



## UNIFIED FIRE AUTHORITY BOARD AGENDA

December 18, 2018 7:30 a.m.

NOTICE IS HERBY GIVEN THAT THE UNIFIED FIRE AUTHORITY BOARD OF DIRECTORS SHALL ASSEMBLE FOR A MEETING AT UFA STATION 126 LOCATED AT 607 E. 7200 S., MIDVALE, UTAH 84047

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1. Call to Order – Chair Dahle
2. Public Comment  
Please limit comments to three minutes each
3. Minutes Approval – Chair Dahle
  - a. November 20, 2018
4. Committee Updates
  - a. Benefits & Compensation Committee (no meeting) – Chair Dahle
  - b. Governance Committee (no meeting) – Chair Silvestrini
  - c. Finance Committee – Chair Stewart
    - i. Review of December 13<sup>th</sup> Meeting
    - ii. Discussion of Support Services Study
5. Review and Approval of FY 17/18 Financial Audit
6. Interlocal Agreement – CLO Roberts
  - a. Discussion of Governance of Authority
7. Set the Date of January 15, 2019 for a Public Hearing to Receive and Consider Comments on Proposed Amendments to the 2018-2019 Fiscal Year Budget
8. Consent Agenda
  - a. Review of November Disbursements – CFO Hill
9. Legislative Update – Ashley Spatafore
10. Consider Resolution 12-2018A Approving Proposed Exhibit A to the UFA/UFSA Interlocal Agreement for Services for Calendar Year 2019 – CFO Hill
11. Leadership Cohort – AC Ziolkowski
  - a. Consideration of funding an additional Leadership Cohort for this fiscal year

12. Fire Chief Report – Chief Petersen
  - a. Update on Brighton Incorporation
  - b. Special Enforcement Division Chief
  - c. Firefighter Hiring Progress
  - d. 2018 Accomplishments – AC Ziolkowski
  - e. Part-Time Paramedics – AC Higgs
  - f. Overtime Trial Period analysis – AC Higgs/CFO Hill

13. 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

14. Fire Chief Petersen Annual Review – Chair Dahle
  - a. Discussion of the performance of the Fire Chief
  - b. Consideration of approving the continuation of the Fire Chief Employment Agreement and potential wage increase.
15. Chief Legal Officer Brian Roberts Agreement / Wage Increase
  - a. Consideration of continuation of CLO employment agreement and potential wage increase
16. Adjournment – Chair Dahle

**The next Board meeting will be held on January 15, 2019 at 7:30 a.m. at  
UFA EOC located at 3380 S. 900 W., Salt Lake, UT 84119**

**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 801-743-7220. Motions relating to any of the foregoing, including final action, may be taken at the meeting. This meeting may be held telephonically/electronically 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 14<sup>th</sup> day of December 2018 on the UFA bulletin boards, the UFA website [www.unifiedfire.org](http://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 Deputy Board Clerk



## UNIFIED FIRE AUTHORITY BOARD MINUTES

November 20, 2018 7:30 a.m.

Emergency Operations Center – 3380 South 900 West SLC, UT 84119

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*Notice: Some Board members may participate by electronic means.*

### 1. Call to Order

Quorum was obtained. Chair Dahle called the meeting to order at 7:31 a.m.

- Chair Dahle noted on the safe return of Task Force 1 from California and asked that everyone keep those families in our thoughts and prayers that have lost so much in the California fires.
- BC Dustin Dern provided a recap of the Woolsey fire in California.
  - Woolsey fire destroyed over 96k acres and 1,500 structures with a current loss of \$53 million. Has never seen a fire consume so many structures so quickly.
  - Utah sent four task forces to California. UFA sent (1) task force leader, (1) task force leader trainee and (2) type-3 engines with (4) personnel on each engine.
- Mayor Hale thanked BC Dern and the crews for their service.
- Mayor Dahle asked BC Dern to convey the Boards gratitude to the crews.
- Mayor Silvestrini provided details of a fundraiser happening in Millcreek City to raise funds for the California wildfire victims to occur on Wednesday, November 21, 2018 at 3pm.
- Councilman Snelgrove asked when and/or if these types of fires were to occur in Wasatch, what kind of contingency do we have, considering there is one way in and one way out and should the exit routes be blocked? Is there an emergency plan in place for evacuation?
  - Chief Petersen stated there is a plan in place but it is a challenge. Wildland is preparing a whitepaper for the three canyons to outline some of the risks. Emergency Management has done good work on how to deal with it but further discussions are needed.

### 2. Public Comment

- Cliff Burningham, IAFF Union President stated that he will not be running for President of the Labor Union Board for next year.
  - Chief Petersen stated that he respects Burningham's decision and that he has been a great partner.

### 3. Approval of Minutes

Mayor Silvestrini moved to approve the minutes from the October 16, 2018 UFA Board Meeting as submitted.

Mayor Peterson seconded

All in favor

### 4. Approval of 2019 UFA Board Meeting Schedule

SLCo Surveyor Reid Demman moved to approve the 2019 Board Meeting Schedule as submitted.

Mayor Hale seconded

All in favor

## 5. Committee Updates

- Benefits and Compensation Committee by Chair Dahle
  - Committee met on November 19, 2018 with Gallagher and was given an update on UFA's current trending through the first 4 months. Trending was positive and below the previous 12 months.
  - Reviewed the Share program offered through Select Health. Labor will be included in future discussions to weigh in.
  - Scheduling another meeting in early 2019 in order to provide further updates at the February 2019 Board meeting.
    - Chief Petersen stated that Labor, Gallagher and Human Resources would meet for further discussions.
    - Cliff Burningham stated that a key concern is to have the least amount of change for members, especially relating to switching providers and for those that utilize a specialist.
    - Chair Dahle stated that firefighters being conscious in how they utilize the health insurance has contributed to the rate remaining low.
  
- Governance Committee by Chair Silvestrini
  - Committee met on November 6, 2018 to review the Inter-Local agreement. Discussed voting power and presented alternatives to Inter-Local for review. Requested these alternatives be taken back to each of the Boards respective city councils for review and to be prepared for a Board vote at the December 18, 2019 Board meeting.
    - CLO Roberts reviewed the four alternatives memo presented to the Board that came out of the Governance Committee meetings.
    - Chief Petersen recommended eliminating the Board Policy Committee so that Governance would address all Inter-Local and Board policies moving forward.
    - Councilman Stewart requested that any Board policies that are finance based or deals with financial matters, it goes to the Finance Committee first for review.
    - Mayor Silvestrini stated that before anything is adopted it would go to the full Board for review.
  - Mayor Silvestrini made a motion to dissolve the Board Policy Committee and assign policy review to the Governance Committee with the understanding that any policies of a financial nature to the Finance Committee prior to the Governance Committee.  
Seconded by Councilmember Stewart  
Approved by all
  - Councilmember Snelgrove asked about Brighton representation once they have incorporated.
    - Chief Petersen stated that once Brighton elects a governing body and is established as a municipality they would have a position on the Board. That is expected in January of 2020.
    - CFO Hill has spoken with Salt Lake County regarding the recreation fee and was advised that the current fee will remain in effect for 2019. CFO Hill will work with the County through this next year to address what the recreation area is as well as the funding mechanism for 2020.
    - Chair Dahle asked if there would be any financial impact to UFA for 2019.
      - CFO Hill stated that for the first half of the 2019 fiscal year there should be no change but there may be some impact in the 2<sup>nd</sup> half of the 2019 fiscal year.

- Chief Petersen stated that Salt Lake County does not currently have a map that shows what the recreation area is. Staff is building a map to meet what the County's intent is so that the cost to serve that area can be defined.
  - Chair Dahle would like to ensure that the Member cities are not charged to take care of the recreational area, that the cost is fully funded from the area that is served. Recommends referring this to the Finance Committee and then place it on the agenda for the Board to discuss any possible budget impacts.
- Finance Committee by Chair Stewart
  - Will be meeting on December 13, 2019 to discuss the audit and Brighton so that updates can be made in the December 18, 2018 Board meeting.

- Board Policy Committee  
No meeting

#### 6. Consent Agenda

- Review of October disbursements.

Mayor Hale moved to approve October 2018 consent agenda items as submitted  
 Mayor Silvestrini seconded  
 All in favor

#### 7. Fire Chief Report

- Single Medic / Single EMT – Assistant Chief Higgs & BC Wade Watkins
  - AC Higgs provided an overview of the one medic / one EMT process. The implementation will bring an improvement in the service level to the community. Every unit that responds to a call will have a Paramedic on the unit who will stay with that patient once contact has been made. An EMS Study Session is scheduled for November 28, 2019 for all Board members to bring up to speed and answer any questions.
    - Mayor Silvestrini encourage all Board members to watch the video that was emailed out by Chief Petersen.
  - BC Watkins offered to meet with any Board members on a one-on-one basis that are unable to attend the EMS Study Session.
- Part-time Program Recommendation
  - There has been a high dependence on part-time staff to manage staffing for a very long time. There are currently (8) 24- hour part time positions and (6) 12-hour positions every day. Challenge is that it takes (150) people on a roster to maintain the level of staffing that is required. Since January (130) people have been hired due to turnover, only (40) our our part time employees have been here for a full year. Reviewed various options over the last year to deliver ambulance service, with the decision to continue with firefighters on ambulances we need to reduce the dependency on our part time program. Chief proposes to fund (6) new firefighter positions that can be funded with the excess ambulance revenue.. Right now, the goal is to eventually staff the 24-hour ambulances with career staff and peak-load ambulances staff with part-time.
    - Mayor Peterson asked if the ambulance revenue would support this change.
      - Chief Peterson stated that it would support the change
    - Chair Dahle asked how many part-time positions would be reduced.
      - Chief Petersen stated the reduction would be (2) per day/per shift from the (8) 24-hour shifts which will take us down to (6) part time seats on 24-hour shifts.

- AC Higgs stated that to fill every single seat on a daily basis, we would have to hire and maintain 12 part-time individuals.
  - .
  - Mayor Dahle asked if part-time is reduced by (24), will the fund balance need to be dipped into?
    - Chief Petersen stated that the cost is offset by eliminated the the part-time seats. Looking for (6) seats for now because we are in a hiring process and have access to additional recruits. This will be a key part of the upcoming budgeting process to determine the pace we take in replacing part time postions.
    - There is still concern about the URS issue and more time is needed to focus on that before filling more seats. Met with the insurance carrier, their lobbyists and UFA lobbyists with positive results. There is a reasonable chance to find a solution this year Will need a few more months to work through this before more than (6) seats can be filled.
  - Mayor Dahle asked the Board to give approval for Chief Petersen to move forward
    - Mayor Silvestrini approved and appreciates seeking stability with the part-time positions.
    - Mayor Peterson and Councilmember Stewart stated approval to move forward. No one from the Board opposed.
    - Chief Petersen will move forward with (6) full time employees and through the budget process will determine how far we can move forward to find a balance point.
- Information Technology RFP Update – Assistant Chief Watson
  - RFP process brought (9) potential applicants that were narrowed down to (2) finalists. Site visits were made to the (2) which allowed us to narrow it down to our final selection. Current UFA I.T. Director will have the opportunity to compete for the opportunity as well.
- Behavioral Health Grant Request – Captain Greensides
  - At the end of October 2018, a grant application was submitted to specifically target increasing behavioral health resources. The grant is a total of \$464,625 of which the UFA will be asked to submit 10% for the grant. Have yet to hear if we will be awarded the grant. Looking to increase and making available to all members a baseline behavioral health assessment. Moving forward in our current fiscal year request to have a reoccurring baseline behavioral health assessment similar to the baseline physical assessment that is currently being done. Looking at increasing ongoing therapy sessions as well as making them annual assessments to address issues proactively rather than reactively.
- Planning Room Remodel – Assistant Chief Watson
  - Construction is scheduled to begin after the Thanksgiving holiday through the month of December. Lighting, recording system and furniture are some of the items that will be upgraded. It will be a multi-use room. The next Board meeting will be held at Station 126 in Midvale.

8. Closed Session

Mayor Peterson moved to temporarily recess the meeting to convene in a closed session to discuss matters as provided by Utah Code Annotated §52-4-205.

Councilmember Ferguson seconded

All voted in favor:  
Councilmember Eric Ferguson  
Councilmember Gary Bowen  
Mayor Robert Dahle  
Mayor Kristie Overson  
Mayor Mike Peterson  
Mayor Jeff Silvestrini  
Councilmember Richard Snelgrove

Mayor Robert Hale  
Councilmember Kathleen Bailey  
SLCo Surveyor Reid Demman  
Mayor Harris Sondak  
Councilmember Allan Perry  
Councilmember Sheldon Stewart  
Mayor Tom Westmoreland

Note: Board clerk was not present when motion made and seconded to open meeting back up to the public.

All Board members voted in favor to open meeting back up to public.

9. Executive Employees Performance & Compensation Review

Mayor Dahle stated that the Board would go back into closed session at the December 18, 2018 Board meeting to meet with Chief Petersen's direct reports for further review of Chief Petersen's annual performance.

10. Adjournment at 8:31 a.m.

Mayor Silvestrini moved to adjourn the meeting  
Mayor Peterson seconded  
All in favor

BOARD MEMBERS IN ATTENDANCE:

Councilmember Eric Ferguson  
Mayor Robert Hale  
Councilmember Gary Bowen  
Councilmember Kathleen Bailey  
Mayor Robert Dahle  
SLCo Surveyor Reid Demman  
Mayor Kristie Overson

Mayor Harris Sondak  
Mayor Mike Peterson  
Councilmember Allan Perry  
Mayor Jeff Silvestrini  
Councilmember Sheldon Stewart  
Councilmember Richard Snelgrove  
Mayor Tom Westmoreland

BOARD MEMBERS ABSENT:

Councilmember Kelly Bush

Councilmember Nicole Martin

OTHER ATTENDEES:

Chief Petersen  
AC Ziolkowski  
DOC Nile Easton  
Ed Walden  
Jay Torgensen  
Captain Mike Greensides  
Bill Brass  
Captain Chad Simons  
BC Brian Anderton  
BC Wade Watkins

AC Higgs  
CFO Tony Hill  
GSM Talsan Schulzke  
Doug Obert  
BC Zach Robinson  
BC Brad Larson  
BC Lee Ascarte  
Captain Cliff Burningham  
Steven Schmidt  
DC Steve Prokopis

AC Watson  
CLO Brian Robertson  
Board Clerk Michelle Roper  
BC Dusty Dern  
Brett Wood – Herriman City  
Lana Burningham  
Arriann Woolf  
Captain Nate Bogenschutz  
Lisa Hartman – SLCo  
Kiyoshi Young





# UNIFIED FIRE AUTHORITY

## ANNUAL FINANCIAL REPORT

June 30, 2018

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**For the Year Ended June 30, 2018**

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## 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, 2018, 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.

