LONE PEAK PUBLIC SAFETY DISTRICT MINUTES

Wednesday, January 8, 2025
7:30 am
Approved February 25, 2025
Highland City Hall, 5400 West Civic Center Drive, Highland, Utah 84003

7:30 AM REGULAR MEETING

Call to Order: Chair Kim Rodela
Invocation: Mayor Carla Merrill

The meeting was called to order by Chair Kim Rodela as a regular meeting at 7:34 am. The meeting agenda was posted on the *Utah State Public Meeting Website* at least 24 hours prior to the meeting.

PRESIDING:	Kim Rodela, Chair
BOARD MEMBERS:	Brittney P. Bills - present Kurt Ostler – present Carla Merrill – present Jason Thelin - present
STAFF PRESENT:	LPPSD Executive Director Erin Wells, LPPSD Assistant Executive Director Shane Sorensen, Fire Chief Brian Patten, Police Chief Brian Gwilliam, Recorder Stephannie Cottle, Finance Director David Mortensen
OTHERS PRESENT:	Nancy Jones, Cody May, Amanda Jolley, Danny Campbell, Jake Beck, Austin Wilson, Andrew Butler, P. J. Christensen, Josh Hicken

1. UNSCHEDULED PUBLIC APPEARANCES

Please limit comments to three minutes per person. Please state your name.

There were no public comments.

2. PRESENTATIONS

a. 2023-2024 Audit Report

Nathaniel Corry with Keddington and Christensen will present the results of the 2023-2024 Lone Peak Public Safety District Audit.

Nathaniel Corry, Audit Partner with Keddington and Christensen, presented the audit report for the Lone Peak Public Safety District (LPPSD) for Fiscal Year (FY) 2023-2024; he discussed the process his firm follows to conduct the audit and provide an independent opinion regarding the financial position of the District. Some adjustments were required throughout the course of the audit, mostly due to some 'growing pains' and overlap from the prior year, but the issues discovered throughout the audit were substantially less than in the previous year. He referenced a statement of activities and statement of changes in fund balance within the audit report, and indicated those statements provide all details about the adjustments that were required. The audit involved an assessment of internal controls and any weaknesses, and none were found; there were also no significant deficiencies identified. No fraud was discovered as a result of the testing that was performed. The audit also included a test of compliance with laws and regulations and no issues of non-compliance were found. There were no findings included in the audit and Keddington and Christensen has issued a clean opinion of the District. He thanked District staff for their cooperation and involvement throughout the audit process.

Board Member Ostler asked for an explanation of the $1.2 million increase in the District's net position. Finance Director Mortensen stated the increase is made up of an actual increase in net revenue for the District as well as proper accounting of fixed assets owned by the District. Board Member Merrill added she believes the $200,000 Federal Emergency Management Agency (FEMA) grant is included in that increase. Board Member Ostler then referenced the $789,000 general fund increase and he asked if that is related to wage increases or increased Wildland Fire expenses. Mr. Mortensen stated that the budgetary increase was mainly due to the increase in wildland fire suppression; additionally, there was a mid-year wage adjustment for certain employees. Board Member Ostler stated that the receipt of revenue commensurate with wildland expenses is always in arrears and that sometimes causes concerns relative to the condition of the budget at any given point in a fiscal year.

Board Member Thelin stated there are shared resources between the LPPSD Board and Highland City and he asked if the auditor audits those numbers to determine they are in line with the agreements that have been made between Alpine and Highland City. Mr. Corry answered yes; those figures would be audited as part of the income statement analysis. There may not be a specific statement in the audit report regarding the audit of that information, but he invited Board Members to email him with any concerns or questions and he can provide a detailed explanation of the audit of that function of the District. This led to brief discussion of the total number of employees that provide services for Highland City and the District and whether the percentage of time they are to dedicate to the District is being evaluated regularly to determine conformance with the operating agreement for the District. Mr. Corry stated that would be addressed through an operational audit rather than a financial audit. He has not interviewed each employee that serves both entities to determine if they are spending an appropriate amount of time serving the District.

3. CONSENT AGENDA

a. Approval Of Meeting Minutes

Regular Lone Peak Public Safety District Meeting – December 11, 2024

Board Member Brittney P. Bills MOVED to approve the regular Lone Peak Public Safety District meeting minutes from December 11, 2024.

Board Member Kurt Ostler SECONDED the motion.

The vote was recorded as follows:

Board Member Brittney P. Bills	*Yes*
Board Member Kurt Ostler	*Yes*
Board Member Carla Merrill	*Yes*
Board Member Jason Thelin	*Yes*

The motion passed 4:0

4. PUBLIC HEARING/RESOLUTION: MID-YEAR BUDGET ADJUSTMENTS FOR FIRE DEPARTMENT WAGES

The Board will consider a proposal for an increase in wages for Fire Department employees. The Board will take appropriate action.

Finance Director Mortensen stated that to ensure that the District is attracting and retaining highly qualified staff, it is necessary to make adjustments from time to time in order to bring district wages in line with those of other surrounding agencies. The proposed increase would be retroactive back to January 5, 2025, and the corresponding budget adjustment would cover the increase for the last six months of the fiscal year through June 30, 2025. The budget proposal for next fiscal year will be calculated with this increase included for the full year. The total impact on the personnel expenses of the district for this adjustment is $103,237. The funding source would be additional assessments from participating cities, including $36,915 from Alpine and $66,322 from Highland. Because the adjustment is reliant on these additional assessments, approval of the increase is contingent upon the governing bodies of each of those entities approving the increase in their respective assessments to cover it.

Board Member Ostler suggested discussion in the future to determine the proper allocation of time for Fire Fighters to spend in both Alpine and Highland cities.

Chair Kim Rodela opened the public hearing at 7:52 a.m.

There were no public comments.

Chair Kim Rodela closed the public hearing at 7:52 a.m.

Board Member Carla Merrill MOVED to approve the resolution adjusting the Lone Peak Public Safety District fiscal year 2024-2025 budget for Fire Department wage adjustments.

Board Member Jason Thelin SECONDED the motion.

The vote was recorded as follows:

Board Member Brittney P. Bills	*Yes*
Board Member Kurt Ostler	*Yes*
Board Member Carla Merrill	*Yes*
Board Member Jason Thelin	*Yes*

The motion passed 4:0

Board Member Thelin stated he would like to move away from considering mid-year budget adjustments each year; he would rather adopt the budget one time and not consider mid-year adjustments. Board Member Ostler stated that he would also prefer doing an annual budget with no adjustments, but mid-year adjustments typically become necessary in order to respond to market conditions that may not have been present when the annual budget was developed and adopted. Prior to last year, however, the District has not always considered mid-year adjustments. Executive Director Wells agreed and stated that staff does not like the practice of mid-year budget adjustments, but as Board Member Ostler explained, the adjustments are necessary to help the District catch up to other entities to prevent employees from leaving the District for better pay elsewhere.

The Board then engaged in high level discussion with Fire Chief Patten regarding the market conditions that have caused the need to consider wage increases. Chief Patten added that the budget process for LPPSD starts a month earlier than for other agencies so often he is asking for benchmark data from other Chiefs, and they do not have accurate information because they have not begun working on their budget. This has been one of the causes for mid-year budget adjustments as well. This led to discussion of possible changes to the budget calendar for the

District, with Ms. Wells noting it would be difficult to change the timeline because both Alpine and Highland cities must have sufficient time to consider the budget requests from the District; this is why the District's budget process is accelerated by one month.

