

**SNYDERVILLE BASIN SPECIAL RECREATION
DISTRICT**

FINANCIAL STATEMENTS

December 31, 2023



SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Snyderville Basin Special Recreation District
Park City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Snyderville Basin Special Recreation District (the District), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and

for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

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

Restatement of Beginning Net Position

As discussed in Note 13 to the financial statements, beginning net position has been restated to correct a prior year misstatement. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



JONES SIMKINS LLC

Logan, Utah

June 26, 2024

Management's Discussion and Analysis

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

As management of the Snyderville Basin Special Recreation District (the District), we offer readers of our financial statements this narrative overview and analysis of the financial position and results of operations of the District for the fiscal year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to financial statements, and required supplementary information which follow this section.

Financial Highlights

The District's net position as of December 31, 2023 is \$82,982,397, an increase of \$7,426,268, or 10%, from the previous year. The portion of net position which represents the amount the District can use to meet on-going financial obligations is the unrestricted net position. Unrestricted net position totals \$19,222,627 as of December 31, 2023.

The District's total assets and deferred outflows of resources as of December 31, 2023 are \$119,708,634, including \$29,282,402 of current and other assets, \$88,755,786 of capital assets, net of accumulated depreciation and amortization, and \$1,670,446 of deferred outflows of resources. This represents an increase of \$2,953,919, or 2.5%, in assets and deferred outflows of resources from the previous year.

The District's total liabilities and deferred inflows of resources as of December 31, 2023 are \$36,726,237, including \$2,375,114 of current liabilities, \$34,329,251 of non-current liabilities, and \$21,872 of deferred inflows of resources. This represents a decrease of \$4,472,349, or 11%, in liabilities and deferred inflows of resources from the previous year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a view of the District's finances as a whole; similar to a private-sector business. The statements consist of the statement of net position and the statement of activities.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the resulting difference between the assets plus deferred outflows less liabilities plus deferred inflows being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the District is improving or deteriorating. However, other nonfinancial factors should also be considered.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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The statement of activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

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. The District also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported 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 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.

The District maintains four major governmental funds:

- General Fund – The purpose of this fund is to account for all financial resources except those accounted for in another fund based on external requirements or board determination (described below). General Fund monies are primarily used for the operations and maintenance of the District facilities, programs, administration, trails, and open space.
- Special Revenue Fund – The District imposes impact fees for the development of community park, recreation, and trail facilities. The Impact Fees Act requires the District to separately account for the receipts and disbursement of these fees. Impact fee expenditures may only be used for authorized facilities identified in the District's Impact Fee Facilities Plan.

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- Debt Service Fund – The purpose of this fund is to account for the assessed and collected taxes for the payment of general long-term debt principal and interest.
- Capital Projects Fund – The objective of this fund is to account for the financial resources to be used for the acquisition or construction of major capital facilities as authorized by the voters. The fund also accounts for grants received for specific capital projects. Excess funds accumulated through the operational tax levy may be earmarked for capital projects as approved by the District Board.

The District adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund and the special revenue fund.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is necessary to more fully understand the government-wide and fund financial statements. The notes contain more complete definitions of accounting terms and description of the District's accounting policies. The notes also provide additional detail on deposits and investments, changes to capital assets, long-term liabilities and obligations, retirement plans, and contingency and compliance-related issues.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was \$82,982,397 at the close of fiscal year 2023. Approximately 74% of the District's total assets and deferred outflows of resources reflect its net investment in capital assets (capital assets less accumulated depreciation and amortization). The District uses these capital assets to provide services; consequently, these assets are not available for future spending. Current assets represent approximately 25% of total assets and deferred outflows of resources. Deferred outflows of resources related to pensions represent approximately 1% of total assets and deferred outflows of resources.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Statement of Net Position: As taken from the audited statement of net position in the basic financial statements, the following table depicts net position including all assets, deferred outflows of resources, liabilities and deferred inflows of resources that create net position for fiscal years 2023 and 2022, respectively:

	<u>2023</u>	<u>2022</u>
Current and other assets	\$ 29,282,402	27,436,959
Capital assets, net	<u>88,755,786</u>	<u>87,664,534</u>
Total assets	<u>118,038,188</u>	<u>115,101,493</u>
Deferred outflows	<u>1,670,446</u>	<u>1,653,222</u>
Current liabilities	2,375,114	3,077,253
Non-current liabilities	<u>34,329,251</u>	<u>37,346,636</u>
Total liabilities	<u>36,704,365</u>	<u>40,423,889</u>
Deferred inflows	<u>21,872</u>	<u>774,697</u>
Net investment in capital assets	54,806,730	50,411,077
Restricted	8,953,040	7,517,169
Unrestricted	<u>19,222,627</u>	<u>17,627,883</u>
Total net position	<u>\$ 82,982,397</u>	<u>75,556,129</u>

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Changes in Net Position: As taken from the audited statement of activities in the basic financial statements, the following table depicts the changes in net position for fiscal years 2023 and 2022 respectively:

	<u>2023</u>	<u>2022</u>
Revenues:		
Charges for services	\$ 2,575,372	2,274,801
Grants and contributions	1,526,243	1,265,837
Property taxes	14,095,465	11,909,825
Impact fees	666,061	1,144,733
Interest and investment income	1,193,195	431,418
Other	41,116	72,776
	<u>20,097,452</u>	<u>17,099,390</u>
Expenses:		
Administration	2,689,914	1,946,680
Parks and facilities	2,667,670	1,515,892
Trails and open space	2,824,149	964,181
Recreation	3,023,114	1,765,561
Interest and fiscal charges	1,466,337	1,467,564
	<u>12,671,184</u>	<u>7,659,878</u>
Total revenues	20,097,452	17,099,390
Total expenses	12,671,184	7,659,878
Change in net position	7,426,268	9,439,512
Net position - beginning	<u>75,556,129</u>	<u>66,116,617</u>
Net position - ending	<u>\$ 82,982,397</u>	<u>75,556,129</u>

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Financial Analysis of the District's Revenues and Expenses

Revenues:

Property tax revenues accounted for \$14,095,465, or 70%, of total revenues compared to \$11,909,825, or 70%, in 2022. Charges for services accounted for \$2,575,372, or 13%, compared to \$2,274,801, or 13%, in 2022. Grants and contributions, impact fees, and interest and investment income accounted for \$1,526,243, or 8%, \$666,061, or 3%, and \$1,193,195, or 6%, in 2023, respectively, compared to \$1,265,837, or 7%, \$1,144,733, or 7%, and \$431,418, or 3%, in 2022, respectively.

Other income items continue to be minimal from year to year

Expenses:

Expenses increased overall from the previous year by \$5,011,306. Expenses increased across all departments. Administration, parks and facilities, trails and open spaces, and recreation expenses increased by \$743,234, \$1,151,778, \$1,859,968, and \$1,257,553, respectively. Interest expenses and cost of issuance decreased by \$1,227.

The *Administration Department* primarily holds operational expenses such as payroll expenses and all related benefits for Administration personnel, such as the District Director, Planning & Legal Affairs Manager, District Administrator, and other Finance and Administration staff. Also included are administrative overhead expenses such as professional consulting fees, liability insurance, public relation/promotions, and office supplies and equipment. Other expenses for the purposes of net position are compensated absences, pension plan adjustments, current depreciation and amortization expenses, and capital expenditures not capitalized.

The *Parks and Facilities Department* contains operational expenses that include the department manager as well as year-round and seasonal wages for parks and facilities labor and all related benefits. It also includes utility fees for park operations, park facilities maintenance, vehicle and equipment expense, fertilizers, chemicals, and other departmental supplies. Other expenses for the purposes of net position are pension plan adjustments, capital expenditures not capitalized, and current depreciation and amortization expense.

