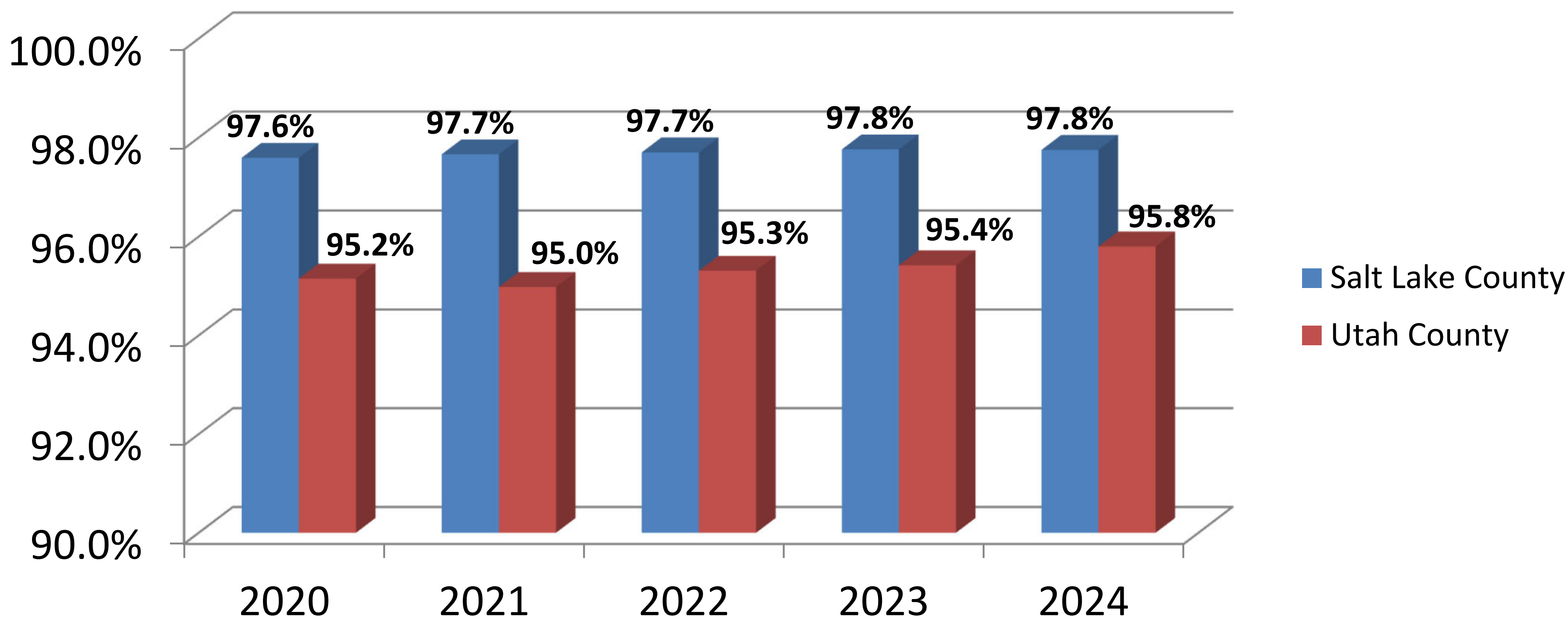
$0 SLCo centrally assessed new growth in 2023 & 2024
$1,361,973,682 in 2022