5. ACTION/RESOLUTION: POLICE VEHICLE PURCHASE LEASE

The Board will consider a vehicle financing lease with Zions Bancorporation. The Board will take appropriate action.

Finance Director Mortensen explained that annually the Police Department evaluates the need for the vehicle fleet. Based on mileage and maintenance costs, the decision to surplus and the purchase replacements varies from two to four vehicles depending on the budget and needs. Pursuant to the Board's prior approval, three replacement Police vehicles have been ordered, and delivery is anticipated by the middle of January. Financing has been arranged with Zions Bancorporation to pay for the purchase of the vehicles and equipment upfitting. The first payment of the proposed lease financing would be due in January of 2026 and will be included in the proposed fiscal year 2025-2026 budget. The lease financing will be funded for $190,792 with an anticipated closing date on January 15, 2025. The first payment of $44,190 will be due on January 15, 2026, with annual payments of the same amount for a five-year term through January of 2030.

Board Member Thelin asked if there are any opportunities for extending the useful life of vehicles used in the Police Department fleet; he would like to consider using these three vehicles for one more year. Chief Gwilliam stated that he performs an evaluation of each fleet vehicle every year and the three that will be sent to auction have higher miles and are starting to cost more money for maintenance. These vehicles are used very hard, and he tries to rotate them out when they become more costly to maintain and operate; some are not truly reliable any longer. He added that he would like to follow decisions that have been made to rotate the fleet appropriately so that he does not get behind as has occurred in the past.

Board Member Kurt Ostler MOVED to approve the resolution approving the form of the Lease/Purchase Agreement with Zions Bancorporation and authorizing the execution and delivery thereof.

Board Member Jason Thelin SECONDED the motion.

The vote was recorded as follows:

Board Member Brittney P. Bills	*Yes*
Board Member Kurt Ostler	*Yes*
Board Member Carla Merrill	*Yes*
Board Member Jason Thelin	*Yes*

The motion passed 4:0

6. DEPARTMENT REPORTS

a. Administration

i. Budget Calendar

Executive Director Wells reviewed the upcoming budget calendar; if all goes as planned, the final budget can be adopted Wednesday May 7, 2025, following a public hearing. There was high level discussion among the Board and Ms. Wells regarding some of the areas of focus throughout the budget process.

b. Police Department

Chief Gwilliam reviewed the history of body camera use by LPPSD Police Officers; the cameras currently being used by Officers are third generation and the only type of camera that is used above the torso, meaning it is worn on an Officer's hat or shoulder. They are not 'cheap', but they work well and provide quality footage because the cameras are not blocked by arms or hands of the Officer. He engaged in discussion with the Board regarding the function of the cameras, how the footage captured on the camera is downloaded and stored, and policies regulating use of the cameras by Officers. Chief Gwilliam noted that each camera is part of a five-year contract, and the District pays $14,000 per year for 20 of them; this covers hardware and software as well as replacement of the device if needed. Board Member Ostler asked if the Department also uses dash cameras in Police vehicles. Chief Gwilliam answered yes and noted they are provided by the same vendor and both cameras integrate with each other.

Chief Gwilliam then reported in Fiscal Year (FY) 2018-2019, the Department received a grant and donations from the community to install automated external defibrillator (AED) devices in Police vehicles. The Department will be receiving updated training on use of the devices in the coming weeks, and the batteries on all devices will be replaced. He also reported he has a new School Resource Officer in the local elementary and junior high schools. The programs overseen by this Officer are very similar to the DARE program.

c. Fire Department
i. Fleet Update

Chief Patten stated that he was reminded by Chief Gwilliam's discussion of AEDs that it is likely time to consider replacing the AEDs in municipal facilities. Some facilities may not have AEDs and if that is the case, they should have one installed. This led to discussion of training a user on operating an AED, with Chief Patten noting that it is not necessary to provide a great deal of training because each device announces instructions for the users, and they are very easy to use.

Chief Patten then discussed the fleet of the Department; an ambulance was recently involved in an accident, and it is no longer operational. He is waiting to hear from the insurance company regarding whether the vehicle will be totaled or if it can be repaired. This means that the Department only has one ambulance in operation, and this is unsettling because the remaining ambulance could have an issue, like a flat tire or dead battery, that would render it unusable and unable to respond to an emergency. Some of the part time employees for LPPSD are friends with employees in Orem and learned they were in the process of taking an ambulance out of their rotation; their Chief offered to let the District borrow that ambulance to be used as a back-up vehicle, but there were too many issues with liability and lack of equipment in the ambulance to respond to emergencies. The determination was made that it would be easier and safer for both entities if they could negotiate a purchase agreement for the ambulance; the cost of one ambulance was $10,000, but when Chief Patten visited the Orem Fire Department, he learned that there were actually two ambulances being surplussed and the Chief offered to sell both of them for $15,000. Chief Patten asked permission to move forward with the purchase to ensure there are back-up vehicles for the single ambulance in the Department. This will also help to ensure that the District can capture revenue for transports. However, the ambulances are stripped and there will be additional costs to equip them, though some equipment can be taken from the ambulance that was involved in the accident. The cost to equip both will be less than $20,000. The two ambulances have four-wheel drive and can potentially be used in wildland fire responses as well.

Board Members asked why it is taking so long for the other party's insurance company to respond to the District to inform whether the ambulance will be totaled; the accident occurred in November. Board Member Ostler suggested using the LPPSD Attorney to send a letter to their insurance company and inform that the District is losing revenue associated with the inability to use the ambulance. Board Member Merrill agreed and suggested formal communication from legal counsel.

Chief Patten then noted that an additional ambulance has been ordered with the thought to always have three ambulances on hand. He discussed the circulation of ambulances and average deployment of the vehicles, concluding that once he has three ambulances on hand, he can determine whether some of the equipment can be used for deployment to other areas, which ultimately generates revenue for the District.

Chief Patten reported that at the next meeting he will bring a recommendation to the Board to surplus the old ladder truck/tower to make way for the new truck, which should be delivered in April or May. He then thanked the Board for approving the action to provide wage increases to his employees.

Board Member Ostler asked about responses to various emergencies from Station 52. Chief Patten stated that Station 52 covers all of Ridgeview, Highland Glen, and areas around the high school. Responses are based upon staffing of any given Station, but if there is something occurring across the street from a fire station, employees and equipment from that station should response. This led to brief high-level discussion of the location of the remaining ambulance and other equipment, with Chief Patten emphasizing that the parked location of any apparatus is based upon the availability of staff to man the equipment.

7. CLOSED SESSION

The Board may recess to convene in a closed session for the purpose of discussing items as provided by Utah Code Annotated §52-4-205.

There was no closed session.

ADJOURNMENT

Board Member Carla Merrill MOVED to adjourn the regular meeting and Board Member Kurt Ostler SECONDED the motion. All voted in favor and the motion passed unanimously.

The meeting adjourned at 8:39 am.

I, Stephannie Cottle, Recorder, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on January 8, 2025. This document constitutes the official minutes for the Lone Peak Public Safety District Board Meeting.