The *Trails and Open Space Department* contains operational expenses that include year-round and seasonal wages for open space labor and all related benefits. It also includes professional consultants, contract services for open space maintenance and restoration, and departmental supplies. Other expenses for the purposes of Net Position are pension plan adjustments, capital expenditures not capitalized, and current depreciation expense. It also includes professional and technical consultant fees, contract services for trail repair, utilities for trail facilities, and departmental supplies. Other expenses for the purposes of net position are pension plan

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

adjustments, capital expenditures not capitalized, and current depreciation and amortization expense.

The *Recreation Department* operational expenses reflect the department manager, year-round and seasonal wages and all related benefits, and all expenditures for District-run sports programs, camps, and special events. Other expenses for the purposes of net position are pension plan adjustments, capital expenditures not capitalized, and current depreciation and amortization expense.

Financial Analysis of the District's Funds

Governmental Funds: The focus of the District's governmental funds is to provide information on near term inflows, outflows, and the balance of resources available for appropriation. Such information is a useful measure of the District's net resources available for spending at the end of the year.

Some of the more significant changes in fund balances and fund net position, and any restrictions on those amounts, are described below:

General Fund

The General Fund balance increased by \$1,305,287 during the year. A total of \$1,600,000 was transferred from the General Fund to the Capital Projects Fund to be used on capital improvements and \$532 to the Debt Service Fund for debt service.

Property taxes are the single largest source of revenue in the General Fund and represent 75% of total revenues in the fund. Property tax revenues amounted to \$9,216,987, compared with the previous year amount of \$7,059,116, an increase of \$2,157,871 or 30.5%.

Special Revenue Fund

The Special Revenue Fund balance increased from \$3,889,878 to \$4,522,732, an increase of \$632,854 or 16%. A total of \$239,466 was transferred from the Special Revenue Fund to the Capital Projects Fund to be used on capital improvements during the year.

Debt Service Fund

The Debt Service Fund balance increased from \$3,627,290 to \$4,180,102, an increase of \$552,812 or 15%. Property tax revenues amounted to \$5,020,554, compared with the previous year amount of \$4,850,710, an increase of \$169,844, or 3.5%. Debt service expenditures were \$4,633,981 compared to \$4,631,631 in the previous year.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Capital Projects Fund

The Capital Projects Fund balance increased from \$7,420,637 to \$8,261,889, an increase of \$841,252, or 11%. Capital outlay expenditures during the year amounted to \$2,831,517.

General Fund Budgetary Highlights

The General Fund is the chief operation fund of the District. All activities which are not required to be accounted for in separate funds are accounted for in this fund.

During 2023, the General Fund adopted budget for total expenditures was \$9,601,587. In addition, the District budgeted for transfers out of \$1,600,000. No amendments were made during the year to budgeted expenditures or transfers out. Actual expenditures and transfers were \$9,475,481 and \$1,600,532, respectively. Actual expenditures were \$126,106 less than budgeted expenditures.

During 2023, the General Fund adopted budget for total revenues was \$10,901,587. No amendments were made during the year to budgeted revenues. Actual revenues were \$12,217,500, or \$1,315,913 above budgeted revenues.

Capital Asset and Debt Administration

The District's net investment in capital assets as of December 31, 2023 amounts to \$54,806,730, compared to \$50,411,077 at December 31, 2022. Capital asset additions during the year included \$2,318,120 in construction in progress, \$520,416 in machinery and equipment, \$163,800 in right to use – building lease assets, and \$17,481 in buildings and parks.

Long-term liabilities consist of general obligation bonds of \$33,815,000, a lease liability of \$134,056, compensated absences of \$149,763, and the District's proportionate share of the net pension liability of \$230,432. Additional information regarding long-term liabilities can be found in the footnotes to these financial statements.

Economic Factors and Next Year's Budgets and Rates

The economic outlook for the District remains cautiously optimistic. In the Kem C. Gardner Institute's 2024 Economic Report to the Governor, it was noted that "the economy sails into unsettled normalcy. While many economic relationships now follow a path to more normal operation, some still haven't fully stabilized. Many key questions remain as economic policymakers chart a course to the storied soft landing on solid ground. Among these are whether inflation will continue downward, interest rate declines will follow suit, and labor markets remain tight."

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
December 31, 2023

At the 2024 Zions Bank Wasatch Back Economic Summit held on May 14, Senior Vice President of Economic and Public Policy at Zions Bank, Robert Spendlove, observed that “economists are anticipating a few different scenarios for how the economy might pan out over the next year with the goal of a soft landing, or something similar to the market downturn of 2002. This allows the economy to slow down without creating a recession.”

However, he “warned it could easily swing negative depending on how much various sectors soften. For example, there was accelerated growth in health care, but a big decrease in construction.”

Despite that, “Utah remains strong even as new data continues to change the overall economic outlook — particularly in Park City, Summit County and the broader Heber Valley, which serve as gateway communities to natural amenities.”

“We do continue to see strong population growth, people moving out of coastal areas, moving out of California, Oregon, New York and moving into, well you know, they’re moving right here,” Spendlove said. “Within the state, you see that we ... have relatively slower growth in the urban core, in the Wasatch Front, but there’s really strong growth in the Wasatch Back.”

However, job growth has slowed somewhat. Per the Utah Department of Workforce Services, the average annual number of nonfarm payroll jobs in Summit County increased by 1.3% between February 2023 to February 2024, which is behind the state’s average growth of 1.9%. Unemployment also picked up slightly in the County and sits at 2.6%, which is closer to the state average of 2.8%.

“The Utah economy continues to grow at a slower pace than what we saw last year,” said Mark Knold, Chief Economist at the Department of Workforce Services. “The supply of labor provided by domestic labor migrating to Utah over the past several years allowed the state’s economy to grow faster than what the state’s low unemployment rate should otherwise allow. However, this domestic in-migration has now slowed, and the state’s low unemployment rate is constraining faster growth. Therefore, Utah’s job growth pace has moderated downward toward the national average.”

In the meantime, negotiations between developer Dakota Pacific and Summit County regarding the Park City Tech Center at Kimball Junction continue. An existing development agreement states that the developer will contribute \$300,000 to Summit County after construction of 300,000 gross square feet of research space based upon the issuance of Certificates of Occupancy. Such obligation will survive any amendments to the development agreement. An agreement exists between Summit County and the District that such funds will be paid to the District to reimburse the District for a portion of the costs associated with the construction of the SR 224 Underpass, which was completed in 2011. In addition, the developer has public trail obligations to uphold contingent upon the development.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2023

Requests for Information

This financial report is designed to provide a general overview of Snyderville Basin Special Recreation District's finances for all those with an interest in the District's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to:

Business Manager
Snyderville Basin Special Recreation District
5715 Trailside Drive
Park City, Utah 84098

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Basic Financial Statements

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government	
	Governmental Activities	Total
<u>Assets</u>		
Cash and cash equivalents and investments	\$ 17,905,100	17,905,100
Receivables	3,054,412	3,054,412
Prepaid expenses	32,787	32,787
Restricted cash	8,076,654	8,076,654
Other assets	213,449	213,449
Capital assets:		
Capital assets not being depreciated	57,254,345	57,254,345
Capital assets, net of accumulated depreciation	31,369,141	31,369,141
Right to use assets, net of accumulated amortization	132,300	132,300
Total assets	118,038,188	118,038,188
<u>Deferred Outflows of Resources</u>		
Deferred charge on refunding	993,895	993,895
Pensions	676,551	676,551
Total deferred outflows of resources	1,670,446	1,670,446
<u>Liabilities</u>		
Accounts payable and accrued liabilities	2,056,715	2,056,715
Unearned revenues	318,399	318,399
Long-term liabilities:		
Due within one year:		
General obligation bonds	3,550,000	3,550,000
Lease liability	74,000	74,000
Compensated absences	149,763	149,763
Due in more than one year:		
General obligation bonds	30,265,000	30,265,000
Lease liability	60,056	60,056
Net pension liability	230,432	230,432
Total liabilities	36,704,365	36,704,365
<u>Deferred Inflows of Resources</u>		
Pensions	21,872	21,872
Total deferred inflows of resources	21,872	21,872
<u>Net Position</u>		
Net investment in capital assets	54,806,730	54,806,730
Restricted for:		
Impact fees	4,522,732	4,522,732
Debt service	4,180,102	4,180,102
Construction and land acquisition	250,206	250,206
Unrestricted	19,222,627	19,222,627
Total net position	\$ 82,982,397	82,982,397

