



PUBLIC NOTICE is hereby given pursuant to Utah Code §52-4-202, that the Administrative Control Board (the “Board”) of the North Summit Fire District (the “District”) will hold a special work session and meeting on **Thursday, June 2, 2022**, beginning at **5:00PM** at The Summit County Courthouse, Executive Conference Room (2nd Floor), 60 N. Main St., Coalville, UT 84017

Zoom <https://us02web.zoom.us/j/82555909958>

or

To listen by phone only: Dial 346-248-7799 Webinar ID: 825 5590 9958

Members of the Board, presenters, and members of public, may attend by electronic means, using Zoom (phone or video). Such members may fully participate in the proceedings as if physically present. The anchor location for purposes of the electronic meeting is the same as listed above.

AGENDA

- 1. Call meeting to order**
- 2. Roll call**
- 3. Pledge of Allegiance**
- 4. Closed session in compliance with Utah Code §52-4-205(1)(a) – Personnel**
- 5. Reconvene in Open Meeting**
- 6. Work Session**
 - a. Presentation and discussion of the 2021 Audit
 - b. Discussion on how the board would like meeting minutes kept
 - c. Committees
 - d. Strategic Planning

NOTICE OF SPECIAL ACCOMODATION DURING PUBLIC MEETINGS

Individuals with questions, comments, or needing special accommodations pursuant to the Americans with Disabilities Act regarding this meeting may contact Tyler Rowser at (435) 901-0102

7. Consideration of Approval

- a. Discussion and approval of account signers on the Zions Bank account
- b. Chief's Report
- c. Review and possible approval of Accounts Payable

8. Adjourn

**North Summit Fire Protection District
(A Component Unit of Summit County)
ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2021**

North Summit Fire Protection District
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 December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

The Administrative Control Board
North Summit Fire Protection District
Coalville, Utah

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Summit Fire Protection District (the District) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information the District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report May 31, 2022 on our consideration of North Summit Fire Protection District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 North Summit Fire Protection District's internal control over financial reporting and compliance.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

May 31, 2022

MANAGEMENT'S DISCUSSION & ANALYSIS

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INTRODUCTION

The following is a discussion and analysis of North Summit Fire Protection District's (the District) financial performance and activities for the year ended December 31, 2021. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented in conjunction with the District's financial Statements.

FINANCIAL HIGHLIGHTS

Government-Wide

- The assets of North Summit Fire Protection District exceeded its liabilities at December 31, 2021 by \$2,228,268 (net position). Of this amount \$1,568,035 (unrestricted net position), may be used to meet the District's ongoing obligations.

Fund Level

- The District's governmental funds reported combined ending fund balances of \$1,568,035 at December 31, 2021, an increase of \$240,458 from the previous year. Of the ending fund balances, \$711,480 is available for spending at the District's discretion (unassigned fund balance). The key factors for the increase in fund balances were as follows:
- Revenue from property taxes decreased approximately \$2,876;
- Revenue from interest income and all other sources other than property taxes increased approximately \$33,962;
- Expenditures for all categories decreased approximately \$83,691, which includes an increase in salaries and wages and fringe benefits of approximately \$1,108;
- Capital outlay expenditures decreased approximately \$33,751;
- Debt service expenditures decreased approximately \$33,841;
- At December 31, 2021, unassigned fund balance of the general fund was roughly 198% of total general fund expenditures for the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to North Summit Fire Protection District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements - Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities comprise the government-wide financial statements. These statements distinguish functions of the District that are principally supported by charges for services, grants, or contributions. These statements provide a broad overview with a long-term focus of the District's finances as a whole and are prepared using the full-accrual basis of accounting, similar to private-sector companies. This means all revenues and expenses are recognized regardless of when cash is received or spent; and all assets and liabilities, including capital assets and long-term debt, are reported at the entity level.

The *statement of net position* presents information on all of the District's assets plus deferred outflows and liabilities plus deferred inflows, 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 changes in financial position of the District. In evaluating the government's overall condition, additional non-financial factors should be considered such as the District's economic outlook, changes in its demographics, and the condition of its capital assets.

