



UNIFIED FIRE AUTHORITY BOARD FINANCE COMMITTEE AGENDA

Wednesday, November 6, 2019 at 8:00 a.m.

NOTICE IS HEREBY GIVEN THAT THE UNIFIED FIRE AUTHORITY FINANCE COMMITTEE SHALL ASSEMBLE FOR A MEETING AT
3380 South 900 West, Salt Lake City, UT 84119

1. Call to Order - Chair Stewart
2. Public Comments
Please limit comments to three minutes each
3. Minutes Approval - Chair Stewart
 - A. May 7, 2019
4. Review/Approval of Fiscal Year 18/19 Financial Audit – CFO Hill
5. Review proposed exhibit A to the UFA/UFSA Interlocal Agreement for Services for Calendar Year 2020 – CFO Hill
6. New Battalion Chief Vehicles – AC Watson
 - a. Request to appropriate funds from Capital Replacement Fund Balance
7. Possible Closed Session

The Board may consider a motion to enter into Closed Session. A closed meeting described under Utah Code Section 52-4-205 may be held for specific purposes including, but not limited to:

 - a. discussion of the character, professional competence, or physical or mental health of an individual;
 - b. strategy sessions to discuss pending or reasonably imminent litigation;
 - c. strategy sessions to discuss the purchase, exchange, or lease of real property;
 - d. discussion regarding deployment of security personnel, devices, or systems; and
 - e. investigative proceedings regarding allegations of criminal misconduct.

A closed meeting may also be held for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137, and for other lawful purposes that satisfy the pertinent requirements of the Utah Open and Public Meetings Act.

Re-Opening the Meeting
8. Adjournment

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL UFA MEETINGS.

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

CERTIFICATE OF POSTING

The undersigned, does hereby certify that the above agenda notice was posted on this 5th Day of November, 2019 on the UFA bulletin boards, the UFA website www.unifiedfire.org, posted on the Utah State Public Notice website <http://www.utah.gov/pmn/index.html> and was emailed to at least one newspaper of general circulation with the jurisdiction of the public body.

Cyndee Young, UFA Board Clerk



**UNIFIED FIRE AUTHORITY BOARD
FINANCE COMMITTEE MEETING MINUTES**

Tuesday, May 7, 2019 at 8:00 a.m.

Committee Members Present:

- ✓ Councilmember Stewart
- ✓ Councilmember Perry
- ✓ Mayor Silvestrini
- ✓ Mayor Hale
- ✓ Mayor Sondak
- ✓ Mayor Dahle
- ✓ Mayor Peterson

Staff:

- ✓ Chief Petersen
- ✓ CLO Roberts
- ✓ CFO Hill
- ✓ Cyndee Young

Guests:

- ✓ AC Higgs
- ✓ AC Watson
- ✓ AC Ziolkowski
- ✓ Arriann Woolf
- ✓ Beth Farmer
- ✓ Bill Brass
- ✓ Captain Bogenschutz
- ✓ Captain Conn
- ✓ Captain Park
- ✓ Carolynn Keigley, BCC
- ✓ Councilmember Bowen
- ✓ Dan Knopp, BCC
- ✓ Division Chief Ball
- ✓ Kiyoshi Young
- ✓ Lana Burningham
- ✓ Matt McFarland
- ✓ Nyla Benedict
- ✓ Steve Quinn
- ✓ Trent Martin
- ✓ Todd Freeman
- ✓ Division Chief Burchett
- ✓ Division Chief Case
- ✓ Division Chief Mecham
- ✓ Division Chief Rhoades
- ✓ Division Chief Robinson
- ✓ Division Chief Torgersen
- ✓ DOC Easton
- ✓ Fire Marshal Larson
- ✓ Greg Fisher
- ✓ Jenna Malone, BCC
- ✓ Kate Turnbaugh
- ✓ Keith Zuspan, BCC

Meeting called to order by Mayor Dahle at 8:00 a.m.

Public Comments

FF Todd Freeman extended his and all Firefighters appreciation for all the Committee and Board has done to support UFA employees.

Minutes Approval

Mayor Sondak moved to approve the minutes from the April 15, 2019 Finance Committee Meeting as submitted
Mayor Silvestrini seconded the motion
All in favor, none opposed

Review of the FY19/20 Proposed Budget

- ◆ Chief Petersen reviewed the memo regarding the impact to member fees with the various options up for discussion
- ◆ **Division Budget Presentations**
- ◆ Administration – AC Ziolkowski
 - ◆ Noted that the food purchased for the annual Fire School 101 had not been included in his budget, this is UFA's part to help Local 1696 in hosting this event
 - \$2,500 must be added
 - ◆ Human Resources – Arri Woolf
 - All HR related duties
 - ◆ Special Enforcement – Division Chief Ball
 - Bomb, explosives, arson, background investigations for all employees
 - ◆ Information Outreach – DOC Easton
 - Responsible for marketing UFA, social media, media, community event coordinators, station tours
 - ◆ Mayor Dahle asked if there was an "All Administration" budget that recaps all of these individual Divisions within Administration
 - CFO Hill indicated there was not, each Division is their own budget
- ◆ Finance – CFO Hill
 - ◆ Increased interest revenue by \$100,000 due to changes in how we do our sweeping of accounts
 - ◆ Increased our fraud protection as well, found we really weren't protected as well as we could have been
 - ◆ Councilmember Perry asked if any comparisons with other agencies was researched, or only Wells Fargo
 - CFO Hill stated that "no", no other financial institutions were researched, is happy to look into this for the future
 - ◆ Mayor Dahle clarified that the comparisons are beginning budget (18/19) to beginning budget (19/20)
- ◆ Emergency Operations – AC Higgs
 - ◆ Two primary proposed initiatives are affecting the budget directly
 - 9 new Firefighter positions
 - Additional Peak-Load Ambulance in Eagle Mountain
 - Both stations in Eagle Mtn. are 3 person crews, when transport is necessary, that takes one crew out of service
 - The additional ambulance will allow both station crews to stay in service while transport of the patient is made
 - This request will be covered with existing PT budget

- Councilmember Perry asked if any information was obtained to judge the effectiveness of the canyon peak-load ambulances this past season
 - AC Higgs stated that the impact was minimal, since they were put into the canyon late in the season and staffing was a challenge and inconsistent
 - Will run some data and provide more detail in the coming weeks
 - The 9 positions within this budget will allow the addition of 3 more FT ambulances, by this time next year, 6 of the 9 ambulances within the service areas, would be staffed with FT
 - The intent is to finish this conversion the next budget year, resulting in all 9 ambulances having FT personnel
- Mayor Dahle asked if there was any accommodation within the budget for the impending VECC situation
 - There currently is none, we will not yet see the full impact from this, and it is currently unknown how this will affect UFA
 - These fees were moved to the Operations budget, from the IT budget, since the service they provide directly supports Operations
- Councilmember Stewart requested that a comment section accompany any noted changes
- ♦ Special Operations – Division Chief Case
 - Hazmat, Heavy Rescue, Swift h20 Rescue, in addition to regular calls
 - Special Ops will become its own stand-alone budget
- ♦ Fire Training – Division Chief Rhoades
 - Goal of 25,000 training hours, new and existing sworn personnel
 - Same budget
- ♦ EMS – Division Chief Torgersen
 - Support Emergency Operations and delivery of patient care
 - Initial and continued medical training
 - Mayor Peterson inquired about the narcotics program
 - Our licensure allows UFA to distribute narcotics, the ask is for an electronic tracking system, currently it is done with pen and paper
- ♦ Wildland – Division Chief Burchett
 - WL is almost entirely funded with an Enterprise Fund
 - The \$100,000 ask is to cover salaries for both Burchett and an AA
- ♦ Support Services – AC Watson
 - ♦ Logistics – Division Chief Robinson
 - No questions
- ♦ Councilmember Stewart suggested that the asks in the message be displayed in a bulleted list
- ♦ Information Technology – AC Watson
 - Personnel no longer assigned to IT, the percentage reflects the contract with Les Olson and personnel movement
 - Les Olson will be making recommendations to build a stable environment for growth in the future
- ♦ Fire Prevention – Fire Marshal Larson

- Proactive services provided to municipalities to solve problems while helping new construction and development move forward, with the goal of safety for citizens and Firefighters
- ♦ US&R – Division Chief Case
 - Federal disaster response team consisting of approximately 200 members from various agencies, the majority being from UFA
 - Vast majority of funding provided by FEMA
 - Event types: Hurricanes, flood, terrorist, earthquakes
 - Councilmember Stewart, once again, asked for the requests to be bulleted
 - Mayor Sondak asked how frequently we have the opportunity to send the taskforce to earthquake events
 - More often it is a hurricane
 - FEMA uses a rotation matrix
 - Chief Petersen stated that there are many similarities since they encounter building collapse
 - Mayor Dahle asked how much of the cost to oversee UTTF1 is borne by members of UFA
 - The net impact is \$30,000
 - Division Chief Case is working to share this cost with neighboring agencies, to date, WVC contributes \$10,000
 - Will see more contributions from neighboring departments to help offset the costs
- ♦ Emergency Management – Division Chief Mecham
 - SLCo contracts with UFA to provide EM, since it is a county function
 - Fully funded by SLCo
- ♦ Capital Replacement – CFO Hill
 - ♦ Chief Petersen stated that about \$1million will be needed to buffer against a capital spike
 - The intent is to allocate \$1 million in a one year window to get us into the 3 year payment cycle
 - Keeping the General Fund at 8.5%, with this additional balance, the lease payments will be smoothed out
 - 3.5% provides the option to weather a storm one or two years and is within Board Policy to adjust
 - 8.5% was proposed as a comfort number to operate with cash (state requirement is 5%)
 - This will help avoid becoming dependent on one time money or sales of surplus
 - ♦ This is an off year for capital replacement
 - ♦ Asking Board to roll over IT purchases, servers, network devices, etc. \$63,900
 - ♦ Asking for \$250,000 to be appropriated this year for Hazmat Id and upgrade to mobile data computers (Paramedic tablets)
 - ♦ Councilmember Stewart clarified that all monies from lite and heavy fleet apparatus sold will be deposited into the Capital Replacement Plan
 - ♦ Chief Petersen also noted that another item not included in this budget is the AV components for the Board Room; however, we plan to have the final numbers in time for the May Board Meeting for consideration out of this fund
 - ♦ These will not impact the member fee

- ♦ This work will allow people attending the meeting to hear all the speakers and will provide audio and video streaming capability in the Board Room
 - Emergency Management also utilizes this room and would commandeer it in the event of an emergency
 - The percentage of cost covered by UFA and the percentage by EM through the County has yet to be determined
 - CFO Hill stated that there will be some EM work taking place within the building at the same time, that will not impact member fees
- ♦ Member Fee Review – CFO Hill
 - ♦ Member Fee chart has been updated with service demand
 - ♦ This is a 3 year history of service demand to help apportion the member fees between entities when crossing borders

Deliberation – Chair Stewart

- ♦ Chief Petersen mentioned that all Divisions are prepared to demonstrate the value they are and are not giving
 - ♦ The wage memo was presented and reviewed to simplify the conversation
 - ♦ Benefits & Compensation Committee asks the Finance Committee to consider Option 1c
 - ♦ There are also additional positions requested within a few Divisions, Command Staff has prioritized these positions for consideration by the Committee
 - These positions are not included in the base budget
 - UFA is committed to the wage discussion prior to any positions being approved
 - ♦ Councilmember Stewart spoke for the Committee as to their position, that being, they would like to spend the emphasis of time on wage options
 - There was no consideration or review of positions, focus was directed to the wage discussion
 - ♦ Mayor Sondak clarified that the deferred costs displayed are in today's dollars
 - ♦ Mayor Peterson stated that a percentage increase compounds concerns within municipalities, but understands and is supportive of Option 1c
 - ♦ Mayor Sondak was concerned that the wages are banking on the assumption that other fire service salaries are raising to the cost of living, but if we keep the goal of “top 3” we will have to keep adjusting to their movement
 - Chief Petersen stated that if we address the gap, we are starting in a better place right off the top
 - ♦ Mayor Dahle asked if the 10.7% was blended across the board
 - The 10.7% is what the individuals at the top step receive, steps 1-4 receive 2%, 5-8 receive 4.8%, 9-11 receive 7.7%, and 12 receives 10.7%
 - ♦ Longevity and merit are embedded, thereby removing any instability
 - ♦ Mayor Dale also asked what is the point of the 1% longevity
 - Chief Petersen clarified that the longevity is part of the wage package that was used as a comparable and has value to employees who are at the top step
 - All benefits (including longevity) were examined; ours and theirs, in the comparison of wages
 - If the longevity is not included, you will be 1% off of the market, resulting in not reaching your desired goal of “top 3”
 - Chief believes that we should avoid using longevity as a negotiating tool, as it has been in the past

- Local 1696 prefers the option of leaving longevity in the formula, believes this is appealing for the organization
- If you give longevity sporadically, then it cannot be used for wage comparison
- ♦ Mayor Sondak questioned how quickly we want to go to get to the “top 3”, remember
- ♦ Chief Petersen stated that there has been no commitment by the Board for the pace, the decision on pace is in the Boards hands
- ♦ Councilmember Stewart pointed out that this year has been prosperous, the General Fund is good, this is the year to make a move, quick and fast
- ♦ Mayor Peterson noted that some cities are land locked, with limited growth
- ♦ Mayor Sondak is fine with any option, the view from the Local 1696 was that Option 3c was attractive
- ♦ Mayor Dahle supports Option 1c; because this has been a joint effort agency-wide (health insurance costs low, top-level reorganization, support services review, etc.)
 - These things have created a unique opportunity
- ♦ Chief Petersen expressed that UFA would love to see Option 1c, but all personnel appreciates this dialogue and that all the options are being considered
 - Choosing Option 1c this year will reduce the impact next year by 1%
- ♦ Mayor Peterson applauded UFA for the process, the work and all the documentation and will put a placeholder within the CWH budget
- ♦ Mayor Sondak appreciates Chief Petersen’s leadership

Mayor Dahle moved for the Finance Committee to recommend Option 1c to the Board as presented

Mayor Silvestrini seconded the motion

All voted in favor, none opposed

Mayor Sondak moved to approve the Fiscal Year 19/20 Budget as submitted

Mayor Peterson seconded the motion

All voted in favor, none opposed

Mayor Hale moved to adjourn the May 7, 2019 Finance Committee Meeting

Councilmember Perry seconded the motion

All voted in favor, none opposed

Recorded by Board Clerk Cyndee Young

A photograph of a red fire truck parked in a fire station. The truck is facing forward, and its front features are visible, including the grille, headlights, and bumper. The text "UNIFIED FIRE AUTHORITY" is overlaid in large, black, sans-serif capital letters across the upper portion of the truck. Below this, the text "ANNUAL FINANCIAL REPORT" is overlaid in large, red, sans-serif capital letters. Underneath that, the date "June 30, 2019" is overlaid in a smaller, red, sans-serif font. The truck's front bumper has the license plate "SQ0602". The truck's front grille has "ML-11" on the left and "UFA" on the right. The truck's front hood has "E-30" on the right. The truck's front bumper has "UT-1985" on the right. The truck's front grille has "E-30" on the right. The truck's front bumper has "UT-1985" on the right. The truck's front grille has "E-30" on the right. The truck's front bumper has "UT-1985" on the right.