Stephannie Cottle, CMC, UCC
LPPSD Recorder

FY2026 Budget Development Calendar

	Lone Peak PSD
FY24 audit presentation	Wednesday, January 8, 2025
Adoption of FY25 mid-year budget adjustments	Wednesday, January 8, 2025
Council Team Building, Goal Setting Activity, & Budget Prioritization	Wednesday, January 8, 2025
Budget work session – draft budget presentation & distribution	Wednesday, March 12, 2025
Individual briefings with Alpine & Highland Council (Administrators & Finance Director)	Monday, March 17 – Thursday, March 27, 2025
Alpine & Highland City Councils approve Lone Peak tentative budget **by April 22**, if necessary (Highland Council mtg 4/15, Alpine 4/22)	N/A
Public hearing and adoption of FY 2025-2026 tentative budget	Wednesday, April 9, 2025
Public hearing and adoption of FY 2025-2026 final budget and FY 2024-2025 final budget amendments; adopt changes to fee schedule; adopt resolution setting the annual Certified Property Tax rate OR if needed set public hearing for "Truth in Taxation" in August Adopt a Resolution authorizing the Finance Director to move funds to a Capital Fund to keep the General Fund balance below the 35% audit threshold	Wednesday, May 7, 2025

Updated 9 October 2023

LONE PEAK PUBLIC SAFETY DISTRICT

BASIC FINANCIAL STATEMENTS

JUNE 30, 2024

LONE PEAK PUBLIC SAFETY DISTRICT
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CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Lone Peak Public Safety District
Highland, Utah

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities of Lone Peak Public Safety District (the District) as of and for the year ended June 30, 2024, each major fund, the statement of revenues, expenditures, and changes in fund balance – budget and actual – general fund, and the related notes to the financial statements which collectively comprise the District'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, each major fund, the statement of revenues, expenditures, and changes in fund balance – budget and actual – general fund of Lone Peak Public Safety District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof 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 the District 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 District'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.

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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 District'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 District'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 the required supplementary information related to pensions, as noted in 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.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 16, 2024

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

LONE PEAK PUBLIC SAFETY DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS

As management of Lone Peak Public Safety District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of Lone Peak Public Safety District for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the financial statements which follow this section.

Financial Highlights

- The total net position of Lone Peak Public Safety District increased $1,213,550 during the year.
- The District added $679,819 in new capital assets during the year, $205,134 of which represents prior year construction-in-progress assets that were completed during the fiscal year.
- The District paid down $317,686 of previous financed purchase obligations.
- The District received lease proceeds of $211,403 which were used to finance new police vehicles.
- The District received $401,905 for providing fire suppression aid to other agencies during the year.
- The District secured a FEMA 'Assistance to Firefighters' grant of $180,455 for protective equipment.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Lone Peak Public Safety District's basic financial statements. Lone Peak Public Safety District's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference of the two reported as *net position.* Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the District is improving or deteriorating. However, you will also need to consider other non-financial factors.

The *statement of activities* presents information showing how the District'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 all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by charges for services and intergovernmental revenues. All of the District's basic services are considered to be government-type activities, including administrative, police, fire and EMS. The government-wide financial statements can be found on pages 7-8 of this report.

Fund Financial Statements – A *fund* is a grouping or related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as *government 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 the District's near-term financing requirements.

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

The District maintains one governmental fund, the general fund, which includes general and administrative operating expenses, debt service, and capital outlays.

The District adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget and can be found on page 13 of this report. The basic governmental fund financial statements can be found on pages 9-12 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 14 of this report.

Government-wide Financial Analysis
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $5,451,469 at the close of the most recent fiscal year.

The District's net position reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are *not* available for future spending. Although the District'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 the capital assets themselves cannot be used to liquidate these liabilities. The carrying value of the assets exceeds the debt related to the capital assets.

	Governmental Activities		
	2024	2023	Change
Current and other assets	$ 4,715,346	$ 3,569,960	$ 1,145,386
Capital assets	2,038,822	2,001,908	36,914
Total assets	6,754,168	5,571,868	1,182,300
Deferred outflows of resources	1,602,394	1,168,798	433,596
Current liabilities	886,861	828,424	58,437
Noncurrent liabilities	1,857,910	1,422,775	435,135
Total liabilities	2,744,771	2,251,199	493,572
Deferred inflows of resources	160,322	185,185	(24,863)
Net position:			
Net investment in capital assets	1,326,324	1,183,127	143,197
Restricted for net pension asset	1,316,618	910,798	405,820
Unrestricted (deficit)	2,808,527	2,210,357	598,170
Total net position	$ 5,451,469	$ 4,304,282	$ 1,147,187

Governmental Activities
Unrestricted net position may be used to meet the District's ongoing obligation to citizens and creditors. The District's unrestricted net position was $2,808,527 as of June 30, 2024.

The District's total net position increased by $1,213,550 during the current fiscal year. The increase is mainly attributable to a significant increase in current assets of $747,964, non-current assets of $434,336, and deferred outflows of resources relating to pension of $433,596, which offset the impact of the increase in current liabilities of $5,437, and the increase in non-current liabilities of $435,135.

A summary of the District's change in net position from the prior year is below:

	Governmental Activities		
	2024	2023	Change
Program revenues:			
Charges for services	$ 9,302,021	$ 8,825,379	$ 476,642
Operating grants and contributions	339,885	262,864	77,021
General revenues:			
Other revenues	134,716	94,755	39,961
Total revenues	9,776,622	9,182,998	593,624
Program expenses:			
Total expenses	8,563,072	7,974,875	588,197
Total expenses	8,563,072	7,974,875	588,197
Increase (Decrease) in Net Position	1,213,550	1,208,123	5,427
Net Position - Beginning	4,304,282	3,096,157	1,208,125
Net Position - Ending	$ 5,451,469	$ 4,304,282	$ 1,147,187

Financial Analysis of the Government's Fund
As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District accounts for all activities in the general fund, which is a governmental fund.

The focus of the District's general fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, *unrestricted fund balances* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental fund reported an ending fund balance of $2,628,186, an increase of $631,512 in comparison with the prior year. Portions of the fund balance are assigned to Administration, Police, and Fire & EMS.

General Fund Budgetary Highlights
During the fiscal year, the original budgeted expenditure total of $8,743,459 was amended to a final budget of $9,533,436, an overall increase of $789,977. The increase in the budget was primarily due to increased operating costs relating to obtaining capital for both Fire & EMS and Police, and increased operating costs related to providing payroll benefits for Fire & EMS. This increase in the budget was offset by a decrease in anticipated administrative costs related to dispatch services. For the fiscal year 2024, the District's budgeted appropriations exceeded actual expenditures in the amount of $399,142.

Debt and Capital Asset Administration

Debt – During the year, the District paid off three of its financed purchases, and entered into one new financed purchase agreement. At the end of fiscal year 2024, the District had 6 leases outstanding, with a total outstanding balance of $712,498, a decrease of $106,283. Additional information about the District's debt can be found in Note 5 of this report.

Capital Assets – The District's total capital assets for its governmental activities as of June 30, 2024, amounts to $2,038,822 (net of accumulated depreciation). This investment in capital assets includes vehicles, and equipment. The District's capital assets for the current year increased by a net of $36,914 due to the following events occurring during the current fiscal year:

- Capital asset purchases increased assets by $474,685.
- Construction-in-Progress projects were completed and capitalized in the amount of $205,134.
- Depreciation charged to expense reduced assets by $437,772.
- Capital asset disposals reduced assets by $19,200
- Accumulated depreciation decreased by $19,200 due to disposal of capital assets.

Additional information on the District's capital assets can be found in Note 3.

Economic Factors and Next Year's Budget and Rates
The District's adopted budget for total expenditures for the fiscal year ending June 30, 2025, reflects an overall increase in expenditures from fiscal year 2024 actual expenditures, due primarily to increases in payroll costs. The District will continue to monitor the effects of the economy and workforce supply on its operations.