The *statement of activities* presents information showing how the net position of the District 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, and earned but unused vacation leave).

Fund Financial Statements - Reporting the District's Most Significant Funds

The fund financial statements provide detailed information about individual major funds, and not the District as a whole. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related laws and regulations. All of the funds of the District are governmental funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds use the modified accrual basis of accounting, which measures the flow of current financial resources that can be converted to cash and the balances left at year-end that are available for future spending. This short-term view of the District's financial position helps determine whether the District has sufficient resources to cover expenditures for its basic services in the near future.

The District maintains two individual governmental funds. 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 the general and capital projects funds, both of which are considered major funds.

Reconciliation between Government-Wide and Fund Statements

The financial statements include schedules that reconcile the amounts reported for governmental activities on the government-wide statements (full-accrual accounting, long-term focus) with amounts reported on the governmental fund statements (modified accrual accounting, short-term focus). Following are some of the major differences between the two statements:

- Capital assets and long-term debt are included on the government-wide statements but are not reported on the governmental fund statements.
- Capital outlays result in capital assets on the government-wide statements but are expenditures on the governmental fund statements.
- Proceeds/expenditures from capital leases result in liabilities on the government-wide statements but are other financing sources/uses on the governmental fund statements.

Notes to the Financial Statements

The notes provide additional schedules and information that is essential to a complete understanding of the financial statements. The notes apply to both the government-wide financial statements and the fund financial statements.

Required Supplementary Information

North Summit Fire Protection District adopts an annual budget for all of its governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with its budget.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted previously, net positions are an indicator of a government's financial position. In the case of North Summit Fire Protection District, assets exceeded liabilities by \$2,228,268 at December 31, 2021.

A large portion of the District's net position (30%) reflects its investment in capital assets including land, buildings & improvements, vehicles and furniture & equipment (net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources; since capital assets themselves cannot be used to liquidate these liabilities.

Net Position as of December 31, 2021 and 2020

	Governmental Activities	
	2021	2020
Current and other assets	\$ 1,584,610	\$ 1,356,882
Capital assets	660,233	715,464
Total assets	<u>2,244,843</u>	<u>2,072,346</u>
Other liabilities	16,575	29,305
Total liabilities	<u>16,575</u>	<u>29,305</u>
Net assets:		
Invested in capital assets, net of related debt	660,233	715,464
Unrestricted	1,568,035	1,327,577
Total net assets	<u>\$ 2,228,268</u>	<u>\$ 2,043,041</u>

At December 31, 2021 the District’s net investment in capital assets, amounts to \$660,233 or 30% of total net position. The net investment in capital assets includes land, buildings & improvements, vehicles, and furniture & equipment. The remaining balance of \$1,568,035 may be used to meet the ongoing obligations to citizens and creditors.

At December 31, 2021, the District was able to report positive balances in all categories of net position for the government-wide activities as a whole.

As noted in the subsequent table, governmental activities increased net position by \$185,227.

Changes in Net Position
Years Ended December 31, 2021 and 2020

	Governmental Activities	
	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 10,183	10,695
Operating grants and contribs	5,706	100
General revenues:		
Property taxes and fee-in-lieu taxes	494,766	497,642
Wildland fire reimbursement	38,618	-
Other	18,063	27,813
Sales of capital assets	32,122	27,813
Total revenues	599,458	564,063
Expenses:		
Fire protection and ambulance services	414,231	443,359
Interest on long-term liabilities	-	1,368
Total expenses	414,231	444,727
Increase in net assets	185,227	91,523
Net assets - beginning	2,043,041	1,951,518
Net assets - ending	2,228,268	2,043,041

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Fund Balances

At December 31, 2021 the District's governmental funds reported a combined ending fund balance of \$1,568,035, representing an increase of approximately 18% or \$240,458. Approximately 45% of the total amount, or \$711,480, is an unreserved fund balance, which is available for spending at the District's discretion. The reserved fund balance is not available for spending as it has already been committed or assigned for a specific purpose. The key factor for the increase in unassigned fund balance was a decrease in general fund expenditures.

