LONE PEAK PUBLIC SAFETY DISTRICT DRAFT MINUTES

Wednesday, January 14, 2026
7:30 am
Approved March 11, 2026
Highland City Hall, 5400 West Civic Center Drive, Highland, Utah 84003

7:30 AM REGULAR MEETING

Call to Order: Chair Chrissy Hannemann
Invocation: Board Member Brittney P. Bills

The meeting was called to order by Chair Chrissy Hannemann as a regular meeting at 7:37 am. The meeting agenda was posted on the *Utah State Public Meeting Website* at least 24 hours prior to the meeting.

PRESIDING:	Chrissy Hannemann, Chair
BOARD MEMBERS:	Brittney P. Bills - present Carla Merrill – present Kim Rodela – present Brent Rummler - 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:	Doug Cortney, Arlyn Ramsey, John Grayson Pollock, Austin Wilson, Dustin Mitchell, Steven Rowley, Darci Bruncon, Charlie Thurston, Mark Chatterton, Hayden Pierce, Jake Beck, Ron Campbell, Nancy Jones

1. APPOINTMENT OF THE CHAIR

The Board will consider appointing a Chair for the Lone Peak Public Safety District for 2026.

Board Member Brittney P. Bills MOVED to appoint Chrissy Hannemann as Chair for the Lone Peak Public Safety District for 2026.

Board Member Carla Merrill SECONDED the motion.

The vote was recorded as follows:

Board Member Brittney P. Bills	*Yes*
Board Member Carla Merrill	*Yes*
Board Member Kim Rodela	*Yes*
Board Member Brent Rummler	*Yes*

The motion passed 4:0

2. UNSCHEDULED PUBLIC APPEARANCES

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

There were no public comments.

3. FY2025 AUDIT PRESENTATION

Steve Rowley with K&C CPAs will present the FY2025 Audit for Lone Peak Public Safety District.

Steve Rowley with K&C CPAs presented the FY2025 Audit findings. He explained that his responsibility as engagement partner was to report back to the Board on the audit results, as they were hired by the Board to perform the audit. Mr. Rowley reported that the financial statements were materially correct and met all requirements for the state auditor's office. He noted that the financial statements can be relied upon, as stated in their opinion which appears on page 1 of the report. He explained the auditing process, which included planning and performing the audit in accordance with generally accepted auditing standards and government auditing standards. The process involved gathering sufficient and appropriate audit evidence through confirmations with outside parties, looking at supporting documentation from vendors, third-party discussions, and sample-based testing. Mr. Rowley noted that management is responsible for day-to-day operations and maintaining internal controls to ensure proper recording of money coming in and going out. He emphasized that while they do not give an opinion on internal controls, they do look at them to determine the scope of their testing. He highlighted that there were no findings or internal control weaknesses identified in their testing. He also reported that there were no instances of noncompliance with laws, rules, or regulations. The state compliance areas tested included budgetary compliance, fund balance, fraud risk assessment, and Utah retirement systems.

Chair Hannemann, who identified herself as a CPA in the private sector, noted that government entities have additional requirements beyond financial representations, including meeting contractual and state law requirements. She asked how long Mr. Rowley had been the district's auditor, to which he replied about 15 years total, with 7 years as partner over the engagement. He mentioned that his firm audits approximately 40-45 governmental entities and consults with another 40, with government accounting being his specialty. Chair Hannemann also noted the improvement from the previous year's audit, which had contained findings that had now been corrected.

4. CONSENT AGENDA

a. Approval of Meeting Minutes

October 30, 2025 Work Session
November 10, 2025 Regular Meeting
November 19, 2025 Regular Meeting
December 10, 2025 Regular Meeting

b. Ratification of Board Approval of the Purchase of new Fire Administration Vehicles

The Board will consider ratifying the decision made by the Lone Peak Public Safety Board on December 10, 2025, to outright purchase three new administrative vehicles for the Fire Department.

c. Approval for Surplus and Disposal of Personal Public Property and Equipment

The Lone Peak Fire Board will consider a request to surplus two (2) 2018 Ford F-150 vehicles from the Lone Peak Fire fleet.

Board Member Carla Merrill MOVED to approve the meeting minutes for October 30, 2025 Work Session November 10, 2025 Regular Meeting, November 19, 2025 Regular Meeting, December 10, 2025 Regular Meeting.

Board Member Kim Rodela SECONED the motion.

Executive Director Wells asked Board Members if they intended to approve all items together or had questions about specific aspects of the consent agenda, highlighting the inclusion of new fire administration vehicles and surplus equipment disposal.

Board Member Merrill inquired if the District is planning to surplus the side-by-side vehicle used by the Fire Department. Chief Patten confirmed he would be surplussing the equipment, but mentioned he was first seeking approval to purchase a new one.

Board Member Carla Merrill AMENDED the motion to include the items on the consent agenda.

Board Member Kim Rodela SECONDED the motion.

