NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT

FINANCIAL STATEMENTS

Year Ended December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
North Tooele Fire Protection Service District
Stansbury Park, 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 North Tooele Fire Protection Service District (the District) as of and for the year ended December 31, 2025, 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 North Tooele Fire Protection Service District, as of December 31, 2025, and the respective changes in its financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Tooele Fire Protection Service 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 North Tooele Fire Protection Service 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 opinion. 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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of North Tooele Fire Protection Service 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 North Tooele Fire Protection Service District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026 on our consideration of North Tooele Fire Protection Service District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Tooele Fire Protection Service District's internal control over financial reporting and compliance.

Squire & Company, PC

Salt Lake City, Utah
June 23, 2026

Management's Discussion and Analysis

As management of North Tooele Fire Protection Service District (the District), we offer readers of the District financial statements this narrative overview and analysis of the financial activities of the District for the year ended December 31, 2025.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by $6,604,914 (net position). Of this amount, $2,230,760 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $2,753,804. Approximately 62% of this total amount, $1,716,606, is unassigned and available for spending at the government's discretion. Additionally, approximately 25% of this total, $689,584, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $1,716,606, or 40% of total general fund expenditures.
- Completion of the skid mount installations, completion of the SxS/ATV and trailer apparatus.

Overview of the Financial Statements

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

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

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 difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by intergovernmental revenues (governmental activities). The governmental activities of the District include fire-fighting services.

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, like any other state and local government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Both of the funds of the District can be grouped in one category: governmental funds.

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

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

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund, which are considered to be major funds.

The District adopts an annual appropriated budget for all its fund types. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $6,604,914 at the close of the most recent year.

A portion of the District's net position ($3,564,489 or 54%) reflects its investment in capital assets (e.g., land, construction in progress, water rights, buildings, machinery and equipment, and vehicles) net of any related outstanding liabilities used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Net Position
December 31, 2025 and 2024

	Governmental Activities	
	2025	2024
Current and other assets	$ 3,246,922	$ 2,941,049
Capital assets	4,480,874	3,989,369
Total assets	7,727,796	6,930,418
Total deferred outflows of resources	347,775	287,403
Current and other liabilities	546,858	295,826
Long-term liabilities	906,491	607,844
Total liabilities	1,453,349	903,670
Total deferred inflows of resources	17,308	10,270
Net position:		
Net investment in capital assets	3,564,489	3,473,717
Restricted	809,665	763,226
Unrestricted	2,230,760	2,066,938
Total net position	$ 6,604,914	$ 6,303,881

A portion of the District's net position ($809,665 or 12%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of $2,230,760 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current year, the District is able to report positive balances in all three categories of net position.

Governmental activities. Governmental activities increased the District's net position by $301,033 in 2025, compared to an increase of $535,510 in 2024. Operating grants and contributions revenue increased by $302,618 from 2024 to 2025 due to an increase in grants received, increase in the number of wildland deployments resulting in additional wildland cost recovery and the implementation of incident cost recovery of fire protection activities. Total public safety expenses increased by $429,939. The increase in public safety expenses is related to hiring additional full-time administrative employees and firefighters, grant related expenses and increased costs related to wildland deployments, emergency responses costs, repairs and maintenance of an aging fleet.

Changes in Net Position
Years Ended December 31, 2025 and 2024

	Governmental Activities	
	2025	2024
Revenues:		
Program revenues:		
Charges for services	$ 130,934	$ 169,163
Operating grants and contributions	1,264,607	961,989
General revenues:		
Property taxes	2,716,612	2,745,693
Unrestricted investment earnings	39,818	45,352
Total revenues	4,151,971	3,922,197
Expenses:		
Public safety	3,732,992	3,303,053
Economic development	77,470	44,123
Interest	40,476	39,511
Total expenses	3,850,938	3,386,687
Increase in net position	301,033	535,510
Net position - beginning	6,303,881	5,768,371
Net position - ending	$ 6,604,914	$ 6,303,881

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the District's governmental funds reported combined ending fund balances of $2,753,804. Approximately 62% of this total amount, or $1,716,606, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Additionally, approximately 12% of the total, $312,189, constitutes *assigned fund balance* which has been assigned to capital projects. Also, approximately 25% of the total, $689,584, is *restricted fund balance* to indicate that it is not available for new spending because it has already been restricted for allowable public safety capital expenditures. Finally, approximately 1% of the total, $35,425 is nonspendable fund balance.