UNIFIED FIRE AUTHORITY

ANNUAL FINANCIAL REPORT

June 30, 2019

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

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KEDDINGTON & CHRISTENSEN, CPAS

CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

Board of Trustees
Unified Fire Authority
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Unified Fire Authority (UFA), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise UFA's basic financial statements, and have issued our report thereon dated October 28, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered UFA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of UFA's internal control. Accordingly, we do not express an opinion on the effectiveness of UFA'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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.

Keddington & Christensen, LLC

Salt Lake City, Utah

October 28, 2019

Draft



MANAGEMENT'S DISCUSSION AND ANALYSIS

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

As management of Unified Fire Authority (UFA), we offer readers of UFA's financial statements this narrative overview and analysis of the financial activities of UFA for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to the financial statements.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

UFA's *government-wide net position* (the amount by which assets and deferred outflows exceeded its liabilities and deferred inflows) as of June 30, 2019 was \$19,839,301. Net position increased \$850,270 in 2019 over the previous year's numbers (see table on page 6).

UFA reported combined ending fund balance for governmental funds of \$17,624,227 as of June 30, 2019 (10% increase compared to \$16,011,987 in 2018). The increase in fund balance is resulted from excess ambulance service revenue, deployment reimbursements, investment income, and proceeds from sale of capital assets as well as effective management of expenses and personnel cost savings (realized due to vacancies and staffing adjustments). The total *spendable fund balance* at June 30, 2019 was \$16,632,999, which represents 22.5% of total fund expenditures. Of the total spendable fund balance, \$10,881,482 is actually available for appropriation and spending (*unassigned fund balance*), \$1,592,690 is assigned for future purchases, \$3,769,355 is committed, and \$389,472 is restricted for capital acquisition. Unassigned fund balance includes \$3,337,395 (5% of fiscal year 2019 general fund revenues) required by the State of Utah to be retained as fund balance, leaving a balance of \$7,544,087 available for appropriation. Total unassigned fund balance in 2019 increased \$312,762 (4.6%). Management believes the current unassigned fund balance to be a good indicator of UFA's positive financial position.

During the fiscal year ending June 30, 2019, UFA station crews responded to 9,292 fire-related calls and 18,537 medical calls, for a total of 27,829 calls (compared to 28,498 total calls in 2018). The average number of calls per station decreased from 1,239 in 2018 to 1,210 in 2019 due to a two percent drop in call volume.

UFA's more than 18,000 medical calls generated 10,310 billable ambulance transports, compared to 10,393 in 2018 (one percent decrease). Actual ambulance call volume during the year resulted in gross billings of \$16.5 million (three percent increase from \$16.1 million in 2018). The slight decrease in transports was offset by an increase in transport base rates. Transport base rates are adjusted annually as allowed by the State of Utah (3% increase compared to prior year). Earned revenues, net of adjustments and allowances, increased two percent to \$7.6 million in the fiscal year ended June 30, 2019. As of year-end, net receivables related to ambulance service were over \$1.6 million.

UFA's Wildland Fund reported wildland fee revenues of over \$2 million as of June 30, 2019 (1.6% decrease from 2018). Wildfire suppression crews worked in Utah, Idaho, Alaska, and California, during the 2019 season. A net loss of \$168,335 was offset by a \$100,000 interfund transfer and \$338,870 capital contribution of capital assets, net of accumulated depreciation and related debt, from the General fund, resulting in an increase in net position of \$270,535 (41%). Camp Williams operations were transferred to the Wildland Fund beginning July 1, 2018, providing nearly \$600,000 of intergovernmental contract services revenue to the fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of UFA's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of UFA's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of UFA is improving or deteriorating. The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement on an accrual basis. Cash flow from such transactions could impact future fiscal periods.

The government-wide financial statements identify functions of UFA that are principally supported by taxes and intergovernmental revenues, as *governmental activities*. Revenues designed to recover all or a significant portion of the activity costs are identified as *business-type activities*. Using resources of 379 field firefighter allocations and operating from 23 stations, UFA provides these governmental activities: fire suppression, fire prevention, training, EMS support, hazmat services, arson/bomb investigations, and emergency management conducted primarily within the UFA service area. The business-type activity of UFA is wildfire suppression that is conducted largely outside UFA's service area on a contract basis with other governmental agencies.

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

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* in the fund financial statements with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

UFA maintains three major governmental funds: the General fund, the Special Revenue fund, and the Fire Capital Projects fund. UFA also maintains the Emergency Services Capital Projects fund, a non-major governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds.

Proprietary funds (also referred to as "enterprise funds") provide the same type of information as the government-wide financial statements, only in more detail. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. UFA currently operates a single enterprise fund for wildland fire suppression services.

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

Required Supplementary Information (RSI): UFA adopts an annual appropriated budget for its funds. Budgetary comparison statements (pages 43-44) have been provided for the general and special revenue funds to demonstrate compliance with the budget. RSI also includes required schedules for other post-employment benefits as well as pension plans (pages 45-48).

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

FINANCIAL ANALYSIS OF UFA AS A WHOLE

Net Position

As noted earlier, net position may serve over time as a useful measurement to assist with understanding the financial position of UFA. As of June 30, 2019, assets and deferred outflows exceeded liabilities and deferred inflows by \$19,839,301 (an increase of \$850,267 over 2018).

Summary of Statement of Net Position For the Fiscal Years Ended June 30,

	Governmental Activities		Business-Type Activities		Total Primary Government		Total \$ Change	Total % Change
	2019	2018	2019	2018	2019	2018		
Assets								
Current and other assets	\$ 21,676,074	\$ 26,939,111	\$ 534,040	\$ 724,460	\$ 22,210,114	\$ 27,663,571	\$ (5,453,457)	-20%
Capital assets	23,541,920	21,938,236	954,042	478,067	24,495,962	22,416,303	2,079,659	9%
Total Assets	45,217,994	48,877,347	1,488,082	1,202,527	46,706,076	50,079,874	(3,373,798)	-7%
Deferred Outflows of Resources	19,848,061	18,913,227	48,695	-	19,896,756	18,913,227	983,529	5%
Liabilities								
Current and other liabilities	3,552,708	3,372,980	150,021	194,705	3,702,729	3,567,685	135,044	4%
Long-term liabilities	36,585,548	21,880,935	442,994	349,358	37,028,542	22,230,293	14,798,249	67%
Total Liabilities	40,138,256	25,253,915	593,015	544,063	40,731,271	25,797,978	14,933,293	58%
Deferred Inflows of Resources	6,017,497	24,206,089	14,763	-	6,032,260	24,206,089	(18,173,829)	-75%
Net Position								
Invested in capital assets, net of related debt	14,665,200	14,340,898	547,017	45,648	15,212,217	14,386,546	825,671	6%
Restricted	991,228	1,080,863	-	-	991,228	1,080,863	(89,635)	-8%
Unrestricted	3,253,874	2,908,809	381,982	612,816	3,635,856	3,521,625	114,231	-3%
Total Net Position	\$ 18,910,302	\$ 18,330,570	\$ 928,999	\$ 658,464	\$ 19,839,301	\$ 18,989,034	\$ 850,267	4%

Current assets increased more than 6% during the fiscal year ended June 30, 2019. Cash increased over \$1.3 million primarily due an increase in unrestricted cash resulting from excess revenues collected and efficient management of expenses. Other current assets increased approximately \$6,000 (receivables increased \$95,766, prepaid increased \$13,625, and inventory decreased \$103,260).

Other assets decreased \$6,815,362 in 2019, resulting a drop in net pension asset reported as part of UFA's implementation of GASB 68. For more information on GASB 68, see Note 7, beginning on page 30.

Capital assets, net of depreciation, increased \$2,079,659 (9%) compared to 2018 because capital additions (\$6,363,199) exceeded depreciation expense (\$4,123,987) and net disposals (\$159,553) during fiscal year 2019. For more information on UFA's capital assets, see note 4 on page 28.

As a result of the implementation of GASB 68, UFA recognizes deferred outflows and inflows of resources related to pensions. Deferred outflows of resources increased from 2018 to 2019 by \$983,530. Deferred inflows of resources related to pensions decreased \$18,173,829 as of June 30, 2019.

Current liabilities at June 30, 2019, increased \$135,044 (4%) compared to balances at June 30, 2018. Total accounts payable increased \$118,500 (12%) and accrued liabilities increased \$16,544 from 2018 to 2019.

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Total long-term liabilities increased from 2018 to 2019 by nearly \$15 million (58%). The majority of this increase is related to UFA's net pension obligation. The net pension liability increased by \$13,302,513 (954%) from 2018 to 2019. Other post-employment benefits (OPEB) liability decreased \$349,789 related to implementation of GASB 75. Compensated absence liability obligations increased \$121,143 (2.5%) over 2018. Capital leases and notes payable increased \$1,724,380 during the fiscal year ending June 30, 2019, due to the issuance of a new capital lease (\$5,231,495) offset by principal payments totaling \$3,507,115. See Notes 5, 6, 7, and 9 for more information regarding pension plans, other post-employment benefits, compensated absences, and capital leases, respectively.

UFA's net investment in capital assets is \$15,212,217, or 77% of total net position. Net investment in capital assets increased \$825,671 (6%) in 2019 due to capital acquisitions purchases and debt payments during the year, offset by depreciation. Although UFA's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position decreased to \$991,228 (8%) from 2018 to 2019. The decrease resulted primarily from a drop in inventory balances. Restricted amounts are related to supplies and equipment inventory (\$918,326) held at UFA's warehouse and funds paid to vendors prior to receipt of good and/or services (\$72,902).

Unrestricted net position may be used to meet UFA's ongoing financial obligations to citizens and creditors. As of June 30, 2019, unrestricted net position was \$3,635,856 (\$114,231 increase compared to 2018). The increase is mainly due to excess revenues from ambulance service, deployment reimbursements and investment income as well as cost savings in personnel and operations resulting from vacancies, staffing adjustments, and effective management of expenses (offset by recognition of GASB 68 activity related to pension liabilities).

Summary of Changes in Net Position For the Fiscal Years Ended June 30,

	Governmental Activities		Business-Type Activities		Total Primary Government		Total % Change
	2019	2018	2019	2018	2019	2018	
Program Revenues							
Charges for services	\$ 68,067,582	\$ 66,665,984	\$ 2,618,639	\$ 2,057,183	\$ 70,686,221	\$ 68,723,167	3%
Grants and contributions	345,327	249,195	1,826	-	347,153	249,195	39%
General Revenues							
Unrestricted net							
investment earnings	462,651	215,269	12,766	5,126	475,417	220,395	116%
Other	2,735,000	777,014	-	2,500	2,735,000	779,514	251%
Member contributions	317,200	450,054	-	-	317,200	450,054	-30%
Total revenues	71,927,760	68,357,516	2,633,231	2,064,809	74,560,991	70,422,325	6%
Program Expenses							
Fire protection services	68,277,884	64,072,701	-	-	68,277,884	64,072,701	7%
Emergency management	2,173,694	1,905,287	-	-	2,173,694	1,905,287	14%
Wildfire protection services	-	-	2,793,922	2,071,555	2,793,922	2,071,555	35%
Interest on long-term debt	354,317	316,074	7,644	7,889	361,961	323,963	12%
Total expenses	70,805,895	66,294,062	2,801,566	2,079,444	73,607,461	68,373,506	8%
Excess (deficiency)							
before transfers	1,121,865	2,063,454	(168,335)	(14,635)	953,530	2,048,819	-53%
Transfers	(438,870)	(92,000)	438,870	92,000	-	-	100%
Change in net assets	682,995	1,971,454	270,535	77,365	953,530	2,048,819	-53%
Net position - beginning	18,330,567	16,133,754	658,464	581,099	18,989,031	16,714,853	14%
accounting principle	-	-	-	-	-	-	100%
Increase in inventory	(103,260)	225,359	-	-	(103,260)	225,359	-146%
Net position - ending	\$ 18,910,302	\$ 18,330,567	\$ 928,999	\$ 658,464	\$ 19,839,301	\$ 18,989,031	4%

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MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

General revenues include all revenues that do not qualify as program revenues, such as investment earnings, gain/loss on sale of capital assets, capital contributions, and other miscellaneous revenues. General revenues increased \$2,077,654 (143%) compared to the previous fiscal year, mainly due to increased nonemployee contributions recognized in connection with GASB 68 reporting (\$290,713 in 2018 compared to \$1.9 million in 2019) and the gain on sales of capital assets (\$285,805 in 2018 compared to \$619,185 in 2018). Investment income also increased in the fiscal year ending June 30, 2019, due to higher rates and a change in how cash was invested (\$255,022 increase in 2019).