Requests for Information
This financial report is designed to provide a general overview of the District's finances for those with an interest in the government's finances. Questions or requests for additional information should be addressed to District, Attn: Finance Director, Lone Peak Public Safety District, 5400 W Civic Center Blvd. Suite #1, Highland, UT 84003

BASIC FINANCIAL STATEMENTS

LONE PEAK PUBLIC SAFETY DISTRICT
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	$ 3,097,282
Accounts receivable	244,621
Prepaid expenses	52,350
Total Current Assets	3,394,253
Noncurrent Assets:	
Restricted cash and cash equivalents	4,475
Capital assets, net of accumulated depreciation	2,038,822
Net pension asset	1,316,618
Total Noncurrent Assets	3,359,915
Total Assets	6,754,168
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources relating to pensions	1,602,394
Total Deferred Outflows of Resources	1,602,394
Total Assets & Deferred Outflows of Resources	8,356,562
LIABILITIES	
Current Liabilities	
Accounts payable	222,947
Unearned revenue	4,475
Accrued interest	12,399
Accrued wages	87,015
Accrued liabilities	192,936
Noncurrent liabilities due within one year	367,089
Total Current Liabilities	886,861
Noncurrent Liabilities:	
Noncurrent liabilities due in more than one year	633,045
Net pension liability	1,224,865
Total Noncurrent Liabilities	1,857,910
Total Liabilities	2,744,771
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Relating to Pensions	160,322
Total Deferred Inflows of Resources	160,322
Total Liabilities and Deferred Inflows of Resources	2,905,093
NET POSITION	
Net investment in capital assets	1,326,324
Restricted for:	
Net pension asset	1,316,618
Unrestricted	2,808,527
Total Net Position	$ 5,451,469

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

LONE PEAK PUBLIC SAFETY DISTRICT
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Functions/Programs					
Governmental Activities:					
Administrative	$ 360,511	$ 417,168	$ -	$ -	$ 56,657
Police	3,956,565	4,432,590	21,048	-	497,073
Fire and EMS	4,245,996	4,452,263	318,837	-	525,104
Total Governmental Activities	$ 8,563,072	$ 9,302,021	$ 339,885	$ -	1,078,834
			General Revenues:		
			Unrestricted investment earnings		108,451
			Miscellaneous		23,500
			Gain from sale of assets		2,765
			Total General Revenues		134,716
			Changes in Net Position		1,213,550
			Net Position, Beginning		4,304,282
			Prior Period Adjustment		(66,363)
			Net Position, Ending		$ 5,451,469

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

LONE PEAK PUBLIC SAFETY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2024

		General Fund
Assets:		
Cash and cash equivalents	$	3,097,282
Restricted cash and cash equivalents		4,475
Accounts receivable		244,621
Prepaids		52,350
Total Assets		3,398,728
Liabilities and Fund Balances		
Liabilities:		
Accounts payable		222,947
Unearned Revenue		4,475
Accrued wages		87,015
Accrued liabilities		192,936
Total Liabilities		507,373
Deferred inflows of resourece - unavailable revenue		263,169
Total Liabilities and Deferred Inflows of Resources		770,542
Fund Balances:		
Assigned to:		
Administration		703,481
Police		1,501,193
Fire & EMS		423,512
Unassigned		-
Total Fund Balances		2,628,186
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$	3,398,728

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

LONE PEAK PUBLIC SAFETY DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
June 30, 2024

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

Total fund balance - governmental funds	$	2,628,186
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund.		2,038,822
Interest payable is not due and payable in the current period and, therefore is not recorded in the fund.		(12,399)
Governmental funds revenue are limited to 60 day period of availability, however, the statement of activities and statement of net position are not limited to a period of availability.		263,169
Pension obligations, including the net pension asset, net pension liability, and deferred inflows and outflows of resources relating to pensions, are not obligations of the current period and, therefore, are not recorded in the fund.		1,533,825
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the fund.		(1,000,134)
Total net position - governmental activities	$	5,451,469

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

LONE PEAK PUBLIC SAFETY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUND
For The Year Ended June 30, 2024

	General Fund
Revenues:	
Administration	
Charges for services	$ 417,168
Interest income	108,451
Miscellaneous income	3,112
Police	
Charges for services	4,427,653
Court revenues	74
Report charges	4,819
Grants	21,048
Miscellaneous income	18,228
Fire and EMS	
Charges for services	3,440,940
Ambulance charges	510,642
Grants	195,394
Reimbursement for aid provided	401,905
Miscellaneous income	2,181
Total Revenues	9,551,615
Expenditures:	
Administration	360,511
Police	4,411,589
Fire and EMS	4,362,194
Total Expenditures	9,134,294
Excess (Deficiency) of Revenues Over (Under) Expenditures	417,321
Other Financing Sources (Uses):	
Proceeds from sale of asset	2,765
Proceeds from leases	211,426
Total Other Financing Sources (Uses)	214,191
Net Change in Fund Balances	631,512
Fund Balance, Beginning	2,063,037
Prior Period Adjustment	(66,363)
Fund Balance, Ending	$ 2,628,186

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

LONE PEAK PUBLIC SAFETY DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds	$	631,512
Governmental funds have reported capital outlays, past and present, as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlay		474,685
Depreciation		(425,892)
Amortization		(11,880)
Governmental funds have reported principal payments on debt during the current year as expenditures. However in the statement of activities these payments reduce the principal balance of the debt.		317,686
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, interest expense is reported when due and paid.		2,900
In the statement of activities, proceeds from issued leases are recorded as a long-term debt, whereas in governmental funds, proceeds from leases issued are recorded as an other financing source.		(211,403)
Governmental funds revenue are limited to 60 day period of availability, however, the statement of activities and statement of net position are not limited to a period of availability.		98,777
The changes in pension-related balances, including net pension liability, net pension asset, defered inflows and outflows of resources relating to pensions are recorded in the statement of activities, but as they are not current financial resources, are not reported in the governmental funds.		317,259
Compensated absence balances are reported in the statement of activities when earned, but do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		19,906
Change in net position of governmental activities	$	1,213,550

LONE PEAK PUBLIC SAFETY DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Revenues:				
Administration				
Charges for services	417,173	$ 417,173	$ 417,168	$ (5)
Interest income	500	500	108,451	107,951
Miscellaneous income	-	-	3,112	3,112
Police				
Charges for services	4,407,162	4,424,662	4,427,653	2,991
Court revenues	-	-	74	74
Report charges	3,500	3,500	4,819	1,319
Grants	8,000	12,650	21,048	8,398
Miscellaneous income	7,000	7,000	18,228	11,228
Fire and EMS				
Charges for services	3,443,324	3,515,949	3,440,940	(75,009)
Ambulance charges	400,000	540,000	510,642	(29,358)
Grants	4,800	194,800	195,394	594
Reimbursement for aid provided	35,000	401,828	401,905	77
Miscellaneous income	1,000	1,000	2,181	1,181
Total Revenues	8,727,459	9,519,062	9,551,615	32,553
Expenditures:				
Administration	417,673	366,150	360,511	5,639
Police	4,441,662	4,684,089	4,411,589	272,500
Fire and EMS	3,884,124	4,483,197	4,362,194	121,003
Total Expenditures	8,743,459	9,533,436	9,134,294	399,142
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,000)	(14,374)	417,321	(366,589)
Other Financing Sources (Uses):				
Proceeds from sale of asset	16,000	3,000	2,765	(235)
Proceeds from leases	217,270	217,270	211,426	(5,844)
Total Other Financing Sources (Uses)	233,270	220,270	214,191	(6,079)
Net Change in Fund Balance	$ 217,270	$ 205,896	631,512	$ (372,668)
Fund Balance, Beginning			2,063,037	
Prior Period Adjustment			(66,363)	
Fund Balance, Ending			$ 2,628,186	

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

LONE PEAK PUBLIC SAFETY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

The Lone Peak Public Safety District (the District) was organized by the cities of Alpine and Highland as a fire and emergency medical services (EMS) district on January 1, 1996. On July 1, 1996, the District added a police department. The District was formed as an interlocal agreement rather than a taxing district and as such the financial activities of the District are funded by direct payments from the member cities and allocated on a population basis. User charges for services provided and one-time grants also help fund the District's cost of services. The District accounts for its operations as a governmental-type fund.