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary government:						
Governmental activities:						
Administration	\$ 2,689,914	-	-	-	(2,689,914)	(2,689,914)
Parks and facilities	2,667,670	784,353	41,940	1,484,303	(357,074)	(357,074)
Trails and open space	2,824,149	19,093	-	-	(2,805,056)	(2,805,056)
Recreation	3,023,114	1,771,926	-	-	(1,251,188)	(1,251,188)
Interest and fiscal charges	1,466,337	-	-	-	(1,466,337)	(1,466,337)
Total governmental activities	<u>12,671,184</u>	<u>2,575,372</u>	<u>41,940</u>	<u>1,484,303</u>	<u>(8,569,569)</u>	<u>(8,569,569)</u>
Total primary government	<u>\$ 12,671,184</u>	<u>2,575,372</u>	<u>41,940</u>	<u>1,484,303</u>	<u>(8,569,569)</u>	<u>(8,569,569)</u>
General revenues (expenses):						
Property taxes					14,095,465	14,095,465
Impact fees					666,061	666,061
Interest and investment income					1,193,195	1,193,195
Park City Ice Arena contribution					(50,000)	(50,000)
Gain on disposal of assets					39,661	39,661
Miscellaneous					51,455	51,455
Total general revenues					<u>15,995,837</u>	<u>15,995,837</u>
Change in net position					7,426,268	7,426,268
Net position - beginning, as restated					<u>75,556,129</u>	<u>75,556,129</u>
Net position - ending					<u>\$ 82,982,397</u>	<u>82,982,397</u>

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents and investments	\$ 8,923,872	-	-	8,981,228	17,905,100
Receivables	2,010,557	-	1,043,855	-	3,054,412
Prepaid expenses	32,787	-	-	-	32,787
Restricted cash and investments	-	4,522,732	3,303,716	250,206	8,076,654
Other assets	-	-	-	43,382	43,382
	<u>10,967,216</u>	<u>4,522,732</u>	<u>4,347,571</u>	<u>9,274,816</u>	<u>29,112,335</u>
<u>Liabilities</u>					
Accounts payable and accrued liabilities	1,173,677	-	-	830,367	2,004,044
Unearned revenues	135,839	-	-	182,560	318,399
	<u>1,309,516</u>	<u>-</u>	<u>-</u>	<u>1,012,927</u>	<u>2,322,443</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenues - property taxes	304,268	-	167,469	-	471,737
	<u>304,268</u>	<u>-</u>	<u>167,469</u>	<u>-</u>	<u>471,737</u>
<u>Fund balances</u>					
Nonspendable:					
Prepaid expenses	32,787	-	-	-	32,787
Restricted for:					
Impact fees	-	4,522,732	-	-	4,522,732
Debt service	-	-	4,180,102	-	4,180,102
Construction and land acquisition	-	-	-	250,206	250,206
Assigned for:					
Capital replacement	-	-	-	6,554,260	6,554,260
Capital projects	-	-	-	1,457,423	1,457,423
Appropriated for future use	300,000	-	-	-	300,000
Unassigned	9,020,645	-	-	-	9,020,645
	<u>9,353,432</u>	<u>4,522,732</u>	<u>4,180,102</u>	<u>8,261,889</u>	<u>26,318,155</u>
Total liabilities and fund balances	\$ <u>10,967,216</u>	<u>4,522,732</u>	<u>4,347,571</u>	<u>9,274,816</u>	<u>29,112,335</u>

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2023

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

Total fund balances - governmental funds		\$ 26,318,155
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Deferred inflows of resources and outflows of resources related to pensions are not reported in the funds.

Deferred outflows of resources - pensions	\$ 676,551	
Deferred inflows of resources - pensions	<u>(21,872)</u>	
		654,679

Because the focus of governmental funds is on short-term financing, some revenues will not be available to pay for current-period expenditures and are therefore recorded as deferred inflows of resources in the funds.

Delinquent property taxes		471,737
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Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	\$ 109,354,493	
Accumulated depreciation and amortization	<u>(20,598,707)</u>	
		88,755,786

Other long-term assets that are not available to pay for current expenditures and, therefore, are not reported in the funds.		170,067
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation bonds	\$ (33,815,000)	
Lease liability	(134,056)	
Compensated absences	(149,763)	
Net pension liability	(230,432)	
Accrued interest payable on long-term debt	<u>(52,671)</u>	
		(34,381,922)

Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Deferred charge on refunding		<u>993,895</u>
Net position of governmental activities		<u>\$ 82,982,397</u>

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
Year Ended December 31, 2023

	General	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues:					
Property taxes	\$ 9,216,987	-	5,020,554	-	14,237,541
Intergovernmental revenues	41,940	-	-	1,484,303	1,526,243
Charges for services	2,575,372	-	-	-	2,575,372
Impact fees	-	666,061	-	-	666,061
Interest and investment income	300,811	206,259	165,707	520,418	1,193,195
Miscellaneous income	82,390	-	-	-	82,390
Total revenues	12,217,500	872,320	5,186,261	2,004,721	20,280,802
Expenditures:					
Administration	2,714,440	-	-	28,337	2,742,777
Parks and facilities	2,026,361	-	-	-	2,026,361
Trails and open space	2,081,964	-	-	150,081	2,232,045
Recreation	2,405,333	-	-	-	2,405,333
Park City Ice Arena contribution	50,000	-	-	-	50,000
Capital outlay	163,800	-	-	2,824,517	2,988,317
Debt service: principal	29,744	-	3,412,000	-	3,441,744
Debt service: interest	3,839	-	1,221,981	-	1,225,820
Total expenditures	9,475,481	-	4,633,981	3,002,935	17,112,397
Excess of revenues over expenditures	2,742,019	872,320	552,280	(998,214)	3,168,405
Other financing sources (uses):					
Proceeds from issuance of lease	163,800	-	-	-	163,800
Transfers in (out)	(1,600,532)	(239,466)	532	1,839,466	-
Total other financing sources (uses)	(1,436,732)	(239,466)	532	1,839,466	163,800
Net change in fund balance	1,305,287	632,854	552,812	841,252	3,332,205
Fund balance - beginning	8,048,145	3,889,878	3,627,290	7,420,637	22,985,950
Fund balance - ending	\$ 9,353,432	4,522,732	4,180,102	8,261,889	26,318,155

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2023

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

Net change in fund balance - total governmental funds		\$ 3,332,205
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense.

Capital outlays	\$ 2,988,317	
Depreciation and amortization expense	<u>(1,905,792)</u>	
		1,082,525

Some revenues reported in the Statement of Activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.		(142,076)
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales of capital assets) is to increase net position.		8,726
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Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Proceeds from issuance of lease	\$ (163,800)	
Principal payments on general obligation bonds	3,410,000	
Principal payments on lease liability	<u>29,744</u>	
		3,275,944

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 governmental funds.