### **Opinions**

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, 2018, 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, budgetary comparison information, other post-employment benefit plan schedules, schedule of proportionate share of the net pension liability, schedule of contributions, and notes to required supplementary information 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 statement, 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 operation, 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 December 7, 2018 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 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 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

December 7, 2018

The image features a horizontal band with a background of intense, bright yellow and orange flames. In the foreground, the silhouettes of two firefighters are visible. The firefighter on the left is holding a hose that extends across the frame. The firefighter on the right is also holding a hose. The text "MANAGEMENT'S DISCUSSION AND ANALYSIS" is centered over the image, underlined.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

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, 2018. 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, 2018 was \$18,643,084. Net position increased \$2,013,453 in 2018 over the previous year's numbers (see table on page 6).

UFA reported combined ending fund balance for governmental funds of \$16,011,987 as of June 30, 2018 (14% increase compared to \$14,056,408 in 2017). The increase in fund balance is primarily due to excess deployment reimbursement revenue, sales of capital assets, effective management of expenses, as well as personnel cost savings (realized due to vacancies and staffing adjustments). The total *spendable fund balance* at June 30, 2018 was \$14,931,124, which represents 22% of total fund expenditures. Of the total spendable fund balance, \$10,568,720 is actually available for appropriation and spending (*unassigned fund balance*), \$1,505,409 is assigned for future purchases, \$2,836,540 is committed, and \$20,455 is restricted for capital acquisition. Unassigned fund balance includes \$3,298,620 (5% of fiscal year 2018 general fund revenues) required by the State of Utah to be retained as fund balance, leaving a balance of \$7,270,101 available for appropriation. Total unassigned fund balance in 2018 increased \$1,402,806 (20%). 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, 2018, UFA station crews responded to 7,824 fire-related calls and 20,674 medical calls, for a total of 28,498 calls (compared to 30,188 total calls in 2017). The average number of calls per station increased from 1,078 in 2017 to 1,239 in 2018, largely due to a reduction in the number of responding stations.

UFA's more than 20,000 medical calls generated 10,393 billable ambulance transports, compared to 11,194 in 2017 (seven percent decrease). Actual ambulance call volume during the year resulted in gross billings of \$16.1 million (5.5% percent decrease from \$17 million in 2017). The primary reason for the drop in call volume and transport revenue was Draper's withdrawal from UFA. At the time of Draper's separation, UFA also made changes to staffing, including reducing the number of ambulances in operation. The decrease in transports was partially offset by an increase in transport base rates. Transport base rates are adjusted annually as allowed by the State of Utah (5.5% increase compared to prior year). Earned revenues, net of adjustments and allowances, decreased approximately three percent to \$7.4 million in the fiscal year ended June 30, 2018. As of year-end, net receivables related to ambulance service were over \$1.7 million.

UFA's Wildland Fund reported revenues of nearly \$2.1 million as of June 30, 2018 (9% decrease from 2017). Wildfire suppression crews worked in Utah, Idaho, Nevada, Oregon, Wyoming, Arizona, New Mexico, Colorado, and California, during the 2018 season. As a result of revenues that exceeded expectation, the program improved its net position by \$77,365.

UFA underwent a leadership change during the fiscal year with the hiring of a new Fire Chief in January 2017, following the resignation of its former Chief. In August 2016, the UFA Board ordered an audit by an outside auditing firm to investigate compliance by the former Chief and Deputy Chief with UFA's policies and procedures. The Utah State Auditor's Office (USAO) also began its own audit. Final results of both audits were made public in January 2017. For more information regarding these audits, please see the "Audit Findings and Recommendations" section on page 11.

In August 2016, Draper City announced its desire to withdraw from UFA and form its own fire department in July 2017. As a result of its withdrawal, UFA ceased operations in three stations located within the city. This led to a reduction in member fees and ambulance transport revenue. To eliminate the need for a reduction in force and strengthen service to its members, UFA made changes to its staffing model. These changes included closing two additional stations for Emergency Operations as well as reducing the number of ambulances in order to reallocate the staff to provide four-handed crews in 18 of UFA's 23 stations.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

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.

**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 375 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 38-39) 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 40-43).

# UNIFIED FIRE AUTHORITY

# ANNUAL FINANCIAL REPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

### 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, 2018, assets and deferred outflows exceeded liabilities and deferred inflows by \$18,643,084 (an increase of \$2,013,453 over 2017).

Current assets increased nearly 6% during the fiscal year ended June 30, 2018. Cash increased \$1.2 million primarily due an increase in unrestricted cash resulting from excess revenues collected and efficient management of expenses offset by usage of restricted funds in escrow (\$786,658 net decrease to restricted cash). Other current assets decreased overall (receivables decreased \$317,983 and inventory increased \$225,359). Ambulance receivable decreases were caused by more timely collection of payments and a drop in overall transports.

Other assets increased \$6,779,171 in 2018, resulting principally from \$6,795,019 increase in net pension asset reported as part of UFA's implementation of GASB 68, offset by the \$15,848 payoff of a related party note due to UFA during the fiscal year. For more information on GASB 68, see Note 5, beginning on page 28.

Capital assets, net of depreciation, decreased \$2,854,782 (11%) compared to 2017 because depreciation expense (\$3,619,116) and net disposals (\$50,141) exceeded capital additions (\$814,474) during fiscal year 2018. For more information on UFA's capital assets, see note 4 on page 27.

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 2017 to 2018 by \$2,339,538. Deferred inflows of resources related to pensions increased \$13,413,948 as of June 30, 2018.

Current liabilities at June 30, 2018, decreased \$450,851 (11%) compared to balances at June 30, 2017. Total accounts payable decreased \$19,926 (2%) at June 30, 2018. Accrued liabilities decreased \$430,925 (14%) primarily due to retiree payouts exceeding \$275,000 related to an early retirement incentive offered in 2017 as well as the timing of pay cycles in relation to year end.

Long-term liabilities decreased from 2017 to 2018 by over \$7.5 million (25%). UFA made principal payments of \$2,900,053 on capital leases and UFA's related party note payable. Compensated absence liability obligations increased \$284,840 (6%) over 2017. Net pension liability obligation decreased from 2017 to 2018 by \$4,945,633 (78%). See Notes 5, 7, 8, and 9 for more information regarding pension plans, other post-employment benefits, compensated absences, and capital leases, respectively.

### 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
	2018	2017	2018	2017	2018	2017		
<b>Assets</b>								
Current and other assets	\$ 26,939,111	\$ 19,003,937	\$ 724,460	\$ 728,686	\$ 27,663,571	\$ 19,732,623	\$ 7,930,948	40%
Capital assets	21,938,236	24,735,479	478,067	535,606	22,416,303	25,271,085	(2,854,782)	-11%
Total Assets	48,877,347	43,739,416	1,202,527	1,264,292	50,079,874	45,003,708	\$ 5,076,166	11%
Deferred Outflows of Resources	18,913,227	16,573,689	-	-	18,913,227	16,573,689	2,339,538	14%
<b>Liabilities</b>								
Current and other liabilities	3,372,980	3,767,760	194,705	250,776	3,567,685	4,018,536	(450,851)	-11%
Long-term liabilities	22,226,885	29,704,672	349,358	432,417	22,576,243	30,137,089	(7,560,846)	-25%
Total Liabilities	25,599,865	33,472,432	544,063	683,193	26,143,928	34,155,625	(8,011,697)	-23%
Deferred Inflows of Resources	24,206,089	10,792,141	-	-	24,206,089	10,792,141	13,413,948	124%
<b>Net Position</b>								
Invested in capital assets, net of related debt	14,340,898	14,754,041	45,648	103,188	14,386,546	14,857,229	(470,683)	-3%
Restricted	1,080,863	841,202	-	-	1,080,863	841,202	239,661	28%
Unrestricted	2,562,858	453,289	612,816	477,911	3,175,674	931,200	2,244,474	-241%
Total Net Position	\$ 17,984,619	\$ 16,048,532	\$ 658,464	\$ 581,099	\$ 18,643,083	\$ 16,629,631	\$ 2,013,452	12%

# UNIFIED FIRE AUTHORITY

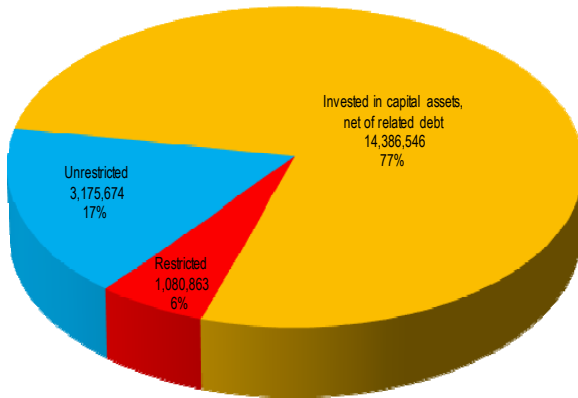
# ANNUAL FINANCIAL REPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

### FINANCIAL ANALYSIS OF UFA AS A WHOLE (CONTINUED)

Net Position as of June 30, 2018



UFA's net investment in capital assets is \$14,386,546, or 77% of total net position. Net investment in capital assets decreased \$470,683 (3%) in 2018 due mainly to capital acquisitions purchased 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 increased to \$1,080,863 (28%) from 2017 to 2018. The increase resulted primarily from an increase in inventory. Restricted amounts are related to supplies and equipment inventory (\$1,021,586) held at UFA's warehouse and funds paid to vendors prior to receipt of good and/or services (\$59,277).

Unrestricted net position may be used to meet UFA's ongoing financial obligations to citizens and creditors. As of June 30, 2018, unrestricted net position was \$3,175,675 (\$2.2 million increase compared to 2017). The increase is mainly due to excess revenues from deployment reimbursements and investment income, recognition of GASB 68 activity related to pension liabilities including nonemployer contributions and a reduction of net pension benefit expense, as well as cost savings in personnel and operations resulting from vacancies, staffing adjustments, and effective management of expenses.

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

	Governmental Activities		Business-Type Activities		Total Primary Government		Total % Change
	2018	2017	2018	2017	2018	2017	
<b>Program revenues</b>							
Charges for services	\$ 66,665,984	\$ 69,087,244	\$ 2,057,183	\$ 2,265,173	\$ 68,723,167	\$ 71,352,417	-4%
Grants and contributions	249,195	232,188	-	1,145	249,195	233,333	7%
<b>General revenues</b>							
Unrestricted net							
investment earnings	215,269	111,574	5,126	935	220,395	112,509	96%
Other	777,014	2,662,908	2,500	(116,683)	779,514	2,546,225	-69%
Member contributions	450,054	485,818	-	-	450,054	485,818	-7%
<b>Total revenues</b>	<b>68,357,516</b>	<b>72,579,732</b>	<b>2,064,809</b>	<b>2,150,570</b>	<b>70,422,325</b>	<b>74,730,302</b>	<b>-6%</b>
<b>Program expenses</b>							
Fire protection services	64,333,424	66,247,479	-	-	64,333,424	66,247,479	-3%
Emergency management	1,905,287	1,797,608	-	-	1,905,287	1,797,608	6%
Wildfire protection services	-	-	2,071,555	2,051,702	2,071,555	2,051,702	1%
Interest on long-term debt	316,074	347,574	7,889	9,550	323,963	357,124	-9%
<b>Total expenses</b>	<b>66,554,785</b>	<b>68,392,661</b>	<b>2,079,444</b>	<b>2,061,252</b>	<b>68,634,229</b>	<b>70,453,913</b>	<b>-3%</b>
<b>Excess (deficiency)</b>							
before transfers	1,802,731	4,187,071	(14,635)	89,318	1,788,096	4,276,389	-58%
Transfers	(92,000)	(21,391)	92,000	21,391	-	-	100%
Change in net assets	1,710,731	4,165,680	77,365	110,709	1,788,096	4,276,389	-58%
Net position - beginning	16,048,530	11,794,704	581,099	470,390	16,629,629	12,265,094	36%
Increase in inventory	225,359	88,146	-	-	225,359	88,146	156%
<b>Net position - ending</b>	<b>\$ 17,984,620</b>	<b>\$ 16,048,530</b>	<b>\$ 658,464</b>	<b>\$ 581,099</b>	<b>\$ 18,643,084</b>	<b>\$ 16,629,629</b>	<b>12%</b>

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2018

FINANCIAL ANALYSIS OF UFA AS A WHOLE (CONTINUED)

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 decreased \$1,694,589 (54%) compared to the previous fiscal year, mainly due to decreased nonemployee contributions recognized in connection with GASB 68 reporting (\$290,713 in 2018 compared to \$2.4 million in 2017) and sale of capital assets (\$285,805 gain on sales in 2018 compared to \$172,094 loss in 2017).

Program revenues consist of grants and contributions as well as charges for services. Total combined program revenue in 2018 declined \$2,613,388 (4%) from 2018 to 2017. 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 dropped \$2,626,825 (5%) primarily due to Draper City’s separation from UFA in July 2017. The decrease in these fees was partially offset by \$1,369,288 in deployment reimbursements (including California EMAC wildfire deployments as well as USAR hurricane deployments).

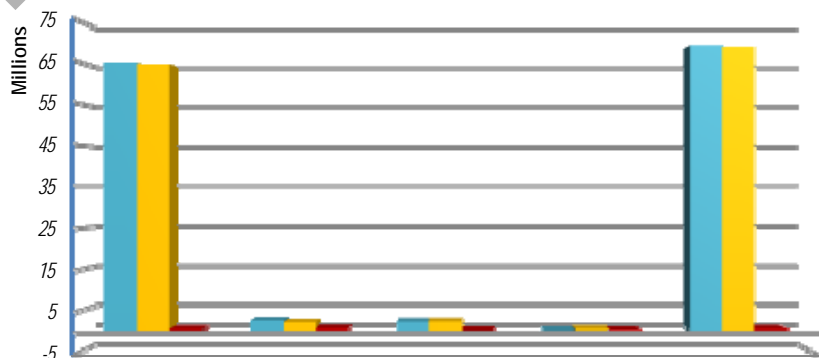
	Transports		Collections	
	Annual #	% Change	Annual \$	% Change
6/30/2018	10,393	-7%	\$7,006,776	-17%
6/30/2017	11,194	-2%	\$8,398,626	8%
6/30/2016	11,379	2%	\$7,775,988	12%
6/30/2015	11,186	1%	\$6,959,006	3%
6/30/2014	11,102	-6%	\$6,733,208	-1%

Ambulance service revenues are the second largest source of revenue for UFA (10% of UFA charges for services in 2018) 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 decreased \$1,391,850 (17%) due to fewer transports resulting from Draper’s separation and ambulance staffing changes during the fiscal year. A portion of this decrease in ambulance fees is related to GAAP reporting for deferred revenues due to the timing of cash receipts (\$455,314).