The general fund is the chief operating fund of the District. At the end of the current year, unassigned fund balance of the general fund was $1,716,606, which is approximately 98% of total general fund balance of $1,752,031.

The fund balance of the District's general fund increased by $32,115 during the current year. The capital projects fund balance increased by $216,035. The increase in the general fund balance results mainly from the increases in awarded grant funding and taxes. The increase in the capital projects fund balance resulted primarily from board approved transfers from the general fund to the capital projects fund.

General Fund Budgetary Highlights

During the year, budgeted expenditures were less than actual expenditures by $25,116 due to equipment capital outlay, funded by long-term debt proceeds, not being budgeted for. There was also an increase in appropriations of $271,227 between the original and final amended budget. The increase in appropriations between the original and final amended budget resulted from amendments in other grant funding that allowed additional funds.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of December 31, 2025 amounts to $4,480,874 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, vehicles, water rights, and construction in progress. The net increase in the District's investment in capital assets for the current year was $491,505.

Major capital asset events during the current fiscal year included the following:

- Purchase of a Personal Protective Equipment (PPE) extractor and dryer
- Surplus of the Shoretel Phone System at the Stansbury Park Fire Station
- Donation of a water tender and suburban to cooperating Tooele County Agencies
- Decommission of a Pierce fire engine to comply with the federal DERA grant
- Continued CIP of the skid mount pumps, the Type 1/3 Fire Engine and the SxS/ATV/Trailer apparatus

Capital Assets
December 31, 2025 and 2024
(net of depreciation)

	Governmental Activities	
	2025	2024
Land	$ 240,778	$ 240,778
Buildings	2,172,383	2,276,790
Machinery and equipment	229,523	244,746
Vehicles	1,694,874	1,083,739
Water rights	8,500	8,500
Construction in progress	134,816	134,816
Total	$ 4,480,874	$ 3,989,369

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

Long-term debt. At the end of the current year, the District had total debt of $971,279. The debt represents notes payable entered into during 2023 and 2025.

Long-Term Debt
December 31, 2025 and 2024

	Governmental Activities	
	2025	2024
Notes payable	$ 971,279	$ 598,898

Additional information on the District's long-term debt can be found in Note 5.

Requests for Information

This financial report is designed to provide a general overview of North Tooele Fire Protection Service District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Administrator, 179 Country Club, Stansbury Park, UT 84074.

BASIC FINANCIAL STATEMENTS

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
STATEMENT OF NET POSITION
December 31, 2025

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 1,681,936
Taxes receivable	621,181
Intergovernmental receivable	79,604
Other receivables	18,962
Prepaids	35,425
Restricted assets:	
Cash and cash equivalents	736,407
Intergovernmental receivable	8,259
Capital assets not being depreciated:	
Land	240,778
Water rights	8,500
Construction in progress	134,816
Capital assets being depreciated, net of accumulated depreciation:	
Buildings	2,172,383
Machinery and equipment	229,523
Vehicles	1,694,874
Net pension asset	65,148
Total assets	7,727,796
Deferred outflows of resources relating to pensions	347,775
Liabilities:	
Accounts payable and accrued liabilities	207,311
Noncurrent liabilities due within one year	339,547
Noncurrent liabilities due in more than one year	906,491
Total liabilities	1,453,349
Deferred inflows of resources relating to pensions	17,308
Net position:	
Net investment in capital assets	3,564,489
Restricted for:	
Capital improvements	744,517
Net pension asset	65,148
Unrestricted	2,230,760
Total net position	$ 6,604,914

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

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
STATEMENT OF ACTIVITES
Year Ended December 31, 2025

Activities / Functions	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Public safety	$ 3,732,992	$ 130,934	$ 1,264,607	$ (2,337,451)
Economic development	77,470	-	-	(77,470)
Interest	40,476	-	-	(40,476)
Total governmental activities	$ 3,850,938	$ 130,934	$ 1,264,607	(2,455,397)
General revenues:				
Property taxes				2,716,612
Unrestricted investment earnings				39,818
Total general revenues				2,756,430
Change in net position				301,033
Net position - beginning				6,303,881
Net position - ending				$ 6,604,914