Accrued interest on long-term liabilities	\$ (24,214)	
Amortization of bond refunding charges	(184,559)	
Change in compensated absences	(56,584)	
Changes in the net pension liability and related deferred outflows and inflows of resources	194,977	
Other amounts	<u>(60,676)</u>	
		<u>(131,056)</u>

Change in net position of governmental activities		\$ <u><u>7,426,268</u></u>
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The accompanying notes are an integral part of these financial statements.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Snyderville Basin Special Recreation District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Financial Reporting Entity

The District was established on July 1, 1986 by Summit County, Utah as a governmental service district under Title 11, Chapter 23 of the Utah Code Annotated, 1953, as amended. The District was established to provide recreation for the Snyderville Basin area of Summit County. The District operates as a special district under a Board of Directors within the State of Utah. The District's financial statements include the accounts of all District operations. The District has no oversight responsibility for any other governmental entity due to the determination that no other entities are considered to be controlled by, or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Interlocal Agreement with Park City School District

The District entered into a Lease and Joint Use Agreement – Middle School Facilities for Recreation in 1996 to lease 18.43 acres of land at Ecker Hill Middle School from Park City School District (PCSD). The lease is for thirty years, with a twenty-year option to renew at a cost of \$1 per year. The District fulfilled its capital obligations required by the agreement, by contributing \$1,327,000 for field development, community pool enhancements, and additional parking space at the school. Additionally, the District constructed field support buildings, which include park equipment storage and restrooms, made hardscape improvements, and expanded the field space at the Ecker Hill Field Complex. Improvements were made at the sole expense of the District within an area subject to the long-term lease agreement. These capital expenditures are shown as capital assets of the PCSD and are not included in the District's financial statements. The total capital contributions to PCSD amounted to \$2,107,396. In addition to the Lease Agreement, the District and PCSD entered into an Agreement for Use of School Facilities for Recreation to provide for the shared use of facilities and amenities between the two entities and to designate the rights and responsibilities of each party regarding the shared use. Subsequently, the District, PCSD, and Park City Municipal Corporation (PCMC or City) adopted a three-way Joint Use Agreement for Recreation in May 2007. The three parties desired to clarify and augment existing agreements, including the aforementioned Lease and Joint Use Agreement - Middle School Facilities for Recreation. Additionally, the agreement encouraged the joint use of fields and facilities and established procedures for cooperative working relationships between the parties. The agreement is regularly reviewed by the parties under its terms.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Interlocal Agreement with PCMC

The District and PCMC entered into an interlocal cooperative agreement to construct a regional ice facility in August 2004. In the agreement, the parties recognized the value in combining financial resources to jointly construct, maintain, and operate the ice facility. The parties also recognized the challenges of having multiple parties involved in the construction and operation of the facility. Given the nature of the larger proposed city-owned recreation complex, of which the ice rink is just one component, the parties agreed that PCMC shall solely own the facility (located on city-owned land near the State Route 248/Highway 40 interchange at Quinn's Junction). Also, no title or interest in the city-owned real property upon which the ice facility is located will transfer or otherwise vest in the District as a result of the agreement. Each party agreed to fund \$2,000,000 toward the design, planning, construction and initial outfitting of the rink and this payment by the District was made in March 2005. Substantial completion of the Park City Ice Arena occurred in February 2006 and the rink, operated by PCMC, opened for business.

As part of the agreement, the District agreed to budget for and contribute a minimum of \$50,000 per fiscal year toward operational costs of the facility in the first two years, after which the contribution will be placed in a Capital Replacement Reserve Fund (CRRF) by PCMC. Payments have been made each year since December 2005 and are due no later than December 15 each year. The District and PCMC review the agreement every three (3) years and most recently opened these discussions in 2022. The discussions are ongoing. The District reserves the right to modify the annual distribution during the three-year review. Either party has the right to request renegotiation of the agreement at any time.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. Fiduciary activities, if any, are reported only in the fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. Governmental activities are usually financed through intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The District currently has no services that are classified as business-type activities. Therefore, all of the District's services are classified as governmental activities.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

The government-wide Statement of Activities reports both the gross and net cost of the District. The District is also supported by general revenues (including property taxes, impact fees, interest and investment income, and miscellaneous and other income). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating and capital grants and contributions. Operating grants and contributions include operating-specific and discretionary (either operating or capital) grants and contributions, while the capital grants and contributions column reflects capital-specific grants and contributions.

These government-wide statements focus more on the sustainability of the District as an entity and the change in the District's net position resulting from current year activities.

Fund Financial Statements

The District's accounting system is organized on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts that a government establishes for accountability purposes in accordance with statutes, laws, regulations, restrictions, or specific purposes.

Separate financial statements are provided for governmental funds. For governmental funds, the emphasis is on major individual funds, as defined by GASB Statement No. 34, with each displayed as a separate column. The District reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Special Revenue Fund* is used to account for the collection and use of impact fees for parks, recreation, and trails.

The *Debt Service Fund* is used to account for the accumulation of resources for the payment of principal, interest, and related costs on certain general long-term debt paid primarily from taxes levied by the District. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

The *Capital Projects Fund* is used to account for the acquisition or construction of major capital facilities of the District.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transaction or events for recognition in the financial statements. The following provides a summary of the measurement focus and basis of accounting used by the District:

Economic Resources Measurement Focus and Accrual Basis of Accounting

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

The governmental fund financial statements are reporting using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and 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 District considers revenues to be available if they are collected within 60 days (the availability period) of the end of the current fiscal period. Expenditures are generally recognized when the related liability is incurred, as under accrual accounting.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

However, debt service principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales and other taxes, intergovernmental revenues, impact fees, and interest and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the District.

Financial Statement Presentation

Cash and Cash Equivalents

For the purposes of the Statement of Net Position, the term “cash and cash equivalents” includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The District's policy allows for investment in time certificates of deposit with federally insured depositories, investment in the Public Treasurers' Investment Fund, and other investments as allowed by the State of Utah's Money Management Act. All investments are reported at fair value.

Receivables

Receivables consist of revenues earned as of year-end but received after year-end, primarily property taxes receivable. All receivable balances are reported net of any allowance for uncollectible accounts. Allowances for uncollectible accounts are based upon historical trends and current data regarding the condition of specific debtors as of the date of issuance of the financial statements.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets, and impact fees must be spent on the development of community parks, trails facilities, and other recreation. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and investments and net position.

Capital Assets

Capital assets are tangible and intangible assets, which include land, buildings, parks, trails, and machinery and equipment, and are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the District constructs or acquires capital assets each period, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class. Land and construction in progress are not depreciated or amortized.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

The other tangible and intangible capital assets of the primary government are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings	10 - 40 years
Parks	8 - 40 years
Trails	15 - 30 years
Machinery and equipment	7 - 10 years

Leases

The District leases office space under a noncancellable lease. The District recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements with an initial, individual value of \$50,000 or more and a lease term of more than one year, including expected extensions. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or lease term. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase options that the District is reasonably certain to exercise. The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use lease assets are reported with capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet include a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The following items qualify for reporting in this category.

- The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- The deferred amounts related to pensions are related to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension related changes.

In addition to liabilities, the statement of net position and governmental funds balance sheet include a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position/fund balance that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The following items qualify for reporting in this category.

- Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- The deferred amounts related to pensions are related to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension related changes.

Pension Related Assets, Liabilities and Deferred Outflows and Inflows of Resources

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.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused paid leave. Paid leave accumulates for all full-time employees dependent upon years of service. Accumulated paid leave is payable to the employee upon termination of employment up to a maximum of 160 hours. An estimated liability for vacation leave is reported in the government-wide financial statements and the expense is allocated by function based on where the employee is assigned.

Governmental funds do not report a liability for compensated absences. The expenditure is reported when vacation time is taken. Compensated absences are generally liquidated by the General Fund.

Net Position

For government-wide reporting, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets – consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted – consists of all other resources that do not meet the definition of “restricted” or “net investment in capital assets.”