General Fund

The general fund is the primary operating fund of the District. At December 31, 2021, the fund balance of the general fund was \$711,480. All of the fund balance was unassigned and uncommitted. The unassigned fund balance was equal to 198% of total general fund expenditures for the year ended December 31, 2021. The general fund balance increased 2% or \$11,767 from the prior year. The key factor contributing to the increase in the unreserved fund balance was the decrease in general fund expenditures.

General Fund Budgetary Highlights

During the year, the general fund budget for expenditures was at \$392,025 for the original and \$377,073 for the final budget. Original and Final budgeted revenues were 552,917 and 579,844 respectively.

CAPITAL ASSETS AND LONG-TERM DEBT ADMINISTRATION

Capital Assets

North Summit Fire Protection District's investment in capital assets for governmental activities at December 31, 2021 was \$660,233 net of depreciation. The investment in capital assets includes land, buildings and improvements, vehicles, and furniture & equipment. The District's total investment in capital assets decreased \$55,231 or 7.7%, which is current year depreciation in excess of current year additions.

Capital Assets, Net of Depreciation December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Land	\$ 114,937	\$ 99,937
Buildings & improvements	357,766	387,443
Furniture & equipment	<u>187,530</u>	<u>228,084</u>
Total assets, net of depreciation	<u>\$ 660,233</u>	<u>\$ 715,464</u>

Additional information on the District's capital assets is available in the notes to the financial statements.

Long-Term Debt

On December 31, 2021, the District had no long term debt. During 2020 the District made the final payment on the loan for the Coalville Fire Station.

More information about long-term debt is included in the notes to the financial statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of North Summit Fire Protection District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to North Summit Fire Protection District, 86 Center St, Coalville, UT 84017

BASIC FINANCIAL STATEMENTS

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NORTH SUMMIT FIRE PROTECTION DISTRICT
Government-Wide Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,497,296
Receivables:	
Property taxes	85,138
Prepaid expenses	2,176
Total current assets	<u>1,584,610</u>
Non-current assets:	
Capital Assets:	
Not being depreciated	114,937
Net of accumulated depreciation	545,296
Total non-current assets	<u>660,233</u>
Total assets	<u><u>\$ 2,244,843</u></u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:	
Liabilities:	
Current Liabilities:	
Accrued liabilities	\$ 16,575
Total current liabilities	<u>16,575</u>
Total liabilities	<u>16,575</u>
Total liabilities and deferred inflow of resources	<u>16,575</u>
NET POSITION	
Net investment in capital assets	660,233
Unrestricted	1,568,035
Total net position	<u><u>\$ 2,228,268</u></u>

NORTH SUMMIT FIRE PROTECTION DISTRICT
Government-Wide Statement of Activities
For the Year Ended December 31, 2021

Functions	<u>Expenses</u>	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities					
Fire protection and ambulance services	\$ 414,231	\$ 10,183	\$ 5,706	\$ -	\$ (398,342)
Total governmental activities	<u>\$ 414,231</u>	<u>\$ 10,183</u>	<u>\$ 5,706</u>	<u>\$ -</u>	<u>\$ (398,342)</u>
General revenues:					
Property taxes					494,766
Wildland fire reimbursement					38,618
Interest income					6,434
Other income					11,629
Gain on sale of capital assets					<u>32,122</u>
Total general revenues and special items					<u>583,569</u>
Change in net position					185,227
Net position - beginning					<u>2,043,041</u>
Net position - ending					<u>\$ 2,228,268</u>

NORTH SUMMIT FIRE PROTECTION DISTRICT
Balance Sheet – Governmental Funds
December 31, 2021