The vote was recorded as follows:

Board Member Brittney P. Bills	*Yes*
Board Member Carla Merrill	*Yes*
Board Member Kim Rodela	*Yes*
Board Member Brent Rummler	*Yes*

The motion passed 4:0

5. APPROVAL OF CONTRACT FOR LEGAL SERVICES FOR LONE PEAK PUBLIC SAFETY DISTRICT

The Board will consider approving a contract for legal services with Walter J. Bird for Lone Peak Public Safety District.

Walter Bird introduced himself as the proposed new legal adviser for the District. He explained that he currently serves as Salem City Attorney and that this would be a side position. He provided brief information about his personal and professional background and indicated he is looking forward to serving the District in this role.

Executive Director Wells explained that Mr. Bird had applied among other candidates and was selected after an interview process that included herself, Assistant Executive Director Sorensen, both the Fire and Police Chiefs, and both Mayors from Alpine and Highland, respectively. She noted the panel felt Mr. Bird was well qualified and recommended him to the Board.

Board Member Brittney P. Bills MOVED that the Lone Peak Board approve the Contract for Legal Services with Walter J. Bird.

Board Member Brent Rummler SECONDED the motion.

The vote was recorded as follows:

Board Member Brittney P. Bills Yes
Board Member Carla Merrill Yes
Board Member Kim Rodela Yes
Board Member Brent Rummler Yes

The motion passed 4:0

6. 2013 PIERCE TRANSPORT ENGINE PAYOFF OPTION

The Board will consider an early payoff of the 2013 Pierce Transport Engine. The Board will take appropriate action.

Finance Director Mortensen explained that about three years ago, the Board had approved the purchase of a ladder truck. Now that the District has obtained that ladder truck and secured lease financing for it, they are following through with the previously discussed plan to sell the 2008 Pierce Tower and use those proceeds to pay off another lease on the 2013 Pierce Transport engine. Mr. Mortensen noted that paying off the lease would save approximately $750 in interest, but more importantly, it would clear up space in the budget for the new ladder truck payment. Instead of increasing the lease payment line item from $260,000 to $312,000, this payoff would keep it at the current level. He confirmed that both the sale of the tower and the proposed payoff were happening within the same fiscal year.

Board Member Brent Rummler MOVED that the Board approve the early payoff of the 2013 Pierce Transport Engine in the amount of $101,564.30.

Board Member Kim Rodela SECONDED the motion.

The vote was recorded as follows:

Board Member Brittney P. Bills Yes
Board Member Carla Merrill Yes
Board Member Kim Rodela Yes
Board Member Brent Rummler Yes

The motion passed 4:0

7. DEPARTMENT REPORTS

a. Administration

Hiring of Additional Fire Personnel Previously Authorized in FY26 Budget

Executive Director Wells reported that Highland had approved the Interlocal Agreement (ILA) change in December, and Alpine approved it the previous night with a slight modification requesting that the fire formula be set for three years. Highland will consider this modification at their next Council meeting on Tuesday. Assuming approval, the Fire Department will proceed with hiring the new position previously authorized in the FY26 budget.

FY27 Budget Rent Consideration

Finance Director Mortensen presented the FY27 budget calendar, noting that January is typically the kickoff for budget season. He mentioned there were no mid-year adjustments proposed this year. The next meeting would be

LONE PEAK PUBLIC SAFETY DISTRICT

BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

LONE PEAK PUBLIC SAFETY DISTRICT
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INDEPENDENT AUDITORS' REPORT

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

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, 2025, 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, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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.

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.

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- 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
January 13, 2026

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, 2025. 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 $379,825 during the year.
- The District added $291,248 in new capital assets during the year, and disposed of $205,927 of assets.
- The District paid down $194,507 of financed purchase obligations.
- The District received lease proceeds of $190,792 which were used to finance new police vehicles with equipment.
- The District received $650,339 for providing fire suppression aid to other agencies during the year.

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 $5,831,294 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		
	2025	2024	Change
Current and other assets	$ 5,722,997	$ 4,715,346	$ 1,007,651
Capital assets	1,848,111	2,038,822	(190,711)
Total assets	7,571,108	6,754,168	816,940
Deferred outflows of resources	1,538,332	1,602,394	(64,062)
Current liabilities	456,711	886,861	(430,150)
Noncurrent liabilities	2,621,912	1,857,910	764,002
Total liabilities	3,078,623	2,744,771	333,852
Deferred inflows of resources	199,523	160,322	39,201
Net position:			
Net investment in capital assets	1,139,328	1,326,324	(186,996)
Restricted for net pension asset	1,484,336	1,316,618	167,718
Unrestricted	3,207,630	2,808,527	399,103
Total net position	$ 5,831,294	$ 5,451,469	$ 379,825

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 $3,207,630 as of June 30, 2025.

The District's total net position increased by $379,825 during the current fiscal year. The increase is mainly attributable to a significant increase in current assets of $1,007,651, which offset the impact of the increase in current noncurrent liabilities of $764,002.