UFSA Average Residential Assessed Value

Salt Lake County



Collection Rates

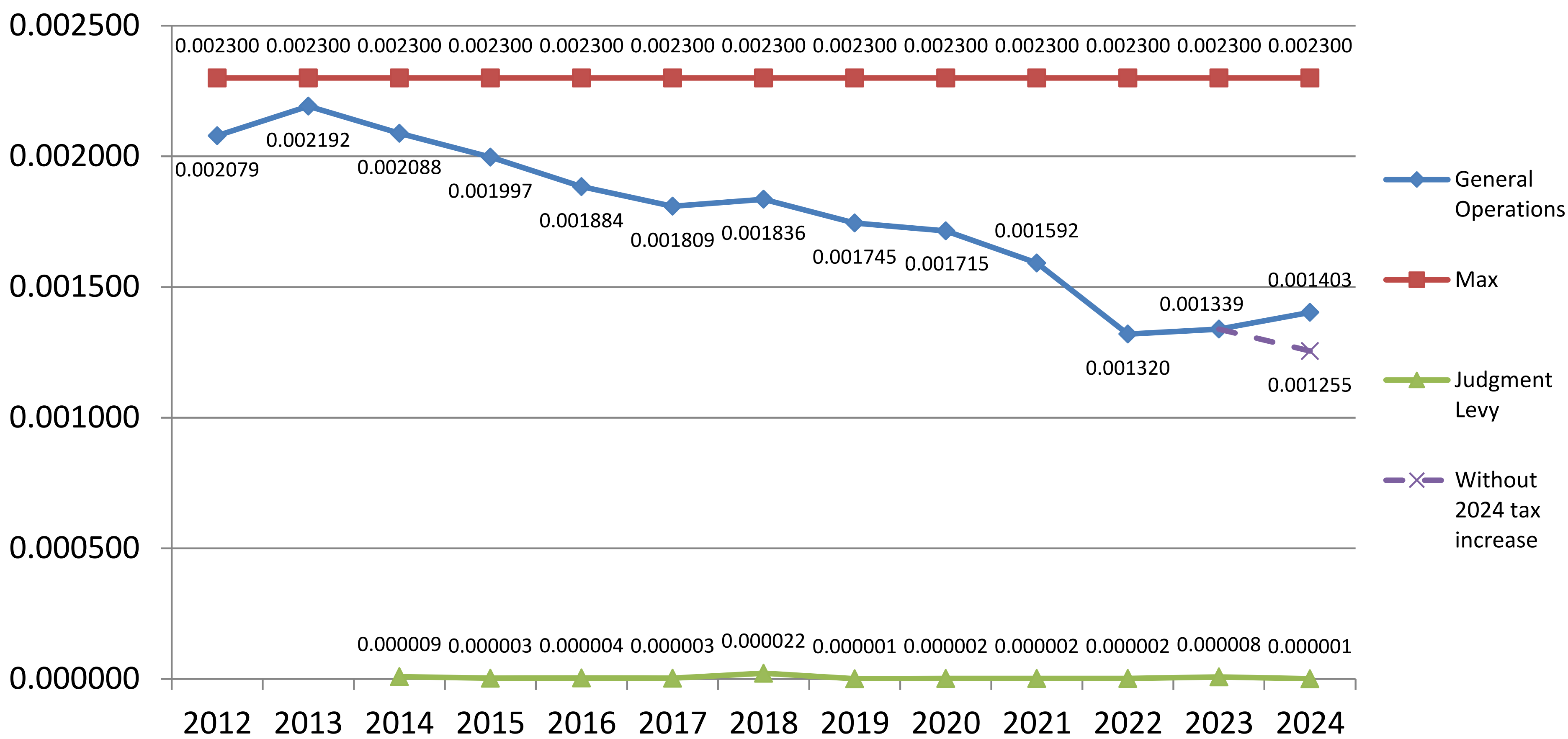


Judgment Levy