	General	Capital Projects	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 640,741	\$ 856,555	\$ 1,497,296
Receivables:			
Taxes	85,138	-	85,138
Prepaid expenses	2,176	-	2,176
Total Assets	<u>\$ 728,055</u>	<u>\$ 856,555</u>	<u>\$ 1,584,610</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accrued payroll	\$ 16,575	\$ -	\$ 16,575
Total liabilities	<u>16,575</u>	<u>-</u>	<u>16,575</u>
Fund balance:			
Assigned for:			
Building construction and equipment purchases	-	856,555	856,555
Unassigned	711,480	-	711,480
Total fund balance	<u>711,480</u>	<u>856,555</u>	<u>1,568,035</u>
Total liabilities and fund balance	<u>\$ 728,055</u>	<u>\$ 856,555</u>	<u>\$ 1,584,610</u>

NORTH SUMMIT FIRE PROTECTION DISTRICT
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
December 31, 2021

Total fund balances - governmental fund:	<u>\$ 1,568,035</u>
Amounts reported for the governmental activities in the Government-wide statement of Net Position are different due to the following:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	660,233
Net assets of government activities	<u><u>\$ 2,228,268</u></u>

NORTH SUMMIT FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures, and
Changes in Fund Balance
For the Year Ended December 31, 2021

	General	Capital Projects	Total Governmental Funds
REVENUES			
Property taxes	\$ 494,766	\$ -	\$ 494,766
Wildland fire reimbursement	38,618	-	38,618
Interest income	3,350	3,084	6,434
Rent	6,008	-	6,008
Grants and donations	5,706	-	5,706
Fees and permits	4,175	-	4,175
Other income	11,629	-	11,629
Total revenues	<u>564,252</u>	<u>3,084</u>	<u>567,336</u>
EXPENDITURES			
Personnel:			
Salaries and wages	189,737	-	189,737
Operations	164,693	-	164,693
Capital outlay	4,570	-	4,570
Total expenditures	<u>359,000</u>	<u>-</u>	<u>359,000</u>
		-	
Excess revenues over (under) expenditures	<u>205,252</u>	<u>3,084</u>	<u>208,336</u>
Other financing sources (uses):			
Sale of capital assets	32,122	-	32,122
Operating transfers	(225,607)	225,607	-
Total other financing sources (uses)	<u>(193,485)</u>	<u>225,607</u>	<u>32,122</u>
Net change in fund balances	11,767	228,691	240,458
Fund balances - beginning of year	<u>699,713</u>	<u>627,864</u>	<u>1,327,577</u>
Fund balances - end of year	<u>\$ 711,480</u>	<u>\$ 856,555</u>	<u>\$ 1,568,035</u>

The notes to the financial statements are an integral part of this statement.

NORTH SUMMIT FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2021

Net changes in fund balances - total governmental funds \$ 240,458

Amounts reported for the governmental activities in the Government-wide Statement of Activities are different due to the following:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (55,231)

Change in net assets of governmental activities \$ 185,227

Note 1 - Summary of Significant Accounting Policies

The financial statements of North Summit Fire Protection District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles. Financial reporting is based upon accounting guidance codified by GASB.

A. Reporting Entity

North Summit Fire Service District (the District) is a dependent special service district created June 6, 1976 by Summit County to provide fire protection services to Coalville City, Henefer Township, and 600 square miles of North East Summit County. The financial statements and notes are the representations of North Summit Fire Service District's management, which is responsible for their integrity and objectivity. This summary of significant accounting policies of the District is presented to assist in understanding the financial statements.

The District is governed by a five-member administrative control board, which are appointed by the Summit County Council. The District is a legally separate entity, possesses the powers to set its own budget, incur debt, to sue, be sued, and to own and lease property. The County exercises significant controlling powers over the District. As such, the District is a discrete component unit as defined by the Governmental Accounting Standards Board in their Statement Number 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*.

B. Government-Wide and Fund Financial Statements Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District. 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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A statement is presented for governmental activities. This statement presents each major fund as a separate column of the fund financial statements. The District has two major funds: general and capital projects funds.

Governmental funds are those funds through which most of the governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The District has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other funds 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 the General Fund.