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

	Governmental Activities		
	2025	2024	Change
Program revenues:			
Charges for services	$ 10,102,783	$ 9,302,021	$ 800,762
Operating grants and contributions	200,713	339,885	(139,172)
General revenues:			
Other revenues	147,520	134,716	12,804
Total revenues	10,451,016	9,776,622	674,394
Program expenses:			
Total expenses	9,936,839	8,563,072	1,373,767
Total expenses	9,936,839	8,563,072	1,373,767
Increase (Decrease) in Net Position	514,177	1,213,550	(699,373)
Net Position - Beginning	5,451,469	4,237,919	1,213,550
Prior Period Adjustment	(134,352)	-	(134,352)
Net Position - Ending	$ 5,831,294	$ 5,451,469	$ 379,825

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 $3,567,383, an increase of $939,197 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 $9,233,850 was amended to a final budget of $10,075,905, an overall increase of $842,055. 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. For the fiscal year 2025, the District's budgeted appropriations exceeded actual expenditures in the amount of $389,911.

Debt and Capital Asset Administration

Debt – During the year, the District paid off two of its financed purchases, and entered into one new financed purchase agreement. At the end of fiscal year 2025, the District had 5 financed purchase liabilities outstanding, with a total outstanding balance of $708,783, a decrease of $3,715. 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, 2025, amounts to $1,848,111 (net of accumulated depreciation). This investment in capital assets includes vehicles, and equipment. The District's capital assets for the current year decreased by a net of $190,710 due to the following events occurring during the current fiscal year:

- Capital asset purchases increased assets by $291,248.
- Depreciation charged to expense reduced assets by $433,138.
- Capital asset disposals reduced assets by a $48,820.

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, 2026, reflects an overall increase in expenditures from fiscal year 2025 actual expenditures, due primarily to increases in payroll costs, and expected increases in dispatch service 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, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 3,746,432
Accounts receivable	302,735
Due from other governments	117,797
Prepaid expenses	71,697
Capital assets, net of accumulated depreciation	1,848,111
Net pension asset	1,484,336
Total Assets	7,571,108
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources relating to pensions	1,538,332
Total Deferred Outflows of Resources	1,538,332
Total Assets & Deferred Outflows of Resources	9,109,440
LIABILITIES	
Accounts payable	236,429
Unearned revenue	5,909
Accrued interest	13,809
Accrued wages	112,875
Accrued liabilities	87,689
Noncurrent liabilities:	
Due within one year: notes, leases, compensated absences	504,443
Due in more than one year:	
Notes, leases, compensated absences	732,266
Net pension liability	1,385,203
Total Liabilities	3,078,623
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows of Resources Relating to Pensions	199,523
Total Deferred Inflows of Resources	199,523
Total Liabilities and Deferred Inflows of Resources	3,278,146
NET POSITION	
Net investment in capital assets	1,139,328
Restricted for:	
Net pension asset	1,484,336
Unrestricted	3,207,630
Total Net Position	$ 5,831,294

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, 2025

		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	$ 389,040	$ 374,172	$ -	$ -	$ (14,868)
Police	4,523,917	4,701,438	26,124	-	203,645
Fire and EMS	5,023,882	5,027,173	174,589	-	177,880
Total Governmental Activities	$ 9,936,839	$ 10,102,783	$ 200,713	$ -	366,657
		General Revenues:			
		Unrestricted investment earnings			129,110
		Miscellaneous			36,861
		Gain from sale of assets			(18,451)
		Total General Revenues			147,520
		Changes in Net Position			514,177
		Net Position, Beginning, as previously reported			5,451,469
		Change in accounting principal (GASB 101)			(134,352)
		Net Position, Beginning, as adjusted			5,317,117
		Net Position, Ending			$ 5,831,294

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

LONE PEAK PUBLIC SAFETY DISTRICT
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2025

	General Fund
Assets:	
Cash and cash equivalents	$ 3,746,432
Accounts receivable	302,735
Due from other governments	117,797
Prepaids	71,697
Total Assets	4,238,661
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	236,429
Unearned Revenue	5,909
Accrued wages	112,875
Accrued liabilities	87,689
Total Liabilities	442,902
Deferred inflows of resourece - unavailable revenue	228,376
Total Liabilities and Deferred Inflows of Resources	671,278
Fund Balances:	
Nonspendable	71,697
Assigned to:	
Administration	759,250
Police	1,895,734
Fire & EMS	840,702
Unassigned	-
Total Fund Balances	3,567,383
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,238,661

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, 2025

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

Total fund balance - governmental funds	$	3,567,383
Capital assets used in governmental activities are not financial resources and are therefore not reported in the fund.		1,848,111
Interest payable is not due and payable in the current period and, therefore is not recorded in the fund.		(13,809)
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.		228,376
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.		1,437,942
Long-term liabilities are not due and payable in the current period and, therefore, are not recorded in the fund.		(1,236,709)
Total net position - governmental activities	$	5,831,294