Program expenses decreased \$1,819,684 (2.6%) compared to the prior year, due primarily to the net effect of the following:

- Nearly \$2.4 million drop in benefit costs in relation to GASB 68 reporting requirements for pensions
- No change in OPEB obligations in 2018, compared to a decrease of more than \$590,000 in 2017
- Accrued compensated absences increased in 2018 by nearly \$780,000
- Net personnel cost decreased more than \$500,000 due to a reduction of staffing related to the Draper separation as well as a drop in termination payouts (related to the 2017 retirement incentive offered), offset by USAR and EMAC deployments, merit raises, rising benefit rates, and increased overtime to maintain minimum staffing levels.
- Depreciation and amortization of capital assets increased more than \$780,000
- Decrease of nearly \$160,000 and \$180,000 in utilities and dispatch services, respectively, primarily due to Draper’s separation from UFA (three fewer stations’ operating costs incurred and fewer calls dispatched)
- Over \$230,000 drop in vehicle maintenance costs due to new apparatus put in service and postponement of preventative maintenance
- Approximately \$530,000 less spent in 2018 on noncapital equipment purchases using capital lease proceeds and unrestricted funds

Program Expense and Revenue - Governmental Activities  
For the Fiscal Year Ended June 30, 2018



The table to the right depicts expenses by function with related program revenues and net revenue/(expense) for governmental activities discussed previously.

	Fire protection services	Emergency management	Wildfire protection services	Interest on long-term debt	Total governmental
■ Revenues	\$64,615,306	\$2,299,873	\$2,057,183	\$-	\$68,972,362
■ Expenses	\$64,333,424	\$1,905,287	\$2,071,555	\$323,963	\$68,634,229
■ Net Revenue (Expense)	\$281,882	\$394,586	\$(14,372)	\$(323,963)	\$338,133

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

### FINANCIAL ANALYSIS OF UFA'S FUNDS

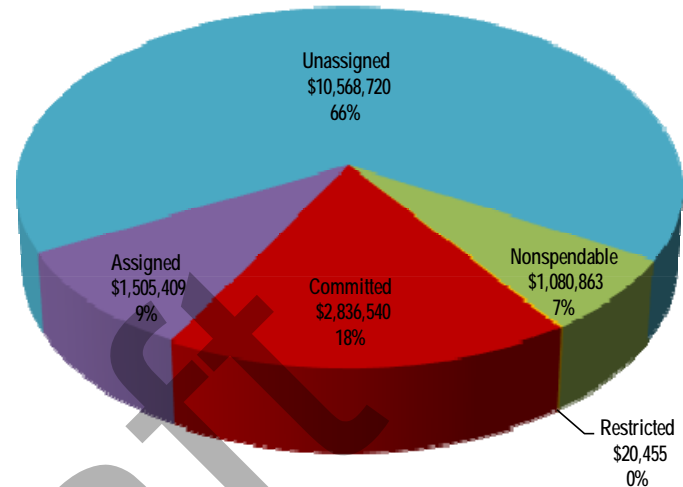
As of June 30, 2018, the aggregate fund balance of UFA's governmental funds increased \$1,955,579 (14%) to \$16,011,987. The increase is primarily due excess deployment reimbursement revenue and sale of capital assets, as well as effective management of expenditures and personnel cost savings through vacancies and creative staffing.

Approximately 66% of the aggregate fund balance, or \$10,568,720, is unassigned and is available for appropriation by the UFA Board. Unassigned fund balance at June 30, 2018, increased \$1,402,805 (21%) over prior year. Unassigned fund balance includes \$3,298,620 required by the State of Utah to be retained as fund balance (5% of fiscal year 2018 general fund revenues), leaving a balance of \$7,270,100 available for appropriation.

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

- Assigned for:
  - Encumbrances \$128,877
  - Special revenue fund balance \$1,376,532
- Committed for:
  - Compensated absences \$832,0409
  - Retirement contributions \$103,220
  - Capital acquisitions \$1,901,280
- Restricted for capital acquisitions \$20,455
- Nonspendable
  - Inventory \$1,021,586
  - Prepaid \$59,277

Fund Balances - Governmental Funds  
At June 30, 2018



**Business-Type Funds:** As of June 30, 2018, UFA's business-type fund net position increased \$77,365 (13%) over 2018. The Wildland program plans to utilize some of these excess funds for expenses associated with starting up the 2019 wildfire season, implementation of leadership training, and reserving funds for vehicle replacement. The program is also researching its ability 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 can be summarized as follows:

- \$1,444,746 increase in intergovernmental revenues and reimbursements received for USAR hurricane and EMAC wildfire deployments resulting in additional personnel (\$1,053,920) and related operational (\$28,032) costs as well as a transfer to Capital Replacement for future equipment needs of \$362,794
- \$190,840 appropriation of restricted fund balance to make equipment purchases with remaining capital lease proceeds from 2017 (\$119,413 noncapital and \$71,427 capital)
- Net reallocation of \$87,710 to capital outlay from operating and administrative expenditures for purchases Kronos software, station paging equipment, and UFA logo signage that met the capitalization threshold
- \$174,810 increase in Camp Williams program revenue resulting from staff support provided to Wildland program deployments and event staffing (salaries and benefits of \$165,810 and operations of \$9,000)
- \$88,840 increase in reimbursements from USAR for mid-year addition of two new positions approved in its Federal budget
- \$74,617 increase in grants revenue awarded during the fiscal year for EMS equipment and training, bomb equipment, and rescue task force (RTF) equipment purchases
- \$92,000 reclassification of State Wildland Mitigation match funds to an interfund transfer to the Wildland Fund, who provides the work for UFA's mitigation match
- \$206,360 of proceeds were earned from sales of capital assets and were transferred to the Capital Replacement fund

# UNIFIED FIRE AUTHORITY

# ANNUAL FINANCIAL REPORT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

### GENERAL FUND BUDGETARY HIGHLIGHTS (CONTINUED)

Significant variations in actual results compared to final budget, all positive in 2018, can be summarized as follows:

- Ambulance revenues exceeded budget by over \$495,000 due primarily to higher transport base rates set by the State of Utah.
- Investment income exceeded budget by nearly \$134,000 mainly due to rising PTIF interest rates during the fiscal year
- Other income exceeded budget by over \$81,000 largely due to a dividend from UFA's liability insurance program (\$52,256), proceeds from surplus sales, and miscellaneous reimbursements not expected.
- Staffing vacancies in several divisions as well as adjustments made in field operations staffing resulted in actual salaries and benefits expenditures more than \$1.7 million below budget.
- Management worked to control administrative expenditures which resulted in net cost savings of more than \$110,000.
- Operating costs savings over \$480,000 resulted primarily from termination of UCANN service fees previously paid by UFA, delay of vehicle preventative maintenance due to vacancies in Fleet, fuel costs falling below estimated rates, and efficient management of operational needs.
- UFA's capital outlay budget exceeded its actual purchases by nearly \$220,000 largely due to a lack of capital vehicle maintenance projects during the fiscal year.

For detailed budgetary comparison schedules, see the Required Supplementary Information section, beginning on page 38.

### CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: UFA's investment in capital assets at June 30, 2018, was \$22,413,281 (net of \$41,902,913 depreciation). Capital assets decreased more than \$2.8 million (11%) over the prior fiscal year, due to the fact that depreciation (\$3,619,116) and disposals (\$50,141) outweighed 2018 additions (\$814,474).

#### Capital Assets, Net of Depreciation As of June 30,

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2018	2017	2018	2017	2018	2017	
Building and improvements	\$ 2,701,883	\$ 2,737,084	\$ 3,022	\$ -	\$ 2,704,905	\$ 2,737,084	-1%
Computer software & equipment	676,331	246,895	-	-	676,331	246,895	174%
Construction in progress	1,889,331	9,082,202	-	-	1,889,331	9,082,202	-79%
Furniture & equipment	2,881,848	3,104,655	-	-	2,881,848	3,104,655	-7%
Land & improvements	569,965	586,837	-	-	569,965	586,837	-3%
Transportation equipment	13,218,878	8,977,805	475,045	535,608	13,693,923	9,513,413	44%
	<u>\$ 21,938,236</u>	<u>\$ 24,735,478</u>	<u>\$ 478,067</u>	<u>\$ 535,608</u>	<u>\$ 22,416,303</u>	<u>\$ 25,271,086</u>	-11%

Major capital assets for Governmental activities put in service during the year ended June 30, 2018 included:

- Medium and heavy apparatus additions: new equipment of \$6,203,266 and refurbishment of existing equipment of \$426,372
- Three mechanic vehicles with a total cost of \$267,164
- Computer equipment and software totaling \$608,000
- Fourteen Stryker ambulance cots totaling \$245,650

For more information on capital assets and depreciation, see Note 4, on page 27.

Long-term Debt: During the year, UFA made principal and interest payments on long-term debt totaling \$3,243,862. For more information on UFA's long-term debt, see Notes 9 and 10 beginning on page 34.

### 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

### AUDIT FINDINGS AND RECOMMENDATIONS

The UFA Board ordered an audit by an outside auditing firm to investigate compliance by the former Chief and Deputy Chief with UFA's policies and procedures. This audit resulted in 11 findings, 10 of which have been resolved through agreement and policy updates.

In August 2016, simultaneously with the authorization of the audit by UFA's Board, the Utah State Auditor's office (USAO) began an audit to investigate allegations of improper compensation to key personnel, including the former Chief and Deputy Chief, as well as potential misuse of public funds. Final results of the audits were made public in January 2017. The USAO audit contained 51 findings, which resulted in 126 recommendations (100 of which have been resolved). Many of the remaining recommendations not resolved are related to ongoing evaluations of potential means of recovery of funds.

UFA's Board and Administration has worked to address the majority of the findings through management changes as well as policy revisions. UFA continues to work to resolve the findings and provide requested information to the State Attorney General for its investigation resulting from USAO findings.

### 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, 2018, UFA had 23 operating stations, 421 full-time employees and an average of 150 part-time and seasonal employees.

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 2018-2019 has been approved and includes an average increase of 3% to each of the entities' member fee. 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 will be used to replace aging apparatus and equipment. The 2018-2019 budget also includes a 10 year capital replacement plan including a new seven year lease totaling \$5,288,670. Highlights of this lease will be 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.



# **BASIC FINANCIAL STATEMENTS**

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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, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total 2018
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,694,193	\$ 371,481	\$ 17,065,674
Restricted cash and cash equivalents	40,730	-	40,730
Receivables	2,307,963	352,979	2,660,942
Inventory	1,021,586	-	1,021,586
Prepaid expense	59,277	-	59,277
Note receivable	-	-	-
Capital assets, net of depreciation	21,938,236	478,067	22,416,303
Net pension asset	6,815,362	-	6,815,362
<b>TOTAL ASSETS</b>	<b>48,877,347</b>	<b>1,202,527</b>	<b>50,079,874</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	18,913,227	-	18,913,227
<b>LIABILITIES</b>			
Accounts payable	912,449	46,108	958,557
Restricted accounts payable	20,275	-	20,275
Accrued liabilities	2,440,256	148,597	2,588,853
Noncurrent liabilities			
Due within one year	4,112,157	84,737	4,196,894
Due in more than one year	16,720,466	264,621	16,985,087
Net pension liability	1,394,262	-	1,394,262
<b>TOTAL LIABILITIES</b>	<b>25,599,865</b>	<b>544,063</b>	<b>26,143,928</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	24,206,089	-	24,206,089
<b>NET POSITION</b>			
Net investment in capital assets	14,340,898	45,648	14,386,546
Restricted for inventory	1,021,586	-	1,021,586
Restricted for prepaid expense	59,277	-	59,277
Unrestricted	2,562,859	612,816	3,175,675
<b>TOTAL NET POSITION</b>	<b>\$ 17,984,620</b>	<b>\$ 658,464</b>	<b>\$ 18,643,084</b>

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

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## STATEMENT OF ACTIVITIES

Year ended June 30, 2018

Functions/Programs	Expenses	PROGRAM REVENUES			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>					
GOVERNMENTAL ACTIVITIES:					
Fire protection services	\$ 64,333,424	\$ 64,514,679	\$ 100,627	\$ -	\$ 281,882
Emergency management	1,905,287	2,151,305	113,568	35,000	394,586
Interest on long-term debt	316,074	-	-	-	(316,074)
Total governmental activities	<u>66,554,785</u>	<u>66,665,984</u>	<u>214,195</u>	<u>35,000</u>	<u>360,394</u>
BUSINESS-TYPE ACTIVITIES:					
Wildland protection services	2,071,555	2,057,183	-	-	(14,372)
Interest on long-term debt	7,889	-	-	-	(7,889)
Total business-type activities	<u>2,079,444</u>	<u>2,057,183</u>	<u>-</u>	<u>-</u>	<u>(22,261)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u><b>\$ 68,634,229</b></u>	<u><b>\$ 68,723,167</b></u>	<u><b>\$ 214,195</b></u>	<u><b>\$ 35,000</b></u>	<u><b>\$ 338,133</b></u>

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total 2018
Changes in net assets:			
Net (expense) revenue	\$ 360,394	\$ (22,261)	\$ 338,133
General Revenues:			
Unrestricted net investment earnings	215,269	5,126	220,395
Miscellaneous	396,313	2,500	398,813
Rent	94,896	-	94,896
Gain/(loss) on disposal of capital assets	285,805	-	285,805
Member contributions	450,054	-	450,054
Transfers	(92,000)	92,000	-
Total general revenues	<u>1,350,337</u>	<u>99,626</u>	<u>1,449,963</u>
Changes in net position	1,710,731	77,365	1,788,096
Net position - beginning	16,048,530	581,099	16,629,629
Increase in inventory	225,359	-	225,359
Net position - ending	<u><b>\$ 17,984,620</b></u>	<u><b>\$ 658,464</b></u>	<u><b>\$ 18,643,084</b></u>

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

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2018

	MAJOR FUNDS				Total 2018
	General Fund	Special Revenue Fund	Fire Capital Projects Fund	Nonmajor Governmental Fund	
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 13,388,399	\$ 1,404,514	\$ 1,796,231	\$ 105,049	\$ 16,694,193
Restricted cash and cash equivalents	40,730	-	-	-	40,730
Receivables	2,035,888	80,188	-	-	2,116,076
Related party receivables	167,939	23,948	-	-	191,887
Inventory	1,021,586	-	-	-	1,021,586
Prepaid expense	54,636	4,641	-	-	59,277
<b>TOTAL ASSETS</b>	<b>16,709,178</b>	<b>1,513,291</b>	<b>1,796,231</b>	<b>105,049</b>	<b>20,123,749</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable	826,825	69,067	-	-	895,892
Restricted accounts payable	20,275	-	-	-	20,275
Related party payable	7,895	8,662	-	-	16,557
Accrued liabilities	2,301,998	33,300	-	-	2,335,298
<b>TOTAL LIABILITIES</b>	<b>3,156,993</b>	<b>111,029</b>	<b>-</b>	<b>-</b>	<b>3,268,022</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - ambulance	843,740	-	-	-	843,740
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>4,000,733</b>	<b>111,029</b>	<b>-</b>	<b>-</b>	<b>4,111,762</b>
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Inventory	1,021,586	-	-	-	1,021,586
Prepaid expense	54,636	4,641	-	-	59,277
<b>Spendable:</b>					
Restricted for capital acquisition	20,455	-	-	-	20,455
<b>Committed for:</b>					
Compensated absences	832,040	-	-	-	832,040
Retirement contributions	82,131	21,089	-	-	103,220
Capital acquisitions	-	-	1,796,231	105,049	1,901,280
Assigned	128,877	1,376,532	-	-	1,505,409
Unassigned - 5% State requirement	3,298,620	-	-	-	3,298,620
Unassigned	7,270,100	-	-	-	7,270,100
<b>TOTAL FUND BALANCES</b>	<b>12,708,445</b>	<b>1,402,262</b>	<b>1,796,231</b>	<b>105,049</b>	<b>16,011,987</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 16,709,178</b>	<b>\$ 1,513,291</b>	<b>\$ 1,796,231</b>	<b>\$ 105,049</b>	<b>\$ 20,123,749</b>

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, 2018

Total Fund Balances - Governmental Funds \$ 16,011,987

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	63,585,427	
Accumulated depreciation	(41,647,190)	21,938,237

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. 843,740

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.