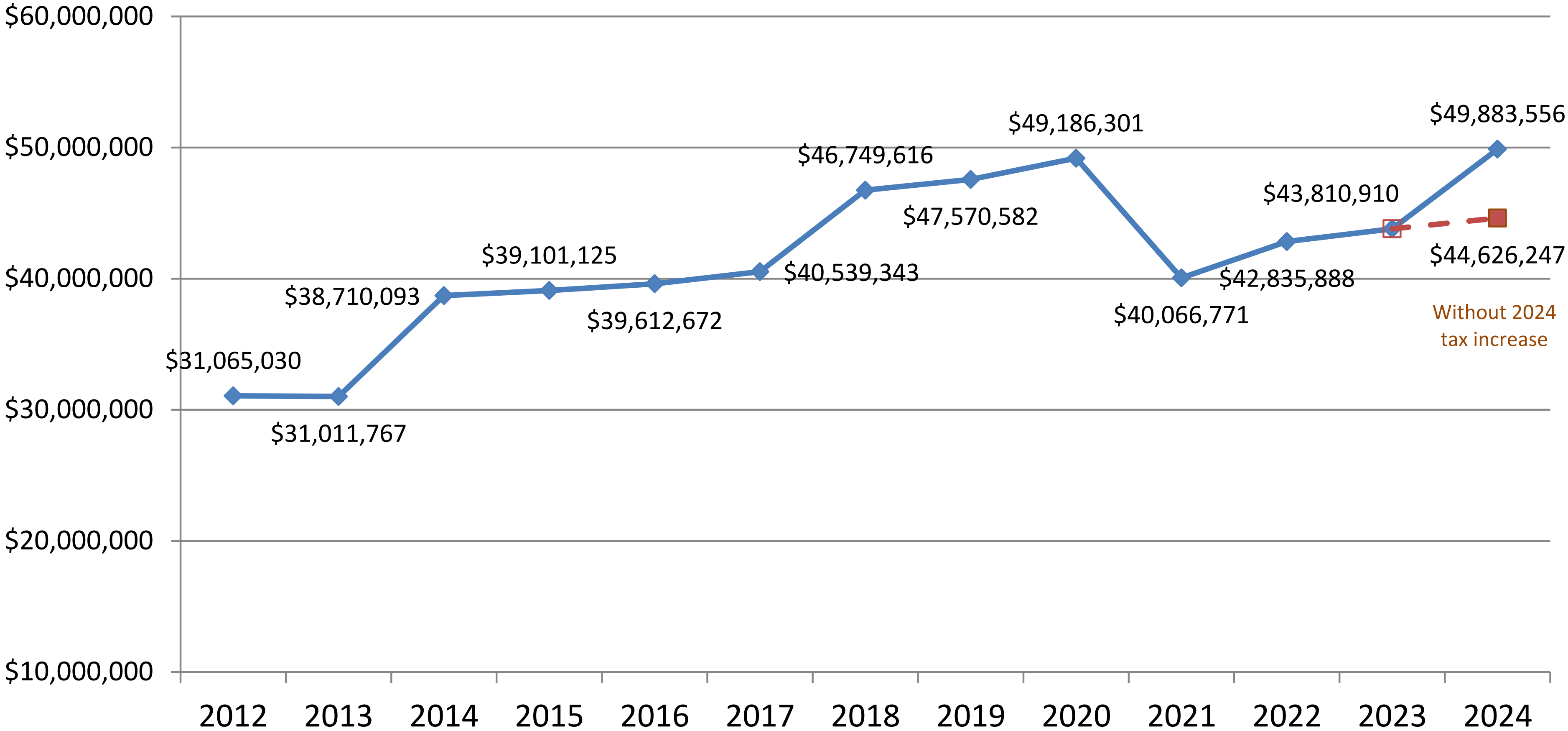
Eligible Judgment Levies	Amount	Tax Rate
Mar 1 – Sep 15 2023	$16,475[1]	0.000001
Sep 16, 2023 – Feb 28, 2024	$0	0.000000