The District is governed by a Board of Public Safety Commissioners (Board) composed of two elected or appointed officials from Alpine and Highland City for a total of four board members.

Summary of Significant Accounting Policies

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

The following is a summary of the more significant policies.

Government-Wide and Fund Financial Statements

The government-wide financial statements (the *Statement of Net Position* and the *Statement of Activities*) report information on all of the nonfiduciary activities of the District. Governmental activities are supported by charges for services, contributions, and intergovernmental revenues.

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.

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.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Grants associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when the District receives cash.

Fund Accounting
The District uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District accounts for all transactions in the general fund, which is a governmental fund.

Cash and Cash Equivalents
Cash equivalents are highly liquid investments with maturities of three months or less when purchased. The District considers its deposits in the Public Treasurer's Investment Fund (PTIF) to be considered cash and cash equivalents. Investments or other deposits with maturities of one year or less are stated at amortized cost, which approximates fair value.

Accounts Receivable
The accounts receivable balance is stated at the amount management expects to collect from outstanding balances. Management has estimated the allowance for bad debts to be $85,803 as of the end of the fiscal year.

Capital Assets
Capital assets, which include real property and various types of equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, if purchased, and at fair market value at the date received if donated.

Major purchases are capitalized, while maintenance and repairs which do not improve or extend the life of the respective assets, are charged to expense.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Machinery and Equipment	3 – 40 years

Compensated Absences
Amounts of accumulated vacation are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. Accumulated unpaid vacation is accrued as incurred based on the years of service for each employee. No more than 30 days of vacation may be carried forward. Governmental funds report an expenditure as the vacation is paid. Employees may also accumulate sick leave. However, no accumulated, unused sick leave will be paid at termination. As a result, there is no accrual for unpaid sick leave.

Long-term Debt Obligations
In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the governmental fund financial statements, bond issuance costs are recognized as expenditures when the debt is issued. The face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to and deductions from URS's fiduciary net position, have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

Deferred Outflows/Inflows of Resources
In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources relating to pensions.

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

At the general fund level, the District also reports deferred inflows of resources for unavailable revenue related to services provided during the fiscal year, but not received until after the period of availability. Those unavailable revenues are reported as earned in the statement of activities.

Fund Balances
The District classifies fund balances in the governmental funds as follows, when applicable: Nonspendable, Restricted, Committed, Assigned or Unassigned.

- *Nonspendable* – This component of fund balance includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to remain intact (such as endowments).

- *Restricted* – This component of fund balance includes amounts with restrictions placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.

- *Committed* – This is a component of *unrestricted* fund balance and includes amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Board and remain binding unless removed in the same manner.

- *Assigned* – This is a component of *unrestricted* fund balance and includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed, as established by members the Board or members of management.

- *Unassigned* – This is a component of *unrestricted* fund balance and is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes.

When faced with a choice, the District elects to use restricted, committed, and assigned amounts before spending any unassigned amounts.

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Net Position

The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is reported as net position on the government-wide financial statements and fund balance on the governmental fund statements.

The District's net position is classified as follows:

• *Net investment in capital assets* – This component of net position consists of the District'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 not included as a component of invested in capital assets, net of related debt.

• *Restricted* – This component of net position consists of net position that are restricted by debt agreements or otherwise restricted by outside parties.

• *Unrestricted* – This component of net position consists of net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgetary Accounting

Under Utah State Law, the District's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the code for certain events. A public hearing must be held to increase the total appropriations for the governmental fund. The District follows these procedures in establishing the budgetary information reflected in the financial statements.

1. By the first regular scheduled board meeting in May, the District Director submits to the Board a proposed operating budget for the year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Between May 1 and June 22, the members' District Board review and adjust the proposed budget.
3. On or before June 22, a public hearing is held and the budget is legally adopted through passage of a resolution.
4. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Because the District budget is funded by available revenue of the member cities, and the member cities prefer to maintain their own cash balances, only a minimal amount of excess cash remains with the District in fund balances for emergencies. Should additional revenue be required, the member cities could be asked to contribute additional amounts.

NOTE 2 CASH AND CASH EQUIVALENTS

The District's deposit and investment policy is to follow the Utah Money Management Act (the Act) and rules by the Utah Money Management Council, however, the District does not have a separate deposit or investment policy that addresses specific types of deposit and investment risks to which the District is exposed.

As of June 30, 2024, the District had the following deposits and investments:

Cash and cash equivalents		
Cash on hand and deposits	$	911,689
Public Treasurer's Investment Fund		2,190,068
Total cash and cash equivalents	$	3,101,757

The District follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and investment transactions. This law requires the depositing of District 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 that 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.

The Money Management Act also governs the scope of securities allowed as appropriate investments for the District and conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

The District's cash and cash equivalents are exposed to certain risks as outlined below:

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure by investing mainly in the Utah Public Treasurer's Investment Fund and by adhering to the Utah Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested.

Custodial credit risk – deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. As of June 30, 2024, $697,446 of the District's combined bank balance of $947,446 were uninsured and uncollateralized.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk of investments is to comply with the Utah Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issues of the investment securities.

The District invests in the Utah Public Treasurer's Investment Fund (PTIF), which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. As of June 30, 2024, the Utah Public Treasurer's Investment Fund was unrated. The maximum weighted average life of the portfolio does not exceed 90 days.

LONE PEAK PUBLIC SAFETY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

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 costs basis. The income, gains, losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participants' share to the total funds in the PTIF based on the participants' average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available from the Utah State Treasurer's Office.

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. 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

For the year ended June 30, 2024, the District had deposits of $2,190,068 with the PTIF. The fair value of these investments was $2,193,361 using the Utah State Treasurer's 365-day fair value factor of 1.00150349. The PTIF investment is considered a *Level 2* investment. Because the difference between the fair value and the reported amount is minimal, the reported value is deemed to be the fair value.

NOTE 3 CAPITAL ASSETS

The following summarizes the District's capital assets:

	June 30, 2023	Additions	Disposals	June 30, 2024
Capital assets not being depreciated:				
Construction in process	$ 205,134	$ -	$ (205,134)	$ -
Total assets not being depreciated	205,134	-	(205,134)	-
Capital assets being depreciated:				
Police equipment	1,603,145	349,694	(19,200)	1,933,639
Police Intangible Right-to-Use Assets	23,760	11,880	-	35,640
Fire/EMS equipment	3,827,804	318,245	-	4,146,049
Total capital assets being depreciated:	5,454,709	679,819	(19,200)	6,115,328
Less accumulated depreciation	(3,657,935)	(437,772)	19,200	(4,076,507)
Total capital assets being depreciated, net of accumulated depreciation	1,796,774	242,048	-	2,038,822
Total capital assets, net	$ 2,001,908	$ 242,048	$ (205,134)	$ 2,038,822

Depreciation/Amortization was charged to the functions/programs of the District for the year ended June 30, 2024, as follows:

Police Capital Asset Depreciation	$ 187,413
Police Right-to-Use Asset Amortization	11,880
Fire and EMS Capital Asset Depreciation	238,480
Total Depreciation/Amortization Expense	$ 437,772

NOTE 4 PENSION

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost sharing, retirement system.
- Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Firefighters Retirement System (Firefighters System) is a multiple-employer, cost sharing, public employee retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost sharing employee retirement system.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost-sharing, public employee retirement system.