Program revenues consist of grants and contributions as well as charges for services. Total combined program revenue in 2019 increased \$2,061,012 (3%) from 2019 to 2018. Charges for services include amounts received from those who purchase, use or directly benefit from or are affected by a program, such as member fees, as well as fees paid for ambulance transport, emergency management, wildland firefighting, etc. Member fees, which account for approximately 74% of UFA's charges for services, rose \$607,398 (1%) as a result of an increase in fees approved by the UFA Board. Reimbursements also increased by \$258,557 from 2018 to 2029, largely due to an intergovernmental reimbursement received for the purchase of communications equipment at UFA's stations (\$867,773) offset by lower reimbursements for EMAC deployments than were received in 2018.

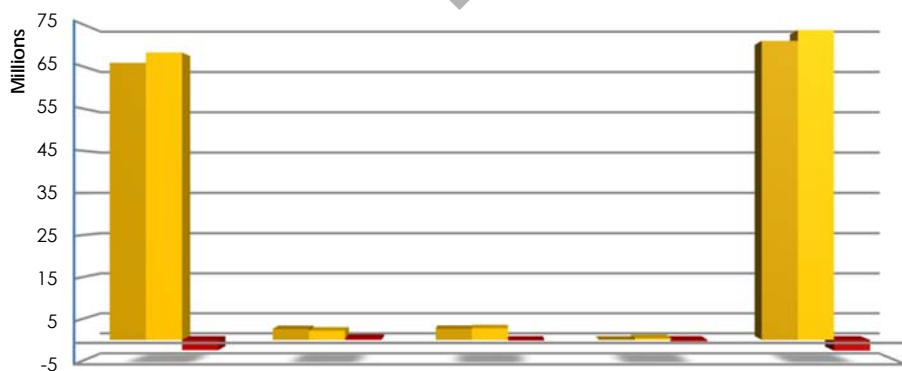
Ambulance service revenues are the second largest source of revenue for UFA (12% of UFA charges for services in 2019) and continue to provide a significant contribution to UFA's budget. The adjacent table shows ambulance activity for the past five years. Ambulance transport fees increased \$641,448 (9%) due to increased base rates set by the State of Utah and ambulance staffing changes during the fiscal year.

	Transports		Collections	
	Annual #	% Change	Annual \$	% Change
6/30/2019	10,310	-1%	\$ 7,648,224	9%
6/30/2018	10,393	-7%	\$ 7,006,776	-17%
6/30/2017	11,194	-2%	\$ 8,398,626	8%
6/30/2016	11,379	2%	\$ 7,775,988	12%
6/30/2015	11,186	1%	\$ 6,959,006	3%

Program expenses increased \$5,233,955 (7.7%) compared to the prior year, due primarily to the net effect of:

- Over \$3.2 million increase in benefit costs related to GASB 68 reporting requirements for pensions
- Reduction of OPEB obligations of nearly \$350,000
- Expenses related to change in compensated absences balances decreased by more than \$160,000
- Net personnel cost increased nearly \$2.2 million due to new full-time allocations including conversion of part-time EMS to full-time firefighters, USAR and EMAC deployments, merit raises and cost of living increase (CPI), rising benefit rates, and increased overtime to maintain minimum staffing levels.
- Depreciation and amortization of capital assets increased more than \$500,000

**Program Expense and Revenue - Governmental Activities
For the Fiscal Year Ended June 30, 2019**



	Fire protection services	Emergency Mgmt	Wildfire protection services	Interest on long-term debt	Total governmental
Revenues	\$65,822,873	\$2,590,036	\$2,620,465	\$-	\$71,033,374
Expenses	\$68,277,884	\$2,173,694	\$2,793,922	\$361,961	\$73,607,461
Net Revenue (Expense)	\$(2,455,011)	\$416,342	\$(173,457)	\$(361,961)	\$(2,574,087)

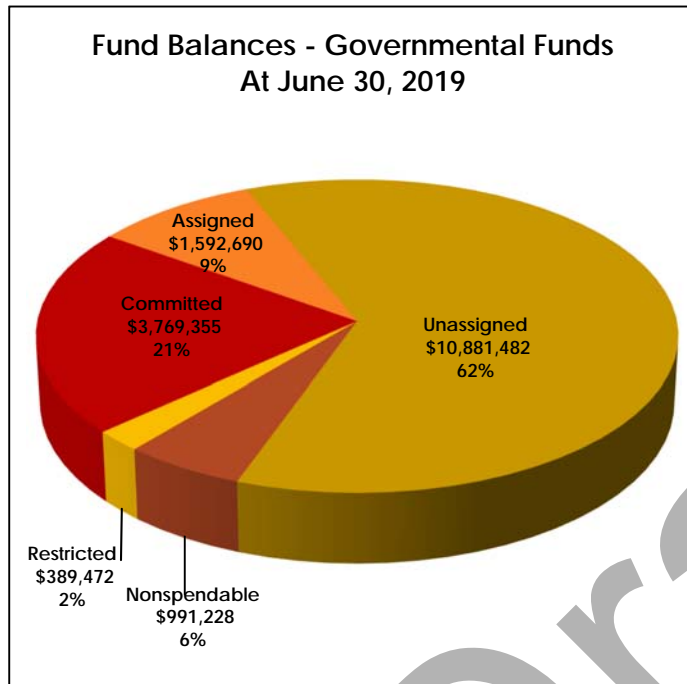
- UFA shifted to UFSA the cost of the Sandy City contract for fire service coverage (approximately \$860,000 in 2018)
- Over \$165,000 decrease of noncapital equipment purchases using capital lease proceeds
- Increase of more than \$180,000 in vehicle maintenance resulting from preventative maintenance delayed in 2018, as well as a change in accounting for accident-related repair costs (offset partially by insurance reimbursement revenue)
- Over \$90,000 new non-personnel costs related to UFA's CCTA grant award

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

FINANCIAL ANALYSIS OF UFA'S FUNDS

Governmental Funds: As of June 30, 2019, the aggregate fund balance of UFA's governmental funds increased \$1,612,240 (10%) to \$17,624,227. The increase is primarily due excess ambulance service fees and deployment reimbursement revenue as well as the sale of capital assets, combined with effective management of expenditures and personnel cost savings through vacancies and creative staffing.



Approximately 62% of the aggregate fund balance, or \$10,881,482, is unassigned and is available for appropriation by the UFA Board. Unassigned fund balance at June 30, 2019, increased \$312,762 (4%) over 2018. Unassigned fund balance includes \$3,337,395 required by the State of Utah to be retained as fund balance (5% of fiscal year 2019 general fund revenues), leaving a balance of \$7,544,087 available for appropriation.

The remaining fund balance is not available for new spending because it has already been obligated:

- \$1,592,690 Assigned:
 - Encumbrances \$221,036
 - Special revenue fund balance \$1,371,654
- \$3,769,355 Committed:
 - Compensated absences \$812,944
 - Retirement contributions \$103,220
 - Capital acquisitions \$2,853,191
- \$389,472 Restricted for capital acquisitions
- \$991,228 Nonspendable
 - Inventory \$918,326
 - Prepaid \$72,902

Business-Type Funds: As of June 30, 2019, UFA's business-type fund net position increased \$270,535 (41%) over 2019. The increase in net position resulted primarily from a capital contribution (\$338,870) from the General Fund of capital assets, net of related debt, offset by a loss from operations (\$175,283) resulting from a late start to the wildfire season. The Wildland program plans to utilize existing net assets for expenses associated with starting up the 2020 wildfire season and reserving funds for vehicle replacement. The program also continues to increase community outreach and education with respect to wildfire mitigation.

GENERAL FUND BUDGETARY HIGHLIGHTS**Significant differences between the original budget and the final budget:**

- \$385,121 decrease in member fees and personnel cost resulting from a reduction in staffing at one member station
- \$208,201 increase in grants and donations, including \$98,701 grants for EMS equipment and training, bomb equipment, and rescue task force (RTF) equipment purchases and a \$100,000 ATF trailer donation
- \$1,539,953 increase in intergovernmental revenues and reimbursements received for communications equipment purchases (\$891,804) and out-of-state deployments. Deployments resulted in revenues for USAR hurricanes (\$293,087) and EMAC wildfire deployments (\$355,062), as well as additional personnel (\$493,703), related operational costs \$22,713, and a transfer to Capital Replacement for future equipment needs of \$131,733
- \$94,500 increase in USAR reimbursements for training backfill and sublease reimbursement exceeding estimates
- \$262,099 increase to appropriated fund balance to make equipment purchases with remaining debt proceeds from 2017 (\$20,455), additional personnel costs for an overtime test and compensated absence payout (\$169,541), additional professional services (\$59,608), and an increase in capital lease payment (\$12,495)
- Reallocation of \$110,287 from capital outlay to operating expenditures for air conditioning retrofits on apparatus, small equipment and supplies not meeting the capitalization threshold, and license renewals needed due to changing requirements from the State of Utah
- Reallocation of \$170,312 from Information Technology (IT) personnel to professional services expenditures to cover vacancies as well as the IT services contract

UNIFIED FIRE AUTHORITY ANNUAL FINANCIAL REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

Significant variations in actual results compared to final budget:

- Ambulance revenues exceeded budget by nearly \$775,000 due primarily to higher transport base rates set by the State of Utah.
- Investment income exceeded budget by more than \$196,000 due to rising PTIF interest rates during the fiscal year as well as a change in how UFA invests its available cash to earn more interest.
- Budget exceeded actual grants and intergovernmental reimbursements primarily due to late payment causing the revenues to be reported as deferred (\$71,013 for EMAC deployment and \$34,353 for SHSP grants).
- Contributions budgeted were unable to be recorded as revenue due to delivery not being taken prior to fiscal year end for \$100,000 ATF equipment donation.
- Staffing vacancies in multiple divisions as well as adjustments made in field operations staffing resulted in actual salaries and benefits expenditures nearly \$1.5 million below budget.
- Management worked to control administrative expenditures resulting in net cost savings in excess of \$103,000
- Operating costs savings over \$560,000 resulted primarily from termination of UCANN service fees previously paid by UFA, delay of facilities maintenance due to vacancies in Facilities, and efficient management of operational needs.
- UFA's capital outlay budget exceeded its actual purchases by nearly \$110,000 primarily due to UFA not being able to take delivery during the fiscal year of equipment donated by ATF.

For detailed budgetary comparison schedules, see the Required Supplementary Information section, beginning on page 43.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: UFA's investment in capital assets at June 30, 2019, was \$24,495,962 (net of \$41,835,395 depreciation). Capital assets increased nearly \$2.1 million (9%) over the prior fiscal year, due to the fact that depreciation (\$4,123,988) and net disposals (\$159,553) outweighed 2019 additions (\$6,363,199).

Capital Assets, Net of Depreciation As of June 30,

	Governmental Activities		Business-Type		Total		Total %
	2019	2018	2019	2018	2019	2018	Change
Building and improvements	\$ 2,715,607	\$ 2,701,883	\$ 2,707	\$ 3,022	\$ 2,718,314	\$ 2,704,905	0%
Computer software & equipment	489,199	676,331	-	-	489,199	676,331	-28%
Construction in progress	2,233,030	1,889,332	-	-	2,233,030	1,889,332	18%
Furniture & equipment	5,123,850	2,881,848	-	-	5,123,850	2,881,848	78%
Land & improvements	553,093	569,965	-	-	553,093	569,965	-3%
Transportation equipment	12,427,141	13,218,879	951,335	475,045	13,378,476	13,693,924	-2%
	<u>\$23,541,920</u>	<u>\$21,938,238</u>	<u>\$ 954,042</u>	<u>\$ 478,067</u>	<u>\$24,495,962</u>	<u>\$22,416,305</u>	9%

Major capital assets for Governmental activities put in service during the year ended June 30, 2019 included:

- Medium and heavy apparatus additions: new equipment of \$2,449,948 and refurbishment of existing equipment of \$34,983
- Light fleet purchased having a total cost of \$555,891
- Communications equipment totaling \$1,121,432
- Medical equipment including Zoll monitors and Stryker ambulance cots totaling \$1,323,043
- Station equipment including thermal imaging cameras (TICs), extrication equipment, fit testing system, and a bomb suit totaling \$601,842

For more information on capital assets and depreciation, see Note 4, on page 28.

Long-term Debt: During the year, UFA made principal and interest payments on long-term debt totaling \$3,507,115. In October 2018, UFA entered into a new master lease agreement with Zions Bank (principal \$5,231,495 at 2.88%) to purchase apparatus, ambulances, light fleet, TICs, stretchers, IT equipment, a bomb suit, monitors, and a building improvement. The lease requires annual principal and interest payments of \$812,495 through 2024. For more information on UFA's long-term debt, see Notes 6 and 10.

MANAGEMENT'S DISCUSSION AND ANALYSIS**June 30, 2019****ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

UFA's economic condition remains strong. UFA is the largest fire department in the State of Utah. The entities that make up UFA have widely developed and diverse economic sectors that continue to show solid growth in taxable sales, construction activity, and household income with a low unemployment rate. As of June 30, 2019, UFA responds from 23 operating stations with 682 employees serving a population of 414,974 in 15 municipalities in Salt Lake County and Utah County.