[1] Already approved

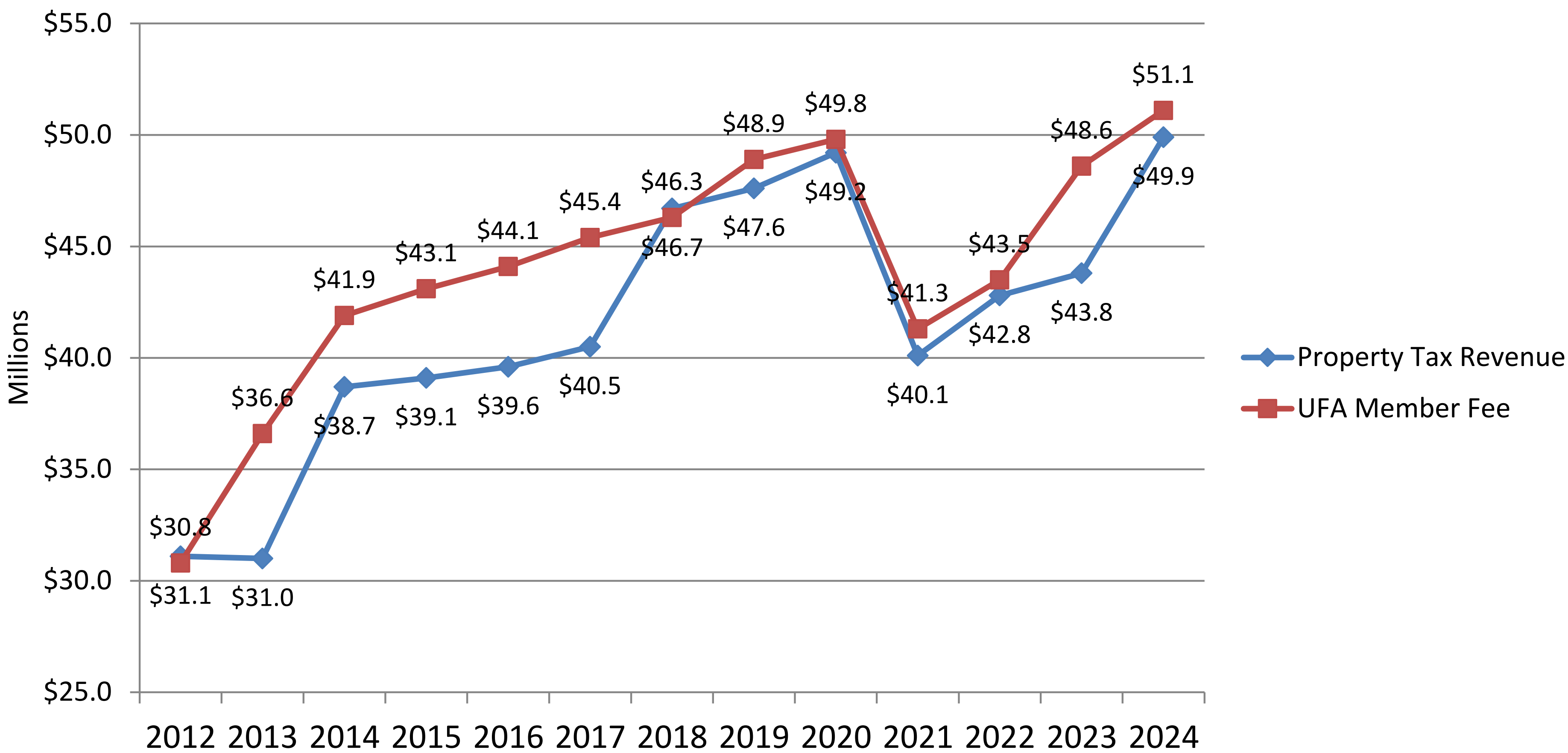
Property Tax Rates



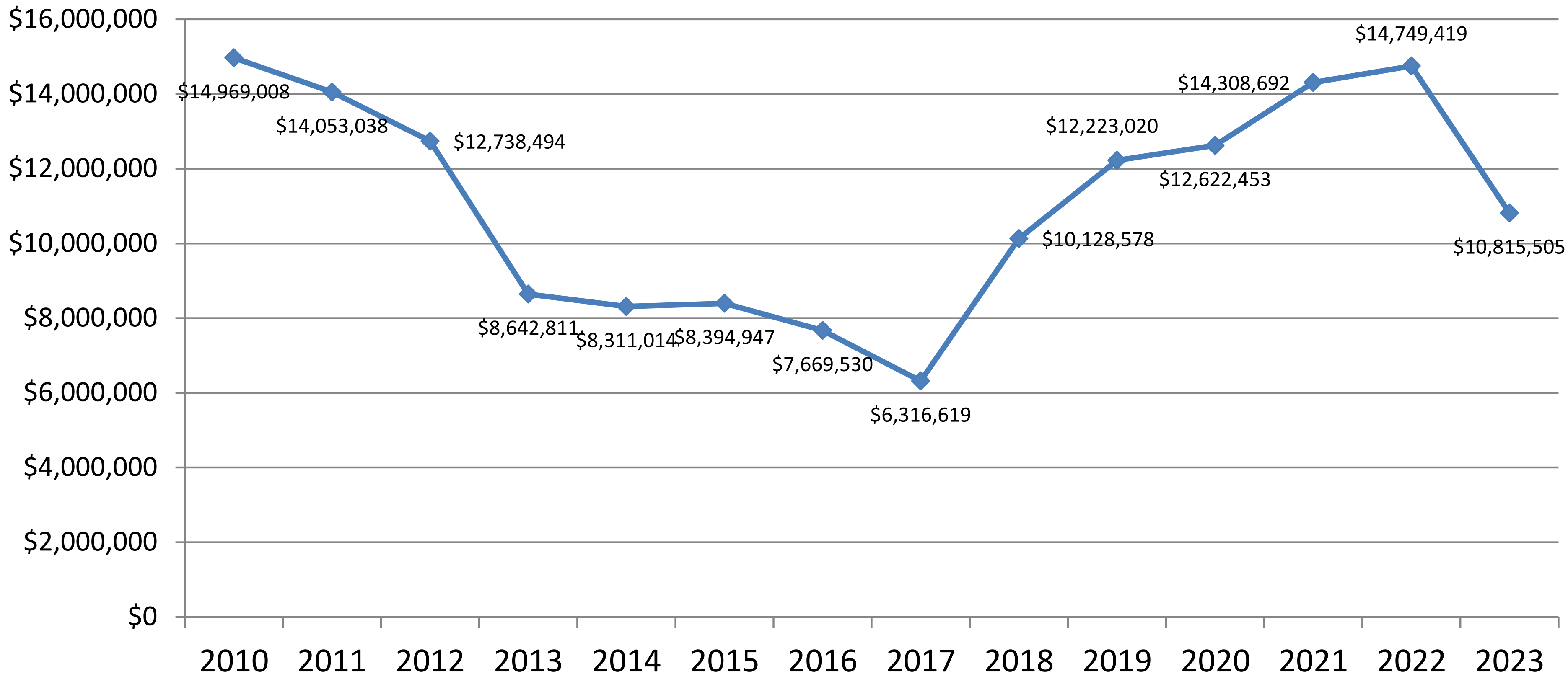
Property Tax Revenue



Property Tax Revenue vs UFA Member Fee



Fund Balance History



Tax Rate Approval

Tax Rates Needing Approval	Tax Rate
General Operations - Proposed Tax Rate	0.001403
Judgement Levy [1]	0.000001

[1] 0.00001 Approved in December

RESOLUTION No. 06-2024A DATE: June 18, 2024

UNIFIED FIRE SERVICE AREA

RESOLUTION DETERMINING AND FIXING THE SERVICE AREA'S PROPERTY TAX RATE FOR 2024

WHEREAS, Title 17B, Chapter 1, Part 10, of the Utah Code allows the Unified Fire Service Area (the "Service Area") annually to cause taxes to be levied on all taxable property in the Service Area to carry out the Service Area's purposes;

WHEREAS, Utah Code Ann. § 59-2-912 requires the Service Area to adopt its proposed tax rate before June 22 of each year;

WHEREAS, Utah Code Ann. § 59-2-918.5 authorizes taxing entities to impose an ad valorem tax levy to recoup the costs of refunding eligible judgments entered by the Board of Equalization, State Tax Commission, and courts of competent jurisdiction;

WHEREAS, Utah Code Ann. § 59-2-1330 authorizes the Service Area to issue a judgment levy for the payment of eligible judgments, and the Service Area, in compliance with law, adopted a judgment levy in the amount of $16,475 on December 12, 2023, for eligible judgments for the months of March 1, 2023 through September 15, 2023;

WHEREAS, The Service Area has received notification from the Salt Lake County Auditor that the Service Area is required to pay $0 in eligible judgments that have been entered for the period commencing September 16, 2023 through February 28, 2024, and thus no judgment levies have been approved for this period;

WHEREAS, the Service Area has satisfied all applicable legal requirements for the Board to adopt the Service Area's 2024 property tax rate and judgment levy rate, including going through the truth-in-taxation process in 2023 which allows the Service Area to adopt a tax rate that exceeds the certified tax rate.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Unified Fire Service Area as follows:

1. The Unified Fire Service Area's tax rate for the year 2024 shall be 0.001403, which is an increase on the certified rate as detailed in the truth-in-taxation process undergone by the Service Area in 2023.

