

**Greater Salt Lake Municipal Services District**  
Communication with Those Charged with Governance



Greater Salt Lake Municipal Services District  
Midvale, Utah

June 29, 2021

We have audited the financial statements of the governmental activities of Greater Salt Lake Municipal Services District for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 12, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements was:

Management's estimate of the useful lives of depreciable assets, and applicable depreciation amounts are based on estimated usefulness of the assets in question and the related wear and tear on those assets. We evaluated the key factors and assumptions used to develop these amounts in determining that they are reasonable in relation to the financial statements taken as a whole.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 29, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Utah State Legal Compliance Findings – Current Year**

### **20-1 General Compliance – Budgetary Compliance**

**Finding:** The District is not allowed to incur expenditures by fund of department that are greater than the appropriated final adopted budget. The District was over budget by the following amounts in these funds:

Intergovernmental Salt Lake County Fund	\$ 11,642
Kearns Metro Township	\$ 403,893
Pleasant Green Cemetery Fund	\$ 2,747
White City Metro Township	\$ 17,395

**Recommendation:** It is recommended that the District budget more appropriately.

**District’s Response:** The District will take the necessary steps to ensure compliance.

### **20-2 General Compliance – General Fund Balance in Excess of Amount Allowed**

**Finding:** The District is allowed to maintain an unreserved general fund balance not to exceed the most recently adopted budget. The unreserved general fund balance was \$3,736,370 in excess of the amount allowed.

**Recommendation:** It is recommended that the unreserved general fund balance be brought into compliance with State requirement.

**District’s Response:** The District is aware of the fund balance compliance requirement. The excess in fund balance resulted from uncompleted construction projects at year end. Resources in the general fund are committed to finance the completion of these projects. A capital projects fund was created and accumulated resources committed to complete construction projects will be transferred to the capital project fund.

## **Utah State Legal Compliance Findings – Prior Year**

### **19-1 General Compliance – General Fund Balance in Excess of Amount Allowed**

**Finding:** The District is allowed to maintain an unreserved general fund balance not to exceed the most recently adopted budget. The unreserved general fund balance was \$16,326,334 in excess of the amount allowed.

**Recommendation:** It is recommended that the unreserved general fund balance be brought into compliance with State requirement.

**District's Response:** See current year find 20-1.

#### *Other Matters for Consideration*

This information is intended solely for the use of the administrative control board, management and the Utah State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**Gilbert & Stewart**

GILBERT & STEWART  
*Certified Public Accountants*