Net pension asset	6,815,362	
Deferred outflows of resources relating to pensions	18,913,227	
Net pension liability	(1,394,262)	
Deferred inflows of resources relating to pensions	(24,206,089)	128,238

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	(104,957)	
Capital leases	(10,307,110)	
Related party note payable	(2,004,510)	
Compensated absences	(4,781,546)	
Net OPEB obligation	(3,739,458)	(20,937,581)

Net Position of Governmental Activities \$ 17,984,620

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

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Year ended June 30, 2018

	MAJOR FUNDS				Total 2018
	General Fund	Special Revenue Fund	Fire Capital Projects Fund	Nonmajor Governmental Fund	
<b>REVENUES</b>					
Member fees	\$ 51,947,709	\$ -	\$ -	\$ -	\$ 51,947,709
Ambulance operations	7,462,090	-	-	-	7,462,090
Fees - Emergency services	-	2,151,305	-	-	2,151,305
Fees - Other	3,682,572	-	-	-	3,682,572
Grants and contributions	100,627	148,568	-	-	249,195
Intergovernmental revenues	294,723	155,331	-	-	450,054
Reimbursements	1,877,622	-	-	-	1,877,622
Rent income	94,896	-	-	-	94,896
Investment income	189,139	3,430	22,700	-	215,269
Other income	98,654	6,946	-	-	105,600
<b>TOTAL REVENUES</b>	<b>65,748,032</b>	<b>2,465,580</b>	<b>22,700</b>	<b>-</b>	<b>68,236,312</b>
<b>EXPENDITURES</b>					
Current					
Salaries and benefits	52,072,043	1,028,904	-	-	53,100,947
Operations	8,184,571	731,776	-	-	8,916,347
General and administrative	729,295	24,387	-	-	753,682
Capital outlay	786,068	25,255	-	-	811,323
Debt service	3,167,740	-	-	-	3,167,740
<b>TOTAL EXPENDITURES</b>	<b>64,939,717</b>	<b>1,810,322</b>	<b>-</b>	<b>-</b>	<b>66,750,039</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>808,315</b>	<b>655,258</b>	<b>22,700</b>	<b>-</b>	<b>1,486,273</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of assets	224,360	17,500	94,086	-	335,946
Transfers in	100,000	-	569,154	57,500	726,654
Transfers out	(661,154)	(157,500)	-	-	(818,654)
<b>Total other financing sources (uses)</b>	<b>(336,794)</b>	<b>(140,000)</b>	<b>663,240</b>	<b>57,500</b>	<b>243,946</b>
<b>Net change in fund balances</b>	<b>471,521</b>	<b>515,258</b>	<b>685,940</b>	<b>57,500</b>	<b>1,730,219</b>
Fund balances - beginning	12,011,565	887,004	1,110,291	47,549	14,056,409
Increase in inventory	225,359	-	-	-	225,359
<b>Fund balances - ending</b>	<b>\$ 12,708,445</b>	<b>\$ 1,402,262</b>	<b>\$ 1,796,231</b>	<b>\$ 105,049</b>	<b>\$ 16,011,987</b>

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, 2018

Net Change in Fund Balances - Total Governmental funds		\$ 1,730,219
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	811,323	
Depreciation expense	<u>(3,558,424)</u>	(2,797,242)
Net ambulance revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		(455,314)
Pension liabilities do not require current financial resources and therefore are not recorded in governmental funds.		
		666,242
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.		
Accrued interest on long-term debt	34,672	
Repayment of long-term debt	<u>2,816,994</u>	2,851,666
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	-	
Decrease in compensated absences	<u>(284,840)</u>	<u>(284,840)</u>
Changes in Net Position of Governmental Activities		<u><u>\$ 1,710,731</u></u>

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

STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 June 30, 2018

	<u>Wildland Enterprise Fund</u>
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 371,481
Receivables	352,979
Current assets	<u>724,460</u>
NONCURRENT ASSETS	
Capital assets, net of depreciation	478,067
TOTAL ASSETS	<u>\$ 1,202,527</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	\$ 46,108
Accrued liabilities	148,597
NONCURRENT LIABILITIES	
Due within one year	84,737
Due in more than one year	264,621
TOTAL LIABILITIES	<u>544,063</u>
NET POSITION	
Net investment in capital assets	45,648
Unrestricted	612,816
TOTAL NET POSITION	<u><u>\$ 658,464</u></u>

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

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUND June 30, 2018

	Wildland Enterprise Fund
	<u>                    </u>
OPERATING REVENUES	
Wildland fees	\$ 2,057,183
OPERATING EXPENSES	
Salaries and benefits	1,719,670
Operations	285,474
General and administrative	5,719
Depreciation and amortization	60,692
	<u>2,071,555</u>
TOTAL OPERATING EXPENSES	2,071,555
	<u>                    </u>
INCOME FROM OPERATIONS	(14,372)
	<u>                    </u>
NONOPERATING REVENUE (EXPENSE)	
Loss on disposal of capital assets	2,500
Interest income	5,126
Interest on long-term debt	(7,889)
Income before contributions and transfers	(14,635)
Transfers in	92,000
	<u>                    </u>
CHANGE IN NET POSITION	77,365
NET POSITION - BEGINNING	581,099
	<u>                    </u>
NET POSITION - ENDING	<u>\$ 658,464</u>

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

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**June 30, 2018**

	<u>Wildland Enterprise Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 2,122,924
Payments to vendors	(264,563)
Payments for general and administrative expenses	(5,719)
Payments to employees	(1,622,534)
Employee benefits paid	(174,118)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>55,990</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other fund	92,000
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>92,000</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Loss on disposal of capital projects	2,500
Payments for acquisition and construction of capital assets	(3,152)
Principal paid on long-term debt	(83,059)
Interest paid on long-term debt	(7,889)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(91,600)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	5,126
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>61,516</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>309,965</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 371,481</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH USED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ (14,372)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation and amortization	60,692
(Increase) decrease in assets:	
Accounts receivable	65,741
Increase (decrease) in liabilities:	
Accounts payable	20,911
Accrued expenses	(76,982)
<b>Net cash provided by operating activities</b>	<b>\$ 55,990</b>

**NONCASH ACTIVITY**

Depreciation for the year ended June 30, 2018, was \$60,692.

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

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

## 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, 2018, 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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

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.
- 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.
- 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.

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.

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.

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 cost using the first-in, first-out (FIFO) method.

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	3 – 20 years
Building and improvements	5 – 39 years

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

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

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 2018). 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.

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.

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.

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

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

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.

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, 2018, UFA was required to maintain \$3,298,620 (5% of fiscal year 2018 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.

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.

Reclassifications

Certain reclassifications have been made to the 2017 comparative totals in order to conform to the June 30, 2018 financial statement presentation.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at June 30, 2018:

	Governmental Activities	Business-Type Activities	Total
Unrestricted cash - net of outstanding checks	\$ 692,586	\$ -	\$ 692,586
Public Treasurer's Investment Fund	16,001,607	371,481	16,373,088
Restricted cash and cash equivalents	40,730	-	40,730
Total cash and cash equivalents	<u>\$ 16,734,923</u>	<u>\$ 371,481</u>	<u>\$ 17,106,404</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.

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, 2018, UFA's deposits had a bank balance of \$992,038, of which \$250,000 is insured and \$742,038 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 had 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/>.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 2 - CASH AND CASH EQUIVALENTS (CONTINUED)

Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments. The PTIF operates and reports to participants on an amortized 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, 2018, UFA had \$16,373,088 invested in PTIF which had a fair value of \$16,435,109. 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.

*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, 2018, 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, 2018, consist of the following:

	General Fund	Special Revenue Fund	Total Governmental Activities	Wildland Enterprise Fund
Accounts receivable				
Due from other governments	\$ 249,622	\$ -	\$ 249,622	\$ 352,979
Ambulance services	4,765,611	-	4,765,611	-
Accrued revenues	16,495	-	16,495	-
Related party receivable	167,939	23,948	191,887	-
Miscellaneous	30,945	-	30,945	-
Total accounts receivable	5,230,612	23,948	5,254,560	352,979
Grants receivable	27,925	80,188	108,113	-
Allowance for uncollectible accounts	(3,054,711)	-	(3,054,711)	-
<b>Total Receivables</b>	<b>\$ 2,203,826</b>	<b>\$ 104,136</b>	<b>\$ 2,307,962</b>	<b>\$ 352,979</b>

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

### NOTE 4 - CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2018 are as follows:

	July 1, 2017	Additions/ Transfers In	Disposals/ Transfers Out	June 30, 2018
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 9,082,202	\$ 43,759	\$ (7,236,630)	\$ 1,889,331
Land	416,277	-	-	416,277
Total capital assets not being depreciated	9,498,479	43,759	(7,236,630)	2,305,608
Capital assets being depreciated:				
Building and improvements	3,382,506	67,328	-	3,449,834
Computer software and equipment	2,324,890	599,260	-	2,924,150
Furniture and equipment	6,564,753	417,237	(29,035)	6,952,955
Land improvements	294,250	-	-	294,250
Transportation equipment	42,057,962	6,920,368	(1,313,955)	47,664,375
Total capital assets being depreciated	54,624,361	8,004,193	(1,342,990)	61,285,564
Less accumulated depreciation for:				
Building and improvements	(645,422)	(102,529)	-	(747,951)
Computer software and equipment	(2,077,995)	(169,824)	-	(2,247,819)
Furniture and equipment	(3,460,098)	(640,044)	29,035	(4,071,107)
Land improvements	(123,690)	(16,872)	-	(140,562)
Transportation equipment	(33,080,157)	(2,629,154)	1,263,814	(34,445,497)
Total accumulated depreciation	(39,387,362)	(3,558,423)	1,292,849	(41,652,936)
Total capital assets being depreciated, net	15,236,999	4,445,770	(50,141)	19,632,628
Total capital assets, net	\$ 24,735,478	\$ 4,489,529	\$ (7,286,771)	\$ 21,938,236
<b>Business-Type activities:</b>				
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	706,945	-	(5,747)	701,198
Total assets being depreciated	730,639	3,152	(5,747)	728,044
Less accumulated depreciation for:				
Building and improvements	-	(130)	-	(130)
Computer software and equipment	(6,694)	-	-	(6,694)
Furniture and equipment	(17,000)	-	-	(17,000)
Transportation equipment	(171,337)	(60,563)	5,747	(226,153)
Total accumulated depreciation	(195,031)	(60,693)	5,747	(249,977)
Total capital assets, net	\$ 535,608	\$ (57,541)	\$ -	\$ 478,067

Depreciation and amortization charged for the year ended June 30, 2018:

	Governmental Activities	Business-Type Activities
Fire protection services	\$ 3,465,696	\$ -
Emergency services	92,727	-
Widland services	-	60,693
	<u>\$ 3,558,423</u>	<u>\$ 60,693</u>

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - 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 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)
- Mixed agent cost-sharing multiple-employer public employee retirement 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](http://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, 2018

NOTE 5 - 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, 2018, 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	15.11%	1.58%
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	23.73%	1.26%
Other Division A Noncontributory Tier 1	N/A	N/A	35.71%	N/A
Firefighters System				
Division B Tier 1	N/A	16.71%	6.70%	N/A
Tier 2 DB Hybrid Firefighters	N/A	N/A	10.82%	1.26%
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, 2018, the employer and employee contributions to the Systems were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	\$ 435,864	N/A
Public Safety System	54,085	-
Firefighters System	1,660,240	-
Tier 2 Public Employees System	84,831	-
Tier 2 Public Safety & Firefighter System	251,864	-
Tier 2 DC Only System	18,240	N/A
Tier 2 DC Public Safety and Firefighter System	404	N/A
	<u>\$ 2,505,528</u>	<u>\$ -</u>

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

At June 30, 2018, we reported a net pension asset of \$6,815,361 and a net pension liability of \$1,394,262.

	12/31/2017 Measurement Date			Proportionate Share 12/31/2016	Change (Decrease)
	Net Pension Asset	Net Pension Liability	Proportionate Share		
Noncontributory System	\$ -	\$ 1,233,747	0.2815938%	0.2632109%	0.0183829%
Public Safety System	-	156,226	0.0995923%	0.0970583%	0.0025340%
Firefighters System	6,788,998	-	30.2627299%	30.0649010%	0.1978289%
Tier 2 Public Employees System	-	4,289	0.0486443%	0.0508973%	-0.0022530%
Tier 2 Public Safety & Firefighter System	23,363	-	2.2784157%	2.3436040%	-0.0651883%
Total Net Pension Asset/Liability	<u>\$ 6,812,361</u>	<u>\$ 1,394,262</u>			

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - PENSION PLAN (CONTINUED)

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2017 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, 2018, we recognized pension expense of \$2,123,341.