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

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

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

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

NOTE 4 PENSION (Continued)

Summary of Benefits by System

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.50% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.50% per year to June 30, 2020 2.00% per year July 1, 2020 to present	Up to 2.5%

** Actuarial reductions are applied.*
*** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent*

<u>Contribution Rate Summary</u>
As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2024, are as follows:

NOTE 4 PENSION (Continued)

	Tier 1 - DB System			Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)
Noncontributory System											
15 Local Governmnet	-	17.97	-	111	-	16.01	0.18	211	-	6.19	10.00
Public Safety System Noncontributory											
76 Other div B 4% COLA	-	37.97	-	122	2.59	29.02	-	222	-	15.02	14.00
Firefighter Retirement System											
32 Other Division B	16.71	6.34	-	132	2.59	14.08	-	232	-	0.08	14.00

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

For fiscal year ended June 30, 2024, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 27,842	$ -
Public Safety System	374,269	-
Firefighters System	43,016	113,376
Tier 2 Public Employees System	6,131	-
Tier 2 Public Safety and Firefighter	255,825	15,765
Tier 2 DC Only System	2,537	-
Tier 2 DC Public Safety and Firefighter System	9,382	47
Total Contributions	$ 719,003	$ 129,188

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

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

At June 30, 2024, we reported a net pension asset of $1,316,618 and a net pension liability of $1,224,865.

	(Measurement Date): December 31, 2023				
System	Net Pension Liability	Net Pension Aset	Proportionate Share	Proportionate Share December 31, 2022	Change (Decrease)
Noncontributory System	$ 35,947	$ -	0.0154973%	0.0159051%	-0.0004078%
Public Safety System	1,072,287	-	1.6403044%	1.3358570%	0.3044474%
Firefighters System	-	1,316,618	0.7751613%	0.7236051%	0.0515562%
Tier 2 Public Employees System	2,883	-	0.0014812%	0.0022213%	-0.0007401%
Tier 2 Public Safety and Firefighter	113,748	-	0.3019645%	0.3289809%	-0.0270164%
Total Net Pension Asset / Liability	$ 1,224,865	$ 1,316,618			

NOTE 4 PENSION (Continued)

The net pension asset and liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2024, we recognized pension expense of $401,448.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 673,985	$ 7,813
Changes in assumptions	240,102	2,336
Net difference between projected and actual earnings on pension plan investments	273,170	-
Changes in proportion and differences between contributions and proportionate share of contributions	54,369	150,173
Contributions subsequent to the measurement date	360,768	-
Total	$ 1,602,394	$ 160,322

$360,768 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	$ 304,122
2025	273,079
2026	504,790
2027	(100,289)
2028	11,116
Thereafter	88,487

NOTE 4 PENSION (Continued)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of $17,923.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,170	$ -
Changes in assumptions	10,787	-
Net difference between projected and actual earnings on pension plan investments	11,690	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,568
Contributions subsequent to the measurement date	14,126	-
Total	$ 61,773	$ 1,568

$14,126 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	$ 14,173
2025	14,838
2026	21,977
2027	(4,910)
2028	-
Thereafter	-

NOTE 4 PENSION (Continued)

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024 we recognized pension expense of $549,468.

At June 30, 2024 we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 502,536	$ -
Changes in assumptions	114,307	-
Net difference between projected and actual earnings on pension plan investments	136,213	-
Changes in proportion and differences between contributions and proportionate share of contributions	28,464	9,274
Contributions subsequent to the measurement date	184,133	-
Total	$ 965,653	$ 9,274

$184,133 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	$ 343,805
2025	244,532
2026	237,614
2027	(53,705)
2028	-
Thereafter	-

NOTE 4 PENSION (Continued)

Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of ($314,992).

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 84,530	$ -
Changes in assumptions	30,480	-
Net difference between projected and actual earnings on pension plan investments	113,039	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,250	132,620
Contributions subsequent to the measurement date	22,239	-
Total	$ 261,538	$ 132,620

$22,239 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	$ (65,154)
2025	(747)
2026	221,935
2027	(49,354)
2028	-
Thereafter	-

NOTE 4 PENSION (Continued)

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of $3,783.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 923	$ 47
Changes in assumptions	1,650	2
Net difference between projected and actual earnings on pension plan investments	326	-
Changes in proportion and differences between contributions and proportionate share of contributions	719	144
Contributions subsequent to the measurement date	4,355	-
Total	$ 7,973	$ 193

$4,355 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	$ 290
2025	405
2026	683
2027	239
2028	322
Thereafter	1,485

NOTE 4 PENSION (Continued)

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2024, we recognized pension expense of $145,266.

At June 30, 2024, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 60,825	$ 7,765
Changes in assumptions	82,877	2,334
Net difference between projected and actual earnings on pension plan investments	11,903	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,936	6,567
Contributions subsequent to the measurement date	135,914	-
Total	$ 305,455	$ 16,666

$135,914 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023.

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

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2024	$ 11,008
2025	14,052
2026	22,580
2027	7,440
2028	10,794
Thereafter	87,002

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.5 – 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

NOTE 4 PENSION (Continued)

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

	Expected Return Arithmetic Basis		
Asset Class	Target Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	35%	6.87%	2.40%
Debt securities	20%	1.54%	0.31%
Real Assets	18%	5.43%	0.98%
Private equity	12%	9.80%	1.18%
Absolute return	15%	3.86%	0.58%
Cash and cash equivalents	0%	0.24%	0.00%
Totals	100%		5.45%
	Inflation		2.50%
	Expected arithmetic nominal return		7.95%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments, to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

NOTE 4 PENSION (Continued)

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.85 percent) or 1 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 186,563	$ 35,947	$ (90,184)
Public Safety System	3,005,081	1,072,287	(507,862)
Firefighters System	9,064	(1,316,618)	(2,407,220)
Tier 2 Public Employees System	9,906	2,883	(2,563)
Tier 2 Public Safety and Firefighter	366,498	113,748	(88,458)
Total	$ 3,577,112	$ (91,753)	$ (3,096,287)

Pension Plan Fiduciary Net Position
Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Lone Peak Public Safety District participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan
- Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2024	2023	2022
401(k) Plan			
Employer Contributions	$ 295,100	$ 252,130	$ 214,247
Employee Contributions	109,503	90,585	81,962
457 Plan			
Employer Contributions	521	-	-
Employee Contributions	23,107	22,013	17,513
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	17,474	19,474	26,829
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,300	2,400	2,250

NOTE 5 LONG-TERM DEBT AND COMPENSATED ABSENCES

Financed Purchases:
The District has entered into several agreements to finance the acquisition of equipment. These agreements do not qualify as leases for accounting purposes per GASB 87 and, therefore, have been recorded as financed purchases at the present value of their future minimum payments as of the inception date. All District financed purchase contracts contain a fiscal non-funding clause, which gives the Board the option of terminating the contract at the end of any fiscal year during the contract. In the opinion of the District's management, the likelihood of this clause being exercised is remote.