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Net position flow assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the highest level of decision-making authority for the District, which is the Summit County Council, prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Summit County Council adopts another ordinance to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. The Summit County Council has the authority to assign fund balance based on recommendations from the Board of Directors during the budget process. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

Fund balance flow assumptions

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

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

Program Revenues

Amounts reported as program revenues include (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, impact fees, and other internally dedicated resources are reported as general revenues rather than as program revenues.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Property Taxes

In accordance with State law, Summit County, Utah assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including the District. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is considered necessary. Property taxes are assessed and become a lien against the property at January 1 in the year in which the taxes are due. The property tax valuation notice is sent in July, but it is not a billing. Property owners are billed in October with a payment due date of November 30.

Note 2 – Deposits and Investments

The District’s deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
<i>Governmental Funds</i>				
Deposits and investments				
Demand deposits	\$ 499,861	-	-	499,861
Public Treasurer's Investment Pool	-	25,481,593	-	25,481,593
Cash-on-hand	-	-	300	300
Total deposits and investments	\$ 499,861	25,481,593	300	25,981,754

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. The District does not have a formal deposit policy for custodial credit risk. At December 31, 2023, \$243,607 of the District’s demand deposits of \$493,607 are considered uninsured and uncollateralized.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 2 – Deposits and Investments (continued)

Investments

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 by the State of Utah Money Management Act that relate to the deposit and investment of public funds. The District follows the requirements of the Utah Money Management Act (Utah Code, Title 51, Chapter 7) in handling its depository and investment transactions. The Utah Money Management Act (the Act) requires the depositing of District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and 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. The Act defines the types of securities authorized as appropriate investments for the District'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.

Statutes authorize the District to invest in negotiable and non-negotiable 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; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); 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 Act; and the Utah State Public Treasurers' Investment Fund (PTIF). The Utah State Treasurer's Office operates the PTIF. The PTIF is available for investment of funds administered by any Utah public treasurer. No separate report as an external investment pool has been issued for the PTIF.

The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Act. The Act establishes the State Money Management Council, which oversees the activities of the State Treasurer and the PTIF. The Act lists the investments that are authorized which are high-grade securities and, therefore, minimizes credit risk except in the most unusual and unforeseen circumstances. Deposits in the PTIF are neither insured nor otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 2 – Deposits and Investments (continued)

The PTIF operates and reports monthly statements to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated to participants monthly on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the pool's investments. The PTIF may maintain an interest reserve to stabilize the monthly apportionment of interests.

The PTIF allocates income and issues statements on a monthly basis. Twice a year, on June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value, and participants are informed of the fair value valuation factor that enables them to adjust their statements balance to fair value. The fair value of the PTIF investment pool is approximately equal to the value of the pool shared.

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset:

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs.

The District's investments in the PTIF are valued at the District's position in the PTIF multiplied by the published fair value factor (Level 2 inputs).

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with State laws. As of December 31, 2023, all investments held by the District are in the PTIF, which investments have a maturity of less than 60 days.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing exposure to credit risk is to comply with the State's Money Management Act as previously discussed. At December 31, 2023, all investments held by the District are in the PTIF which is unrated.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 2 – Deposits and Investments (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District’s policy for reducing this risk of loss is to comply with the rules of the Money Management Council. 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. At December 31, 2023, all investments held by the District are in the PTIF and therefore, are not categorized as to concentration of credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s policy for custodial risk is to use the PTIF whenever possible. As of December 31, 2023, all investments are held in the PTIF.

Note 3 – Receivables

The District’s receivables consist of the following:

Property taxes - current	\$ 3,044,155
Trade receivables	<u>10,257</u>
	<u>\$ 3,054,412</u>

Note 4 – Other Assets – Impact Fee Credits

In February 2013, Utah Open Lands conveyed water right entitlements and water source entitlements to the District. The District then entered into a Water Transfer and Banking Agreement with Mountain Regional Water Special Service District (MRW) on August 7, 2013. This agreement transferred the water source and water right entitlements to MRW in return for impact fee credits. In 2018, an additional .8-acre feet was added to the entitlements after discovering the District had overpaid impact fees to MRW for the final expansion at the Fieldhouse. As of December 31, 2023, unused impact fee credits of \$170,067 related to these transactions are reported with other assets on the statement of net position.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 5 – Capital Assets

Capital asset activity is as follows:

	Balance 1/1/23	Additions	Reductions	Balance 12/31/23
<u>Governmental activities:</u>				
Capital assets not being depreciated or amortized:				
Land	\$ 21,857,313	1,435,803	-	23,293,116
Open space	33,888,769	-	-	33,888,769
Water space	20,000	-	-	20,000
Construction in progress	7,141,358	2,318,120	(9,407,018)	52,460
Total capital assets not being depreciated or amortized	<u>62,907,440</u>	<u>3,753,923</u>	<u>(9,407,018)</u>	<u>57,254,345</u>
Capital assets being depreciated and amortized:				
Buildings	18,174,841	113,380	-	18,288,221
Parks	9,391,522	7,817,236	(195,536)	17,013,222
Trails	13,889,071	58,080	-	13,947,151
Machinery and equipment	2,796,725	520,416	(629,387)	2,687,754
Right to use - building	-	163,800	-	163,800
Total capital assets being depreciated and amortized	<u>44,252,159</u>	<u>8,672,912</u>	<u>(824,923)</u>	<u>52,100,148</u>
Accumulated depreciation and amortization:				
Buildings	(6,273,378)	(591,506)	-	(6,864,884)
Parks	(5,451,997)	(519,945)	195,535	(5,776,407)
Trails	(6,104,557)	(487,898)	-	(6,592,455)
Machinery and equipment	(1,665,132)	(274,943)	606,614	(1,333,461)
Right to use - building	-	(31,500)	-	(31,500)
Total accumulated depreciation and amortization	<u>(19,495,064)</u>	<u>(1,905,792)</u>	<u>802,149</u>	<u>(20,598,707)</u>
Total capital assets being depreciated and amortized, net	<u>24,757,095</u>	<u>6,767,120</u>	<u>(22,774)</u>	<u>31,501,441</u>
Total governmental activities capital assets, net	<u>\$ 87,664,535</u>	<u>10,521,043</u>	<u>(9,429,792)</u>	<u>88,755,786</u>

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 5 – Capital Assets (continued)

Depreciation and amortization expense were charged to the functions/programs of the governmental activities of the District as follows:

Governmental activities:	
Administration	\$ 54,598
Parks	641,308
Trails	592,104
Fieldhouse	600,173
Recreation	<u>17,609</u>
	<u>\$ 1,905,792</u>

Note 6 – Long-Term Liabilities

Long-term liabilities activity is as follows:

	Balance 1/1/23	Additions	Reductions	Balance 12/31/23	Due Within One Year
<u>Governmental activities:</u>					
General obligation bonds	\$ 37,225,000	-	(3,410,000)	33,815,000	3,550,000
Lease liability	-	163,800	(29,744)	134,056	74,000
Compensated absences	93,179	106,406	(49,822)	149,763	149,763
Net pension liability	-	230,432	-	230,432	-
Total long-term liabilities	<u>\$ 37,318,179</u>	<u>500,638</u>	<u>(3,489,566)</u>	<u>34,329,251</u>	<u>3,773,763</u>

General Obligation Bonds

The District has issued general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 13 to 20 years.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 6 – Long-Term Liabilities (continued)

General obligation bonds outstanding at December 31, 2023, are as follows:

	Original Borrowing	Interest Rates	Final Maturity	Outstanding at 12/31/23
<u>Governmental activities:</u>				
General obligation bonds				
2015 Series A	\$ 25,000,000	2.00%-3.125%	2034	\$ 15,675,000
2015 Series B	7,385,000	2.125%-4.00%	2028	3,485,000
2017 Series	15,905,000	3.00-4.00%	2030	14,655,000
Total general obligation bonds				\$ 33,815,000

Future debt service requirements for the District’s general obligation bonds are as follows:

Year	Principal	Interest	Total
2024	\$ 3,550,000	1,133,981	4,683,981
2025	3,660,000	1,027,081	4,687,081
2026	3,785,000	906,125	4,691,125
2027	3,905,000	779,975	4,684,975
2028	4,040,000	647,850	4,687,850
2029 - 2033	13,230,000	1,302,100	14,532,100
2034 - 2038	1,645,000	51,406	1,696,406
	\$ 33,815,000	5,848,518	39,663,518

The 2017 and 2015 Series B general obligation bonds were issued by the District to advance refund \$23,270,000 of outstanding 2004, 2005, and 2011 general obligation bonds which had interest rates ranging from 4.00% to 5.00%. The net proceeds of these refunding general obligation bonds of \$25,564,754 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2004, 2005, and 2011 general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. In addition, the reacquisition price exceeded the net carrying amount of the old debt resulting in a deferred outflow of resources which is being amortized over the remaining life of the refunding debt.