At June 30, 2018, 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	\$ 41,434	\$ 5,862,266
Changes in assumptions	11,038,489	2,053,097
Net difference between projected and actual earnings on pension plan investments	6,431,084	16,267,765
Change in proportion and differences between contributions and proportionate share of contributions	149,599	22,961
Contributions subsequent to the measurement date	1,252,620	-
	<u>\$ 18,913,226</u>	<u>\$ 24,206,089</u>

Deferred outflows of resources related to pensions (\$1,252,620) results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2017. 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
2018	(711,496)
2019	(681,739)
2020	(1,066,852)
2021	(3,821,938)
2022	\$ (1,755,024)
Thereafter	1,491,564

Actuarial Assumptions

The total pension liability in the December 31, 2016, 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, 2017, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2017.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 5 - 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 Asset Allocation	Real Return Arithmetic Basis	Long-term expected portfolio real rate of return
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 equivalents	- %	- %	- %
Totals	100 %		4.75 %
Inflation			2.50 %
Expected arithmetic nominal return			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 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced to 6.95 percent from 7.20 percent from the prior measurement period.

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

	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 3,336,631	\$ 1,233,747	\$ (514,697)
Public Safety System	393,620	156,226	(36,179)
Firefighters System	34,823,975	(6,788,998)	(40,990,028)
Tier 2 Public Employees System	50,499	4,289	(31,346)
Tier 2 Public Safety and Firefighters	233,461	(26,363)	(224,869)
Total	\$ 38,838,186	\$ (5,421,099)	\$ (41,797,119)

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.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 6 - 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:

	2018	2017	2016
Employer contributions - 401(k)	\$ 340,106	\$ 303,922	\$ 312,039
Employee contributions - 401(k)	387,559	383,631	346,507
Employer contributions - 457	-	-	-
Employee contributions - 457	1,719,026	1,582,449	1,472,577
Employer contributions - Roth IRA	N/A	N/A	N/A
Employee contributions - Roth IRA	221,900	194,109	174,795
Employer contributions - Traditional IRA	N/A	N/A	N/A
Employee contributions - Traditional IRA	725	150	-

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

Effective July 1, 2008, UFA implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*. GASB Statement 45 establishes standards for the accrual basis measurement and recognition of OPEB expense over a period of that approximates employees' years of service. In addition, this Statement provides information about actuarial accrued liabilities associated with OPEB plans and to what extent progress is being made in funding the plans. This Statement was implemented prospectively, with no beginning net OPEB obligation.

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. The plan is not accounted for as a trust fund. Premiums are shared by the retiring eligible employee and UFA. The benefits, employee and UFA contributions are governed by UFA policy and can be amended at any time.

Plan Dissolution

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.

Funding Policy

As of June 30, 2018, 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. During the year ending June 30, 2018, UFA paid retiree health care and dental premiums of \$173,025.

Annual OPEB Cost and Net OPEB Obligation

In accordance with the requirements of GASB Statement 45, the valuation of these benefits is determined by actuarial calculations of UFA's Annual Required Contributions (ARC). The ARC consists of the cost of benefits accruing in a year plus an amount calculated to amortize any unfunded actuarial accrued liability over a period of not more than 30 years. Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point. The Net OPEB Obligation (NOO) is the cumulative difference between annual OPEB costs and annual UFA contributions.

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following table shows the components of UFA's annual OPEB cost for the fiscal year ended June 30, 2018, and changes in UFA's net OPEB obligation:

Annual required contribution	\$ 329,778
Contributions made	(362,991)
Increase in net OPEB obligation	(33,213)
Adjustment to OPEB obligation due to changes in actuarial estimates	33,213
Net OPEB obligation - beginning of year	3,739,458
Net OPEB obligation - end of year	<u>\$ 3,739,458</u>

The ARC, as determined by the June 30, 2016 actuarial valuation, is \$329,778. The ARC consists of two components, normal cost and amortization of Unfunded Actuarial Accrued Liability (UAAL). Normal cost is the annual cost assigned, under the actuarial funding method, to current and subsequent plan years, sometimes referred to as "current service cost." Any payment toward the unfunded actuarial accrued liability is not part of the normal cost. The difference between the actuarial accrued liability and the valuation assets is the UAAL. Due to the dissolution of the plan in 2012, UFA has no normal cost component. The amortization of UAAL is \$329,778. UFA's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2016, 2017, and 2018 are as follows:

	Annual OPEB cost	Employer Contributions	Adjustment for Changes to Plan Provisions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	348,982	128,217	(220,765)	37%	4,329,961
2017	329,778	173,025	(747,256)	52%	3,739,458
2018	329,778	362,991	33,213	110%	3,739,458

Funded Status and Funding Progress

The funded status as of June 30, 2018 is as follows:

Actuarial valuation date	June 30, 2016
Actuarial Accrued liability (AAL)	\$ 3,739,458
Actuarial Value of Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 3,739,458</u>
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 34,654,296
UAAL as a percentage of covered payroll	11%

The present value of all benefits expected to be paid to current plan members as of June 30, 2018, is \$3,739,458. The actuarial accrued liability, which is the portion attributable to service accrued by members as of June 30, 2016, is \$3,739,458. As of June 30, 2018, there is \$0 in valuation assets available to offset the liabilities of the plan. The funded status of the plan, which is the ratio of plan assets to actuarial accrued liability, as of June 30, 2018, is 0%. The required schedule of funding progress (page 40) presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

GASB Statement 45 allows amortization of the UAAL over a 30 year period based on a percentage of covered payroll. The UAAL as of June 30, 2016, were amortized as a level dollar over a period of 15 years (and over a period of 17 years for June 30, 2014). This methodology was adopted to reflect the closed nature of the plan.

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

*Actuarial Methods and Assumptions*

Actuarial assumptions involve estimates of future plan experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and salary increases. Decrement assumptions (rates of mortality, disability, turnover and retirement) are generally based on past experience, often modified for projected changes in conditions. Economic assumptions consist of an underlying rate in an inflation-free environment plus a provision for a long-term average rate of inflation. To permit fluctuations and trends in experience to be reflected in the contribution rate on a regular basis, UFA will be required by GASB to perform actuarial valuations at least biennially.

The Individual Entry-Age actuarial cost method was used to calculate the GASB ARC for this valuation. The actuarial assumptions included (a) 4% investment rate of return (net of administrative expenses), (b) annual dental care inflation trend of 2% and an annual health care inflation trend of 7.5% initially, reduced by decrements to a rate of 4.25% over fifteen years, and (c) projected salary increases of 0%. If experience is in accordance with the assumptions used, the ARC will increase at approximately the same rate as active member payroll, and the ARC as a percentage of covered payroll will remain basically level on a year to year basis.

The plan retains liabilities for current retired members as well as current active members that retire and elected coverage prior to December 31, 2013.

NOTE 8 - COMPENSATED ABSENCES

The changes in compensated absences for the year ended June 30, 2018, are as follows:

	Beginning	Increases	(Decreases)	Ending
Vacation	\$ 3,984,951	\$ 3,285,953	\$ (2,928,378)	\$ 4,342,526
Sick leave	511,755	562,156	(634,891)	439,020
Total compensated absences (including \$1,502,274 classified as current)	<u>\$ 4,496,706</u>	<u>\$ 3,848,109</u>	<u>\$ (3,563,269)</u>	<u>\$ 4,781,546</u>

NOTE 9 - CAPITAL LEASES

Since March 2006, UFA has entered into multiple capital lease agreements for the acquisition of specialized transportation equipment, such as fire apparatus and ambulances. Under the terms of all leases, UFA will gain ownership at the time of its last lease payment.

The following is a summary of transactions affecting capital lease obligations for the fiscal year ended June 30, 2018:

	Beginning	Increases	(Decreases)	Ending
Governmental	\$ 13,018,524	\$ -	\$ (2,711,414)	\$ 10,307,110
Business-Type	432,417	-	(83,059)	349,358
Total Capital Lease Obligations	<u>\$ 13,450,941</u>	<u>\$ -</u>	<u>\$ (2,794,473)</u>	<u>\$ 10,656,468</u>

Principal remaining under the leases at June 30, 2018 is as follows:

	Governmental	Business-Type
Capital lease collateralized by SCBA equipment, communications equipment, multiple fire apparatus, and ambulances, bearing interest at 2.3% with annual principal and interest payments of \$987,784 through January 2016	\$ 10,307,110	\$ 349,358

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

### NOTE 9 - CAPITAL LEASES (CONTINUED)

The following is a schedule by years of future minimum payments required under the leases together with their present value as of June 30, 2018:

	Governmental			Business-Type		
	Principal	Interest	Total	Principal	Interest	Total
2019	2,500,002	208,204	2,708,206	84,737	7,057	91,794
2020	2,550,502	157,704	2,708,206	86,449	5,345	91,794
2021	2,602,022	106,183	2,708,205	88,195	3,599	91,794
2022	2,654,584	53,623	2,708,207	89,977	1,818	91,795
Total minimum lease payments	\$ 10,307,110	\$ 525,714	10,832,824	\$ 349,358	\$ 17,819	367,177
Less amount representing interest			(525,714)			(17,819)
Present value of minimum lease payments (including \$2,584,739 classified as current)			\$ 10,307,110			\$ 349,358

As of June 30, 2018, assets recorded under the outstanding leases are: transportation equipment and communications equipment having original cost of \$13,695,503, with \$1,638,341 of accumulated amortization. Amortization, included with depreciation on the financial statements, was \$1,309,017 for the year ended June 30, 2018. Interest on capital leases charged to expense for the year ended June 30, 2018 was \$242,327.

### NOTE 10 - RELATED PARTY TRANSACTIONS

Unified Fire Authority received operating fees from its members in the amount of \$51,947,709 in 2018 which represents approximately 76.1% of total UFA governmental revenues for 2018. Of these fees, \$45,389,271 was received from the Unified Fire Service Area (UFSA), which represents approximately 87% of total member fees for the fiscal year. During the fiscal year ended June 30, 2018, UFSA also reimbursed UFA \$3,779 and paid \$294,723 for financial management and administrative services provided by UFA, as well as \$21,983 in interest.

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, 2018.

The following is a schedule by years of future minimum payments required under the agreement as of June 30, 2018:

2019	\$ 109,881
2020	114,357
2021	119,017
2022	123,865
2023	128,912
2024-2028	727,753
2029-2032	680,725
	<u>\$ 2,004,510</u>

UFA received from Salt Lake County (the County) operating fees restricted for emergency services of \$2,151,305, as well as \$3,175,714 to provide fire protection to the Canyon Recreational areas for the year ended June 30, 2018.

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 \$67,471 as well as miscellaneous reimbursements of \$4,971 in fiscal year 2018. UFA's accounts payable at June 30, 2018 included \$20,132 due to the County.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2018**

NOTE 10 - RELATED PARTY TRANSACTIONS (CONTINUED)

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 under the lease were \$146,669 for the year ended June 30, 2018. Future minimum noncancelable lease payments under the interlocal agreement are as follows:

2019	\$ 163,848
2020	163,836
2021	<u>82,088</u>
	<u>\$ 409,772</u>

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, 2018, future minimum lease receipts under the agreement are \$94,896 for the fiscal year. During the fiscal year ended June 30, 2018, USAR reimbursed UFA for lease-related reimbursements including utilities, improvements, maintenance, equipment costs and miscellaneous purchases (\$34,446).

USAR's staffing and daily management is primarily provided by UFA employees. During the fiscal year ended June 30, 2018, USAR reimbursed \$432,015 to UFA for salaries and benefits related to daily operations of the task force. Additionally, USAR reimbursed for personnel costs related to training and deployment totaling \$604,975.

In July 2014, UFA entered into a capital lease arrangement to purchase medical equipment, including two units for USAR with a total cost of \$62,575. USAR agreed to reimburse UFA for a proportional share of the annual lease payment. During the fiscal year ended June 30, 2018, USAR paid its final lease payment totaling \$16,576 (\$15,152 principal and \$1,424 interest) to UFA.

As of June 30, 2018, UFA's accounts receivable included \$157,101 due from USAR for salaries and benefits, as well as rent and reimbursements.

# UNIFIED FIRE AUTHORITY

# BASIC FINANCIAL STATEMENTS

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2018

**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, 2018:

Transfers In	Transfers Out		
	General Fund	Special Revenue Fund	Total
General Fund	\$ -	\$ 100,000	\$ 100,000
Fire Capital Projects Fund	569,154	-	569,154
Emergency Services Capital Projects Fund	-	57,500	57,500
Proprietary Fund	92,000	-	92,000
<b>Total</b>	<b>\$ 661,154</b>	<b>\$ 157,500</b>	<b>\$ 818,654</b>

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

Purchase orders (encumbrances) as of June 30, 2018, for items ordered but not received during the fiscal year are as follows:

Year-end Encumbrances	Governmental Activities	Business-Type Activities
General Fund	\$ 149,322	\$ -
Wildland Enterprise Fund	-	174
Special Revenue Fund	200,138	-
	<b>\$ 349,460</b>	<b>\$ 174</b>

A portion of General Fund encumbrances as of June 30, 2018 (\$20,445) is included in fund balance restricted for capital acquisitions.

As of June 30, 2018, UFA is a defendant in a lawsuit that has arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of UFA's attorney, these actions when finally adjudicated will not have material adverse effect on the financial position of UFA.

**NOTE 13 - SUBSEQUENT EVENT**

In October 2018, UFA entered into a long-term debt agreement with ZMFU II to finance purchase of various equipment and improvements with an aggregate cost of \$5,231,495. The financing agreement bears 2.88% interest with annual principal and interest payments of \$812,495, beginning October 2018 through October 2024.