Capital Projects Fund

The Capital Projects Fund is used to account for funds received and expended for the acquisition or construction of capital facilities, improvements, and equipment.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reporting in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers amounts collected within 60 days after year end to be available. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

D. Assets, Liabilities, and Net Positions or Equity

The following are the District's significant policies regarding recognition and reporting of certain assets, liabilities, and net positions:

Cash and Investments

Unrestricted and restricted cash balances of all funds are made up of depository accounts with banks and the Utah Public Treasurers' Investment Fund, which is managed by management of the District. Utah State Statutes allow for investments in the Utah Public Treasurers' Investment Fund and Utah Money Management Act (UMMA) approved financial institutions.

The UMMA provides for a committee to evaluate financial institutions and provide a list of those qualified as depositories for public funds. The District invests cash with the Utah Public Treasurer's Investment Fund and with a financial institution on the approved list. Investments in the pooled cash fund consist primarily of certificates of deposit, repurchase agreements, and time deposits and are carried at cost which approximates market value. Interest income earned as a result of pooling is distributed to the appropriate funds based on month-end balances of cash and investments. Short term investments that are readily convertible to cash and have an original maturity date of three months or less are defined as cash equivalents.

Receivables

As of year-end, the District recorded receivables from Summit County for property taxes. Each year an allowance for uncollectible receivables is evaluated and adjusted to the level deemed necessary. An allowance was not necessary as of year-end.

Capital Assets

Capital assets, which include land, buildings and improvements, construction-in-progress, vehicles and furniture and equipment, are reported in the governmental columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date of donation. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets, having an original cost of \$5,000 or more, are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	40 years
Vehicles	5 -10 years
Furniture and equipment	5 -10 years
Building and equipment under capital leases	5 -40 years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types recognize debt issuance costs as expenditures during the current period. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

The difference between assets plus deferred outflows and liabilities plus deferred inflows is reported as net position on the government-wide financial statements and fund balance on the governmental fund statements. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the policy of the District to spend restricted fund balance first. When applicable, in the accompanying financial statements governmental fund balances are classified as follows:

- Nonspendable – Fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- Restricted – Fund balance amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – Fund balance amounts that can be used only for the specific purposes determined by a formal action of the Administrative Control Board (the District’s highest level of decision-making authority). Such actions must be affirmed by a majority vote of the Administrative Control Board.
- Assigned – Fund balance amounts that are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed.
- Unassigned – The residual fund balance classification for the District’s general fund includes all spendable amounts not included in other classifications.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, it is the policy of the District to first spend committed fund balance, followed by assigned fund balances and unassigned fund balances, respectively.

E. Revenues and Expenditures

The following are the District's significant policies related to recognition and reporting of certain revenues, expenditures, and interfund activity:

Revenue Availability

Under the modified accrual basis of accounting, revenues are considered to be available when they are collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. North Summit Fire Protection District considers property tax revenues to be "available" if they are collected within 60 days after the end of the current year. Grants and similar items are recognized as revenue when all eligibility requirements have been met. All other revenues are considered to be available if they are collected within 60 days after year-end.

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, 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.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, the District generally uses restricted resources first, then unrestricted resources.

F. 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.

G. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance. The District also carries commercial workers' compensation insurance. There are no significant reductions in coverage from the prior year, and settlement claims resulting from these risks did not exceed commercial insurance coverage during the past year.

Note 2 - Stewardship, Budgetary Compliance, and Accountability

Budgetary Information

The District operates within the budget requirements for special service districts as specified by state law. Under State law, an annual budget is required for all governmental fund types. The financial reports reflect the following budgetary standards:

- For the fiscal year beginning January 1, the District prepares a proposed budget for the governmental fund types, which is presented to the Summit County Council on or before December 15.
- By resolution, the District recommends a budget by December 15, which is then forwarded to the Summit County Council acting as the governing body for approval.
- Once adopted, the budget can be amended to any extent by subsequent District action. Reductions in appropriations can be approved by the District, but increased appropriations require a public hearing with subsequent approval from the Summit County Council acting as the governing body.
- Any adjustments in estimated revenue and revisions of appropriations due to operational changes in categorical program funding are integrated into the amended budget recommended to the Summit County Council acting as the governing body for approval.
- A final amended budget is recommended by the District and Administrative Control Board and forwarded to the Summit County Council acting as the governing body for adoption.
- Total budgeted expenditures may not exceed the revenues expected to be received for the fiscal year plus the fund balance.

Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied and tax notices are sent on November 1. All unpaid taxes are due and become delinquent on November 30. Property tax revenues are recognized by the District when they are received. Property taxes on licensed, motor vehicles are collected on a monthly basis in the month in which the individual motor vehicle license is renewed. Property taxes are billed and collected by Summit County on behalf of the District and remitted to the District monthly. At December 31, 2021 only delinquent taxes are uncollected. Property taxes received by the District within 60 days after year end are recorded as revenue as of year-end.

Note 3 - Deposits and Investments

Deposits and investments for the District are governed by the Utah Money Management Act (*Utah Code Annotated, Title 51, Chapter 7, "the Act"*) and by rules of the Utah Money Management Council ("the Council"). Following are the discussions of the District's exposure to various risks related to its cash management activities

Custodial Credit Risk

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the local government to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2021, the district did not have uninsured and uncollateralized bank balances.

Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk of investments is to comply with the Money Management Act.

Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1 – Quoted prices for identical investments in active markets; Level 2 – Observable inputs other than quoted market prices; and Level 3 – Unobservable inputs.

For the year ended December 31, 2021, the District had investments of \$1,452,571 with the Utah PTIF, which uses a Level 2 fair value measurement. The entire balance had a maturity less than one year. The PTIF pool has not been rated.

Interest Rate Risk

Interest rate risk, the risk that changes in interest rates, will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investing 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.

Note 4 - Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 99,937	\$ 15,000	\$ -	\$ 114,937
Total capital assets, not being depreciated	<u>99,937</u>	<u>15,000</u>	<u>-</u>	<u>114,937</u>
Capital assets, being depreciated:				
Buildings and improvements	1,071,004	-	(5,000)	1,066,004
Machinery & Equipment	1,216,686	-	(42,823)	1,173,863
Total capital assets, being depreciated	<u>2,287,690</u>	<u>-</u>	<u>(47,823)</u>	<u>2,239,867</u>
Accumulated depreciation for:				
Buildings and improvements	683,561	29,677	(5,000)	708,238
Machinery & Equipment	988,602	40,554	(42,823)	986,333
Total accumulated depreciation	<u>1,672,163</u>	<u>70,231</u>	<u>(47,823)</u>	<u>1,694,571</u>
Total capital assets, being depreciated, net	615,527	(70,231)	-	545,296
Governmental activities capital assets, net	<u>\$ 715,464</u>	<u>\$ (55,231)</u>	<u>\$ -</u>	<u>\$ 660,233</u>

Note 5 - Long-Term Obligations

The District had no outstanding long-term obligations or activity for the year ended December 31, 2021

Note 6 - Interfund Receivables and Payables

Interfund transactions among governmental fund types occurred during the year. These transactions arose principally from debt service requirements. Transactions that have not resulted in the actual transfer of cash as of the end of the year are recorded as amounts due from (fund receivable) and due to (fund liability) other funds. For financial reporting purposes, current amounts due from and to the same fund are offset and, the net amounts are shown in the respective fund balance sheet. At the end of each year, the amount of interfund receivables is equal to the amount of interfund payables.

Note 7 - EFFECT OF COVID-19

The COVID-19 Pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the DISTRICT and financial results of our operations will depend on future developments, including the duration and spread of the outbreak within the markets in which we operate. At this point, the extent to which COVID-19 may impact the District is uncertain.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events were evaluated through the date of the audit report, which is the date the financial statements were available to be issued. However, there are no subsequent events to disclose.

**REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

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Budgetary Comparison Schedule

The Budgetary Comparison Schedule presented in this section of the report is for the District's General Fund.