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, 2025

	General Fund
Revenues:	
Administration	
Charges for services	$ 374,172
Interest income	129,110
Miscellaneous income	13,224
Police	
Charges for services	4,689,900
Court revenues	130
Report charges	11,356
Grants	26,124
Miscellaneous income	20,146
Fire and EMS	
Charges for services	3,822,948
Ambulance charges	588,679
Grants	74,359
Reimbursement for aid provided	650,339
Miscellaneous income	2,087
Total Revenues	10,402,574
Expenditures:	
Administration	389,040
Police	4,575,431
Fire and EMS	4,721,523
Total Expenditures	9,685,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	716,580
Other Financing Sources (Uses):	
Proceeds from sale of asset	30,369
Proceeds from leases	192,248
Total Other Financing Sources (Uses)	222,617
Net Change in Fund Balances	939,197
Fund Balance, Beginning	2,628,186
Fund Balance, Ending	$ 3,567,383

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, 2025

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

Net change in fund balances - total governmental funds	$	939,197
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		291,248
Depreciation		(424,229)
Amortization		(8,910)
Disposal of capital assets result in gains or losses in the statement of activities, whereas only the proceeds from the sale of capital assets are included in the governmental funds.		
Net book value of assets disposed		(48,820)
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.		194,507
In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, interest expense is reported when due and paid.		(1,410)
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.		(190,792)
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.		(34,793)
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.		(95,883)
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.		(105,938)
Change in net position of governmental activities	$	514,177

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 – BUDGET AND ACTUAL – GENERAL FUND
For The Year Ended June 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with final budget
Revenues:				
Administration				
Charges for services	374,171	$ 374,171	$ 374,172	$ 1
Interest income	30,000	30,000	129,110	99,110
Miscellaneous income	-	-	13,224	13,224
Police				
Charges for services	4,616,671	4,616,671	4,689,900	73,229
Court revenues	-	-	130	130
Report charges	3,500	3,500	11,356	7,856
Grants	8,000	17,786	26,124	8,338
Miscellaneous income	7,000	7,000	20,146	13,146
Fire and EMS				
Charges for services	3,664,708	3,817,945	3,822,948	5,003
Ambulance charges	475,000	510,000	588,679	78,679
Grants	4,800	4,800	74,359	69,559
Reimbursement for aid provided	35,000	576,992	650,339	73,347
Miscellaneous income	1,000	1,000	2,087	1,087
Total Revenues	9,219,850	9,959,865	10,402,574	442,709
Expenditures:				
Administration	404,171	404,171	389,040	15,131
Police	4,649,171	4,829,989	4,575,431	254,558
Fire and EMS	4,180,508	4,841,745	4,721,523	120,222
Total Expenditures	9,233,850	10,075,905	9,685,994	389,911
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,000)	(116,040)	716,580	52,798
Other Financing Sources (Uses):				
Proceeds from sale of asset	14,000	14,000	30,369	16,369
Proceeds from leases	-	171,032	192,248	21,216
Total Other Financing Sources (Uses)	14,000	185,032	222,617	37,585
Net Change in Fund Balance	$ -	$ 68,992	939,197	$ 90,383
Fund Balance, Beginning			2,628,186	
Fund Balance, Ending			$ 3,567,383	

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.

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 (such as prepaids), 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.

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.

NOTE 2 CASH AND CASH EQUIVALENTS

As of June 30, 2025, the District had the following deposits and investments:

Cash and cash equivalents	
Cash on hand and deposits	$ 678,535
Public Treasurer's Investment Fund	3,067,897
Total cash and cash equivalents	$ 3,746,432

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, 2025, $520,047 of the District's combined bank balance of $770,047 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, 2025, the Utah Public Treasurer's Investment Fund was unrated. The maximum weighted average life of the portfolio does not exceed 90 days.

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.

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

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, 2025, the District had deposits of $3,067,897 with the PTIF. The fair value of these investments was $3,073,988 using the Utah State Treasurer's 365-day fair value factor of 1.00198542. 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, 2024	Additions	Disposals	June 30, 2025
Capital assets being depreciated:				
Police equipment	1,933,639	232,803	(170,287)	1,996,155
Police Intangible Right-to-Use Assets	35,640	-	(35,640)	-
Fire/EMS equipment	4,146,049	58,445	-	4,204,494
Total capital assets being depreciated:	6,115,328	291,248	(205,927)	6,200,649
Less accumulated depreciation	(4,076,507)	(433,138)	157,107	(4,352,538)
Total capital assets being depreciated, net of accumulated depreciation	2,038,821	(141,890)	(48,820)	1,848,111
Total capital assets, net	$ 2,038,821	$ (141,890)	$ (48,820)	$ 1,848,111

Amortization of right-to-use assets is included with depreciation expense. Depreciation/Amortization was charged to the functions/programs of the District for the year ended June 30, 2025, as follows:

Police Capital Asset Depreciation	$ 195,251
Police Right-to-Use Asset Amortization	8,910
Fire and EMS Capital Asset Depreciation	228,978
Total Depreciation/Amortization Expense	$ 433,138

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.

NOTE 4 PENSION (Continued)

- 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:

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%

Schedule continues on next page.