At December 31, 2023, \$19,085,000 of the defeased bonds remains outstanding.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 6 – Long-Term Liabilities (continued)

Leases

The District has entered into a 26-month lease agreement as lessee for office space. In association with this lease, an initial lease liability and right-to-use lease asset were recorded in the amount of \$163,800. The District is required to make monthly principal and interest payments ranging from \$6,636 to \$6,908 through expiration of the lease in September 2025. The lease carries an interest rate of 7.75%. As of December 31, 2023, the lease liability was \$134,056. The asset being leased has an estimated useful life of 26 months. The value of the right-to-use asset as of December 31, 2023 was \$163,800 and had accumulated amortization of \$31,500.

The following is a schedule of future principal and interest payments required under this lease:

Year	Principal	Interest	Total
2024	\$ 74,000	7,815	81,815
2025	60,056	1,961	62,017
	\$ 134,056	9,776	143,832

Lines of Credit

As of December 31, 2023, the District has no unused lines of credit.

Note 7 – Net Position and Fund Balance

As of December 31, 2023, restricted net position/fund balance of \$8,953,040 represent monies required to be maintained to satisfy third party agreements, legal requirements, or enabling legislation. Net position restricted by enabling legislation includes net position restricted for the use of impact fees of \$4,522,732.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 – Retirement Plans

General Information about the Pension Plan

Plan description

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

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee retirement system.

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

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

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 – Retirement Plans (continued)

Benefits provided

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

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.50% per year all years	Up to 2.5%

* Actuarial reductions are applied.

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except 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.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 – Retirement Plans (continued)

Contribution rates as of December 31, 2023 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Contributory System			
111 - Local Governmental Div - Tier 2	-	16.01%	0.18%
Noncontributory System			
15 - Local Governmental Division - Tier 1	-	17.97%	-
Tier 2 DC Only			
211 - Local Government	-	6.19%	10.00%

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

For fiscal year ended December 31, 2023, the employer and employee contributions to the Systems were as follows:

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 61,878	-
Tier 2 Public Employee System	258,593	-
Tier 2 DC Only System	<u>78,514</u>	<u>-</u>
	<u>\$ 398,985</u>	<u>-</u>

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 – Retirement Plans (continued)

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

At December 31, 2023, the District reported a net pension liability of \$230,432.

	Measurement Date: December 31, 2022			Change
	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	
Noncontributory System	\$ 161,302	0.0941774%	0.0882206%	0.0059568%
Tier 2 Public Employees System	69,130	0.0634869%	0.0565854%	0.0069015%
Total net pension liability	\$ 230,432			

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension 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 December 31, 2023, the District recognized pension expense of \$202,628.

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 78,061	2,743
Changes in assumptions	48,878	820
Net difference between projected and actual earnings on pension plan investments	134,267	-
Changes in proportion and differences between contributions and proportionate share of contributions	16,360	18,309
Contributions subsequent to the measurement date	398,985	-
Total	\$ 676,551	21,872

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 – Retirement Plans (continued)

\$398,985 reported as deferred outflows of resources related to pensions results from contributions made by the District prior to its fiscal year end, but subsequent to the measurement date of December 31, 2022. 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
2023	\$ (29,917)
2024	13,366
2025	55,740
2026	188,334
2027	5,887
Thereafter	22,284
	\$ 255,694

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.50 percent
- Salary increases: 3.25 – 9.25 percent, average, including inflation
- Investment rate of return: 6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022 valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 – Retirement Plans (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 and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Expected Return Arithmetic Basis		
	Target asset allocation	Real return arithmetic basis	Long-Term expected portfolio real rate of return
Equity securities	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalents	0.00%	-0.11%	0.00%
Totals	100.00%		5.17%
Inflation			2.50%
Expected arithmetic nominal return			7.67%

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

Discount rate

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 8 – Retirement Plans (continued)

Sensitivity of Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 1,016,581	161,302	(553,328)
Tier 2 Public Employees System	302,062	69,130	(110,314)
 Total	 \$ 1,318,643	 230,432	 (663,642)

Pension plan fiduciary net position

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

Note 9 – Defined Contribution Savings Plans

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

The District participates in the following Defined Contributions Savings Plans with URS:

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

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 9 – Defined Contribution Savings Plans (continued)

Employee and employer contributions to the Utah Retirement Defined Contributions Savings Plans for the fiscal year ended December 31, 2023 were as follows:

	2023	2022	2021
401(k) Plan			
Employer Contributions	\$ 129,747	89,396	64,377
Employee Contributions	\$ 68,291	51,235	38,424
457 Plan			
Employer Contributions	\$ -	-	-
Employee Contributions	\$ 26,685	21,357	42,774
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 12,255	8,890	5,000
Traditional IRA			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 750	-	-

Note 10 – Interfund Transfers

During the year ended December 31, 2023, the District made the following interfund transfers:

Purpose	Amount	Transfer in	Transfer out
Capital improvements	\$ 1,600,000	Capital Projects	General
Debt service	\$ 532	Debt Service	General
Capital improvements	\$ 239,466	Capital Projects	Special Revenue

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 11 – Open Space Acquisition

The Basin Open Space Advisory Committee (BOSAC) was established by the Summit County Commission on May 14, 2003 for the purpose of creating a consortium of interests and agencies to review, prioritize and recommend potential recreational open space purchases. The District holds one voting seat on this committee. BOSAC developed and has refined selection criteria to evaluate open space land acquisition opportunities in the Snyderville Basin for recommendation to the Summit County Council (the Council) to meet collective community goals of recreational open space preservation.

Public funds for recreational open space are acquired using the voter authorized tax levy for bonds sold through the District, along with private donations through trusts and the public. The District serves as the sole taxing entity in the Snyderville Basin with the ability to fund open space purchased through general obligation bonds. Purchased open lands come with a perpetual interest to allow public trail access.

Recreational open space acquired with District funds may be protected under a third-party conservation easement provided public trail access to the open space is preserved. Typically, conservation easements permit the right to construct and maintain non-motorized trails for use by the public in perpetuity, including the installation of trail signage and low impact trail related improvements. They also permit the relocation of existing trails in the interest of connecting the system to adjoining future open space parcels and trail corridors.

On February 20, 2008, the Council adopted a resolution authorizing the sale of up to \$10,000,000 General Obligation Recreation Bonds for the District, as authorized by voters in 2004. The District issued the full \$10,000,000 to finance the costs of acquiring recreational open space property negotiated by BOSAC, and to pay the costs and expenses incident to the issuance and sale of the Bonds.