As of June 30, 2024, assets recorded under the contracts are various trucks, vehicles and equipment with original cost of $1,637,659 and recorded accumulated depreciation of $1,034,046. Interest charged to Police, and Fire & EMS functions for the year ended June 30, 2024, was $20,777, and $9,442, respectively for a total of $30,219.

GASB 87 Leases:
The District utilizes leases when deemed appropriate or necessary. During fiscal year 2022 the District entered into a lease agreement for the exclusive right to use three (3) motorcycles for a term beginning April 1, 2022 and terminating on April 1, 2024, and during fiscal year 2024 the District paid to extend this lease for one additional year, pushing the termination date of the lease to April 2025. At the end of the lease term these assets will be returned to the lessor; the District has no purchase options available to it for this lease. These leased assets were recorded as an intangible right-to-use asset which will be amortized over the life of the lease. The District opted to pay off the entire lease up front to avoid interest costs, which resulted in a lease liability balance of $0 as of June 30, 2024.

The following is a summary of the changes in long-term debt obligations and compensated absences for the year ended June 30, 2024:

	June 30, 2023	Increases	Decreases	June 30, 2024	Due within one year
Direct borrowings					
Financed Purchase Obligations	$ 818,781	$ 211,403	$ (317,686)	$ 712,498	$ 194,507
Other Long-term liabilities					
Compensated Absences	307,542	-	(19,906)	287,636	172,582
Net pension liability	677,845	547,020	-	1,224,865	-
Total Long-term liabilities	$ 1,804,168	$ 758,423	$ (337,592)	$ 2,224,999	$ 367,089

The following is a schedule by years of future minimum payments required under the financed purchases together with the present value as of June 30, 2024:

Year ending June 30,	Governmental Activities
2025	$ 249,789
2026	177,431
2027	177,431
2028	177,431
2029	40,859
Total minimum finance payments	822,941
Less amount representing interest	(110,443)
Present value of minimum finance payments (including amounts classified as current)	$ 712,498

NOTE 5 LONG-TERM DEBT AND COMPENSATED ABSENCES (Continued)

Principal remaining under the financed purchase contracts on June 30, 2024, is as follows:

Pierce transport engine lease, original amount of $589,148, lease payments due in annual installments of $51,153 including interest at 3.50% beginning October 2013, with the final payment due October 2027.	$ 187,888
Wildland firetruck lease, original amount of $350,000, lease payments due in annual installments of $39,572 including interest at 2.63% beginning August 2015, with the final payment due August 2024.	16,082
Police vehicles lease, original amount of $167,114, lease payments due in annual installments of $38,070 including interest at 4.49% beginning July 2022, with the final payment due August 2027.	136,609
Police vehicles lease, original amount of $205,000, with annual installments of $47,349.83 including interest at 5.00% beginning May 2023, with the final payment due May 2028.	167,900
Police vehicles lease, original amount of $172,109, lease payments due in annual installments of $40,858 including interest at 5.70% beginning March 2025, with the final payment due March 2029.	172,109
Police vehicles and equipment lease, original amount of $151,230, lease payments due in annual installments of $32,786 including interest at 2.75% beginning February 2021, with the final payment due February 2025.	31,910
	$ 712,498

NOTE 6 ECONOMIC DEPENDENCIES

Each year, the cities are assessed their share of the departmental budgets as follows:

- The fees for the Fire, Ambulance, and EMS budgets are assessed 10% equally among the participating cities, 45% based on pro rata population, and the remaining 45% based on pro rata Equivalent Residential Units (which is a count of each residential unit, each 10,000 square foot retail space, and each 10,000 square foot portion of any other non-residence structure).
- The fees for the Administration and Police budgets are based on pro rata population.

The table below summarizes the financial support from each of the member cities Alpine, and Highland:

	Admin	Police	Fire/EMS	Total	% of Total
Alpine City	$ 134,604	$ 1,451,362	$ 1,240,752	$ 2,826,718	30%
Highland City	282,564	2,857,308	2,173,752	5,313,624	56%
Total financial support from member cities				8,140,342	85%
Total Revenues of Lone Peak Public Safety District				9,551,615	

NOTE 7 RISK MANAGEMENT

The District 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 insurance. Liability, property and casualty, and workman's compensation insurance are all carried by the District through Utah Local Governments Trust. There were no significant reductions in coverage from the prior year, and settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 8 PRIOR PERIOD ADJUSTMENT

Management determined that a prior year accounts receivable accrual of $66,363 was made in error and had resulted in an unintentional overstatement of revenues from lease proceeds. For fiscal year 2024 this resulted in an overstatement of beginning equity in the General Fund. Management opted to correct this error in fiscal year 2024 with a prior period adjustment that reduced beginning fund balance in the General Fund by the same amount of the error.

General Fund

Beginning fund balance	$ 2,063,037
Adjustment to remove effect of prior fiscal year receivable	(66,363)
Beginning fund balance, as restated	$ 1,996,674

REQUIRED SUPPLEMENTARY INFORMATION

LONE PEAK PUBLIC SAFETY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2023
Last 10 Fiscal Years

As of December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability/(asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of its covered-employee payroll
Noncontributory Retirement System					
2023	1.5497300%	$ 35,947	$ 151,717	23.69%	96.90%
2022	0.0159051%	27,241	145,215	18.76%	97.50%
2021	0.0198576%	(113,727)	226,144	-50.29%	108.70%
2020	0.0248124%	12,727	327,810	3.88%	99.20%
2019	0.0241423%	90,989	313,979	28.98%	93.70%
2018	0.0234613%	172,763	284,974	60.62%	87.00%
2017	0.0209016%	91,576	212,918	43.01%	91.90%
2016	0.0168761%	108,365	175,955	61.59%	87.30%
2015	0.0164742%	93,219	165,402	56.36%	87.80%
2014	0.0188575%	81,884	185,104	44.20%	90.20%
Public Safety System					
2023	1.6403044%	$ 1,072,287	$ 956,809	112.07%	92.09%
2022	1.3358570%	145,215	695,804	89.21%	93.70%
2021	1.5563382%	(557,357)	706,948	-78.84%	105.10%
2020	1.5807792%	568,341	718,942	79.05%	94.50%
2019	1.6298304%	809,374	760,023	106.49%	91.70%
2018	1.7514353%	1,380,124	831,077	166.06%	85.60%
2017	1.5961116%	771,247	775,599	99.44%	90.50%
2016	1.6271805%	1,014,217	868,524	116.77%	86.10%
2015	1.6047187%	783,025	841,842	93.01%	87.60%
2014	1.6625003%	657,407	910,740	72.20%	89.00%
Firefighters Retirement System					
2023	0.7751613%	$(1,316,618)	$ 644,350	-204.33%	113.31%
2022	0.7236051%	(910,797)	594,777	-153.13%	110.30%
2021	0.5892720%	(1,593,936)	480,076	-332.02%	122.90%
2020	0.6560031%	(883,865)	541,500	-163.23%	112.00%
2019	0.6546887%	(409,386)	538,473	-76.03%	105.80%
2018	0.5137804%	207,645	418,013	49.67%	96.10%
2017	0.5728708%	(128,515)	530,755	-24.21%	102.30%
2016	0.6150544%	90,977	709,365	12.83%	98.40%
2015	0.5874324%	99,956	662,574	15.09%	98.10%
2014	0.5442028%	(59,888)	618,617	-9.70%	101.30%

(Schedule continues on next page)

LONE PEAK PUBLIC SAFETY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(Continued)
December 31, 2023
Last 10 Fiscal Years