NOTE 4 PENSION (Continued)

System	Final Average Salary	Years of Service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
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 years.*

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the 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, 2025 are as follows:

	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	-	16.97	-	111	0.70	15.19	-	211	-	5.19	10.00
Public Safety System Noncontributory											
76 Other div B 4% COLA	-	36.97	-	122	4.73	28.02	-	222	-	14.02	14.00
Firefighter Retirement System											
32 Other Division B	16.71	4.34	-	132	4.73	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.

Contribution Summary

For fiscal year ended June 30 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 28,348	-
Public Safety System	341,998	-
Firefighters System	32,830	126,404
Tier 2 Public Employees System	5,979	267
Tier 2 Public Safety and Firefighter	320,912	71,878
Tier 2 DC Only System	2,213	-
Tier 2 DC Public Safety and Firefighter Systen	9,620	-
Total Contributions	$ 741,901	$ 198,549

NOTE 4 PENSION (Continued)

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, 2025, we reported a net pension liability of $1,385,203 and a net pension asset of $1,484,335.

	(Measurement Date): December 31, 2024				
System	Net Pension Liability	Net Pension Aset	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	$ 50,242	$ -	0.0158435%	0.0154973%	0.0003462%
Public Safety System	1,196,848	-	1.6592746%	1.6403044%	0.0189702%
Firefighters System	-	1,484,336	0.8722490%	0.7751613%	0.0970877%
Tier 2 Public Employees System	3,904	-	0.0013089%	0.0014812%	-0.0001723%
Tier 2 Public Safety and Firefighter	134,209	-	0.2967323%	0.3019645%	-0.0052322%
Total Net Pension Asset / Liability	$ 1,385,203	$ 1,484,336			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, 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, 2025, we recognized pension expense of $837,533.

At June 30, 2025, 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	$ 657,402	$ 7,079
Changes in assumptions	122,553	2,108
Net difference between projected and actual earnings on pension plan investments	354,881	-
Changes in proportion and differences between contributions and proportionate share of contributions	33,792	190,336
Contributions subsequent to the measurement date	369,704	-
Total	$ 1,538,332	$ 199,523

$369,704 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, 2024.

NOTE 4 PENSION (Continued)

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
2025	$ 429,409
2026	572,312
2027	(130,573)
2028	(12,560)
2029	30,081
Thereafter	80,436

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

For the year ended June 30, 2025, we recognized pension expense of $44,162.

At June 30, 2025, 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	$ 29,937	$ -
Changes in assumptions	4,156	-
Net difference between projected and actual earnings on pension plan investments	15,134	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	414
Contributions subsequent to the measurement date	14,417	-
Total	$ 63,644	$ 414

$14,417 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, 2024.

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
2025	$ 28,510
2026	27,565
2027	(6,141)
2028	(1,121)
2029	-
Thereafter	-

NOTE 4 PENSION (Continued)

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

For the year ended June 30, 2025 we recognized pension expense of $799,863.

At June 30, 2025 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	$ 344,312	$ -
Changes in assumptions	41,244	-
Net difference between projected and actual earnings on pension plan investments	165,127	-
Changes in proportion and differences between contributions and proportionate share of contributions	13,157	-
Contributions subsequent to the measurement date	166,512	-
Total	$ 730,352	$ -

$166,512 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, 2024.

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
2025	$ 375,669
2026	266,236
2027	(66,195)
2028	(11,870)
2029	-
Thereafter	-

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

For the year ended June 30, 2025, we recognized pension expense of ($205,133).

NOTE 4 PENSION (Continued)

At June 30, 2025, 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	$ 200,213	$ -
Changes in assumptions	582	-
Net difference between projected and actual earnings on pension plan investments	165,672	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	183,744
Contributions subsequent to the measurement date	16,441	-
Total	$ 382,908	$ 183,744

$16,441 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, 2024.

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
2025	$ 9,105
2026	253,759
2027	(67,720)
2028	(12,421)
2029	-
Thereafter	-

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

For the year ended June 30, 2025, we recognized pension expense of $4,285.

NOTE 4 PENSION (Continued)

At June 30, 2025, 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	$ 1,688	$ 27
Changes in assumptions	1,304	-
Net difference between projected and actual earnings on pension plan investments	249	-
Changes in proportion and differences between contributions and proportionate share of contributions	947	126
Contributions subsequent to the measurement date	4,121	-
Total	$ 8,309	$ 153

$4,121 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, 2024.

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
2025	$ 471
2026	717
2027	325
2028	398
2029	899
Thereafter	1,225

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

For the year ended June 30, 2025, we recognized pension expense of $194,356.

NOTE 4 PENSION (Continued)

At June 30, 2025, 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	$ 81,252	$ 7,052
Changes in assumptions	75,267	2,108
Net difference between projected and actual earnings on pension plan investments	8,699	-
Changes in proportion and differences between contributions and proportionate share of contributions	19,688	6,052
Contributions subsequent to the measurement date	168,213	-
Total	$ 353,119	$ 15,212

$168,213 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, 2024.