Budgetary and Budgetary Control

Budgets for the General Fund are legally required and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the Administrative Control Board prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Administrative Control Board through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended December 31, 2021, all expenditures were within the budget appropriations.

NORTH SUMMIT FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual General Fund
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over(Under)
	Original	Final		
REVENUES				
Property taxes	\$ 496,903	\$ 496,903	\$ 494,766	\$ (2,137)
Wildland fire reimbursement	-	-	38,618	38,618
Interest income	13,000	5,429	3,350	(2,079)
Rent	4,800	5,424	6,008	584
Grants and donations	19,614	51,540	5,706	(45,834)
Fees and permits	13,600	5,433	4,175	(1,258)
Equipment sales	5,000	15,115	11,629	(3,486)
Total revenues	<u>552,917</u>	<u>579,844</u>	<u>564,252</u>	<u>(15,592)</u>
EXPENDITURES				
Personnel:				
Salaries and wages	241,425	205,600	189,737	(15,863)
Operations	150,600	171,473	164,693	(6,780)
Capital outlay	-	-	4,570	4,570
Total expenditures	<u>392,025</u>	<u>377,073</u>	<u>359,000</u>	<u>(18,073)</u>
Excess revenues over (under) expenditures	<u>160,892</u>	<u>202,771</u>	<u>205,252</u>	<u>(2,481)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	32,122	32,122
Net operating transfers from other funds	-	-	(225,607)	(225,607)
Total other financial sources (uses)	<u>-</u>	<u>-</u>	<u>(193,485)</u>	<u>(193,485)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>\$ 160,892</u>	<u>\$ 202,771</u>	<u>11,767</u>	<u>\$ (195,966)</u>
Fund balances - beginning of year			699,713	
Fund balances - end of year			<u>\$ 711,480</u>	

ADDITIONAL AUDITOR'S REPORTS

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

The Administrative Control Board
North Summit Fire Protection District
Coalville, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Summit Fire Protection District (the District), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated May 31, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) 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 the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah

May 31, 2022



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

The Administrative Control Board
North Summit Fire Protection District
Coalville, Utah

Report on Compliance with General State Compliance Requirements

We have audited North Summit Fire Protection District’s (herein referred to as the “District”) compliance with the applicable general 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 the District for the year ended December 31, 2021.

General state compliance requirements were tested for the year ended December 31, 2021 in the following areas:

Budgetary Compliance	Fraud Risk Assessment
Fund Balance	Government Fees

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 the District’s compliance based on our audit of the state 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 the district occurred. An audit includes examining, on a test basis, evidence about the District’s compliance with those requirements and performing such other procedures as we considered necessary.

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

Opinion on General State Compliance Requirements

In our opinion, North Summit Fire Protection District complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2021.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the State Compliance Audit Guide

Report on Internal Control over Compliance

Management of the District 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 the District’s internal control over compliance with the state compliance requirements referred to above to determine the audit 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 effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District’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 to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of Report

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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
May 31, 2022



May 31, 2022

Administrative Control Board
North Summit Fire Protection District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of North Summit Fire Protection District (the District) for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 4, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of the capital asset recognition, depreciation, and asset lives is based on industry standard. We evaluated the key factors and assumptions used to develop the capital asset recognition, depreciation, and asset lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Accrued vacation payable recognized only in government-wide financial statements and not fund financial statements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 31, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Restriction on Use

This information is intended solely for the use of the Administrative Control Board and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Larson & Company, PC

Larson & Company
Spanish Fork, Utah

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – Current year

Internal Control Findings

IC-2021.1 Revenue recognition

Criteria

In accordance with GASB, “the flow of financial resources measurement focus requires governmental fund operating statements to recognize the effects of transaction or events on financial resources when they take place, regardless of when cash is received or paid”.

Condition

North Summit Fire Protection District did not properly recognize property tax payments from Summit County in the correct period resulting in a material proposed audit adjustment.

Cause of Condition

Oversight by management and staff

Recommendation

We recommend the District recognize revenue and expenditures in the correct period. This is typically defined by GASB as 60 days after year end if it is realizable and recognizable.