# **REQUIRED SUPPLEMENTARY INFORMATION**

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**BUDGETARY COMPARISON SCHEDULES  
OTHER POST-EMPLOYMENT BENEFIT PLAN SCHEDULES  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**UNIFIED FIRE AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISON SCHEDULE**

**GENERAL FUND**

**June 30, 2018**

	MAJOR FUNDS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Member fees	\$ 51,950,396	\$ 51,947,709	\$ 51,947,709	\$ -
Ambulance operations	6,967,000	6,967,000	7,462,090	495,090
Fees - Other	3,426,737	3,641,841	3,682,572	40,731
Grants and contributions	47,743	122,360	100,627	(21,733)
Intergovernmental revenues	304,750	304,750	294,723	(10,027)
Reimbursements	400,172	1,933,758	1,877,622	(56,136)
Rent income	94,896	94,896	94,896	-
Investment income	55,204	55,204	189,139	133,935
Other income	900	17,061	98,654	81,593
<b>TOTAL REVENUES</b>	<b>63,247,798</b>	<b>65,084,579</b>	<b>65,748,032</b>	<b>663,453</b>
<b>EXPENDITURES</b>				
Current				
Salaries and benefits	52,494,689	53,828,389	52,072,043	1,756,346
Operations	8,366,628	8,498,258	8,017,829	480,429
General and administrative	825,450	816,940	705,050	111,890
Capital outlay	309,405	468,542	249,667	218,875
Debt service	3,167,766	3,167,766	3,167,740	26
<b>TOTAL EXPENDITURES</b>	<b>65,163,938</b>	<b>66,779,895</b>	<b>64,212,329</b>	<b>2,567,566</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,916,140)</b>	<b>(1,695,316)</b>	<b>1,535,703</b>	<b>3,231,019</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of long-term debt	-	-	-	-
Proceeds from sale of assets	-	224,360	224,360	-
Transfers in	100,000	100,000	100,000	-
Transfers out	-	(661,154)	(661,154)	-
<b>Total other financing sources (uses)</b>	<b>100,000</b>	<b>(336,794)</b>	<b>(336,794)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,816,140)</b>	<b>(2,032,110)</b>	<b>1,198,909</b>	<b>3,231,019</b>
Fund balances - beginning	12,011,565	12,011,565	12,011,565	-
Decrease in inventory	-	-	225,359	225,359
<b>Fund balances - ending</b>	<b>\$ 10,195,425</b>	<b>\$ 9,979,455</b>	<b>\$ 13,435,833</b>	<b>\$ 3,456,378</b>

**BUDGETARY COMPARISON SCHEDULE**  
**SPECIAL REVENUE FUND**  
Year ended June 30, 2018

	MAJOR FUNDS		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees - Emergency services	\$ 2,377,517	\$ 2,151,305	\$ 2,151,305	\$ -
Grants and contributions	85,000	185,402	148,568	(36,834)
Intergovernmental revenues	55,000	155,274	155,331	57
Investment income	200	200	3,430	3,230
Other income	-	6,531	6,946	415
TOTAL REVENUES	<u>2,517,717</u>	<u>2,498,712</u>	<u>2,465,580</u>	<u>(33,132)</u>
<b>EXPENDITURES</b>				
Current				
Salaries and benefits	1,295,642	1,179,466	1,028,904	150,562
Operations	842,975	933,615	796,900	136,715
General and administrative	34,100	40,631	24,387	16,244
Capital outlay	105,000	105,000	105,508	(508)
TOTAL EXPENDITURES	<u>2,277,717</u>	<u>2,258,712</u>	<u>1,955,699</u>	<u>303,013</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	240,000	240,000	509,881	269,881
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of assets	-	17,500	17,500	-
Transfers out	(140,000)	(157,500)	(157,500)	-
Total other financing sources (uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Net change in fund balances	100,000	100,000	369,881	269,881
Fund balances - beginning	887,004	887,004	887,004	-
Fund balances - ending	<u>\$ 987,004</u>	<u>\$ 987,004</u>	<u>\$ 1,256,885</u>	<u>\$ 269,881</u>

**UNIFIED FIRE AUTHORITY      REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POST-EMPLOYMENT BENEFITS SCHEDULES**  
**Year ended June 30, 2018**

**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
June 30, 2016	\$ -	\$ 3,739,458	\$ 3,739,458	0%	\$ 34,500,000	11%
June 30, 2014	\$ -	\$ 4,329,961	\$ 4,329,961	0%	\$ 29,500,000	15%
June 30, 2012	\$ -	\$ 4,373,460	\$ 4,373,460	0%	\$ 28,000,000	16%
June 30, 2010	\$ -	\$ 10,990,290	\$ 10,990,290	0%	\$ 24,500,000	45%
June 30, 2008	\$ -	\$ 12,940,672	\$ 12,940,672	0%	\$ 21,400,000	60%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	Annual Required Contribution	Employer Contributions	Annual OPEB Cost Contributed
2018	\$ 329,778	\$ 362,991	110%
2017	\$ 329,778	\$ 173,025	52%
2016	\$ 348,982	\$ 128,217	37%
2015	\$ 348,982	\$ 180,272	52%
2014	\$ 508,445	\$ 390,356	77%
2013	\$ 623,027	\$ 310,311	50%
2012	\$ 1,238,171	\$ 107,336	9%
2011	\$ 1,796,607	\$ 92,421	5%
2010	\$ 1,469,523	\$ 72,317	5%
2009	\$ 1,469,523	\$ -	0%

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.

**UNIFIED FIRE AUTHORITY**

**REQUIRED SUPPLEMENTARY INFORMATION**

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

	Noncontributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement
<b>December 31, 2017</b>					
Proportion of the net pension liability (asset)	0.2815938 %	0.0995923 %	30.2627299 %	0.0486443 %	2.2784157 %
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	52.18 %	105.37 %	-25.83 %	0.90 %	-1.10 %
Plan fiduciary net position as a percentage of the total pension liability	91.9 %	90.2 %	102.3 %	97.4 %	103.0 %
<b>December 31, 2016</b>					
Proportion of the net pension liability (asset)	0.2632109 %	0.0970583 %	30.0649010 %	0.0508973 %	2.3436040 %
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	72.30 %	138.76 %	16.54 %	1.36 %	-1.05 %
Plan fiduciary net position as a percentage of the total pension liability	87.3 %	86.5 %	98.4 %	95.1 %	103.6 %
<b>December 31, 2015</b>					
Proportion of the net pension liability (asset)	0.2662765 %	0.0939590 %	30.4112930 %	0.0629059 %	2.5348470 %
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	64.41 %	78.28 %	19.50 %	-0.03 %	-2.46 %
Plan fiduciary net position as a percentage of the total pension liability	87.8 %	87.1 %	98.1 %	100.2 %	110.7 %

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

	Noncontributory Retirement System	Public Safety System	Firefighters Retirement System	Tier 2 Public Employees Retirement System	Tier 2 Public Safety and Firefighter Retirement
<u>December 31, 2014</u>					
Proportion of the net pension liability (asset)	0.2459847 %	0.0937069 %	30.1516507 %	0.0678838 %	2.5536386 %
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	47.80 %	55.30	-12.70 %	-0.60 %	-3.60 %
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

December 31, 2017

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to		Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
			Contractually Required Contribution	Contribution Deficiency/ (Excess)		
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%
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%
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%
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%
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%
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%
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%

\* 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, 2018**

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, 2018 are as follows:

	General Fund	Special Revenue Fund
Budgetary Fund Balances	\$ 13,435,833	\$ 1,256,885
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	149,322	200,138
Encumbrances for goods and services not received until after the prior fiscal year excluded as expenditures for budgetary purposes, not GAAP	(876,710)	(54,761)
Total Fund Balances	\$ 12,708,445	\$ 1,402,262

**UNIFIED FIRE AUTHORITY                      REQUIRED SUPPLEMENTARY INFORMATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2018**

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	None	Recommends to Board	Approves
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

As a result of an experience study conducted as of December, 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).



# 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 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, 2018, and the related notes to the financial statements, which collectively comprise UFA's basic financial statements, and have issued our report thereon dated **December 7, 2018**.

**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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Recommendations as 2018-1 that we consider to be a significant deficiency.

**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*.

**UFA's Response to Finding**

UFA's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Recommendations. UFA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**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

December 7, 2018

DRAFT



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 COMPLIANCE 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 general 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, 2018.

General state compliance requirements were tested for the year ended June 30, 2018 in the following areas:

Budgetary Compliance  
Fund Balance  
Utah Retirement Systems Compliance  
Open and Public Meetings Act  
Treasurer Bond

**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 with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of UFA's compliance.

**Opinion on General State Compliance Requirements**

In our opinion, UFA complied, in all material respects, with the general compliance requirements identified above that could have a direct and material effect on UFA for the year ended June 30, 2018.

**Report on Internal Control over Compliance**

Management of UFA is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered UFA's internal control over compliance with the compliance requirements that could have a direct and material effect on UFA or on each major state program to determine the auditing procedures that are appropriate in the

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circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program 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 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

December 7, 2018

**UNIFIED FIRE AUTHORITY  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
For The Year Ended June 30, 2018**

**SIGNIFICANT DEFICIENCY**

**2018-1 INVENTORY COUNT**

**Finding:**

During our audit, we noted that several inventory items were miscounted. The miscount was limited to UFA's warehouse.

**Condition:** There is a systematic flaw in the internal controls over inventory that is allowing items to be miscounted.

**Cause:** A lack of internal control to check, and double check the final inventory counts.

**Effect:** The inventory count may not be reliable to determine an accurate quantity of inventory.

**Recommendation:**

We recommend that proper control procedures are implemented to ensure that inventory is accounted more accurately.

**Response:**

Management has implemented a procedure to aid in documenting fulfillment of station orders and ensuring that updates are posted in the inventory system. Logistics continues to develop an in-house ordering system to better track incoming and outgoing orders. We will tighten controls for year-end inventory counts to ensure the accuracy of ending balances.





# UNIFIED FIRE AUTHORITY

## BOARD MEMORANDUM

November 20, 2018

From: Brian F. Roberts  
Chief Legal Officer

To: UFA Board of Directors

**Re: Report from Governance Committee**

Board Members,

The Governance Committee met on November 6, 2018 to review a draft of a new proposed Interlocal Agreement to revise and replace the current Interlocal Agreement that created and governs the Unified Fire Authority. As you know from prior discussions, the nature of representation and voting on the Board is a key issue in this revision. The Governance Committee determined that this issue is of such importance that it wished to have a full Board discussion on the topic before moving forward on its recommendations in relation to the entire agreement. The Committee is not making any recommendation as to which of the four options the Board should adopt.

The proposed time of the Board's discussion of this issue will be the **December Board meeting**. These options are being provided to you now so that you have the opportunity to share them with your administrations, receive feedback, and be ready to have a full discussion of the topic at that time. A note on process, this will not be the final determination of this issue. The December discussion will just inform the further deliberations of the Governance Committee. The entire proposed revised interlocal will come to the full Board for review/approval and then will need to be approved by your communities' governing bodies. At some point even prior to that I will be reaching out to your community's legal counsel to get their review and input as well, so there is still a ways to go on this process.

If you have any questions, please feel free to contact me directly.

1. **Governance and Administration of Authority.** The Authority will be governed by a Board of Directors comprised of representatives of the Parties served by the Authority. Although the Service Area is a Party to this 2019 Agreement, its role is to act as a taxing district to pay for Authority services for the benefit of its members, and will therefore not have any separate, direct representation on the Board of Directors beyond its individual members' participation on the Board of Directors.

a. Voting.

i. **Option #1: [Each Board Member will be entitled to one vote on the Board]**

**Option #2: [Only those municipalities representing entities with a population in excess of 15,000/25,000 people, based upon the most recently available census or other reliable population estimate, will receive a vote on the Board. The County will also receive one vote regardless of population remaining in unincorporated areas. A Board Member for a municipality with a population less than 15,000/25,000 people may participate in Board meetings and discussions, and may participate in committees that make recommendations to the Board, but will not have a vote on any matter before the Board].**

**[Optional Corollary to Option #2: Those municipalities which individually contain less than the required threshold may combine their populations and if, in combination, their populations exceed the threshold they may select one Board Member to represent them collectively with a vote on the Board]**

**Option #3: [Voting for actions before the Board will be based on a weighted voting system with the weight of each Board Member's vote being determined by the ratio of the cost for the Authority to provide its services to the member fee portion of the total budget of the Authority using the Member Fee chart.]**

**Option #4: [Voting for actions before the Board will be based on a weighted voting system with the weight of each Board Member's vote being determined by the ratio of its population to the total population of the communities served by the Authority using the most recently available census or other reliable population estimate.]**





# UNIFIED FIRE AUTHORITY

TO: UFA Board of Directors  
FROM: Dan Petersen, Fire Chief  
SUBJECT: Voting Options Breakdown  
DATE: December 11, 2018

As a follow up to Chief Legal Officer Brian Roberts's memo on the four options identified for Governance and Administration of Authority, the following is the detailed impact of the options for each member of the UFA.

**Option #1:** No Change, each member receives one vote.

**Option #2:** Salt Lake County (regardless of population) and municipalities with a population in excess of 15,000/25,000 would receive one vote.

Population	July 1, 2017
Cottonwood Heights	33,671
Eagle Mountain	31,151
Herriman	38,470
Holladay	31,001
Kearns	35,834
Magna	27,773
Midvale	33,957
Millcreek	60,670
Riverton	43,166
Taylorsville	60,395
Alta	383
Copperton	826
Emigration	1,627
White City	5,695
Source: University of Utah Kem Gardner Policy Institute	

**Option #3:** Weighted voting based on the ratio of service cost.

UFA MEMBERS			
	Member Fee		% of UFA Member Fee
Alta	\$144,598		0.27%
Cottonwood Heights	\$3,947,333		7.46%
Holladay	\$2,478,608		4.69%
UFSA	\$46,319,689		87.58%
<b>TOTAL MEMBER FEE</b>	<b>\$52,890,228</b>		<b>100.00%</b>
UFA MEMBERS			
	Property Tax Collected	% of UFSA Property Tax	% of UFA Member Fee
Copperton	\$56,171	0.15%	0.13%
Eagle Mountain	\$2,709,744	7.09%	6.21%
Emigration	\$458,367	1.20%	1.05%
Herriman	\$4,094,942	10.71%	9.38%
Kearns	\$2,225,999	5.82%	5.10%
Magna	\$1,860,880	4.87%	4.26%
Midvale	\$3,694,194	9.66%	8.46%
Millcreek	\$9,056,638	23.68%	20.74%
Riverton	\$5,289,897	13.83%	12.11%
Taylorsville	\$5,683,679	14.86%	13.02%
Unincorporated SLCo*	\$2,702,491	7.07%	6.19%
White City	\$409,972	1.07%	0.94%
<b>TOTAL UFSA PROPERTY TAX</b>	<b>\$38,242,976</b>	<b>100.00%</b>	<b>87.58%</b>
<p>Note: UFSA Member fee is divided between the municipalities by the percentage of property tax collected in the municipalities and unincorporated area served. Additional revenue is generated by UFSA as a whole for centrally assessed property and personal property.</p> <p>*Salt Lake County contributes an additional \$3,175,713 to supplement service to the recreational areas. This funding is not incorporated into this chart. If this option is considered, the Board will need to determine how to incorporate this into the Counties weighted vote.</p>			

**Option #4:** Weighted voting based on the ratio of population relative to the total population of the communities served.