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
2025	$ 15,654
2026	24,035
2027	9,158
2028	12,454
2029	29,182
Thereafter	79,211

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

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.

NOTE 4 PENSION (Continued)

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%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real Assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
	Inflation		2.50%
	Expected arithmetic nominal return		8.30%

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.

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:

NOTE 4 PENSION (Continued)

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	$ 212,481	$ 50,242	$ (85,825)
Public Safety System	3,265,177	1,196,848	(496,004)
Firefighters System	71,593	(1,484,336)	(2,765,797)
Tier 2 Public Employees System	11,660	3,904	(2,130)
Tier 2 Public Safety and Firefighter	457,639	134,209	(124,379)
Total	$ 4,018,550	$ (99,133)	$ (3,474,135)

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:

	2025	2024	2023
401(k) Plan			
Employer Contributions	$ 326,430	$ 295,100	$ 252,130
Employee Contributions	144,342	109,503	90,585
457 Plan			
Employer Contributions	13,469	521	-
Employee Contributions	36,865	23,107	22,013
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	22,539	17,474	19,474
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	1,300	1,300	2,400

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, 2025, assets recorded under the contracts are various trucks, vehicles and equipment with original cost of $1,751,925 and recorded accumulated depreciation of $1,170,837. Interest charged to Police, and Fire & EMS functions for the year ended June 30, 2025, was $27,729, and $5,894, respectively for a total of $33,623.

The following is a summary of the changes in long-term debt obligations and compensated absences for the year ended June 30, 2025:

	June 30, 2024	Increases	Decreases	June 30, 2025	Due within one year
Direct borrowings					
Financed Purchase Obligations	$ 712,498	$ 190,792	$ (194,507)	$ 708,783	$187,688
Other Long-term liabilities					
Compensated Absences	421,989	105,937 *	-	527,926	316,755
Net pension liability	1,224,865	160,338	-	1,385,203	-
Total Long-term liabilities	$ 1,804,168	$ 457,067	$ (194,507)	$ 2,621,912	$504,443

* indicates a net increase in compensated absences.

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, 2025:

Year ending June 30,	Governmental Activities
2026	$ 221,621
2027	221,621
2028	221,621
2029	85,048
2030	44,189
Total minimum finance payments	794,100
Less amount representing interest	(85,317)
Present value of minimum finance payments (including amounts classified as current)	$ 708,783

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.	$ 143,311
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 made August 2024.	-
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.	104,674
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.	128,946
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.	141,060
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 made February 2025.	-
Police vehicles and equipment lease, original amount of $190,792, lease payments due in annual installments of $44,190 including interest at 5.1% beginning January 2026, with the final payment due January 2030.	190,792
	$ 708,783

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	$ 125,328	$ 1,497,972	$ 1,339,129	$2,962,429	28%
Highland City	248,844	3,080,145	2,405,818	5,734,807	55%
Total financial support from member cities				8,697,236	84%
Total Revenues of Lone Peak Public Safety District				10,402,574	

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 IMPLEMENTATION OF GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

During the year, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. This Statement creates a unified model for reporting, as well as amends certain previously required disclosures. As a result of implementing this standard, the District recalculated its compensated absences using estimates of vacation and sick leave usage for amounts, including the impact on the June 30, 2024 balances and has restated net position as follows:

	Governmental Activities Net Position
Net Position, Beginning, as previously reported	$ 5,451,469
Change in net position for:	
Implementation of GASBS No. 101	(134,352)
Net Position, Beginning, as adjusted	$ 5,317,117

REQUIRED SUPPLEMENTARY INFORMATION

LONE PEAK PUBLIC SAFETY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
December 31, 2024
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					
2024	0.0158435%	$ 50,242	$ 160,699	31.26%	96.02%
2023	0.0154973%	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%
Public Safety System					
2024	1.6529275%	$ 1,196,848	$ 959,616	124.72%	91.84%
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%
Firefighters Retirement System					
2024	0.8722490%	$(1,484,335)	$ 728,399	-203.78%	112.66%
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%

(Schedule continues on next page)

LONE PEAK PUBLIC SAFETY DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
(Continued)
December 31, 2024
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					
2024	0.0013089%	$ 3,904	$ 38,788	10.06%	87.44%
2023	0.0014812%	2,883	38,295	7.53%	89.58%
2022	0.0022213%	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%
Tier 2 Public Safety and Firefighters Retirements					
2024	0.2967323%	$ 134,209	$ 1,354,499	9.91%	90.10%
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					
2025	$ 28,348	$ 28,348	$ -	$ 167,676	16.91%
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%
Public Safety System					
2025	$ 341,998	$ 341,998	$ -	$ 925,070	36.97%
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%
Firefighters System					
2025	$ 32,830	$ 32,830	$ -	$ 756,457	4.34%
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%
Tier 2 Public Employees System*					
2025	$ 5,979	$ 5,979	$ -	$ 39,360	15.19%
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%

(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*					
2025	$ 320,912	$ 320,912	$ -	$ 1,519,612	21.12%
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%
Tier 2 Public Employees DC Only System*					
2025	$ 2,213	$ 2,213	$ -	$ 42,636	5.19%
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%
Tier 2 Public Safety and Firefighter System DC Only System*					
2025	$ 9,620	$ 9,620	$ -	$ 353,315	2.72%
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%

** 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, 2025

NOTE 1 CHANGES OF ASSUMPTIONS

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

SUPPLEMENTAL REPORTS

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*

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

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, the statement of revenues, expenditures, and changes in fund balance – budget and actual – general fund of Lone Peak Public Safety District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 13, 2026.