Client Response

Management will review subsequent transactions after year end for proper accruals and potential inclusion in current periods.

State Compliance Findings

There were no state compliance findings noted in the current period.

STATUS OF PRIOR FINDINGS AND QUESTIONED COSTS

Internal Control Findings

IC-2020.1 Policies and Procedures

Criteria

In order to comply with the Internal control component of the COSO framework, entities should deploy control activities through policies and procedures.

Condition

North Summit Fire Protection District did not have a written capitalization policy in their policies and procedures.

Status of finding

Finding appears to have been addressed and corrected.

State Compliance Findings

SC-2020.1 Board Member Training

Criteria

Utah Code 52-4-104 requires that the presiding officer of the public body shall ensure that the members of the public body are provided with annual training on open and public meetings.

Condition

North Summit Fire Protection board members did not complete the annual training for open and public meetings.

Status of finding

Finding appears to be addressed and corrected.

SC-2020.2 Fraud Risk Assessment

Criteria

The Office of the State Auditor requires that entities complete and submit the “Fraud Risk Assessment,” in addition to presenting the assessment in a board meeting.

Condition

North Summit Fire Protection District did complete and submit the Fraud Risk Assessment required by the Utah State Auditor’s Office

Status of finding

Finding appears to be addressed and corrected.

North Summit Fire District

6/1/2022 1:56 PM

Register: 1001 · Zions Bank

From 05/14/2022 through 06/03/2022

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
05/16/2022		Square	6500 · Operations	account set up			0.01	27,938.89
05/16/2022			12000 · Undeposited F...	Deposit			96.80	28,035.69
05/16/2022		Square	6500 · Operations	account set up	0.01			28,035.68
05/16/2022	ACH	URS	-split-		1,843.74			26,191.94
05/17/2022			12000 · Undeposited F...	Deposit			96.80	26,288.74
05/17/2022	4544	Republic Service	2012 · Accounts Payable	Trash Pickup	12.93			26,275.81
05/18/2022		Zions Bank First Nat...	6500 · Operations		10.00			26,265.81
05/18/2022		Zions Bank First Nat...	6500 · Operations		1.00			26,264.81
05/20/2022		Public Treasures (PT...	1003 · 3901 Capital D...	F150			54,000.00	80,264.81
05/20/2022			12000 · Undeposited F...	Deposit			96.80	80,361.61
05/23/2022			-split-	Deposit			120.00	80,481.61
05/23/2022	4543	Young Automotive ...	2012 · Accounts Payable	VOID: 2022 F-...		X		80,481.61
05/24/2022			12000 · Undeposited F...	Deposit			100.00	80,581.61
05/24/2022	ACH	Payogics	-split-	Payroll 05.01.2...	20,965.48			59,616.13
05/24/2022	4545	Young Automotive ...	2012 · Accounts Payable	VOID: 2022 F1...		X		59,616.13
05/24/2022	4546	Young Automotive ...	2012 · Accounts Payable	VOID: none e...		X		59,616.13
06/03/2022		Public Treasures (PT...	1002 · 1254 PTIF Oper...	Deposit			20,891.46	80,507.59
06/03/2022	4547	All West Communic...	2012 · Accounts Payable	Phone & Intern...	497.51			80,010.08
06/03/2022	4548	Convergint Technolo...	2012 · Accounts Payable	Annual Serv...	480.00			79,530.08
06/03/2022	4549	KHSA	2012 · Accounts Payable	QB Service Ma...	100.00			79,430.08
06/03/2022	4550	Larson & Company	2012 · Accounts Payable	2021 Audit	16,000.00			63,430.08
06/03/2022	4551	Republic Service	2012 · Accounts Payable		211.62			63,218.46
06/03/2022	4552	Summit County Heal...	2012 · Accounts Payable	April & May H...	3,582.00			59,636.46
06/03/2022	4553	Young Automotive ...	2012 · Accounts Payable	2022 F150 VIN...	54,020.33			5,616.13