

**LONE PEAK PUBLIC SAFETY DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**LONE PEAK PUBLIC SAFETY DISTRICT  
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CERTIFIED PUBLIC  
ACCOUNTANTS

Gary K. Keddington, CPA  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Lone Peak Public Safety District  
Highland, Utah

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities of Lone Peak Public Safety District (the District) as of and for the year ended June 30, 2024, each major fund, the statement of revenues, expenditures, and changes in fund balance – budget and actual – general fund, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the statement of revenues, expenditures, and changes in fund balance – budget and actual – general fund of Lone Peak Public Safety District as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the required supplementary information related to pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*K&C, CPAs*

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

## **LONE PEAK PUBLIC SAFETY DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **Financial Highlights**

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

### **Overview of the Financial Statements**

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

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

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

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

*Governmental funds* are used to account for essentially the same functions reported as *government activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

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

**LONE PEAK PUBLIC SAFETY DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

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

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

**Government-wide Financial Analysis**

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

The District’s net position reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services; consequently, these assets are *not* available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The carrying value of the assets exceeds the debt related to the capital assets.

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

**Governmental Activities**

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

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

**LONE PEAK PUBLIC SAFETY DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

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

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

**Financial Analysis of the Government’s Fund**

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

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

**General Fund Budgetary Highlights**

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

**Debt and Capital Asset Administration**

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

**LONE PEAK PUBLIC SAFETY DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

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

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

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

**Economic Factors and Next Year’s Budget and Rates**

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

**Requests for Information**

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



## **BASIC FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<b>Net change in fund balances - total governmental funds</b>	\$	631,512
<p>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.</p>		
Capital Outlay		474,685
Depreciation		(425,892)
Amortization		(11,880)
<p>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.</p>		
		317,686
<p>In the statement of activities, interest is accrued on outstanding debt, whereas in governmental funds, interest expense is reported when due and paid.</p>		
		2,900
<p>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.</p>		
		(211,403)
<p>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.</p>		
		98,777
<p>The changes in pension-related balances, including net pension liability, net pension asset, deferred 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.</p>		
		317,259
<p>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.</p>		
		19,906
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u><u>1,213,550</u></u></b>

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, 2024**

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

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.

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

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)**

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

Fund Accounting

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Capital Assets

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

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

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

Machinery and Equipment	3 – 40 years
-------------------------	--------------

Compensated Absences

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

Long-term Debt Obligations

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

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

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

**NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)**

Pensions

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

Deferred Outflows/Inflows of Resources

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

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

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

Fund Balances

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

- *Nonspendable* – This component of fund balance includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to remain intact (such as endowments).
- *Restricted* – This component of fund balance includes amounts with restrictions placed on the use either by (a) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or (b) law through constitutional provisions or enabling legislation.
- *Committed* – This is a component of *unrestricted* fund balance and includes amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Board and remain binding unless removed in the same manner.
- *Assigned* – This is a component of *unrestricted* fund balance and includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed, as established by members the Board or members of management.
- *Unassigned* – This is a component of *unrestricted* fund balance and is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned to specific purposes.

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

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

**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 1<sup>st</sup>. 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.

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

**NOTE 2 CASH AND CASH EQUIVALENTS**

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

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

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

The District follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and investment transactions. This law requires the depositing of District funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and that has been certified by the state commissioner of financial institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

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

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

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

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

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

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

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

**NOTE 2 CASH AND CASH EQUIVALENTS (Continued)**

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized costs basis. The income, gains, losses, net of administration fees, of the PTIF are allocated to participants on the ratio of the participants' share to the total funds in the PTIF based on the participants' average daily balance. The PTIF allocates income and issues statements on a monthly basis. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available from the Utah State Treasurer's Office.

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

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

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

**NOTE 3 CAPITAL ASSETS**

The following summarizes the District's capital assets:

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

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

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

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

**NOTE 4 PENSION**

Plan Description

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

**Defined Benefit Plans**

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

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

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

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

Benefits Provided

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

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

**NOTE 4 PENSION (Continued)**

**Summary of Benefits by System**

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

\* Actuarial reductions are applied.