Population	July 1, 2017	% of total
Alta	383	0.09%
Copperton	826	0.20%
Cottonwood Heights	33,671	8.11%
Eagle Mountain	31,151	7.51%
Emigration	1,627	0.39%
Herriman	38,470	9.27%
Holladay	31,001	7.47%
Kearns	35,834	8.64%
Magna	27,773	6.69%
Midvale	33,957	8.18%
Millcreek	60,670	14.62%
Riverton	43,166	10.40%
Taylorsville	60,395	14.55%
Unincorporated SLCo	10,355	2.50%
White City	5,695	1.37%
Total	414,974	100.00%

Source: University of Utah Kem Gardner Policy Institute



**UNIFIED FIRE AUTHORITY**  
**CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING**  
**NOVEMBER 2018**

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
18-Nov	11/9/2018	1	PAYROLL TRANS FOR 10/31/2018	n/a	\$ 1,284,421.80
18-Nov	11/21/2018	2	PAYROLL TRANS FOR 11/15/2018	n/a	1,039,236.41
18-Nov	11/8/2018	82044	US DIGITAL DESIGNS, INC.	Multiple	748,457.55
18-Nov	11/8/2018	82050	SELECTHEALTH	11302018	527,987.90
18-Nov	11/9/2018	2	URS ACH PAYMENT - 11/9/2018	n/a	444,728.45
18-Nov	11/21/2018	6	URS ACH PAYMENT - 11/21/18 PAYROLL	n/a	414,790.23
18-Nov	11/6/2018	11062018	WELLS FARGO COMMERCIAL CARD	Multiple	241,352.01
18-Nov	11/13/2018	1	EFTPS - 11/9/2018 PAYROLL	n/a	233,212.01
18-Nov	11/23/2018	4	EFTPS - 11/21/18 PAYROLL	n/a	177,987.05
18-Nov	11/21/2018	5	STATE TAX ACH PAYMENT - 11/21/18 PAYROLL	n/a	133,835.25
18-Nov	11/8/2018	82032	DEPARTMENT OF HEALTH	19H5000208	73,925.67
18-Nov	11/26/2018	82111	PUBLIC EMPLOYEES HEALTH PROGRAM	OCTBILL2018	64,649.44
18-Nov	11/14/2018	82073	STATE OF UTAH - GASCARD	Multiple	46,226.64
18-Nov	11/20/2018	112019	GCS BILLING SERVICES	Multiple	25,457.26
18-Nov	11/7/2018	110718	CDW GOVERNMENT LLC	PRL2868	24,170.80
18-Nov	11/8/2018	82046	CUSTOM BENEFIT SOLUTIONS, INC.	11092018	22,514.16
18-Nov	11/14/2018	82068	ROCKY MTN POWER	Multiple	22,318.38
18-Nov	11/26/2018	82107	CUSTOM BENEFIT SOLUTIONS, INC.	11212018	22,220.12
18-Nov	11/8/2018	82035	FIRE CATT, LLC	UT-7026	19,041.68
18-Nov	11/8/2018	82055	SELECTHEALTH	11302018RET	16,294.40
18-Nov	11/26/2018	82102	UNIFIED FIRE SERVICE AREA	Multiple	15,671.76
18-Nov	11/29/2018	82123	COMCAST	71960614	14,403.30
18-Nov	11/14/2018	82069	ROWLAND, GERALD KIM	Multiple	12,500.01
18-Nov	11/8/2018	82040	MAYORS FINANCIAL ADMIN	MFA0000695	12,222.39
18-Nov	11/29/2018	82127	MAYORS FINANCIAL ADMIN	MFA0000696	12,222.39
18-Nov	11/8/2018	82043	SALT LAKE URBAN SEARCH & RESCUE	45	10,000.00
18-Nov	11/14/2018	82065	MIDWEST COMMERCIAL INTERIORS	143221	9,815.12
18-Nov	11/26/2018	82104	VLCM	596344	9,127.00
18-Nov	11/26/2018	82079	CENTERPOINT	Multiple	7,327.52
18-Nov	11/26/2018	82077	ARTISTIC SIGN DESIGN LLC	Multiple	7,253.44
18-Nov	11/8/2018	82048	LOCAL 1696 - IAFF	11092018	7,118.28
18-Nov	11/26/2018	82109	LOCAL 1696 - IAFF	11212018	7,076.16
18-Nov	11/13/2018	3	TRANSFER FUNDS FOR PATIENT REFUNDS	n/a	6,000.00
18-Nov	11/8/2018	82037	GRANICUS	Multiple	4,910.00
18-Nov	11/26/2018	82080	CENTURYLINK	Multiple	4,613.94
18-Nov	11/13/2018	111318	NAPA AUTO PARTS	Multiple	4,358.59
18-Nov	11/26/2018	82096	ROBERT HALF INTERNATIONAL	Multiple	4,309.00
18-Nov	11/26/2018	82099	SIMPLY RIGHT, INC.	Multiple	3,962.70
18-Nov	11/26/2018	82089	DOMINION ENERGY	Multiple	3,628.60
18-Nov	11/8/2018	82033	DESERT EDGE HEATING & COOLING	Multiple	3,618.00
18-Nov	11/29/2018	82130	HOLMAN, CHAD	43394	3,489.00
18-Nov	11/26/2018	82092	KRONOS INCORPORATED	Multiple	3,375.00
18-Nov	11/26/2018	82091	INTERMOUNTAIN HEALTHCARE	EAP-02275	3,105.00
18-Nov	11/20/2018	112018	APPARATUS EQUIPMENT & SERVICE, INC	Multiple	3,074.55
18-Nov	11/29/2018	82124	DEPARTMENT OF HEALTH	Multiple	2,978.00
18-Nov	11/26/2018	82094	LIFE-ASSIST, INC	884049	2,787.90
18-Nov	11/14/2018	82061	DEPARTMENT OF HEALTH	19EM000067	2,754.00
18-Nov	11/20/2018	112020	SERVICEMASTER OF SALT LAKE	Multiple	2,665.00
18-Nov	11/29/2018	82125	DOMINION ENERGY	Multiple	2,507.43
18-Nov	11/26/2018	82101	THE PARTRIDGE GROUP	Multiple	2,375.00
18-Nov	11/26/2018	82100	STAR360FEEDBACK	3156	2,140.00
18-Nov	11/8/2018	82049	OFFICE OF RECOVERY SERVICES	11092018	2,097.95
18-Nov	11/8/2018	82054	FIREFIGHTERS CREDIT UNION	11092018TV	2,095.01
18-Nov	11/26/2018	82117	FIREFIGHTERS CREDIT UNION	11212018TV	2,079.25
18-Nov	11/8/2018	82041	RC WILLEY HOME FURNISHINGS, INC.	41062861	1,999.96
18-Nov	11/26/2018	82110	OFFICE OF RECOVERY SERVICES	11212018	1,911.45

Note 1: This is a pooled cash account - disbursements listed include those for UFA's Wildland Enterprise fund

Note 2: Payroll totals are for all UFA funds, not just General Fund

X:\Board Docs\2018-11 Disbursements\10

**UNIFIED FIRE AUTHORITY  
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING  
NOVEMBER 2018**

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
18-Nov	11/8/2018	82038	KEDDINGTON & CHRISTENSEN LLC	3192	1,900.00
18-Nov	11/20/2018	112021	WEIDNER FIRE	Multiple	1,740.00
18-Nov	11/26/2018	82105	WASATCH FRONT WASTE & RECYCLING DISTRICT	Multiple	1,736.00
18-Nov	11/8/2018	82047	FIREFIGHTERS CREDIT UNION	11092018SF	1,641.88
18-Nov	11/26/2018	82108	FIREFIGHTERS CREDIT UNION	11212018SF	1,624.87
18-Nov	11/30/2018	7	TO RECORD AMBULANCE RELATED BANK FEES - NOV. BANKING	n/a	1,611.33
18-Nov	11/30/2018	8	TO RECORD BANK FEES - NOVEMBER BANKING	n/a	1,307.19
18-Nov	11/26/2018	82106	WORKFORCEQA, LLC	529450	1,295.00
18-Nov	11/26/2018	82112	PUBLIC EMPLOYEES LT DISABILITY	11212018	1,244.60
18-Nov	11/26/2018	82078	CANON FINANCIAL SERVICES, INC.	Multiple	1,063.03
18-Nov	11/26/2018	82093	L.N. CURTIS AND SONS	Multiple	1,036.00
18-Nov	11/14/2018	82063	HIRERIGHT, LLC	G2580944	1,034.80
18-Nov	11/8/2018	82045	UTAH BROADBAND, LLC	Multiple	995.00
18-Nov	11/14/2018	82064	MAYORS FINANCIAL ADMIN	SLC0000222A	984.92
18-Nov	11/7/2018	110720	WEIDNER FIRE	52728	963.00
18-Nov	11/8/2018	82029	A TO Z LANDSCAPING, INC.	21440A	835.33
18-Nov	11/26/2018	82076	A.J. ART & FRAME	Multiple	831.60
18-Nov	11/28/2018	112818	APPARATUS EQUIPMENT & SERVICE, INC	18-IV-1758	829.00
18-Nov	11/8/2018	82034	DOMINION ENERGY	Multiple	751.00
18-Nov	11/26/2018	82116	UTAH STATE TAX COMMISSION	11212018MM	647.02
18-Nov	11/7/2018	110719	MOUNTAIN ALARM	Multiple	524.70
18-Nov	11/8/2018	82036	FORTE OF UTAH	Multiple	493.50
18-Nov	11/26/2018	82115	UTAH RETIREMENT SYSTEMS	11112018MISC	489.17
18-Nov	11/14/2018	82072	SNOWBIRD RESORT LLC	Multiple	465.16
18-Nov	11/26/2018	82085	CENTURYLINK	TL-FIRE 11/18D	417.15
18-Nov	11/26/2018	82086	CENTURYLINK	TL-FIRE 11/18E	417.15
18-Nov	11/26/2018	82084	CENTURYLINK	TL-FIRE 11/18C	401.38
18-Nov	11/26/2018	82090	FORMAN, CHAD	1009	400.00
18-Nov	11/28/2018	112819	MOUNTAIN ALARM	172493	388.96
18-Nov	11/29/2018	82122	CENTURYLINK	Multiple	379.48
18-Nov	11/8/2018	82052	US DEPT OF EDUCATION	11092018SC	330.12
18-Nov	11/29/2018	82126	HANCOCK, SCOTT RAYMOND	111806	320.00
18-Nov	11/26/2018	82098	SHRED-IT USA	Multiple	299.21
18-Nov	11/26/2018	82083	CENTURYLINK	TL-FIRE 11/18B	278.81
18-Nov	11/29/2018	82121	CENTURYLINK	TL-#126 12/18	273.50
18-Nov	11/26/2018	82119	UTAH RETIREMENT SYSTEMS	Multiple	248.14
18-Nov	11/14/2018	82058	CENTURYLINK	TL-#124 11/18	245.51
18-Nov	11/26/2018	82114	US DEPT OF EDUCATION	11212018SC	237.54
18-Nov	11/14/2018	82057	CENTURYLINK	TL-#117 11/18	203.43
18-Nov	11/26/2018	82103	UTAH BROADBAND, LLC	770823	199.00
18-Nov	11/14/2018	82067	ROADPOST USA, INC	RU08177437A	186.99
18-Nov	11/29/2018	82128	UNIVERSITY MEDICAL BILLING	10/31/18C	186.00
18-Nov	11/8/2018	82051	UNIFIED POLICE FEDERATION	11092018	171.00
18-Nov	11/26/2018	82113	UNIFIED POLICE FEDERATION	11212018	171.00
18-Nov	11/26/2018	82081	CENTURYLINK	TL-#108 11/18	164.21
18-Nov	11/8/2018	82039	LIFE-ASSIST, INC	880685	156.25
18-Nov	11/8/2018	82030	CENTURYLINK	1453532897	140.17
18-Nov	11/26/2018	82088	COPPERTON IMPROVEMENT DISTRICT	W-#115 10/18	120.00
18-Nov	11/14/2018	82066	PITNEY BOWES GLOBAL	3307427504	98.55
18-Nov	11/14/2018	82070	SALT LAKE COUNTY SERVICE AREA #3	W/S-#113 10/18	96.64
18-Nov	11/29/2018	82120	CENTURYLINK	TL-#125 12/18	80.90
18-Nov	11/26/2018	82082	CENTURYLINK	TL-#113 11/18	75.80
18-Nov	11/14/2018	82062	DOMINION ENERGY	G-#101 10/18	75.17
18-Nov	11/14/2018	82074	UTAH VALLEY UNIVERSITY	A25360	60.00
18-Nov	11/14/2018	82056	CENTURYLINK	1454188362	50.64
18-Nov	11/26/2018	82095	PURCHASE POWER	Multiple	49.79

Note 1: This is a pooled cash account - disbursements listed include those for UFA's Wildland Enterprise fund

Note 2: Payroll totals are for all UFA funds, not just General Fund

X:\Board Docs\2018-11 Disbursements\10

**UNIFIED FIRE AUTHORITY  
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING  
NOVEMBER 2018**

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
18-Nov	11/8/2018	82031	CENTURYLINK	TL-#123 11/18	49.34
18-Nov	11/26/2018	82087	CENTURYLINK	TL-LOG 11/18B	49.34
18-Nov	11/8/2018	82053	UTAH STATE TAX COMMISSION	11092018SC	40.00
18-Nov	11/26/2018	82118	UTAH STATE TAX COMMISSION	11212018SC	40.00
18-Nov	11/14/2018	82059	CENTURYLINK	TL-USAR 11/18B	35.51
18-Nov	11/14/2018	82071	SATCOM GLOBAL INC.	AI11180011	34.67
18-Nov	11/26/2018	82097	ROCKY MOUNTAIN WATER COMPANY	53900	16.25
18-Nov	11/8/2018	82042	ROCKY MOUNTAIN WATER COMPANY	51598	13.00
18-Nov	11/14/2018	82060	CUSTOM BENEFIT SOLUTIONS	28303	11.00
18-Nov	11/29/2018	82129	UTAH MEDIA GROUP	I01223602	5.04
					<b><u>\$ 5,817,660.65</u></b>

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*Note 2: Payroll totals are for all UFA funds, not just General Fund*

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**UNIFIED FIRE AUTHORITY  
CASH DISBURSEMENTS - SPECIAL REVENUE FUND  
NOVEMBER 2018**