As of December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of its covered-employee payroll
Tier 2 Public Employees Retirement System					
2023	0.0014812%	$ 2,883	$ 38,295	7.53%	89.58%
2022	0.2221300%	2,419	48,748	4.96%	92.30%
2021	0.0018864%	(798)	34,540	-2.31%	103.80%
2020	0.0000000%	-	-	0.00%	0.0%
2019	0.0000000%	-	-	0.00%	0.0%
2018	0.0000000%	-	-	0.00%	90.80%
2017	0.0007516%	66	7,450	0.89%	97.40%
2016	0.0000000%	-	-	0.00%	0.00%
2015	0.0000000%	-	-	0.00%	0.00%
2014	0.0000000%	-	-	0.00%	0.00%
Tier 2 Public Safety and Firefighters Retirements					
2023	0.3019645%	$ 113,748	$1,144,158	9.94%	89.10%
2022	0.3289809%	27,445	1,012,203	2.71%	96.40%
2021	0.3738375%	(18,895)	893,992	-2.11%	102.80%
2020	0.4169702%	37,400	821,534	4.55%	93.10%
2019	0.4435813%	41,725	731,130	5.71%	89.60%
2018	0.4573848%	11,460	611,304	1.87%	95.60%
2017	0.5130109%	(5,936)	541,383	-1.10%	103.00%
2016	0.6098233%	(5,294)	503,855	-1.05%	103.60%
2015	0.7250423%	(10,593)	431,457	-2.46%	110.70%
2014	0.5553157%	(8,215)	229,897	-3.60%	120.50%

LONE PEAK PUBLIC SAFETY DISTRICT
SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
Noncontributory System					
2024	$ 27,842	$ 27,842	$ -	$ 154,936	17.97%
2023	27,603	27,603	-	153,609	17.97%
2022	25,478	25,478	-	145,659	17.49%
2021	44,876	44,876	-	312,180	14.37%
2020	44,723	44,723	-	321,752	13.90%
2019	42,042	42,042	-	305,917	13.74%
2018	40,190	40,190	-	252,492	15.92%
2017	30,719	30,719	-	187,211	16.41%
2016	27,074	27,074	-	164,524	16.46%
2015	29,047	29,047	-	175,042	16.59%
Public Safety System					
2024	$ 374,269	$ 374,269	$ -	$ 985,697	37.97%
2023	314,277	314,277	-	827,698	37.97%
2022	269,082	269,082	-	690,485	38.97%
2021	264,468	264,468	-	678,644	38.97%
2020	301,007	301,007	-	772,407	38.97%
2019	308,344	308,344	-	791,233	38.97%
2018	319,760	319,760	-	821,161	38.94%
2017	297,087	297,087	-	822,123	36.14%
2016	294,707	294,707	-	828,298	35.58%
2015	310,487	310,487	-	867,484	35.79%
Firefighters System					
2024	$ 43,016	$ 43,016	$ -	$ 678,490	6.34%
2023	39,242	39,242	-	628,875	6.24%
2022	39,625	39,625	-	547,298	7.24%
2021	34,360	34,360	-	474,583	7.24%
2020	40,616	40,616	-	560,991	7.24%
2019	36,080	36,080	-	498,344	7.24%
2018	27,954	27,954	-	421,187	6.64%
2017	33,872	33,872	-	648,686	5.22%
2016	35,388	35,388	-	693,464	5.10%
2015	30,975	30,975	-	635,938	4.87%
Tier 2 Public Employees System*					
2024	$ 6,131	$ 6,131	$ -	$ 38,295	16.01%
2023	6,161	6,161	-	38,480	16.01%
2022	10,530	10,530	-	65,527	16.07%
2021	-	-	-	-	0.00%
2020	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2017	1,111	1,111	-	7,450	14.91%
2016	-	-	-	-	0.00%
2015	-	-	-	-	0.00%

(Schedule continues on next page)

LONE PEAK PUBLIC SAFETY DISTRICT
SCHEDULE OF CONTRIBUTIONS (Continued)
Last 10 Fiscal Years

As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
Tier 2 Public Safety and Firefighter System*					
2024	$ 255,825	$ 255,825	$ -	$1,171,115	21.84%
2023	246,864	246,864	-	1,139,723	21.66%
2022	208,431	208,431	-	902,689	23.09%
2021	215,404	215,404	-	912,682	23.60%
2020	150,553	150,553	-	744,245	20.23%
2019	134,847	134,847	-	686,930	19.63%
2018	111,881	111,881	-	582,283	19.21%
2017	91,680	91,680	-	501,410	18.28%
2016	89,968	89,968	-	475,610	18.92%
2015	59,683	59,683	-	337,163	17.70%
Tier 2 Public Employees DC Only System*					
2024	$ 2,537	$ 2,537	$ -	$ 40,990	6.19%
2023	2,453	2,453	-	39,624	6.19%
2022	495	495	-	7,400	6.69%
2021	1,482	1,482	-	75,631	1.96%
2020	4,103	4,103	-	71,307	5.75%
2019	21	21	-	26,622	0.08%
2018	18	18	-	22,914	0.08%
2017	36	36	-	44,674	0.08%
2016	28	28	-	34,941	0.08%
2015	-	-	-	-	0.00%
Tier 2 Public Safety and Firefighter System DC Only System*					
2024	$ 9,382	$ 9,382	$ -	$ 351,634	2.67%
2023	9,138	9,138	-	282,581	3.23%
2022	8,027	8,027	-	214,473	3.74%
2021	1,482	1,482	-	75,631	1.96%
2020	4,103	4,103	-	71,307	5.75%
2019	21	21	-	26,622	0.08%
2018	18	18	-	22,914	0.08%
2017	36	36	-	44,674	0.08%
2016	28	28	-	34,941	0.08%
2015	-	-	-	-	0.00%

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

LONE PEAK PUBLIC SAFETY DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For Fiscal Year Ended June 30, 2024

NOTE 1 CHANGES OF ASSUMPTIONS

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assuming retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

SUPPLEMENTAL REPORTS

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
Lone Peak Public Safety District
Highland, 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, each major fund, and the aggregate remaining fund information of Lone Peak Public Safety District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2024.

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

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

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

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

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 16, 2024

LONE PEAK PUBLIC SAFETY DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Financial Statements

2023-01 Financial Close and Reporting (Material Weakness)

Condition: During our audit we noted several areas of the financial statements that required material adjustments to bring them into compliance with generally accepted accounting principles for governmental entities.

Criteria: Utah Code Annotated (UCA) 17B-1-603 states: "The accounting records of each special district shall be established and maintained, and financial statements prepared from those records, in conformance with generally accepted accounting principles…"

Cause: Lone Peak Public Safety District did not perform adequate procedures as part of the year-end close of its financials, and as a result there were significant and material misstatements in the initial set of financials that was provided to the auditors.

Effect: Several material audit adjustments were required to be made to correct the financial statements.

Recommendation: We recommend that District's staff prepare reconciliations for all significant balance sheet and income statement accounts in preparation of closing out the fiscal year. We also recommend the District implement policies or procedures to ensure that the District's records can be prepared in accordance with generally accepted accounting principles.

Current Status: The District has resolved this finding.

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
Lone Peak Public Safety District
Highland, Utah

Report on Compliance

We have audited the Lone Peak Public Safety District's (the District) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide,* issued by the Office of the State Auditor, for the year ended June 30, 2024.

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

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

Opinion on Compliance

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

Basis for Opinion

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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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 District'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 District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report On Internal Control over Compliance

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

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

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

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

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
December 16, 2024