2. The Board of Trustees of the Service Area having considered the amount of the eligible judgments and the ability of the Service Area to refund those amounts within the existing reserves of the Service Area and the budget projections for future years hereby determines that it is in the best interest of

the Service Area and its ability to finance the provision of law enforcement services by imposing a judgment levy. The Board of Trustees hereby authorizes and imposes for inclusion on the 2024 tax notice a judgment levy in the amount of $ 16,475 to satisfy eligible judgments issued by the Board of Equalization, the State Tax Commission and courts of competent jurisdiction for the amount previously approved for the period of March 1, 2023 through September 15, 2023, in the amount of $16,475.

3. The Unified Fire Service Area's judgment levy rate for the year 2024 shall be 0.000001.

4. Copies of this Resolution, together with instructions to levy the rate and other documents, as allowed by law, may be submitted to appropriate County and other officials.

5. This Resolution shall take effect upon approval by the Board of Trustees.

Passed by the Board of Trustees of the Unified Fire Service Area this 18th day of June 2024.

BOARD OF TRUSTEES

UNIFIED FIRE SERVICE AREA

By: ______________________________
Trish Hull, Chair

ATTEST:

____
Cyndee Young, Clerk

UNIFIED FIRE SERVICE AREA
NOTICE OF AMENDMENT OF 2024 BUDGET PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT ON June 18, 2024, at 8:30 AM a public hearing will be held at the Unified Fire Authority Administration Building/Emergency Coordination Center, 3380 South 900 West, Salt Lake City, UT before the Board of Trustees of the Unified Fire Service Area to receive public comment and consider a resolution amending the 2024 budget. Information about how to access the electronic meeting will be provided on the agenda which will be posted on the Utah Public Notice Website at least 24 hours in advance of the meeting.

All persons interested and present will be given an opportunity to be heard in this matter. To obtain more information regarding the proposed amended budget, citizens may contact the Clerk of the Unified Fire Service Area at (801)-743-7213.

DATED this 4th day of June, 2024.

PUBLISHED BY ORDER OF THE UNIFIED FIRE SERVICE AREA

RESOLUTION NO. 06-2024B DATE: June 18, 2024

RESOLUTION OF THE UNIFIED FIRE SERVICE AREA BOARD
OPENING AND AMENDING 2024 BUDGET

WHEREAS, the Board of Trustees of the Unified Fire Service Area has determined to open and amend the District's 2024 Budget as stated in this Resolution; and

WHEREAS, all requirements applicable to the proposed Budget adjustments have been satisfied.

NOW, THEREFORE, be it resolved by the Board of Trustees of the Unified Fire Service Area as follows:

1. That the District's 2024 Budget be opened and modified as stated in Exhibit "A" attached to this Resolution which is incorporated herein by reference.

2. That, except as amended and modified pursuant to this Resolution, the District's 2024 Budget shall be reaffirmed and ratified.

3. That the Amended 2024 Budget may, but need not be, attached to this Resolution.

4. That all resolutions, motions, policies, procedures, and other prior enactments of the Board, or parts thereof, that are in conflict with this Resolution are, to the extent of such conflict, hereby repealed.

5. That this Resolution, and the modification and amendment of the District's 2024 Budget, shall take effect immediately upon its passage

Passed by the Board of Trustees of the Unified Fire Service Area this 18th day of June 2024.

BOARD OF TRUSTEES
UNIFIED FIRE SERVICE AREA

By: ____________________________________
Trish Hull, Chair

ATTEST:

____
Cyndee Young, Clerk

EXHIBIT “A”