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
Nov-18	11/30/2018	1	TO RECORD XFR FROM EOC TO FIRE - 11/9/18 PAYROLL	n/a	\$ 55,730.43
Nov-18	11/30/2018	2	TO RECORD XFR FROM EOC TO FIRE - 11/21/18 PAYROLL	n/a	46,539.61
Nov-18	11/29/2018	7149	STALLINGS CONSTRUCTION INC.	2017-1	9,974.56
Nov-18	11/8/2018	7132	A PLUS TREE INCORPORATED	84945	6,755.00
Nov-18	11/14/2018	7137	ROCKY MTN POWER	E-EOC 10/18	3,653.41
Nov-18	11/29/2018	7147	MAYORS FINANCIAL ADMIN	FAC0000374	2,973.44
Nov-18	11/26/2018	7141	SIMPLY RIGHT, INC.	Multiple	2,641.80
Nov-18	11/14/2018	7135	MAYORS FINANCIAL ADMIN	SLC0000222B	2,340.43
Nov-18	11/29/2018	7148	PRO SIGNS OF OREM	3	2,275.00
Nov-18	11/29/2018	7145	ARCHITECTURAL NEXUS, INC.	8/5/1954	2,265.00
Nov-18	11/14/2018	7134	A PLUS TREE INCORPORATED	87071	2,250.00
Nov-18	11/14/2018	7138	STATE OF UTAH - GASCARD	Multiple	2,135.02
Nov-18	11/26/2018	7142	SYRINGA NETWORKS, LLC	18NOV0238	1,175.00
Nov-18	11/26/2018	7139	CENTURYLINK	TL-EOC 11/18	851.92
Nov-18	11/8/2018	7133	A TO Z LANDSCAPING, INC.	21440B	556.89
Nov-18	11/29/2018	7146	DOMINION ENERGY	G-EOC 11/18	486.19
Nov-18	11/7/2018	110722	WAXIE SANITARY SUPPLY	77809345	336.50
Nov-18	11/26/2018	7144	PUBLIC EMPLOYEES HEALTH PROGRAM	10312018EOC	262.92
Nov-18	11/7/2018	110721	GOLD CUP SERVICES INC.	675271	174.75
Nov-18	11/26/2018	7140	SHRED-IT USA	8125962834D	97.57
Nov-18	11/14/2018	7136	ROADPOST USA, INC	RU08177437B	62.33
Nov-18	11/26/2018	7143	WASATCH FRONT WASTE & RECYCLING DISTRICT	5222C	50.00
					<b>\$ 143,587.77</b>

**UNIFIED FIRE AUTHORITY  
CASH DISBURSEMENTS - CAPITAL REPLACEMENT ESCROW  
NOVEMBER 2018**

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
Nov-18	11/26/2018	002	FRAZER LTD	E-3236-38	\$ 776,025.58
					<b>776,025.58</b>

*Note 1: This is a pooled cash account - disbursements listed include those for UFA's Wildland Enterprise fund*

*Note 2: Payroll totals are for all UFA funds, not just General Fund*

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UNIFIED FIRE AUTHORITY  
Resolution No. **12-2018A**  
(Exhibit to Interlocal Agreement for Services)

A RESOLUTION OF THE UNIFIED FIRE AUTHORITY APPROVING THE REVISED  
“EXHIBIT A” TO THE INTERLOCAL COOPERATIVE AGREEMENT WITH UNIFIED  
FIRE SERVICE AREA FOR THE PROVISION OF SERVICES

- A. The Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et. seq. (the “Interlocal Cooperation Act”), provides that any two or more public agencies may enter into agreements with one another for joint or cooperative action following the adoption of an appropriate resolution by the governing body of each participating public agency.
- B. The Unified Fire Authority (the “Authority”) and the Unified Fire Service Area (the “Service Area”) are public agencies for purposes of the Interlocal Cooperation Act.
- C. Authority provides fire protection and emergency medical services to the Service Area and other public agencies for a fee. Authority has also provided administrative services for Service Area in the past and been reimbursed for the costs of such services pursuant to an Interlocal Agreement approved by the Board on October 17, 2017 and subsequently executed by the Parties (the “Interlocal Agreement”).
- D. The Interlocal Agreement provides that for each calendar year the Parties will approve an “Exhibit A” that sets forth the services to be provided and the cost to be paid by the Service Area to the Authority.
- E. After careful consideration, the Board of Directors of the Authority has reviewed the proposed revised “Exhibit A” to the Interlocal Agreement, attached to this resolution as “Exhibit 1,” and determined that it is in the best interests of the Authority and its members to

approve it as Exhibit A to the Interlocal Agreement for calendar year 2019 to replace the prior authorized Exhibit A.

F. In the event the approval of Exhibit A by the Parties requires an adjustment to the UFA 2018-2019 Fiscal Year Budget, the UFA Board will amend its budget pursuant to law or the Interlocal Agreement may be terminated as provided for therein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Unified Fire Authority:

SECTION 1. PURPOSE. The purpose of this Resolution is to approve the inclusion of the proposed revised Exhibit A into the Interlocal Agreement for calendar year 2019.

SECTION 2. APPROVAL OF INTERLOCAL AGREEMENT. The Board hereby authorizes approves the replacement of the current Exhibit with the proposed revised Exhibit A, in the form attached as Exhibit "1" hereto, on behalf of Authority, for calendar year 2019, subject to the mutual approval by the Board of the Service Area.

SECTION 3. RECORDS. The Authority's keeper of records is authorized and instructed to keep and maintain a copy of this revised Exhibit A with the Interlocal Agreement available for inspection.

SECTION 4. EFFECTIVE DATE. This Resolution will take effect upon approval. The revised Exhibit A will be effective January 1, 2019 and when the following Interlocal Cooperation Act requirements have been satisfied: (i) the Agreement has been approved by all parties as required by Section 11-13-202(2); (ii) each party to the Agreement has submitted the Agreement to an attorney authorized to represent the said party for review as to proper form and compliance with applicable law as required by Section 11-13-202.5(3); and (iii) the approved

Exhibit has been filed with the keeper of records of each of the parties as required by Section 11-13-209.

Passed by the Board of the Unified Fire Authority, this 18th day of December, 2018.

UNIFIED FIRE AUTHORITY

By: \_\_\_\_\_  
Chair

APPROVED AS TO FORM:

ATTEST:

\_\_\_\_\_  
Chief Legal Counsel

\_\_\_\_\_  
Clerk

**EXHIBIT “1”**

Exhibit A for Calendar Year 2019

<u>Position</u>	<u>Jan-18</u>		<u>Jan-19</u>		<u>Responsibilities</u>
	<u>% of Time Worked</u>	<u>Amount</u>	<u>% of Time Worked</u>	<u>Amount</u>	
Logistics Facilities Manager	70%	\$84,504	50%	\$71,644	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%	\$7,767	10%	\$8,665	Assists Construction Coordinator when needed; provides information for Capital Improvement needs; Meets with contractors
Logistics Purchasing Coordinator	5%	\$4,200	5%	\$4,577	Posts and manages RFPs for Capital Improvement projects
Logistics Data Administrator	1%	\$460	1%	\$526	Researches information for Logistics/Fleet as requested
Logistics Division Chief	3%	\$3,600	10%	\$14,228	Researches and recommends Capital Improvements budgets; Supervises his chain-of-command
Support Services Assistant Chief	3%	\$5,852	15%	\$29,600	Seismic evaluations and retrofit assessments. Station architectural design and rendering.
Finance Accounting Manager	25%	\$29,925	15%	\$21,348	AP/AR, capital assets, bank reconciliations, impact fee accounting, deposits
Finance Payroll Coordinator	5%	\$3,485	1%	\$1,028	Impact fee reconciliation
Finance Assistant Finance Director	10%	\$12,962	4%	\$6,713	External audit, financial statements
Finance Senior Accountant	0%	\$0	1%	\$1,155	External audit, financial statements
Finance PT Accounting Tech	0%	\$0	5%	\$1,255	UFSA Desktop Deposits
Records Coordinator	0%	\$0	1%	\$546	Managing UFSA GRAMA requests
ECC Receptionists (2)	5%	\$2,500	5%	\$2,015	Impact fee collection/receipts, phone calls
Policy Analyst	15%	\$9,600	0%	\$0	
UFSA Clerk	33%	\$26,047	25%	\$20,020	Time needed to fully meet the responsibilities of the Clerk
UFSA Deputy Clerk	0%	\$0	5%	\$3,788	Time needed to fully meet the responsibilities of the Deputy Clerk
CFO	15%	\$26,660	15%	\$29,107	Financial Management, Treasurer
Other Admin		<u>\$30,000</u>		<u>\$40,000</u>	Chief, Director of Communications, IT, Website Maintenance
		\$247,562		\$256,215	
Overhead Charge	15%	<u>\$37,134</u>	15%	<u>\$38,432</u>	Office Space, supplies, etc.
<b>TOTAL</b>		<b>\$284,696</b>		<b>\$294,647</b>	

Logs	115,611	Logs	114,586
Fin	83,987	Fin	69,697
Admin	82,224	Admin	108,047
EM	2,875	EM	2,317
	284,696		294,647





# UNIFIED FIRE AUTHORITY

## MEMORANDUM

December 12, 2018

TO: UFA Board of Directors

FROM: Assistant Chief Jay Ziolkowski

SUBJECT: Professional Leadership Development – Additional Cohort

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### Request

#### Background

One of the major goals for Administration is to ensure our leaders are provided with a **clear picture of exceptional performance** in their current position, and to provide **professional growth** opportunities in preparation for future positions within the organization.

This past calendar year, **57 of our current officers and supervisors** (representing nearly half within the agency) completed our Professional Leadership Development program through Centerpoint Services in four separate cohorts. Each cohort has four one-day sessions that offered **peer dialogs and personalized coaching**. The intent and effect improved upon their leadership capacity, based on original organizational perceptions of them as a leader and the proven coursework offered.

**Each cohort costs approximately \$23,750**, but with back-to-back offering of two sessions each, some savings is realized by way of travel expenses, etc. The last two sessions was concluded this past month, with the original two sessions in the previous fiscal year.

#### Request

We have received great feedback from the participants regarding this program, and are already realizing successes for individuals and for the organization on the whole.

Given this momentum, I am requesting that you appropriate **unassigned fund balance** to provide funding for **two additional cohort sessions within this fiscal year – totaling \$47,500**.

I will be in attendance at the forthcoming Board meeting next week, and will be prepared to address any remaining questions or provide clarification. Thank you for the consideration.





# UNIFIED FIRE AUTHORITY

TO: Chief Petersen  
FROM: Chief Higgs/Tony Hill  
SUBJECT: Part-time Paramedics  
DATE: December 13, 2018

During the EMS study session, we discussed the value of having all ambulances ALS capable within our delivery system. The one-medical one-EMT staffing change takes place on Monday, February 4<sup>th</sup>, 2019. Our ability to have the three peak load ambulances (PLA) ALS capable is a key component to the continuity of the delivery system. In order to make the PLA's compatible with all other ambulances, we are recommending staffing the PLA's with one part-time medic and one part-time EMT. Our fiscal analysis shows that this can be accomplished within our existing budget for the remainder of the 2018/19 fiscal year. With the PLA's being ALS capable, it is possible we may see an incremental increase in ambulance revenue for the remainder of the fiscal year. Staffing of the units will initially be accomplished with existing Part-Time Paramedics and hiring of additional Part-Time Paramedics may be necessary. There is an adjustment in compensation we are proposing as we utilize the Paramedics in the ALS role; compensation will be adjusted from an average of \$12.94 per hour to \$18.00 per hour. It is anticipated that the compensation adjustment will help with retention and recruitment of experienced Part-Time Paramedics. The table below shows the estimated fiscal impact of this change.

These changes will also be reflected in our budget recommendations for the 2019/20 budget.

3 Peak Load Ambulances – Cost for February 4 – June 30			
	<u>Current</u>	<u>Proposed</u>	<u>Increase Cost</u>
Ambulance 204	\$44,968	\$52,462	\$7,494
Ambulance 217	\$52,462	\$61,206	\$8,744
Ambulance 226	\$52,462	\$61,206	\$8,744
<b>TOTAL</b>	<b>\$149,892</b>	<b>\$174,874</b>	<b>\$24,982</b>





# UNIFIED FIRE AUTHORITY

TO: Chief Petersen  
FROM: AC Higgs  
SUBJECT: Analysis of Overtime Trial Period  
DATE: December 14, 2018

During the June 2018 Board meeting, the Board of Directors approved the implementation of a limited trial test-period allowing time and a half for all overtime. The test-period was defined as June 23, 2018 to September 26, 2018 with the intent to discover if paying time and a half for extra hours worked would increase the number of members willing to work overtime. Historically, if a Firefighter has sick leave or vacation during their normal twenty-four day FSLA pay cycle, and they work overtime, they would be paid at straight time for overtime worked.

## History

Unified Fire uses a constant staffing (minimum staffing) model to staff fire stations 24 hours per day, 365 days per year. If a position is vacant due to understaffing, vacations, injuries, illness or special assignments; the Department will back-fill that position using members called back to work.

## Results

The data reflected an overall increase of 16.97% in the number of members willing to “sign up” for overtime as compared to the same date range during 2017.

Sick leave usage significantly increased during the first two pay periods, however, the numbers decreased the final two pay periods resulting in an overall slight decrease in 2018 sick leave numbers. After the increase in sick leave was discovered, Battalion Chiefs discussed sick leave use and management with the crews, it is viewed that these discussions attributed to the decrease in the following two pay periods.

A significant cost was associated with paying time and half for all overtime worked. Each pay period ranged from \$28,000-\$42,000 for a total of \$150,444 additional pay to implement this program. Of that number \$9,800- \$13,200 (24%-33%) per pay period, for a total of \$40,016.23 of that cost was paid out to members who also used sick leave during the same period.

**Recommendation**

The Assignment Office recommends the adoption and budgeting for time and a half pay for all overtime worked for FY 19/20. Members will not receive time and a half for any pay periods that include sick leave usage, until the number of overtime exceeds the amount of hours used with sick leave. A secondary recommendation is to implement time and a half pay for all overtime worked during the peak summer vacation leave months, May 1 through September 30 annually.

Pay Date	Combined Payout	Sick Leave Payout	% Sick Leave
Aug 10	\$39,642.28	\$9,826.22	24.8%
Sept 10	\$42,366.99	\$10,834.81	25.6%
Sept 25	\$40,073.24	\$13,212.25	33.0%
Oct 25	\$28,362.28	\$7,042.95	24.8%