On November 12, 2008, the District and the County entered into an Interlocal Cooperation Agreement “For Distribution of Funds and Expenditure and Use of Open Space Bond Proceeds” which fully described the terms and conditions to acquire two major open space parcels: the Koleman Property and the Boyer Property. The District retains a contractual interest in the perpetual uses this cooperative investment provides to taxpayers of the District and the County. Public trail improvements were constructed and are maintained by the District in these open space areas. Additionally, in 2008, the District purchased half of the open space parcel known as the “Koleman Park Parcel” from the County, consisting of approximately 10 acres to be used for play fields, plus a road right of way to access the site. The purchase price negotiated for the park land was \$1,000,000 and was paid for out of the District’s impact fee fund. However, the purchase price negotiated and paid by the County to the property owner for the Koleman Property in its entirety was \$5,000,000. Because the District holds fee title to 50% of the land, the value of this asset is recorded as \$2,500,000. The Matt Knoop Memorial Park has since been built on the District’s portion of the parcel.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 11 – Open Space Acquisition (continued)

On November 2, 2010, electors voted to approve issuance of \$20,000,000 General Obligation Bonds for the purpose of financing \$12,000,000 to acquire recreational open space property negotiated by BOSAC and \$8,000,000 for trails construction and trail-related improvements. 72% of voters were in favor of the issuance. The District issued the full \$20,000,000 and bonds were sold in March 2011. With these funds, the District Board approved the purchase of a conservation easement on 1,268 acres of land at Hi-Ute Ranch 3-Mile Canyon for \$2.8 million. The Conservation Easement Option contemplates an eventual Fee Purchase Option.

The District Board also approved a contribution of \$450,000 to Summit Land Conservancy as a contribution towards a conservation easement on the Osguthorpe 120 open space parcel in 2011. A 7.89% interest in the Conservation Easement Deed and Agreement was assigned to the District, as a qualified “co-holder” of the easement with PCMC and Summit Land Conservancy.

In May 2012, the District and the County entered into a Real Estate Purchase and Settlement Agreement with Nadine Gillmor for the purchase of 292 acres of recreational open space land. The purchase price of \$7,425,000 was paid using \$6,000,000 of the District’s Recreational Open Space Bond Funds paid to seller at closing along with a \$1,425,000 promissory note due in 2013. In December 2012, the District, the County, and PCMC agreed to collaborate with Utah Open Lands to preserve 781 acres of open space in Toll Canyon at a cost of \$6,100,000. The acquisition involved several steps, one of which was selling the 292 acres of open space acquired from Nadine Gillmor to PCMC. The proceeds of the sale by the District to PCMC paid off the outstanding promissory note and provided additional funding for Toll Canyon. In addition to the cash exchanged for the Gillmor property, PCMC conveyed to the County its interest, valued at approximately \$3,500,000, in the Kimball Junction open space near the entrance to the Utah Olympic Park. In conjunction with the Gillmor transaction, the County conveyed to the District 63% of the Kimball Junction open space (the Boyer Property referenced in 2008) valued at approximately \$10,100,000. The closing for the Toll Canyon transaction occurred in December 2014. As the agreement outlined, the District holds the title and Utah Open Lands hold the conservation easement on Toll Canyon.

On November 4, 2014, electors voted to approve issuance of \$25,000,000 General Obligation Bonds for the purpose of financing \$15,000,000 to acquire recreational open space property, \$8,000,000 for recreation facilities, and \$2,000,000 for trails construction and trail-related improvements. 71.8% of voters were in favor of issuance. The District issued the full \$25,000,000 and bonds were sold in March 2015.

In May 2017, the Council entered into an Open Space Cooperation Agreement with PCMC. One component of the agreement dealt with the Triangle Parcel, approximately 111 acres of land originally purchased jointly by Summit County and Park City in equal 50% undivided interests. Under the cooperation agreement, the District reimbursed PCMC in exchange for its 50% interest in the amount of \$2,250,000. The property will be maintained as recreational open space.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 11 – Open Space Acquisition (continued)

In July 2018, the District acquired 42.33 acres of recreational open space with a value of \$425,000. It was donated to the District as a requirement of the Discovery CORE Project development agreement. A conservation easement, held by Summit County, was placed on the property in 2019.

In September 2019, the District and Summit County purchased 461 acres east of U.S. Highway 40 from the Estate of Florence J. Gillmor and the Florence J. Gillmor Foundation. The District received ownership of 336 acres for \$7,590,917 using 2015 open space bond funds. The property will be maintained as recreational open space. The County received ownership of the other 125 acres, which will be used for development.

In conjunction with the Gillmor transaction, the County sold to the District its undivided 50% interest in the Triangle Parcel for \$2,250,000. The District now owns 100% of the Triangle Parcel. Previously, the Triangle Parcel included a floating five-acre piece reserved by Boyer Snyderville Junction, LC and later Property Reserve, Inc. (PRI). The Triangle Parcel was subject to a number of ancillary agreements that were assigned to the District as part of the purchase from the County. However, in 2022, the County and all related parties effectuated a relocation of the floating parcel to the Gillmor development and extinguished all ancillary agreements, including the Cost Sharing Agreement. In consideration of Boyer and PRIs relinquishment of their rights to the floating parcel, a \$200,000 payment was provided by PRI for the future environmental mitigation of this property, which is reported with accounts payable and accrued liabilities on the statement of net position. As such, the District holds a potential liability of up to \$400,000 for future remediation on the Triangle Parcel.

The Summit County Council, governing body of the District, using BOSAC recommendations, is actively pursuing additional open space opportunities throughout the District's jurisdiction.

Note 12 – Risk Management

The nature of the District's operations makes it susceptible to lawsuits, legal actions, and other judgments. The District is also subject to the risk of casualty and theft losses with respect to capital assets. The District mitigates its risk of material loss from these events through the purchase of liability and property insurance arranged through private insurance carriers. The District had no claim settlements over the past three years that exceeded its insurance coverage.

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2023

Note 13 – Restatement

Beginning governmental activities net position amounts have been restated to reflect the correction of certain accounts and activities in accordance with generally accepted accounting principles as follows:

Net position at December 31, 2022, as originally stated	\$ 72,381,589
Restatements and reclassifications:	
Overstatement of deferred inflows of resources related to property taxes	613,814
Understatement of capital assets	<u>2,560,726</u>
Net position at December 31, 2022, as restated	\$ <u><u>75,556,129</u></u>

Required Supplementary Information

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 8,753,377	8,753,377	9,216,987	463,610
Intergovernmental revenues	55,000	55,000	41,940	(13,060)
Charges for services	2,061,880	2,061,880	2,575,372	513,492
Interest and investment income	29,330	29,330	300,811	271,481
Miscellaneous income	2,000	2,000	82,390	80,390
Total revenues	<u>10,901,587</u>	<u>10,901,587</u>	<u>12,217,500</u>	<u>1,315,913</u>
Expenditures:				
Administration	2,646,002	2,646,002	2,714,440	(68,438)
Parks and facilities	2,220,399	2,220,399	2,026,361	194,038
Trails and open space	2,083,410	2,083,410	2,081,964	1,446
Recreation	2,585,776	2,585,776	2,405,333	180,443
Park City Ice Arena contribution	66,000	66,000	50,000	16,000
Capital outlay	-	-	163,800	(163,800)
Debt service: principal	-	-	29,744	(29,744)
Debt service: interest	-	-	3,839	(3,839)
Total expenditures	<u>9,601,587</u>	<u>9,601,587</u>	<u>9,475,481</u>	<u>126,106</u>
Excess of revenues over expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>2,742,019</u>	<u>1,442,019</u>
Other financing sources (uses):				
Proceeds from issuance of lease	-	-	163,800	163,800
Transfers out	(1,600,000)	(1,600,000)	(1,600,532)	(532)
Total other financing uses	<u>(1,600,000)</u>	<u>(1,600,000)</u>	<u>(1,436,732)</u>	<u>163,268</u>
Change in fund balance	<u>\$ (300,000)</u>	<u>(300,000)</u>	1,305,287	<u>1,605,287</u>
Fund balance – beginning			<u>8,048,145</u>	
Fund balance – ending			<u>\$ 9,353,432</u>	