A complete and updated strategic plan was adopted in November 2017. UFA has adopted six goal statements as part of its strategic plan:

- Establish best practices that ensure UFA is operating effectively and efficiently to both minimize the risks in the community and provide value for our member agencies
- Establish a realistic long-range capital plan to maintain and replace UFA fleet, facilities, and equipment
- Ensure that UFA staff continue to value the importance of being nice, competent, and professional when engaging with the community
- Ensure UFA is providing meaningful communication and interaction with stakeholders to establish partnerships in the reduction of risk and to provide increased opportunities for them to engage in discussions on service delivery
- Ensure personnel are provided a clear picture of what exceptional looks like for their current position and identifies professional growth opportunities to prepare for future positions in the UFA
- Value human capital and ensure the well-being of our personnel.

The budget for fiscal year 2019/2020 has been approved and includes an average increase of 5.61% to each of the entities' member fee. The member fee increase is being used to mainly to close the gap on wages to meet the Board's adopted goal of being in the "top 3" and to hire 9 additional Firefighter positions. UFA continues to work to gain efficiencies in support services.

In December 2015, UFA entered into a seven year lease agreement totaling \$19,600,000 to purchase apparatus, SCBA's, and communication equipment. These purchases were used to replace aging apparatus and equipment. All purchases have been made and are now in service. The 2018/2019 budget also included a 10 year capital replacement plan including a new seven year lease. Highlights of this lease include 2 type 1 engines, 3 type 6 engines, 3 ambulances, 4 BC/DC trucks, 1 mechanic truck, 14 staff vehicles, 45 ZOLL monitors, and 70 thermal imager cameras.

UFA's Finance Committee, Benefits and Compensation Committee, Local 1696 of the International Association of Firefighters and UFA Administration, are continually working on the long-term plan for wages and benefits of UFA employees. This plan will impact budget outcomes in the future. Wages and benefits comprise approximately 82% of the overall general fund budget.

UFA Administration is working closely with its members to develop budgets appropriate to the current economic times. As UFA costs rise, it becomes necessary to assess members' fees. Some members may have limited abilities to meet these rising costs or lack of political will to raise tax revenue to cover such costs. In such situations, it will be necessary to find other ways to meet ongoing costs or reduce programs and service to meet expected levels of revenue. UFA Administration will make appropriate recommendations for cost reductions and revenue enhancements, consistent with the fluctuations and financial pressures on our member entities.

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
Governmental Fund Financial Statements
Proprietary Fund Financial Statements
Notes to Financial Statements

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total 2019
ASSETS			
Cash and cash equivalents	\$ 17,958,598	\$ 450,321	\$ 18,408,919
Restricted cash and cash equivalents	53,259	-	53,259
Receivables	2,672,989	83,719	2,756,708
Inventory	918,326	-	918,326
Prepaid expense	72,902	-	72,902
Capital assets, net of depreciation	23,541,920	954,042	24,495,962
TOTAL ASSETS	45,217,994	1,488,082	46,706,076
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	19,848,061	48,695	19,896,756
LIABILITIES			
Accounts payable	976,929	29,588	1,006,517
Restricted accounts payable	90,815	-	90,815
Accrued liabilities	2,484,964	120,433	2,605,397
Noncurrent liabilities			
Due within one year	4,834,957	132,971	4,967,928
Due in more than one year	17,089,785	274,054	17,363,839
Net pension liability	14,660,806	35,969	14,696,775
TOTAL LIABILITIES	40,138,256	593,015	40,731,271
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	6,017,497	14,763	6,032,260
NET POSITION			
Net investment in capital assets	14,665,200	547,017	15,212,217
Restricted for inventory	918,326	-	918,326
Restricted for prepaid expense	72,902	-	72,902
Unrestricted	3,253,874	381,982	3,635,856
TOTAL NET POSITION	\$ 18,910,302	\$ 928,999	\$ 19,839,301

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

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF ACTIVITIES Year ended June 30, 2019

Functions/Programs	Expenses	PROGRAM REVENUES			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
Fire protection services	\$ 68,277,884	\$ 65,781,252	\$ 41,621	\$ -	\$ (2,455,011)
Emergency management	2,173,694	2,286,330	303,706	-	416,342
Interest on long-term debt	354,317	-	-	-	(354,317)
Total governmental activities	70,805,895	68,067,582	345,327	-	(2,392,986)
BUSINESS-TYPE ACTIVITIES:					
Wildland protection services	2,793,922	2,618,639	1,826	-	(173,457)
Interest on long-term debt	7,644	-	-	-	(7,644)
Total business-type activities	2,801,566	2,618,639	1,826	-	(181,101)
TOTAL PRIMARY GOVERNMENT	\$ 73,607,461	\$ 70,686,221	\$ 347,153	\$ -	\$ (2,574,087)

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total 2019
Changes in net assets:			
Net (expense) revenue	\$ (2,392,986)	\$ (181,101)	\$ (2,574,087)
General Revenues:			
Unrestricted net investment earnings	462,651	12,766	475,417
Miscellaneous	2,020,919	-	2,020,919
Rent	94,896	-	94,896
Gain/(loss) on disposal of capital assets	619,185	-	619,185
Member contributions	317,200	-	317,200
Transfers	(438,870)	438,870	-
Total general revenues	3,075,981	451,636	3,527,617
Changes in net position	682,995	270,535	953,530
Net position - beginning	18,330,567	658,464	18,989,031
Decrease in inventory	(103,260)	-	(103,260)
Net position - ending	\$ 18,910,302	\$ 928,999	\$ 19,839,301

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

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2019

	MAJOR FUNDS				
	General Fund	Special Revenue Fund	Fire Capital Projects Fund	Nonmajor Governmental Fund	Total 2019
CURRENT ASSETS					
Cash & cash equivalents	\$ 13,278,474	\$ 1,448,398	\$ 2,697,673	\$ 107,025	\$ 17,531,570
Restricted cash & cash equivalents	53,259	-	427,028	-	480,287
Receivables	2,116,361	106,202	55,771	-	2,278,334
Related party receivables	338,884	55,771	-	-	394,655
Inventory	918,326	-	-	-	918,326
Prepaid expense	71,214	1,688	-	-	72,902
Due from other funds	5,364	-	-	-	5,364
TOTAL ASSETS	16,781,882	1,612,059	3,180,472	107,025	21,681,438
CURRENT LIABILITIES					
Accounts payable	818,583	148,260	7,278	-	974,121
Restricted accounts payable	-	-	90,815	-	90,815
Related party payable	2,426	382	-	-	2,808
Accrued liabilities	2,262,782	49,291	-	-	2,312,073
Due to other funds	-	5,364	-	-	5,364
TOTAL LIABILITIES	3,083,791	203,297	98,093	-	3,385,181
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	657,699	14,331	-	-	672,030
TOTAL LIABILITIES AND DEFERRED INFLOWS	3,741,490	217,628	98,093	-	4,057,211
FUND BALANCES					
Nonspendable:					
Inventory	918,326	-	-	-	918,326
Prepaid expense	71,214	1,688	-	-	72,902
Spendable:					
Restricted for capital acquisition	53,259	-	336,213	-	389,472
Committed for:					
Compensated absences	812,944	-	-	-	812,944
Retirement contributions	82,131	21,089	-	-	103,220
Capital acquisitions	-	-	2,746,166	107,025	2,853,191
Assigned	221,036	1,371,654	-	-	1,592,690
Unassigned - 5% State requirement	3,337,395	-	-	-	3,337,395
Unassigned	7,544,087	-	-	-	7,544,087
TOTAL FUND BALANCES	13,040,392	1,394,431	3,082,379	107,025	17,624,227
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 16,781,882	\$ 1,612,059	\$ 3,180,472	\$ 107,025	\$ 21,681,438

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

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

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

Year ended June 30, 2019

Total Fund Balances - Governmental Funds \$ 17,624,227

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet. Capital assets consist of the following:

Equipment and improvements	64,414,893	
Accumulated depreciation	<u>(40,872,974)</u>	23,541,919

Some ambulance receivables are not available soon enough to pay for the current period's expenditure, and therefore, are reported as unearned in the governmental funds balance sheet.

672,030

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.

Deferred outflows of resources relating to pensions	19,848,061	
Net pension liability	(14,660,806)	
Deferred inflows of resources relating to pensions	<u>(6,017,497)</u>	(830,242)

Some liabilities are not due and payable in the current year and therefore are not reported in the governmental funds balance sheet. These liabilities consist of the following:

Accrued interest on capital leases	(172,890)	
Capital leases	(12,083,705)	
Related party note payable	(1,894,629)	
Compensated absences	(4,902,689)	
Net OPEB obligation	<u>(3,043,719)</u>	(22,097,632)

Net Position of Governmental Activities \$ 18,910,302

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2019

	MAJOR FUNDS				
	General Fund	Special Revenue Fund	Fire Capital Projects Fund	Nonmajor Governmental Fund	Total 2019
REVENUES					
Member fees	\$ 52,555,107	\$ -	\$ -	\$ -	\$ 52,555,107
Ambulance operations	7,819,934	-	-	-	7,819,934
Fees - Emergency services	-	2,286,330	-	-	2,286,330
Fees - Other	3,441,742	-	-	-	3,441,742
Grants and contributions	41,621	303,706	-	-	345,327
Intergovernmental revenues	289,672	27,528	-	-	317,200
Reimbursements	2,080,408	-	55,771	-	2,136,179
Rent income	94,896	-	-	-	94,896
Investment income	320,416	34,459	107,776	-	462,651
Other income	104,103	2,884	-	-	106,987
TOTAL REVENUES	66,747,899	2,654,907	163,547	-	69,566,353
EXPENDITURES					
Current					
Salaries and benefits	53,503,217	1,112,147	-	-	54,615,364
Operations	7,142,313	925,146	141,148	-	8,208,607
General and administrative	899,369	22,262	1,250	-	922,881
Capital outlay	952,299	438,182	4,876,967	38,024	6,305,472
Debt service	3,708,762	-	-	-	3,708,762
TOTAL EXPENDITURES	66,205,960	2,497,737	5,019,365	38,024	73,761,086
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	541,939	157,170	(4,855,818)	(38,024)	(4,194,733)
OTHER FINANCING SOURCES (USES)					
Proceeds from issuance of long-term debt	-	-	5,231,495	-	5,231,495
Proceeds from sale of assets	-	-	778,738	-	778,738
Transfers in	125,000	-	131,733	40,000	296,733
Transfers out	(231,733)	(165,000)	-	-	(396,733)
Total other financing sources (uses)	(106,733)	(165,000)	6,141,966	40,000	5,910,233
Net change in fund balances	435,206	(7,830)	1,286,148	1,976	1,715,500
Fund balances - beginning	12,708,446	1,402,261	1,796,231	105,049	16,011,987
Decrease in inventory	(103,260)	-	-	-	(103,260)
Fund balances - ending	\$ 13,040,392	\$ 1,394,431	\$ 3,082,379	\$ 107,025	\$ 17,624,227

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

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year ended June 30, 2019

Net Change in Fund Balances - Total Governmental funds \$ 1,715,500
Amounts reported for governmental activities in the Statement of
Activities are different because:

Capital outlays are reported as expenditures in governmental funds.
However, in the Statement of Activities, the cost of capital assets is
allocated over their estimated useful lives as depreciation expense.
In the current year, these amounts were as follows:

Capital outlay	6,305,472	
Depreciation expense	(4,060,963)	
Capital assets transferred out, net of accumulated depreciation	(338,870)	
Disposition of capital assets	<u>(159,553)</u>	1,746,086

Net ambulance revenues in the Statement of Activities that do not
provide current financial resources are not reported as revenues in
the funds. (171,710)

Pension liabilities do not require current financial resources and
therefore are not recorded in governmental funds. (958,479)

The issuance of long-term debt provides current financial resources
to governmental funds, while repayment of the principal of long-
term debt consumes current financial resources to governmental
funds. Neither transaction, however, has any net effect on net
assets.