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
January 13, 2026

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

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

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, 2025.

State compliance requirements were tested for the year ended June 30, 2025, in the following areas:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Utah Retirement Systems

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, 2025.

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.

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.

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- 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

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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
January 13, 2026

March 11, featuring a budget work session with a draft of the proposed budget. After that, individual meetings with Board members would be scheduled, followed by a public hearing and tentative budget vote on April 1. The final budget approval would occur on May 13. Mr. Mortensen discussed the district's large fund balance of approximately $3.5 million, which may be higher than necessary for a district of this size. He outlined potential uses for these funds across departments:

- For Fire, which has an $840,000 fund balance, staff had developed a plan to purchase equipment previously discussed with the Board, which would leave approximately $265,000 in the fund balance.
- For Police, which has about $1.7 million remaining after $200,000 was approved for vehicle purchases, discussions would be needed regarding comfortable reserve levels, potential creation of a capital equipment fund, or possible refunds to the cities using the assessment formulas.
- For Administration, which has an $830,000 fund balance, there is an option to use some funds to ease the transition to the new funding formula for the cities.

Mr. Mortensen also mentioned that rent charges would be discussed during the budgeting process, as there are questions about whether the district should continue to pay rent to both Alpine and Highland cities for the fire stations and public safety building.

Chair Hannemann noted that the fund balance is fungible, meaning it could be used to pay for different things based on Board policy decisions. She supported the recommendation to create a capital improvement fund to plan ahead for vehicle and equipment purchases, recognizing that budget surpluses are not always predictable. She also noted that the three-year stability in the ILA was intended to create more stability for the District after a "rocky year."

b. Police Department

Police Chief Gwilliam, participating remotely, presented a high-level overview of his budget priorities for FY27. He explained that it had been 12 years since the police department had added any full-time officers. His plan includes adding two FTEs: one sergeant to supervise road officers and one additional officer to respond to calls for service in the District. He also emphasized the importance of maintaining competitive wages to retain good employees. When asked about the justification for additional personnel, Chief Gwilliam cited population growth in both cities and increased calls for service. He noted that while the area remains one of the safest in the state, they need adequate staffing to respond to all types of calls, from criminal matters to animal control and vehicle lockouts.

Board Member Rummler requested that Chief Gwilliam provide data on call volumes, crime rates, and types of calls to help the Board make an informed decision. Chair Hannemann asked about detective staffing and investigations capacity, noting constituent concerns about follow-up on crimes like car theft. Chief Gwilliam explained they currently have two full-time detectives plus a sergeant who also carries a caseload, but the proposed new positions would be for patrol, not investigations.

Board Members also inquired about employee benefits, learning that the district currently covers 100% of employee premiums, though employees have co-pays for services. There was discussion about whether this practice aligns with other municipalities and whether employees should contribute a percentage of their premiums to help control costs, particularly given the recent 12% increase in benefits costs.

c. Fire Department

Fire Chief Patten discussed his budget priorities, which also focused on maintaining competitive compensation that considers the entire benefits package. He explained that last year's budget had approved adding one position to increase staffing to nine, with the expectation that they would evaluate manpower needs this year. Chief Patten noted that mathematically, they would likely need ten positions to reach minimum staffing levels of four per station. He mentioned the possibility of applying for a SAFER grant to fund the tenth position, but noted that grant information availability timing is unpredictable, with the previous year's information becoming available in May.

8. CLOSED MEETING

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

There was no closed meeting.

ADJOURNMENT

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

The meeting adjourned at 8:50 am.

I, Stephannie Cottle, Recorder, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on January 14, 2026. This document constitutes the official minutes for the Lone Peak Public Safety District Board Meeting.