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Impact fees	\$ 906,000	906,000	666,061	(239,939)
Interest and investment income	<u>36,700</u>	<u>36,700</u>	<u>206,259</u>	<u>169,559</u>
Total revenues	<u>942,700</u>	<u>942,700</u>	<u>872,320</u>	<u>(70,380)</u>
Expenditures:				
Administration	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>942,700</u>	<u>942,700</u>	<u>872,320</u>	<u>(70,380)</u>
Other financing uses:				
Transfers out	<u>(1,542,000)</u>	<u>(1,542,000)</u>	<u>(239,466)</u>	<u>1,302,534</u>
Total other financing uses	<u>(1,542,000)</u>	<u>(1,542,000)</u>	<u>(239,466)</u>	<u>1,302,534</u>
Net change in fund balance	\$ <u>(599,300)</u>	<u>(599,300)</u>	632,854	<u>1,232,154</u>
Fund balance – beginning			<u>3,889,878</u>	
Fund balance – ending			<u>\$ 4,522,732</u>	

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
<u>Noncontributory System:</u>							
Proportion of the net pension liability (asset)	0.0941774%	0.0882206%	0.0992805%	0.0959142%	0.0948618%	0.9049050%	0.0762075%
Proportionate share of the net pension liability (asset) \$	161,302	(505,249)	50,925	361,488	698,536	396,466	489,345
Covered employee payroll \$	241,982	324,613	505,779	509,362	483,916	460,564	384,056
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.66%	-155.65%	10.07%	70.97%	144.35%	86.08%	127.42%
Plan fiduciary net pension as a percentage of the total pension liability	97.50%	108.70%	99.20%	93.70%	87.00%	91.90%	87.30%
<u>Tier 2 Public Employees System:</u>							
Proportion of the net pension liability (asset)	0.0634869%	0.0565854%	0.0525867%	0.0544537%	0.0612298%	0.0688445%	0.0109374%
Proportionate share of the net pension liability (asset) \$	69,130	(23,949)	7,563	12,247	26,223	6,070	12,174
Covered employee payroll \$	1,384,701	1,049,375	840,831	756,701	714,889	674,334	895,014
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	4.99%	-2.28%	0.90%	1.62%	3.67%	0.90%	1.36%
Plan fiduciary net pension as a percentage of the total pension liability	92.30%	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
SCHEDULE OF CONTRIBUTIONS

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
<u>Noncontributory System</u>								
Contractually required contribution	\$ 61,878	\$ 44,121	\$ 59,956	\$ 93,417	\$ 94,079	\$ 89,276	\$ 81,101	\$ 70,935
Contributions in relation to the contractually required contribution	(61,878)	(44,121)	(59,956)	(93,417)	(94,079)	(89,276)	(81,101)	(70,935)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 344,339	\$ 241,982	\$ 324,613	\$ 505,779	\$ 509,362	\$ 483,916	\$ 460,564	\$ 384,056
Contributions as a percentage of covered-employee payroll	17.97%	18.23%	18.47%	18.47%	18.47%	18.45%	17.61%	18.47%
<u>Tier 2 Public Employees System*</u>								
Contractually required contribution	\$ 258,593	\$ 222,492	\$ 167,378	\$ 133,030	\$ 118,332	\$ 109,637	\$ 97,340	\$ 133,447
Contributions in relation to the contractually required contribution	(258,593)	(222,492)	(167,378)	(133,030)	(118,332)	(109,637)	(97,340)	(133,447)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,613,331	\$ 1,384,983	\$ 1,049,471	\$ 845,638	\$ 758,369	\$ 714,889	\$ 674,334	\$ 895,014
Contributions as a percentage of covered-employee payroll	16.03%	16.06%	15.95%	15.73%	15.60%	15.34%	14.43%	14.91%
<u>Tier 2 Public Employees DC Only System*</u>								
Contractually required contribution	\$ 78,514	\$ 54,640	\$ 37,111	\$ 33,382	\$ 28,947	\$ 29,866	\$ 25,482	\$ -
Contributions in relation to the contractually required contribution	(78,514)	(54,640)	(37,111)	(33,382)	(28,947)	(29,866)	(25,482)	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,268,396	\$ 845,545	\$ 554,719	\$ 498,980	\$ 432,696	\$ 446,433	\$ 395,571	\$ -
Contributions as a percentage of covered-employee payroll	6.19%	6.46%	6.69%	6.69%	6.69%	6.69%	6.44%	0.00%

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

SWEETWATER COUNTY WEED AND PEST CONTROL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2023

Note 1 – Budget Presentation

A Budgetary Comparison Schedule is presented for the General Fund and Special Revenue Fund as required by generally accepted accounting principles (GAAP).

The budgets for the General Fund and Special Revenue Fund are legally required and are prepared and adopted on the modified accrual basis of accounting.

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

Note 2 – Schedules of the Proportionate Share of the Net Pension Liability (Asset) and Contributions

Generally accepted accounting standards require the presentation of 10 years of the District's proportionate share of the net pension liability (asset) and the District's annual contributions. The District did not begin participating in the Systems until 2016, therefore, no information is presented for years prior to 2016.

Note 3 – Changes in Assumptions

No changes were made in actuarial assumptions from the prior year's valuation.

Governmental Auditing Standards Reports

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

To the Board of Directors
Snyderville Basin Special Recreation District
Park 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 (*Government Auditing Standards*), the financial statements of the governmental activities and each major fund of Snyderville Basin Special Recreation District (the District) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 26, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



JONES SIMKINS LLC

Logan, Utah

June 26, 2024

SNYDERVILLE BASIN SPECIAL RECREATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2023

Finding 2023-001

Material Weakness in Internal Control over Financial Reporting

Criteria: Internal control standards adopted by the GAO expect that management or employees, in the normal course of performing their assigned functions, will prevent or detect misstatements in account balances prior to being reported in the financial statements. Also, the segregation of duties and responsibilities and access between different individuals for custody of assets, recordkeeping for those assets, and reconciliation of those asset accounts is an important control activity needed to adequately protect the District's assets and ensure accurate financial reporting.

Condition: Although the District has implemented policies and procedures to allow for segregation of duties when possible, the size of the District and number of staff result in the same individual having access to the general ledger, with the ability to make and approve journal entries, and bank reconciliations. In addition, material auditor-proposed adjustments, including restatement of prior period balances, were required to make the financial statements conform to generally accepted accounting principles.

Cause: Reconciliations of certain account balances and a secondary review of these reconciliations were not being performed on a regular basis during the year. As a result, preliminary trial balance amounts did not report and disclose all balances and transactions in accordance with generally accepted accounting principles.

Effect or Potential Effect: The District has a material weakness in internal controls with respect to reconciliation of account balances and the accurate recording, reporting, and disclosure of transactions and balances in accordance with Generally Accepted Accounting Principles. Also, without sufficient segregation of duties, the risk significantly increases that errors and fraud, including misappropriation of assets, could occur and not be detected within a timely basis.

Recommendation: District management should implement procedures to ensure all material accounts are being regularly reconciled and reviewed by separate individuals. Roles within the entity should also be segregated where possible.

Views of Responsible Officials: Management will continue to evaluate the cost and benefit of obtaining the necessary training, materials, and resources needed to improve the District's ability to record transactions and report financial information in accordance with Generally Accepted Accounting Principles. Management and the Board will continue to search for ways to segregate duties in their day-to-day operations. In addition, as a compensating control, the Board will continue its close review of financial activity within the District as part of monthly board meetings.

**SNYDERVILLE BASIN SPECIAL RECREATION
DISTRICT**

STATE COMPLIANCE REPORT

DECEMBER 31, 2023

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

To the Board of Directors
Snyderville Basin Special Recreation District
Park City, Utah

Report on Compliance

We have audited Snyderville Basin Special Recreation District's (the District) compliance with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2023:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Tax Levy Revenue Recognition
- Special and Local Service District Board Members
- Open and Public Meetings Act

Opinion on Compliance

In our opinion, Snyderville Basin Special Recreation District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2023.

Basis for Opinion on Compliance

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over 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.



JONES SIMKINS LLC

Logan, Utah

June 26, 2024