Issuance of long-term debt	(5,231,495)	
Accrued interest on long-term debt	(67,933)	
Repayment of long-term debt	<u>3,422,378</u>	(1,877,050)

Some expenses reported in the Statement of Activities do not
require the use of current financial resources and therefore are not
reported as expenditures in the funds. These activities consist of the
following:

Decrease in OPEB liabilities	349,789	
Decrease in compensated absences	<u>(121,141)</u>	<u>228,648</u>

Changes in Net Position of Governmental Activities \$ 682,995

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION PROPRIETARY FUND June 30, 2019

	Wildland Enterprise Fund
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 450,321
Receivables	83,719
Current assets	<u>534,040</u>
NONCURRENT ASSETS	
Capital assets, net of depreciation	954,042
TOTAL ASSETS	<u>1,488,082</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>48,695</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	29,588
Accrued liabilities	120,433
NONCURRENT LIABILITIES	
Due within one year	132,971
Due in more than one year	274,054
Net pension liability	35,969
TOTAL LIABILITIES	<u>593,015</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	<u>14,763</u>
NET POSITION	
Net investment in capital assets	547,017
Unrestricted	381,982
TOTAL NET POSITION	<u>\$ 928,999</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND

June 30, 2019

	<u>Wildland Enterprise Fund</u>
OPERATING REVENUES	
Wildland fees	\$ 2,025,159
Intergovernmental contract fees	<u>593,480</u>
	<u>2,618,639</u>
OPERATING EXPENSES	
Salaries and benefits	2,394,157
Operations	331,293
General and administrative	5,448
Depreciation and amortization	<u>63,024</u>
	<u>2,793,922</u>
	TOTAL OPERATING EXPENSES
	<u>(175,283)</u>
	LOSS FROM OPERATIONS
NONOPERATING REVENUE (EXPENSE)	
Donations	1,826
Interest income	12,766
Interest on long-term debt	<u>(7,644)</u>
	<u>(168,335)</u>
Income before contributions and transfers	<u>(168,335)</u>
Capital Contributions	338,870
Transfers in	<u>100,000</u>
CHANGE IN NET POSITION	270,535
NET POSITION - BEGINNING	<u>658,464</u>
NET POSITION - ENDING	<u>\$ 928,999</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS PROPRIETARY FUND June 30, 2019

	<u>Wildland Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,887,899
Payments to vendors	(347,813)
Payments for general and administrative expenses	(5,448)
Payments to employees	(1,684,484)
Employee benefits paid	(735,800)
NET CASH PROVIDED BY OPERATING ACTIVITIES	114,354
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from donors	1,826
Transfers from other fund	100,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	101,826
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for acquisition and construction of capital assets	(57,726)
Principal paid on long-term debt	(84,736)
Interest paid on long-term debt	(7,644)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(150,106)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	12,766
NET DECREASE IN CASH AND CASH EQUIVALENTS	78,840
CASH AND CASH EQUIVALENTS - BEGINNING	371,481
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 450,321</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating income	\$ (175,283)
Adjustments to reconcile operating loss to net cash used by or	
Depreciation and amortization	63,024
(Increase) decrease in assets:	
Accounts receivable	269,260
Increase (decrease) in liabilities:	
Accounts payable	(16,520)
Accrued expenses	(28,164)
Net pension obligations	2,037
Net cash provided by operating activities	<u>\$ 114,354</u>

NONCASH ACTIVITY

Depreciation for the year ended June 30, 2019, was \$63,024.

NOTES TO BASIC FINANCIAL STATEMENTS**June 30, 2019****NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Organization**

Unified Fire Authority (UFA) was formed July 1, 2004. The political subdivision was organized under an interlocal agreement to provide fire and emergency protection services to its members' jurisdictions. UFA is a separate legal entity, with a seventeen member board of elected officials, fourteen of which represent the Unified Fire Service Area and three of which represent member municipalities. Board members serve for a specified term and cannot be removed without cause. However, as the members are unable to impose their will and are not financially accountable for UFA, UFA is not reported as a component unit of the members. As of June 30, 2019, UFA members included Unified Fire Service Area (Eagle Mountain, Herriman, Midvale, Millcreek, Riverton, Taylorsville, Copperton Township, Emigration Canyon Township, Kearns Township, Magna Township, White City Township, and unincorporated areas of Salt Lake County); the cities of Cottonwood Heights and Holladay; and the Town of Alta.

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. UFA considers ambulance revenues to be available if collected within 60 days of the end of the current fiscal period. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is charges to customers for services. Operating expenses for enterprise funds include the cost of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

UFA has presented the following major governmental funds:

- **General Fund** – the general fund is the main operating fund of UFA, used for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from this Fund.
- **Special Revenue Fund** – the special revenue fund is used to account for funds received and expended for the operation of the Emergency Management function for Salt Lake County.
- **Fire Capital Projects Fund** – this fund is a capital projects fund used to account for funds received and expended for capital replacement for the fire protection divisions of Unified Fire Authority.

UFA's nonmajor governmental fund is a capital projects fund used to account for financial resources to be used for capital replacement for the Emergency Management division of UFA.

UFA also reports the following major proprietary fund:

- **Enterprise Fund** – this fund is used to account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered similarly through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. UFA currently operates an enterprise fund for wildland firefighting services that are contracted to other governmental agencies.

Implementation of New GASB Pronouncement

In March 2018, the GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This statement amends Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments; Statement No. 38, Certain Financial Statement Note Disclosures; Interpretation No. 1, Demand Bonds Issued by State and Local Governmental Entities; NCGA Interpretation 6, Notes to the Financial Statements Disclosure; and Implementation Guide No. 2015-1.

Cash and Cash Equivalents

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

Investments

Investments of the Agency are stated at cost, which approximates fair value in accordance with GASB No. 72 Fair Value Measurement and Application.

Accounts Receivable

Accounts receivable are generally comprised of reimbursement for member fees, ambulance services, Urban Search and Rescue (USAR), and Wildland operations, which are expected to be paid by private and government entities. Accounts receivable are stated at the amount management expects to collect from outstanding balances. UFA calculates its allowance for doubtful accounts based on historical collection rates.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

Inventory

Inventory consists principally of items for use within fire stations and ambulances, including: cleaning, kitchen, and medical supplies; motor vehicle parts and supplies; personal protective equipment; and small tools. Inventory is valued at replacement cost.

Capital Assets

Capital assets, which include building, improvements, land, and various types of equipment, are reported in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by UFA as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased assets are recorded at historical cost. Donated assets are recorded at fair market value at the date of gift.

Major additions are capitalized while maintenance and repairs, which do not improve or extend the life of the respected assets, are charged to expense. No depreciation is recognized on construction in progress until the asset is placed in service. UFA does not possess any infrastructure. UFA uses certain vehicles and station facilities which are owned by its members and are not reflected in capital assets.

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

Equipment and furniture	2 – 20 years
Building and improvements	5 – 39 years

Compensated Absences

For governmental funds, amounts of vested or accumulated vacation that are not expected to be liquidated with expendable available resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund statements.

Sick pay amounts are charged to expenditures when incurred. Employees may accumulate sick leave up to 960 hours. Accumulated sick leave exceeding 960 hours at the end of each calendar year is paid to employees, at a rate approved by the UFA Board (60% for 2019). Accumulated sick leave is paid to employees upon retirement, at a rate of 25% of the total accumulated leave. Employees that are terminated for any reasons other than retirement are not paid for accumulated sick leave. The liability for accumulated sick pay amounts is not accrued until an employee becomes eligible for retirement.

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) and additions to/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. 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.

NOTES TO BASIC FINANCIAL STATEMENTS**June 30, 2019****NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Revenues – Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. UFA determines funds to be available of received within 60 days of year end (90 days for intergovernmental revenues).

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

Expenditure Recognition

In governmental funds, expenditures are generally recorded when the related liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures, and proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Risk Management

Unified Fire Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which it carries commercial insurance. UFA also carries commercial workers' compensation insurance. 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.

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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

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

Net Position/Fund Balances

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

- **Net investment in capital assets** – This component of net position consists of UFA'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 net investment in capital assets.
- **Restricted for inventory** – This component of net position consists of net position related to inventory on hand.
- **Restricted for prepaid expense** – This component of net position consists of net position related to funds paid to vendors prior to receipt of goods and/or services.
- **Unrestricted** – This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets". Utah code 10-6-116(4) requires that entities maintain 5% of total general fund revenues as a minimum fund balance. As of June 30, 2019, UFA was required to maintain \$3,345,468 (5% of fiscal year 2019 General fund revenues).

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

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30, 2019:

	Governmental Activities	Business-Type Activities	Total
Unrestricted cash - net of outstanding checks	\$ 1,777,753	\$ -	\$ 1,777,753
Public Treasurer's Investment Fund	15,753,817	450,321	16,204,138
Restricted cash and cash equivalents	480,287	-	480,287
Total cash and cash equivalents	<u>\$ 18,011,857</u>	<u>\$ 450,321</u>	<u>\$ 18,462,178</u>

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds.

UFA follows the requirements of the Utah Money Management Act in handling its depository and investment transactions. The Act requires depositing of UFA's funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)**Deposits**

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the local government's deposits may not be recovered. UFA's deposits are insured up to \$250,000 per institution by the Federal Deposit Insurance Corporation. Deposits above \$250,000 are exposed to credit risk. As of June 30, 2019, UFA's deposits had a bank balance of \$2,013,621, of which \$250,000 is insured and \$1,763,621 is uninsured and uncollateralized. Utah State Law does not require deposits to be insured or collateralized. UFA does not have a formal policy for custodial credit risk.

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for UFA's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

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

The Utah State Treasurer's Office operates the PTIF which is available for investment of funds administered by any Utah public treasurer. The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments.

The entire balance has a maturity of less than one year. The PTIF pool has not been rated. The PTIF is reported as a fiduciary fund by the State of Utah in its Comprehensive Annual Financial Report. A copy of the report may be obtained online at <http://treasurer.utah.gov/investor-information/comprehensive-annual-financial-report-cafr/>.

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized cost basis. The participant's balance is their investment deposited in the PTIF plus their share of income, gains, and losses net of administration fees which is allocated to each participant on the ratio of each participant's share to the total funds in the PTIF. The participant's monthly investment amount is based upon their average daily balance.

At June 30 and December 31 each year, the fair value of the investments is determined to enable participants (public entities having those year ends) to adjust their investments in the pool. As of June 30, 2019, UFA had \$16,204,138 invested in PTIF which had a fair value of \$16,271,026. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. The fair value of the PTIF investments is measured using Level 2 inputs as noted below.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Fair Value of Investments

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

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

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

Custodial Credit Risk for investments is the risk that, in the event of a failure of the counterparty, UFA will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. UFA's policy for limiting the credit risk of investments is to comply with the Money Management Act, as previously discussed. All of UFA's investments at June 30, 2019, were with the PTIF and therefore are unrated and are not categorized as to custodial credit risk.

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

NOTE 3 - RECEIVABLES

Accounts receivable as of June 30, 2019, consist of the following:

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Activities	Wildland Enterprise Fund
Accounts receivable					
Due from other governments	\$ 389,891	\$ -	\$ -	\$ 389,891	\$ 83,719
Ambulance services	4,569,084	-	-	4,569,084	-
Accrued revenues	21,115	-	-	21,115	-
Related party receivable	338,884	-	55,771	394,655	-
Miscellaneous	16,255	-	-	16,255	-
Total accounts receivable	5,335,229	-	55,771	5,391,000	83,719
Grants receivable	66,485	161,973	-	228,458	-
Allowance for uncollectible accounts	(2,946,469)	-	-	(2,946,469)	-
Total Receivables	<u>\$2,455,245</u>	<u>\$161,973</u>	<u>\$55,771</u>	<u>\$ 2,672,989</u>	<u>\$ 83,719</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 4 - CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2019 are as follows:

	July 1, 2018	Additions/ Transfers In	Disposals/ Transfers Out	June 30, 2019
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ 1,889,332	\$ 2,051,530	\$ (1,707,832)	\$ 2,233,030
Land	416,277	-	-	416,277
Total capital assets not being depreciated	2,305,609	2,051,530	(1,707,832)	2,649,307
Capital assets being depreciated:				
Building and improvements	3,449,834	116,103	-	3,565,937
Computer software and equipment	2,924,150	19,440	-	2,943,590
Furniture and equipment	6,952,955	3,056,358	(1,092,667)	8,916,646
Land improvements	294,250	-	-	294,250
Transportation equipment	47,664,376	2,693,537	(4,312,748)	46,045,165
Total capital assets being depreciated	61,285,565	5,885,438	(5,405,415)	61,765,588
Less accumulated depreciation for:				
Building and improvements	(747,951)	(102,379)	-	(850,330)
Computer software and equipment	(2,247,819)	(206,572)	-	(2,454,391)
Furniture and equipment	(4,071,107)	(743,782)	1,022,093	(3,792,796)
Land improvements	(140,562)	(16,872)	-	(157,434)
Transportation equipment	(34,445,497)	(2,991,359)	3,818,832	(33,618,024)
Total accumulated depreciation	(41,652,936)	(4,060,964)	4,840,925	(40,872,975)
Total capital assets being depreciated, net	19,632,629	1,824,474	(564,490)	20,892,613
Total capital assets, net	\$ 21,938,238	\$ 3,876,004	\$ (2,272,322)	\$ 23,541,920
Business-Type activities:				
Capital assets being depreciated:				
Building and improvements	3,152	-	-	3,152
Computer software and equipment	6,694	-	-	6,694
Furniture and equipment	17,000	-	-	17,000
Transportation equipment	701,198	1,188,418	-	1,889,616
Total assets being depreciated	728,044	1,188,418	-	1,916,462
Less accumulated depreciation for:				
Building and improvements	(130)	(315)	-	(445)
Computer software and equipment	(6,694)	-	-	(6,694)
Furniture and equipment	(17,000)	-	-	(17,000)
Transportation equipment	(226,153)	(712,128)	-	(938,281)
Total accumulated depreciation	(249,977)	(712,443)	-	(962,420)
Total capital assets, net	\$ 478,067	\$ 475,975	\$ -	\$ 954,042

Depreciation and amortization charged for the year ended June 30, 2019:

	Governmental Activities	Business-Type Activities
Fire protection services	\$ 3,947,133	\$ -
Emergency services	113,831	-
Wildland services	-	63,024
	<u>\$ 4,060,964</u>	<u>\$ 63,024</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 5 - COMPENSATED ABSENCES

The changes in compensated absences for the year ended June 30, 2019, are as follows:

	<u>Beginning</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending</u>
Vacation	\$ 4,342,526	\$ 2,864,805	\$ (2,757,656)	\$ 4,449,675
Sick leave	439,020	1,451,820	(1,437,826)	453,014
Total compensated absences				
(including \$1,627,272 classified as current)	<u>\$ 4,781,546</u>	<u>\$ 4,316,625</u>	<u>\$ (4,195,482)</u>	<u>\$ 4,902,689</u>

NOTE 6 - CAPITAL LEASES

The following is a summary of transactions affecting capital lease obligations for the fiscal year ended June 30, 2019:

	<u>Beginning</u>	<u>Increases</u>	<u>(Decreases)</u>	<u>Ending</u>
Governmental	\$ 10,307,110	\$ 5,089,092	\$ (3,312,497)	\$ 12,083,705
Business-Type	349,358	142,403	(84,737)	407,024
Total Capital Lease Obligations	<u>\$ 10,656,468</u>	<u>\$ 5,231,495</u>	<u>\$ (3,397,234)</u>	<u>\$ 12,490,729</u>

UFA's outstanding capital leases from direct borrowings contain a provision that in event of default, outstanding amounts become immediately due if UFA is unable to make payment. Under the terms of all leases, UFA will gain ownership at the time of its last lease payment. Principal remaining at June 30, 2019 is:

	<u>Governmental</u>	<u>Business-Type</u>
Capital lease collateralized by SCBA equipment, communications equipment, multiple fire apparatus, and ambulances; bearing interest at 2.02% with annual principal and interest payments of \$2,800,000 through December 2021	\$ 7,664,705	\$ 407,024
Capital lease collateralized by a bomb suit, medical equipment, thermal imaging cameras, stretchers, light fleet and apparatus, IT equipment, and a building improvement, bearing interest at 2.88% with annual principal and interest payments of \$812,495 through October 2024	\$ 4,419,000	\$ -
	<u>\$ 12,083,705</u>	<u>\$ 407,024</u>

As of June 30, 2019, assets recorded under the outstanding leases are: transportation equipment and information technology/communications equipment having original cost of \$18,532,227, with \$3,596,927 of accumulated amortization. Amortization, included with depreciation on the financial statements, was \$1,955,587 for the year ended June 30, 2019. Interest on capital leases charged to expense for the year ended June 30, 2019 was \$283,193. The following is a schedule by years of future minimum payments required under the leases together with their present value as of June 30, 2019:

	<u>Governmental</u>			<u>Business-Type</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	3,189,208	282,094	3,471,302	132,970	8,222	141,192
2021	3,259,523	211,779	3,471,302	135,656	5,536	141,192
2022	3,331,428	139,875	3,471,303	138,397	2,795	141,192
2023	746,153	66,342	812,495	-	-	-
2024	767,642	44,853	812,495	-	-	-
2025	789,750	22,745	812,495	-	-	-
Total minimum lease payments	<u>\$ 12,083,704</u>	<u>\$ 767,688</u>	<u>12,851,392</u>	<u>\$ 407,023</u>	<u>\$ 16,553</u>	<u>423,576</u>
Less amount representing interest			<u>(767,688)</u>			<u>(16,553)</u>
Present value of minimum lease payments						
(including \$3,322,178 classified as current)			<u>\$ 12,083,704</u>			<u>\$ 407,023</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (the Systems). The Systems are comprised of the following defined benefit pension trust funds:

- Multiple-employer cost-sharing public employee retirement systems:
- Public Employees Noncontributory Retirement System (Noncontributory System)
- Firefighters Retirement System (Firefighters System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System)
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System)
- Public Safety Retirement System (Public Safety System)

The Tier 2 Public Employees System became effective July 1, 2011. Beginning on or after July 1, 2011, all eligible employees 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 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 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

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

System	Final Average Salary	Year of service required and/or age eligible for benefit	Benefit % 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 age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* With actuarial reductions

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

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Contributions

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 URS 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, 2019, are as follows:

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System				
Local Governmental Division Tier 2	N/A	N/A	15.54%	1.15%
Noncontributory System				
Local Governmental Division Tier 1	N/A	N/A	18.47%	N/A
Public Safety Retirement System				
Tier 2 DB Hybrid Public Safety	N/A	N/A	24.25%	0.74%
Other Division A Noncontributory Tier 1	N/A	N/A	35.71%	N/A
Firefighters System				
Division B Tier 1	N/A	16.71%	7.24%	N/A
Tier 2 DB Hybrid Firefighters	N/A	N/A	11.34%	0.74%
Tier 2 DC Only				
Local Government	N/A	N/A	6.69%	10.00%
Public Safety	N/A	N/A	12.99%	12.00%
Firefighters	N/A	N/A	0.08%	12.00%

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

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 System. For the fiscal year ended June 30, 2019, the employer and employee contributions to the Systems were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	\$ 448,531	N/A
Public Safety System	58,788	-
Firefighters System	5,903,572	-
Tier 2 Public Employees System	117,121	-
Tier 2 Public Safety & Firefighter System	337,188	-
Tier 2 DC Only System	18,348	N/A
Tier 2 DC Public Safety and Firefighter System	560	N/A
	<u>\$ 6,884,108</u>	<u>\$ -</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

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

At June 30, 2019, we reported a net pension asset of \$0 and a net pension liability of \$14,696,775.

	12/31/2018 Measurement Date			Proportionate Share	
	Net Pension Asset	Net Pension Liability	Proportionate Share	12/31/2017	Change
Noncontributory System	\$ -	\$ 2,185,337	0.296771%	0.281594%	0.015177%
Public Safety System	-	265,843	0.103337%	0.099592%	0.003745%
Firefighters System	-	12,176,773	30.129190%	30.262730%	-0.133540%
Tier 2 Public Employees System	-	23,921	0.055854%	0.048644%	0.007210%
Tier 2 Public Safety & Firefighter System	-	44,901	1.792058%	2.278416%	-0.486358%
Total Net Pension Asset/Liability	\$ -	\$ 14,696,775			

The net pension asset and liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2018 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, 2019, we recognized pension expense of \$3,723,094.

At June 30, 2019, 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	\$ 48,906	\$ 4,732,505
Changes in assumptions	8,389,961	1,284,148
Net difference between projected and actual earnings on pension plan investments	9,880,864	-
Change in proportion and differences between contributions and proportionate share of contributions	177,891	15,607
Contributions subsequent to the measurement date	1,399,134	-
	<u>\$ 19,896,756</u>	<u>\$ 6,032,260</u>

Deferred outflows of resources related to pensions (\$1,399,134) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. 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,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 3,743,019
2020	861,603
2021	2,646,390
2022	5,147,893
2023	(11,502)
Thereafter	77,959

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2019, we recognized pension expense of \$659,086. At June 30, 2019, 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	\$ 28,106	\$ 40,759
Changes in assumptions	292,751	-
Net difference between projected and actual earnings on pension plan investments	454,744	-
Change in proportion and differences between contributions and proportionate share of contributions	99,902	5,105
Contributions subsequent to the measurement date	216,530	-
	<u>\$ 1,092,033</u>	<u>\$ 45,864</u>

Deferred outflows of resources related to pensions (\$216,530) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. 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,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 372,967
2020	170,601
2021	70,613
2022	215,459
2023	-
Thereafter	-

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

For the year ended June 30, 2019, we recognized pension expense of \$87,352. At June 30, 2019, 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	\$ -	\$ 12,652
Changes in assumptions	30,558	-
Net difference between projected and actual earnings on pension plan investments	45,876	-
Change in proportion and differences between contributions and proportionate share of contributions	7,039	-
Contributions subsequent to the measurement date	30,757	-
	<u>\$ 114,230</u>	<u>\$ 12,652</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

Deferred outflows of resources related to pensions (\$30,757) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. 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,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 36,463
2020	7,046
2021	5,535
2022	21,777
2023	-
Thereafter	-

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

For the year ended June 30, 2019, we recognized pension expense of \$2,651,764. At June 30, 2019, 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	\$ -	\$ 4,674,091
Changes in assumptions	8,017,937	1,282,071
Net difference between projected and actual earnings on pension plan investments	9,340,808	-
Change in proportion and differences between contributions and proportionate share of contributions	18,781	10,503
Contributions subsequent to the measurement date	887,053	-
	<u>\$ 18,264,579</u>	<u>\$ 5,966,665</u>

Deferred outflows of resources related to pensions (\$887,053) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. 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,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 3,316,465
2020	670,027
2021	2,555,409
2022	4,887,792
2023	(18,831)
Thereafter	-

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2019, we recognized pension expense of \$61,833. At June 30, 2019, 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	\$ 168	\$ 4,944
Changes in assumptions	5,996	430
Net difference between projected and actual earnings on pension plan investments	7,790	-
Change in proportion and differences between contributions and proportionate share of contributions	7,462	-
Contributions subsequent to the measurement date	71,875	-
	<u>\$ 93,291</u>	<u>\$ 5,374</u>

Deferred outflows of resources related to pensions (\$71,875) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. 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,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 2,714
2020	1,979
2021	2,167
2022	3,817
2023	722
Thereafter	4,643

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2019, we recognized pension expense of \$263,059. At June 30, 2019, 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	\$ 20,632	\$ 59
Changes in assumptions	42,719	1,647
Net difference between projected and actual earnings on pension plan investments	31,646	-
Change in proportion and differences between contributions and proportionate share of contributions	44,705	-
Contributions subsequent to the measurement date	192,920	-
	<u>\$ 332,622</u>	<u>\$ 1,706</u>

Deferred outflows of resources related to pensions (\$192,920) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2018. 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,	Net Deferred Outflows/ (Inflows) of Resources
2019	\$ 14,410
2020	11,951
2021	12,666
2022	19,048
2023	6,607
Thereafter	73,316

Actuarial Assumptions

The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary	3.25 – 9.75%, average, including inflation
Investment rate of return	6.95%, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 7 - PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. 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:

Asset Class	Target	Real Return	Long-term
Equity securities	40 %	6.15 %	2.46 %
Debt securities	20 %	0.40 %	0.08 %
Real assets	15 %	5.75 %	0.86 %
Private equity	9 %	9.95 %	0.89 %
Absolute return	16 %	2.85 %	0.46 %
Cash and cash equiv	- %	- %	- %
Totals	100 %		4.75 %
Inflation			2.50 %
Expected arithmetic nom			7.25 %

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.5%, a real return of 4.45% that is net of investment expense.

Discount rate

The discount rate used to measure the total pension liability was 6.95%. 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. The discount rate remained unchanged at 6.95%.

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 6.95%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.95 %) or one percentage point higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 4,478,761	\$ 2,185,337	\$ 275,520
Public Safety System	521,100	265,843	58,631
Firefighters System	54,796,744	12,176,773	(22,877,161)
Tier 2 Public Employees System	95,833	23,921	(31,577)
Tier 2 Public Safety and Firefighters	338,671	44,901	(179,906)
Total	\$ 60,231,109	\$ 14,696,775	\$ (22,754,493)

Pension Plan Fiduciary Net Position

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

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - DEFINED CONTRIBUTION SAVINGS PLAN

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.

UFA participates in the following Defined Contribution Savings Plans with URS: 401(k), 457(b), Roth IRA, and Traditional IRA plans. Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans were as follows for the fiscal years ended June 30:

	2019	2018	2017
Employer contributions - 401(k)	\$ 538,501	\$ 340,106	\$ 303,922
Employee contributions - 401(k)	345,410	387,559	383,631
Employer contributions - 457	-	-	-
Employee contributions - 457	1,844,245	1,719,026	1,582,449
Employer contributions - Roth IRA	N/A	N/A	N/A
Employee contributions - Roth IRA	288,570	221,900	194,109
Employer contributions - Traditional IRA	N/A	N/A	N/A
Employee contributions - Traditional IRA	600	725	150

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

Unified Fire Authority provides post-employment health and dental benefits, through a single employer defined benefit plan, to employees who retire from UFA and qualify to retire from the Utah Retirement Systems. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Premiums are shared by the retiring eligible employee and UFA. As of June 30, 2019, UFA paid up to 80% of the retiree's health care and dental premiums through SelectHealth and Public Employees Health Program, respectively, on a pay-as-you-go basis. The remainder is paid by the retiree. The benefits, employee and UFA contributions are governed by UFA policy and can be amended at any time. During the year ending June 30, 2019, UFA paid retiree health care and dental premiums of \$149,122.

Employees Covered by Benefit Terms

Effective November 20, 2012, the Board approved the dissolution of the Unified Fire Authority Retiree Healthcare Plan. The resolution adopted eliminates the Post-Retirement Insurance Premium for anyone retiring after December 31, 2013. In addition, no member retiring after June 15, 2012 is eligible for a subsidized Medicare Supplement. This plan change eliminated a large portion of the active member liabilities for post-retirement healthcare.

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	46
Inactive employees entitle to but not yet receiving benefit	-
Active employees	-
Total Plan Members	<u>46</u>

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

UFA's total OPEB liability of \$3,043,719 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	No explicit inflation assumption used
Salary increases	Not applicable, all members are inactive
Discount rate	3.13%
Healthcare cost trend rates	Initial rate of 3.50% followed by 7.10%, declining to an ultimate rate of 4.25% after
Retirees' share of benefit-related costs	20% of projected health insurance premiums for retirees

The discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date.

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA from 2000.

The actuarial assumptions used in the June 30, 2019, valuation were based on assumptions developed for the Utah Retirement System (URS) in which UFA participates.

Changes in the Total OPEB Liability

Balance at 6/30/2018	\$ 3,393,508
Changes for the year:	
Service cost	-
Interest	117,145
Changes of benefit terms	-
Difference between expected and actual experience	(374,557)
Changes in assumptions or other inputs	222,522
Benefit payments	(314,899)
Net changes	(349,789)
Balance at 6/30/2019	<u>\$ 3,043,719</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.62% in 2018 to 3.13% in 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of UFA, as well as what UFA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	1% Decrease 2.13%	Discount Rate 3.13%	1% Increase 4.13%
Total OPEB liability	\$ 3,373,068	\$ 3,043,719	\$ 2,767,337

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of UFA, as well as what UFA's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-lower or 1-percentage-point higher than the current healthcare cost trend rates:

		Healthcare Cost Trend	
	1% Decrease	Rates	1% Increase
Total OPEB liability	\$ 2,779,163	\$ 3,043,719	\$ 3,352,203

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, UFA recognized negative OPEB expense of \$260,723. At June 30, 2019, UFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
	\$ -	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

	Net Deferred Outflows/ (Inflows)
2019	\$ -
2020	-
2021	-
2022	-
2023	-
Thereafter	-
Total	\$ -

NOTE 10 - RELATED PARTY TRANSACTIONS

Unified Fire Service Area (UFSA)

Unified Fire Authority received operating fees from its members in the amount of \$52,555,107 during the fiscal year ending June 30, 2019, which represents approximately 75.4% of total UFA governmental revenues. Of these fees, \$46,266,842 was received from the UFSA, which represents approximately 88% of total member fees for the fiscal year. UFSA also paid UFA \$289,672 and \$104 for financial management and administrative services and reimbursements, respectively, during the fiscal year ended June 30, 2019. As of June 30, 2019, UFA's accounts receivable included \$15,333 due from UFSA for reimbursements.