Stephannie Cottle, CMC, UCC
LPPSD Recorder

LPPSD FUND BALANCE

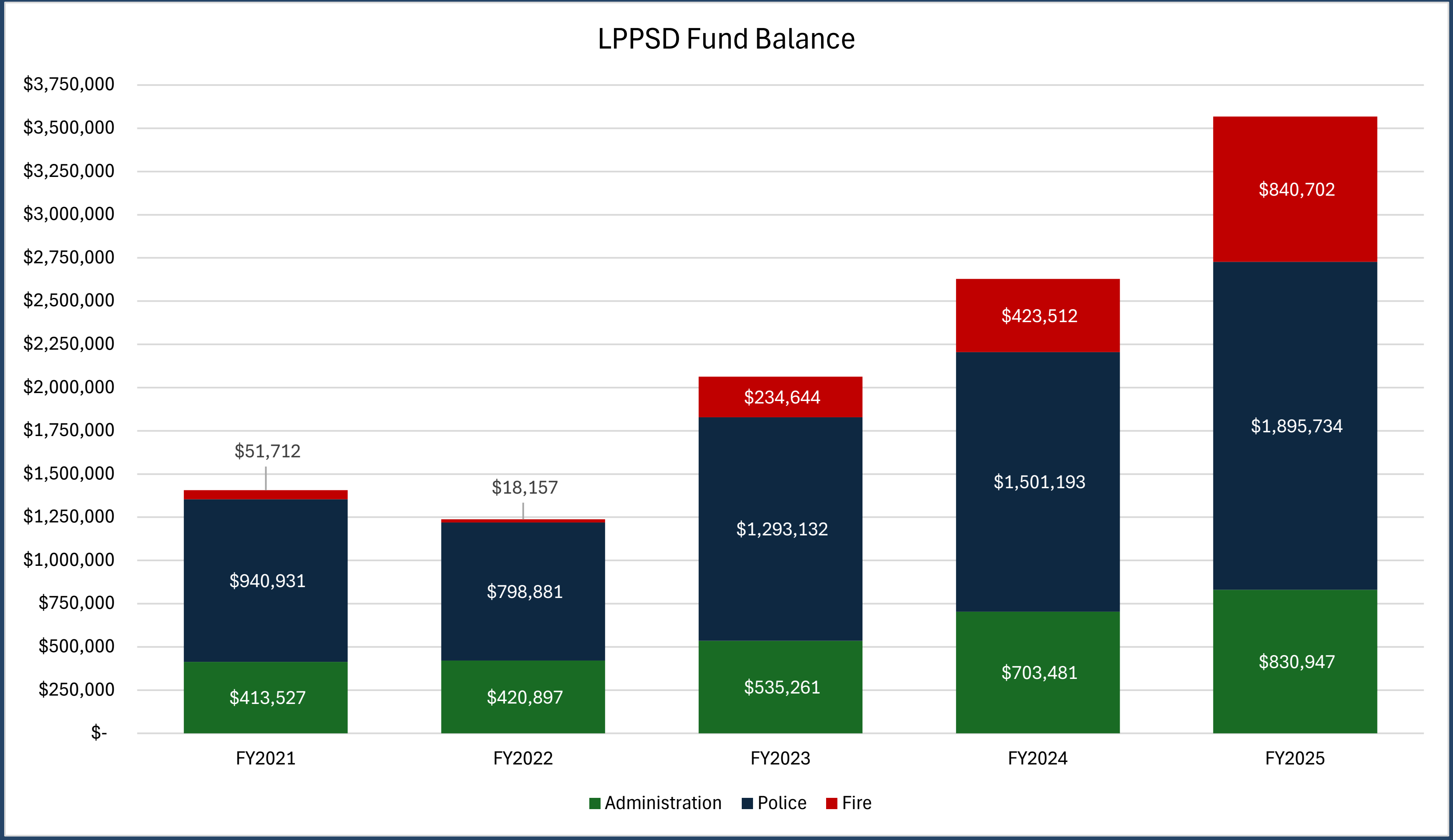
Presented by – David Mortensen, Finance Director

Fiscal Year 2026-2027 Budget Calendar

FY2027 Budget Development Calendar

Lone Peak PSD	
Wednesday, January 14, 2026	FY25 audit presentation
Wednesday, January 14, 2026	Adoption of FY26 mid-year budget adjustments
Wednesday, January 14, 2026	Goal Setting & Budget Prioritization
Wednesday, March 11, 2026	Budget work session – draft budget presentation & distribution
Monday, March 16 – Tuesday, March 24, 2026	Individual briefings with Alpine & Highland Council (Administrators & Finance Director)
Wednesday, April 1, 2026	Public hearing and adoption of FY 2026-2027 tentative budget
Tuesday, April 14 and Tuesday, April 21, 2026	Alpine & Highland City Councils approve Lone Peak tentative budget before the end of April
Wednesday, May 13, 2026	Public hearing and adoption of FY 2026-2027 final budget and FY 2025-2026 final budget amendments; adopt changes to fee schedule

Fund Balance by Dept



Potential Use of Fund Balance

- Fire (Beginning = $840,702)
  - Ambulance - $403,000 – previously approved
  - Brush Truck - $80,000 – previously approved
  - Ladder Equipment - $60,000 – previously approved
  - Engine Equipment - $70,000 – previously approved
  - Admin Trucks - $200,000 – previously approved
  - Pay off Transport - $102,000 – proposed Jan 2026
    - Revenue from sale of Tower = $340,000 added to FY26 fund balance

Potential Use of Fund Balance

- Police (Beginning = $1,895,734)
  - 2025 Vehicle Purchases - $200,000 – previously approved
  - Remaining = $1,695,734
- Administration (Beginning = $830,947)
  - Alpine Gap - $150,000
  - Highland Payout - $300,000
  - Remaining estimated = $380,947