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

**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, 2024, are as follows:



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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

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

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

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

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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

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

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

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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

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

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

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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

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

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

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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

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

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

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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

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

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

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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

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

**NOTE 4 PENSION (Continued)**

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

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

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

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

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

**Discount Rate**

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



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

**NOTE 4 PENSION (Continued)**

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

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

Pension Plan Fiduciary Net Position

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

**Defined Contribution Savings Plans**

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

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

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

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

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

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

**NOTE 5 LONG-TERM DEBT AND COMPENSATED ABSENCES**

Financed Purchases:

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

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

GASB 87 Leases:

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

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

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

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

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

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

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

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

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

**NOTE 6 ECONOMIC DEPENDENCIES**

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

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

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

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

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

**NOTE 7 RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which it carries insurance. Liability, property and casualty, and workman's compensation insurance are all carried by the District through Utah Local Governments Trust. There were no significant reductions in coverage from the prior year, and settlement claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**NOTE 8 PRIOR PERIOD ADJUSTMENT**

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

**General Fund**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

(Schedule continues on next page)

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

As of December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of its covered- employee payroll
<b>Tier 2 Public Employees Retirement System</b>					
2023	0.0014812%	\$ 2,883	\$ 38,295	7.53%	89.58%
2022	0.2221300%	2,419	48,748	4.96%	92.30%
2021	0.0018864%	(798)	34,540	-2.31%	103.80%
2020	0.0000000%	-	-	0.00%	0.0%
2019	0.0000000%	-	-	0.00%	0.0%
2018	0.0000000%	-	-	0.00%	90.80%
2017	0.0007516%	66	7,450	0.89%	97.40%
2016	0.0000000%	-	-	0.00%	0.00%
2015	0.0000000%	-	-	0.00%	0.00%
2014	0.0000000%	-	-	0.00%	0.00%
<b>Tier 2 Public Safety and Firefighters Retirements</b>					
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
<b>Noncontributory System</b>					
2024	\$ 27,842	\$ 27,842	\$ -	\$ 154,936	17.97%
2023	27,603	27,603	-	153,609	17.97%
2022	25,478	25,478	-	145,659	17.49%
2021	44,876	44,876	-	312,180	14.37%
2020	44,723	44,723	-	321,752	13.90%
2019	42,042	42,042	-	305,917	13.74%
2018	40,190	40,190	-	252,492	15.92%
2017	30,719	30,719	-	187,211	16.41%
2016	27,074	27,074	-	164,524	16.46%
2015	29,047	29,047	-	175,042	16.59%
<b>Public Safety System</b>					
2024	\$ 374,269	\$ 374,269	\$ -	\$ 985,697	37.97%
2023	314,277	314,277	-	827,698	37.97%
2022	269,082	269,082	-	690,485	38.97%
2021	264,468	264,468	-	678,644	38.97%
2020	301,007	301,007	-	772,407	38.97%
2019	308,344	308,344	-	791,233	38.97%
2018	319,760	319,760	-	821,161	38.94%
2017	297,087	297,087	-	822,123	36.14%
2016	294,707	294,707	-	828,298	35.58%
2015	310,487	310,487	-	867,484	35.79%
<b>Firefighters System</b>					
2024	\$ 43,016	\$ 43,016	\$ -	\$ 678,490	6.34%
2023	39,242	39,242	-	628,875	6.24%
2022	39,625	39,625	-	547,298	7.24%
2021	34,360	34,360	-	474,583	7.24%
2020	40,616	40,616	-	560,991	7.24%
2019	36,080	36,080	-	498,344	7.24%
2018	27,954	27,954	-	421,187	6.64%
2017	33,872	33,872	-	648,686	5.22%
2016	35,388	35,388	-	693,464	5.10%
2015	30,975	30,975	-	635,938	4.87%
<b>Tier 2 Public Employees System*</b>					
2024	\$ 6,131	\$ 6,131	\$ -	\$ 38,295	16.01%
2023	6,161	6,161	-	38,480	16.01%
2022	10,530	10,530	-	65,527	16.07%
2021	-	-	-	-	0.00%
2020	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2017	1,111	1,111	-	7,450	14.91%
2016	-	-	-	-	0.00%
2015	-	-	-	-	0.00%

(Schedule continues on next page)



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

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

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

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

**NOTE 1 CHANGES OF ASSUMPTIONS**

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

## **SUPPLEMENTAL REPORTS**



CERTIFIED PUBLIC  
ACCOUNTANTS

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

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

Board of Trustees  
Lone Peak Public Safety District  
Highland, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lone Peak Public Safety District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

*K&C, CPAs*

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

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

**Financial Statements**

**2023-01 Financial Close and Reporting (Material Weakness)**

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

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

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

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

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

**Current Status:** The District has resolved this finding.

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



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, 2024.

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

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

***Opinion on Compliance***

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

***Basis for Opinion***

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### ***Report On Internal Control over Compliance***

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

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

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

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

*K&C, CPAs*

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