In February 2012, UFA entered into an interlocal agreement with UFSA to finance the purchase of a warehouse in West Jordan, Utah. UFSA loaned \$2.5 million to UFA for purchase of the building. The remaining funds (\$1 million) for purchase, relocation, and renovation were provided by UFA. The agreement requires UFA to pay 228 monthly payments of \$15,672. Upon commencement of payments in June 2013, the agreement bears 4% interest. UFA paid \$105,579 principal and \$82,482 interest to UFSA during the fiscal year ended June 30, 2019.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 - RELATED PARTY TRANSACTIONS (CONTINUED)

The following is a schedule by years of future minimum payments required under the agreement as of June 30, 2019:

2020	\$ 114,357
2021	119,017
2022	123,865
2023	128,912
2024	134,164
2025-2029	757,403
2030-2032	516,911
	<u>\$ 1,894,629</u>

Salt Lake County (the County)

UFA received operating fees restricted for emergency services from the County totaling \$2,286,330, as well as \$3,175,713 to provide fire protection to the Canyon Recreational areas for the year ended June 30, 2019. Unified Fire Authority operates under a cooperative agreement with the County for telephone services and maintenance of buildings. UFA paid the County for telephone services, building maintenance, and improvements totaling \$49,185 as well as miscellaneous reimbursements of \$2,011 in fiscal year 2019. UFA's accounts payable at June 30, 2019 included \$382 due to the County.

The interlocal agreement organizing Unified Fire Authority provides for a sublease of the Emergency Operations Center from the County effective July 1, 2004. Payments required under the lease consist of UFA's proportion (based on usage of facility square footage) of 9% of the total bond payment due by the County for the Salt Lake County Municipal Building Authority Revenue Bonds, Series 1999. Beginning in January 2010, the County reduced UFA's lease payments. Payments for the year ended June 30, 2019 under the lease totaled \$146,669. Future minimum noncancelable lease payments under the interlocal agreement are as follows:

2020	\$ 163,836
2021	82,088
	<u>\$ 245,924</u>

Salt Lake Urban Search and Rescue (USAR)

UFA is the sponsoring agency for the Salt Lake Urban Search and Rescue (USAR) task force, a non-profit corporation. USAR is one of 28 State and local emergency management task forces designated by the Federal Emergency Management Agency (FEMA) as members of the National Urban Search and Rescue (US&R) Response System. Salt Lake City and Park City also participate in the task force. USAR's Board of Directors consists of four members: two from UFA and two from Salt Lake City.

As sponsoring agency, UFA entered into an agreement with FEMA requiring training and maintenance of a task force for emergency response in accordance with FEMA standards. USAR and UFA entered into a reimbursement agreement for USAR's share of various costs, such as: warehouse storage, office space, office equipment, and utilities. USAR leases approximately 19,000 square feet of warehouse and office space in UFA's new warehouse facility. As of June 30, 2019, future minimum lease receipts under the agreement are \$94,896 for the fiscal year. During the fiscal year ended June 30, 2019, USAR reimbursed UFA for lease-related reimbursements including utilities, improvements, maintenance, equipment costs and miscellaneous purchases (\$24,259).

USAR's staffing and daily management is primarily provided by UFA employees. During the fiscal year ended June 30, 2019, USAR reimbursed \$481,517 to UFA for salaries and benefits related to daily operations of the task force. Additionally, USAR reimbursed for training and deployment personnel costs of \$266,552.

In January 2019, UFA purchased two trucks on behalf of USAR as part of its vehicle replacement (aggregate cost \$90,375). Two vehicles owned by USAR were subsequently sold by UFA, yielding net proceeds of \$34,601 to offset the earlier purchase. The remaining amount due to UFA was \$55,771. Other rent and reimbursements included in accounts receivable due by USAR to UFA at June 30, 2019, were \$305,820.

UNIFIED FIRE AUTHORITY BASIC FINANCIAL STATEMENTS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 11 - TRANSACTIONS BETWEEN FUNDS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations in the fund financial statements, but are generally excluded from the government-wide financial statements. Interfund transfers are listed below for the year ended June 30, 2019:

Transfers In	Transfers Out		
	General Fund	Special Revenue Fund	Total
General Fund	\$ -	\$ 125,000	\$ 125,000
Fire Capital Projects Fund	131,733	-	131,733
Emergency Services Capital Projects Fund	-	40,000	40,000
Proprietary Fund	100,000	-	100,000
Total	<u>\$ 231,733</u>	<u>\$ 165,000</u>	<u>\$ 396,733</u>

In June 2019, the UFA Board approved a transfer of assets from the General Fund to the Wildland Enterprise fund. Total cost and accumulated depreciation for the transportation equipment as of June 30, 2019, was \$1,130,692 and \$649,419, respectively. One asset transferred carries outstanding debt totaling \$142,403, which was transferred to the Wildland Enterprise fund. The net effect of the transfer resulted in a capital contribution from the General Fund of \$338,870.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Purchase orders (encumbrances) as of June 30, 2019, for items ordered but not received during the fiscal year are as follows:

Year-end Encumbrances	Governmental Activities	Business-Type Activities
General Fund	\$ 273,436	\$ -
Wildland Enterprise Fund	-	6,379
Special Revenue Fund	116,970	-
Fire Capital Projects Fund	583,849	-
Emergency Management Capital Projects Fund	27,589	-
	<u>\$ 1,001,844</u>	<u>\$ 6,379</u>

A portion of encumbrances as of June 30, 2019 (\$388,613) is included in fund balance restricted for capital acquisitions.

As of June 30, 2019, UFA is a defendant in a lawsuit that has arisen in the normal course of business. While substantial damages are alleged in this action, the outcome cannot be predicted with certainty. In the opinion of UFA's attorney, this action when finally adjudicated will not have material adverse effect on the financial position of UFA.



REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedules
Other Post-Employment Benefit Plan Schedules
Notes to Required Supplementary Information

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
June 30, 2019**

	MAJOR FUNDS		Actual	Variance
	Original	Final	Amounts	with Final Budget
REVENUES				
Member fees	\$ 52,941,229	\$ 52,556,108	\$ 52,555,107	\$ (1,001)
Ambulance operations	7,000,000	7,045,000	7,819,934	774,934
Fees - Other	3,430,313	3,430,313	3,441,742	11,429
Grants and contributions	-	208,201	41,621	(166,580)
Intergovernmental revenues	284,696	284,696	289,672	4,976
Reimbursements	654,617	2,289,070	2,080,408	(208,662)
Rent income	94,896	94,896	94,896	-
Investment income	100,000	124,000	320,416	196,416
Other income	30,466	30,466	104,103	73,637
TOTAL REVENUES	64,536,217	66,062,750	66,747,899	685,149
EXPENDITURES				
Current				
Salaries and benefits	54,790,855	54,979,166	53,503,217	1,475,949
Operations	7,503,771	7,803,972	7,240,073	563,899
General and administrative	775,568	1,029,488	926,029	103,459
Capital outlay	191,995	1,062,244	951,993	110,251
Debt service	3,696,267	3,708,762	3,708,762	-
TOTAL EXPENDITURES	66,958,456	68,583,632	66,330,074	2,253,558
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,422,239)	(2,520,882)	417,825	2,938,707
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of long-term debt	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers in	125,000	125,000	125,000	-
Transfers out	(100,000)	(263,456)	(231,733)	31,723
Total other financing sources (uses)	25,000	(138,456)	(106,733)	31,723
Net change in fund balances	(2,397,239)	(2,659,338)	311,092	2,970,430
Fund balances - beginning	12,708,446	12,708,446	12,708,446	-
Increase in inventory	-	-	(103,260)	(103,260)
Fund balances - ending	\$ 10,311,207	\$ 10,049,108	\$ 12,916,278	\$ 2,867,170

**BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Year ended June 30, 2019**

	<u>MAJOR FUNDS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with</u> <u>Final Budget</u>
REVENUES				
Fees - Emergency services	\$ 2,186,457	\$ 2,286,330	\$ 2,286,330	\$ -
Grants and contributions	574,011	623,530	303,706	(319,824)
Intergovernmental revenues	55,000	55,000	27,528	(27,472)
Investment income	-	-	34,459	34,459
Other income	-	-	2,884	2,884
TOTAL REVENUES	<u>2,815,468</u>	<u>2,964,860</u>	<u>2,654,907</u>	<u>(309,953)</u>
EXPENDITURES				
Current				
Salaries and benefits	1,427,174	1,527,047	1,112,147	414,900
Operations	1,060,194	1,013,938	921,576	92,362
General and administrative	38,100	38,100	22,917	15,183
Capital outlay	125,000	359,175	357,930	1,245
TOTAL EXPENDITURES	<u>2,650,468</u>	<u>2,938,260</u>	<u>2,414,570</u>	<u>523,690</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	165,000	26,600	240,337	213,737
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Transfers out	(165,000)	(165,000)	(165,000)	-
Total other financing sources (uses)	<u>(165,000)</u>	<u>(165,000)</u>	<u>(165,000)</u>	<u>-</u>
Net change in fund balances	-	(138,400)	75,337	213,737
Fund balances - beginning	1,402,261	1,402,261	1,402,261	-
Fund balances - ending	<u>\$ 1,402,261</u>	<u>\$ 1,263,861</u>	<u>\$ 1,477,598</u>	<u>\$ 213,737</u>

UNIFIED FIRE AUTHORITY REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN UFA'S TOTAL OPEB LIABILITY AND RELATED RATIOS
June 30, 2019

Total OPEB liability	2018
Beginning balance	\$ 3,393,508
Service cost	-
Interest	117,145
Changes of benefit terms	-
Differences between expected and actual exp	(374,557)
Change of assumptions or other inputs	222,522
Benefit payments	(314,899)
Net change in total OPEB liability	<u>\$ (349,789)</u>
Ending balance	<u>\$ 3,043,719</u>
 Covered-employee payroll	 N/A
Total OPEB liability as a percentage of covered-employee payroll	N/A

Notes to Schedule:

The table represents data available since the implementation of GASB Statement 75 and will increase to ten years over time.

Because all of UFA's OPEB participants are inactive (retired) members, there is no covered payroll associated with the plan.

Changes of benefit terms

No changes were made to participant benefits.

Changes of assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	3.13%
2018	3.62%
2017	3.56%

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Utah Retirement Systems
For the Years Ended

	Noncontrib- utory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement
December 31, 2018					
Proportion of the net pension liability (asset)	0.296771 %	0.103337 %	30.129190 %	0.055854 %	1.792058 %
Proportionate share of the net pension liability (asset)	\$ 2,185,337	\$ 265,843	\$ 12,176,773	\$ 23,921	\$ 44,901
Covered employee payroll	\$ 2,542,874	\$ 154,559	\$ 25,438,473	\$ 651,566	\$ 2,397,295
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	85.9 %	172.0 %	47.9 %	3.7 %	1.9 %
Plan fiduciary net position as a percentage of the total pension liability	87.0 %	84.7 %	96.1 %	90.8 %	95.6 %
December 31, 2017					
Proportion of the net pension liability (asset)	0.281594 %	0.099592 %	30.262730 %	0.048644 %	2.278416 %
Proportionate share of the net pension liability (asset)	\$ 1,233,747	\$ 156,226	\$ (6,788,998)	\$ 4,289	\$ (26,363)
Covered employee payroll	\$ 2,364,618	\$ 148,270	\$ 26,281,982	\$ 475,673	\$ 2,405,602
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.2 %	105.4 %	-25.8 %	0.9 %	-1.1 %
Plan fiduciary net position as a percentage of the total pension liability	91.9 %	90.2 %	102.3 %	97.4 %	103.0 %
December 31, 2016					
Proportion of the net pension liability (asset)	0.263211 %	0.097058 %	30.064901 %	0.050897 %	2.343604 %
Proportionate share of the net pension liability (asset)	\$ 1,690,136	\$ 196,958	\$ 4,447,122	\$ 5,678	\$ (20,344)
Covered employee payroll	\$ 2,337,782	\$ 141,938	\$ 26,880,461	\$ 417,396	\$ 1,936,343
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.3 %	138.8 %	16.5 %	1.4 %	-1.1 %
Plan fiduciary net position as a percentage of the total pension liability	87.3 %	86.5 %	98.4 %	95.1 %	103.6 %

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (Continued)
Utah Retirement Systems
For the Years Ended**