UNIFIED FIRE SERVICE AREA
AMENDED BUDGET
For the Year Ended December 31, 2024

	GENERAL FUND			CAPITAL PROJECTS FUND (LOCAL BLDG AUTHORITY)			DEBT SERVICE FUND (LOCAL BLDG AUTHORITY)		
	ADOPTED BUDGET 2024	AMENDED BUDGET 2024	CHANGE 2024	ADOPTED BUDGET 2024	AMENDED BUDGET 2024	CHANGE 2024	ADOPTED BUDGET 2024	AMENDED BUDGET 2024	CHANGE 2024
REVENUES									
Taxes: Property	50,382,547	49,883,556	(498,991)						
Taxes: Property - Pass Thru	4,675,000	5,000,000	325,000						
Taxes: Property - Increment Remit	60,000	82,560	22,560						
Taxes: Delinquent	849,750	895,250	45,500						
Taxes: Judgement Levy	57,000	16,475	(40,525)						
Fee-in-Lieu of Taxes	2,266,000	2,266,000							
Impact Fees	1,350,000	1,500,000	150,000						
Interest Income	550,000	675,000	125,000	100,000	200,000	100,000			
Debt Service Contribution - Herriman/Riverton	762,941	762,941							
Miscellaneous	21,000	21,000							
Grant Revenue	168,561	168,561							
Intergovernmental Revenue									
Lease Revenue							4,973,875	4,973,875	
Use of Fund Balance	1,984,369	2,608,878	624,509	1,219,000	217,000	(1,002,000)			
TOTAL REVENUES	63,127,168	63,880,221	753,053	1,319,000	417,000	(902,000)	4,973,875	4,973,875	
EXPENSES									
Administrative & Overhead:									
Supplies	2,000	2,000							
Memberships (UASD)	16,500	16,500							
Outside Auditor	15,000	15,000							
UFA Admin Fee	438,414	438,414							
Bank Fees	11,200	11,200							
Professional Fees	149,000	149,000							
Tax Payments to RDA/CDA	4,675,000	5,000,000	325,000						
UFA Contract Fees	49,767,110	49,867,671	100,561						
Capital Outlay - Buildings/Land	600,000	600,000							
Capital Maintenance	339,610	383,010	43,400						
Capital Maintenance - Seismic Retrofits	224,748	224,748							
Capital Lease	4,973,375	4,973,375							
Principal Payable							3,075,000	3,075,000	
Interest Expense	700,000	984,092	284,092				1,898,375	1,898,375	
Note/Bond Issuance Costs	25,000	25,000							
Sandy Contract	1,078,438	1,078,438							
Fund Balance Distribution - Herriman/Riverton	101,773	101,773							
Impact Fee Refunds	10,000	10,000							
Construction Costs									
Construction Costs - Station 102				67,000	67,000				
Construction Costs - Station 112									
Construction Costs - Station 125									
Construction Costs - Station 251				327,000	100,000	(227,000)			
Construction Costs - Station 253				825,000	50,000	(775,000)			
Other Financing Uses:									
Transfers to Other Funds									
Contribution to Fund Balance				100,000	200,000	100,000			
TOTAL EXPENSES	63,127,168	63,880,221	753,053	1,319,000	417,000	(902,000)	4,973,375	4,973,375	

UNIFIED FIRE SERVICE AREA
BUDGET AMENDMENTS
6-18-24

GENERAL FUND

$ 624,509 Net Appropriation of Fund Balance for Adjustemnts to Estimated Revenue and Expenditures

Property Taxes - SLCo		$ 88,621	7031100
Property Taxes - Utah Co	$ 587,612		7031110
Property Taxes - Pass-Thru		$ 325,000	7031120
Property Taxes - Increment Remit		$ 22,560	7031125
Property Taxes - Delinquent - Utah Co		$ 45,500	7031140
Property Taxes - Judgement Levy	$ 40,525		7031150
Impact Fees		$ 150,000	7032100
Interest Income		$ 125,000	7039105
Appropriation of Fund Balance		$ 624,509	7034400
Tax Payments to RDA/CDA	$ 325,000		7091293
UFA Contract Fees	$ 100,561		7091395
Capital Maintenance	$ 43,400		7095500
Interest Expense (2023 TRAN)	$ 284,092		7096620

CAPITAL PROJECTS FUND

$ 902,000 True-up for 2021 Lease Revenue Bond Proceeds

Interest Income		$ 100,000	7539105
Appropriation of Fund Balance	$ 1,002,000		7534400
Construction Costs - Station 251		$ 227,000	7594551
Construction Costs - Station 253		$ 775,000	7594553
Contribution to Fund Balance	$ 100,000		7581900

112 Capital requests
(Previously Reviewed by Finance Committee)

Priority	Description	Cost
1	Front apron	13,000
2	New roof	20,700
3	Carpet	9,700
	TOTAL	43,400