	Noncontrib- utory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement
December 31, 2015					
Proportion of the net pension liability (asset)	0.266277 %	0.093959 %	30.411293 %	0.062906 %	2.534847 %
Proportionate share of the net pension liability (asset)	\$ 1,506,722	\$ 168,304	\$ 5,174,732	\$ (137)	\$ (37,051)
Covered employee payroll	\$ 2,339,319	\$ 214,998	\$ 26,540,703	\$ 406,336	\$ 1,507,543
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	64.4 %	78.3 %	19.5 %	0.0 %	-2.5 %
Plan fiduciary net position as a percentage of the total pension liability	87.8 %	87.1 %	98.1 %	100.2 %	110.7 %
December 31, 2014					
Proportion of the net pension liability (asset)	0.245985 %	0.093707 %	30.151651 %	0.067884 %	2.553639 %
Proportionate share of the net pension liability (asset)	\$ 1,067,967	\$ 117,844	\$ (3,318,119)	\$ (2,057)	\$ (37,777)
Covered employee payroll	\$ 2,234,498	\$ 213,277	\$ 26,038,716	\$ 333,348	\$ 1,057,046
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	47.8 %	55.3	-12.7 %	-0.6 %	-3.6 %
Plan fiduciary net position as a percentage of the total pension liability	90.2 %	90.5 %	101.3 %	103.5 %	120.5 %

* Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

SCHEDULE OF CONTRIBUTIONS

Utah Retirement Systems

June 30, 2019

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to Contractually Required Contribution	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Noncontributory System	2014	338,745	338,745	2,199,923	15.40%
	2015	380,302	380,302	2,251,699	16.89%
	2016	409,735	409,735	2,386,711	17.17%
	2017	419,022	419,022	2,313,368	18.11%
	2018	435,864	435,864	2,505,049	17.40%
	2019	448,531	448,531	2,446,070	18.34%
Public Safety System	2014	43,034	43,034	204,676	21.03%
	2015	48,188	48,188	213,112	22.61%
	2016	49,499	49,499	177,146	27.94%
	2017	51,795	51,795	145,044	35.71%
	2018	54,085	54,085	151,456	35.71%
	2019	58,788	58,788	164,627	35.71%
Firefighters System	2014	1,114,704	1,114,704	25,836,524	4.31%
	2015	1,674,942	1,674,942	26,268,788	6.38%
	2016	1,744,093	1,744,093	26,667,191	6.54%
	2017	1,728,540	1,728,540	26,864,103	6.43%
	2018	1,660,240	1,660,240	25,705,564	6.46%
	2019	1,784,621	1,784,621	25,305,754	7.05%
Tier 2 Public Employees System*	2014	35,970	35,970	257,114	13.99%
	2015	60,747	60,747	406,610	14.94%
	2016	61,734	61,734	414,045	14.91%
	2017	60,984	60,984	409,014	14.91%
	2018	84,831	84,831	561,424	15.11%
	2019	117,121	117,121	753,675	15.54%
Tier 2 Public Safety & Firefighter System	2014	714	714	647,726	0.11%
	2015	145,904	145,904	1,350,959	10.80%
	2016	180,905	180,905	1,680,947	10.76%
	2017	245,430	245,430	2,283,069	10.75%
	2018	251,864	251,864	2,336,349	10.78%
	2019	337,188	337,188	2,973,450	11.34%

SCHEDULE OF CONTRIBUTIONS (Continued)
Utah Retirement Systems
June 30, 2019

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to Contractually Required Contribution	Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
Tier 2 Public Employees DC Only System*	2014	5,894	5,894	105,623	5.58%
	2015	8,781	8,781	130,663	6.72%
	2016	11,926	11,926	178,266	6.69%
	2017	13,566	13,566	202,778	6.69%
	2018	18,240	18,240	272,398	6.70%
	2019	18,348	18,348	274,263	6.69%
Tier 2 Public Safety & Firefighter DC Only System*	2014	-	-	-	0.00%
	2015	30	30	37,405	0.08%
	2016	149	149	186,320	0.08%
	2017	222	222	277,879	0.08%
	2018	404	404	505,351	0.08%
	2019	560	560	700,580	0.08%

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

Table represents data available since implementation of GASB Statement 68 and will increase to ten years over time. Amounts presented were determined as of calendar year January 1 - December 31.

UNIFIED FIRE AUTHORITY REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

Unified Fire Authority adopts an "appropriated budget" for the all of its funds. UFA is required to present the adopted and final amended budgeted revenue and expenditures for the General and Special Revenue funds. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- During the month of April, the Finance Committee meets to review management's proposed budget.
- By the first regularly scheduled Board meeting in May, UFA presents a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. At this meeting, The Board of Trustees adopts a tentative budget.
- A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after seven days public notice of the meeting has been given.
- Prior to June 22, the budget is legally enacted through a passage of a resolution by the Board of Trustees.
- Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end.
- Each budget is prepared and controlled by the Division Manager at the revenue expenditure function/object level. Budgeted amounts are as amended by the Board of Trustees.
- The budgets for all funds must be filed with the Utah State Auditor within 30 days of adoption.

Reconciliation from Budgetary Basis to GAAP Basis

The differences between budgetary basis and GAAP basis for the year ended June 30, 2019 are as follows:

	General Fund	Special Revenue Fund
Budgetary Fund Balances	\$ 12,916,278	\$ 1,477,598
Amounts reported for budgetary basis are different because:		
Encumbrances for goods and services not received until after the current fiscal year included as expenditures for budgetary purposes, not GAAP	273,436	116,970
Encumbrances for goods and services not received until after the prior fiscal year excluded as expenditures for budgetary purposes, not GAAP	(149,322)	(200,137)
Total Fund Balances	<u>\$ 13,040,392</u>	<u>\$ 1,394,431</u>

UNIFIED FIRE AUTHORITY REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

NOTE 1 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Policies

The UFA Board approved a Budget Process policy outlining procedures for developing and approving an annual budget, budget monitoring and reporting, as well as budget amendments. The policy outlines the types of increases and transfers require certain levels of authorization, as shown below:

Budget Amendment Type	Fire Chief	Finance Committee	UFA Board
Increase to budget (new grants, use of fund balance, etc.)	None	Recommends to Board	Approves
Interfund transfers	None	Recommends to Board	Approves
Transfers between categories within the same division:			
Capital	\$0-\$25,000 allowed; Disclose to Finance Committee	\$25,000.01 - \$100,000 Finance Committee approves. Disclose to UFA Board	Above \$100,000 requires UFA Board approval
General & Administrative			
Operations			
Long-term debt	None	Recommends to Board	Approves
Personnel			
Transfers between divisions:			
Same Category	\$0-\$10,000 allowed; Disclose to Finance Committee	\$25,000.01 - \$100,000 Finance Committee approves. Disclose to UFA Board	Above \$100,000 requires UFA Board approval
Different category			

NOTE 2 - CHANGES IN ASSUMPTIONS

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

A firefighter wearing a rhinoceros mascot costume, including a red helmet with "CAPTAIN" written on it, stands next to a red fire truck. A young child in a red shirt and plaid shorts stands in front of the firefighter. The fire truck has "UFA" and "E911" on its front. The background is a bright, overexposed outdoor setting.

SUPPLEMENTARY INFORMATION

Supplemental Reports



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

Board of Trustees
Unified Fire Authority
Salt Lake City, Utah

REPORT ON COMPLIANCE

We have audited Unified Fire Authority's (UFA) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on UFA for the year ended June 30, 2019.

State compliance requirements were tested for the year ended June 30, 2019 in the following areas:

Budgetary Compliance
Utah Retirement Systems
Treasurer's Bond

Fund Balance
Open and Public Meetings Act
Cash Management

Management's Responsibility

Management is responsible for compliance with the general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on UFA's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on UFA or its major state programs occurred. An audit includes examining, on a test basis, evidence about UFA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance of each state compliance requirement referred to above. However, our audit does not provide a legal determination of UFA's compliance with those requirements.

Opinion on General State Compliance Requirements

In our opinion, UFA complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of UFA is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered UFA's internal control over compliance with the state compliance requirements referred to above determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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

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effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UFA's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program 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 general state or major state program 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 general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Keddington & Christensen, LLC

Salt Lake City, Utah

October 28, 2019



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Unified Fire Authority (UFA) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the UFA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of UFA, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other schedules and notes as noted on the table of contents, be presented to supplement the basic financial statements. Such information, 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 a report dated October 28, 2019 on our consideration of Unified Fire Authority'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 UFA'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 UFA's internal control over financial reporting and compliance.

Keddington & Christensen, LLC

Salt Lake City, Utah

October 28, 2019

Exhibit A for Calendar Year 2020

<u>Position</u>	Jan-19		Jan-20		<u>Responsibilities</u>
	<u>% of Time Worked</u>	<u>Amount</u>	<u>% of Time Worked</u>	<u>Amount</u>	
Logistics Facilities Manager	50%	\$71,644	50%	\$63,155	Specifications/RFP/Bids/Management/ for capital improvement projects; compiling operational and maintenance documents; works through any warranty items on newer projects. Seismic evaluations and retrofit assessments. Station architectural design and rendering.
Logistics Facilities Specialist	10%	\$8,665	5%	\$4,655	Assists Construction Coordinator when needed; provides information for Capital Improvement needs; Meets with contractors
Logistics Facilities Specialist	0%	\$0	5%	\$3,654	Assists Construction Coordinator when needed; provides information for Capital Improvement needs; Meets with contractors
Logistics Purchasing Coordinator	5%	\$4,577	2%	\$1,913	Assists with the processing of MR's and invoices for capital projects
Logistics Data Administrator	1%	\$526	1%	\$719	Researches information for Logistics/Fleet as requested
Logistics Division Chief	10%	\$14,228	15%	\$30,974	Develops, manages, and administers capital improvements budgets; Provides overall direction and management to UFSA facility management. Leads and guides discussions for future fire station designs. Researches optional uses and associated fees of portions of fire stations, such as office space leasing. Co-coordinates seismic evaluations and seismic upgrades projects. Provides project-specific content for use in presentations to the UFSA Board of Directors and communities/members, in preparation for bonding and bond elections
Support Services Assistant Chief	15%	\$29,600	30%	\$65,650	Researches property descriptions/locations for fire station rebuilds and new construction. Captures and records the details of properties for fire station constructions. Leads and guides discussions for future fire station designs. Researches optional uses and associated fees of portions of fire stations, such as office space leasing. Co-coordinates seismic evaluations and seismic upgrades projects. Provides project-specific content for use in presentations to the UFSA Board of Directors and communities/members, in preparation for bonding and bond elections. Meets with individual board members to discuss property and fire station construction issues and strategies.
Finance Purchasing Agent/Contract Coord.	0%	\$0	10%	\$10,033	RFP/RFQ/Purchasing processing. Contract coordination and tracking.
Finance Accounting Manager	15%	\$21,348	10%	\$14,253	AP/AR, capital assets, bank reconciliations, impact fee accounting, deposits
Finance Payroll Coordinator	1%	\$1,028	1%	\$1,046	Impact fee reconciliation
Finance Assistant Finance Director	4%	\$6,713	5%	\$8,117	External audit, financial statements
Finance Senior Accountant	1%	\$1,155	1%	\$1,178	External audit, financial statements, bank reconciliation
Finance Accounting Specialist	0%	\$0	5%	\$3,608	UFSA Desktop Deposits
Finance PT Accounting Tech	5%	\$1,255	0%	\$0	UFSA Desktop Deposits
Records Coordinator	1%	\$546	1%	\$615	Managing UFSA GRAMA requests
ECC Receptionist	5%	\$2,015	5%	\$3,070	Impact fee collection/receipts, phone calls
UFSA Clerk	25%	\$20,020	10%	\$9,095	Time needed to fully meet the responsibilities of the Clerk
UFSA Deputy Clerk	5%	\$3,788	0%	\$0	Time needed to fully meet the responsibilities of the Deputy Clerk
CFO	15%	\$29,107	15%	\$33,615	Financial Management, Treasurer
Other Admin		<u>\$40,000</u>		<u>\$40,000</u>	Chief, Director of Communications, Website Maintenance
		\$256,215		\$295,350	
Overhead Charge	15%	<u>\$38,432</u>	15%	<u>\$44,303</u>	Office Space, IT, supplies, etc.
TOTAL		\$294,647		\$339,653	
	Logs	114,586	Logs	120,831	
	Fin	69,697	Fin	82,628	
	Admin	108,047	Admin	132,664	
	EM	2,317	EM	3,531	
		294,647		339,653	



UNIFIED FIRE AUTHORITY

October 23, 2019

Subject: New Battalion Chief (BC) Vehicles

Honorable Members of the Finance Committee,

Since initially finalizing the specifications for the new BC vehicles and then ordering them in June of 2018, we have incurred some additional fees. The details of those fees are included in this packet for your review.

Action Requested: We are asking for preliminary approval to appropriate \$10,772 from the Capital Replacement Fund Balance to complete the BC vehicles project. \$3,572 would be payable to the manufacturing vendor and \$7,200 would be spent locally for the purchase and installation of Bluetooth communications equipment. Should you approve this request, we will place it on December's UFA Board Meeting Agenda, under Budget Amendments.

Thank you for the consideration. I will make myself available should you have any questions or concerns.

Respectfully,

Mike Watson, Assistant Chief Support Division

Breakdown for the cost of the BC rigs.

- Initial cost for four BC Rigs on 6/7/2018
 - \$106,760 ea / \$427,040 total (Prepaid to 911 Vehicles)
- Updated cost with addition/deletion change orders as of 10/15/2019
 - \$3,572 for changes payable to 911 Vehicles
- Additional Costs that require funding outside of lease funds:
 - \$ 1,800 ea for Bluetooth Comms Equipment / \$7,200 total
- Camera system requested by Battalion Chiefs
 - \$2,637 ea / \$10,548 total
- Net funds required for all the above \$21,320

Proposal:

- Fund the second and third bullet points above: \$10,772 total
- In order to control costs, we are not moving forward the cost of the cameras
- Rather than spending funds on upgrading a Tahoe for a reserve BC rig, we take the best of the current BC rigs for the reserve. The money we are not going to spend on the Tahoe helps us net out the \$10,772, so that it is not an additional cost in the bigger picture.