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

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets:			
Cash and cash equivalents	$ 1,424,856	$ 257,080	$ 1,681,936
Taxes receivable	621,181	-	621,181
Intergovernmental receivable	79,604	-	79,604
Other receivable	18,962	27	18,989
Prepaid expenses	35,425	-	35,425
Cash and cash equivalents - restricted	-	736,407	736,407
Intergovernmental receivable - restricted	-	8,259	8,259
Total assets	$ 2,180,028	$ 1,001,773	$ 3,181,801
Liabilities:			
Accounts payable and accrued liabilities	$ 207,338	$ -	$ 207,338
Deferred Inflows of Resources:			
Unavailable wildland reimbursement revenue	69,039	-	69,039
Unavailable property tax revenue	151,620	-	151,620
Total assets	$ 220,659	$ -	$ 220,659
Fund Balances:			
Nonspendable - prepaid expenses	35,425	-	35,425
Restricted for public safety	-	689,584	689,584
Assigned to capital projects	-	312,189	312,189
Unassigned	1,716,606	-	1,716,606
Total fund balances	1,752,031	1,001,773	2,753,804
Total liabilities, deferred inflows of resources, and fund balances	$ 2,180,028	$ 1,001,773	$ 3,181,801

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

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
December 31, 2025

Total fund balance - governmental funds		$ 2,753,804
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Land	$ 240,778	
Water rights	8,500	
Construction in progress	134,816	
Buildings, net of $1,722,528 accumulated depreciation	2,172,383	
Machinery and equipment, net of $475,428 accumulated depreciation	229,523	
Vehicles, net of $1,310,038 accumulated depreciation	1,694,874	4,480,874
Net pension asset, net pension liability, and related deferred outflows and inflows are not available resources payable in the current period and, therefore, are not reported in the funds. These balances at consist of:		
Net pension asset	$ 65,148	
Net pension liability	(90,640)	
Deferred outflows of resources related to pensions	347,775	
Deferred inflows of resources related to pensions	(17,308)	304,975
Some of the District's wildland reimbursement receivables will be collected after year-end, but are not availat soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		
Unavailable wildland reimbursement revenue		69,039
Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		
Unavailable property tax revenue		151,620
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. All liabilities - both current and long-term portions - are reported in the statement of net position. These balances consist of:		
Note payable	$ (971,279)	
Accrued compensated absences	(184,119)	(1,155,398)
Total net position - governmental activities		$ 6,604,914

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

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Property taxes	$ 2,798,783	$ -	$ 2,798,783
Intergovernmental	1,194,782	-	1,194,782
Investment earnings	10,814	29,004	39,818
Miscellaneous	48,853	-	48,853
Impact fees	-	62,081	62,081
Total revenues	4,053,232	91,085	4,144,317
Expenditures:			
Current:			
Public safety	3,452,522	(1,604)	3,450,918
Economic development	77,470	-	77,470
Capital Outlay	669,963	29,721	699,684
Interest	40,476	-	40,476
Total expenditures	4,240,431	28,117	4,268,548
Excess (deficiency) of revenues over (under) expenditures	(187,199)	62,968	(124,231)
Other financing sources (uses):			
Proceeds from issuance of note payable	876,161	-	876,161
Payments of note payable	(503,780)	-	(503,780)
Transfers	(153,067)	153,067	-
Total other financing sources	219,314	153,067	372,381
Net change in fund balances	32,115	216,035	248,150
Fund balances - beginning	1,719,916	785,738	2,505,654
Fund balances - ending	$ 1,752,031	$ 1,001,773	$ 2,753,804

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

NORTH TOOELE FIRE PROTECTION SERVICE 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, 2025

Net change in fund balances - total governmental funds		$ 248,150
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	848,103	
Loss on disposal of capital assets	(68,027)	
Depreciation expense	(288,571)	491,505
Revenues that are recorded in the statement of activities but do not provide current financial resources in governmental funds.		89,825
Certain property tax revenues that are collected several months after the District's fiscal year end are not considered available revenues in the governmental funds and are, instead, counted as deferred inflows of resources at year end. They are however, recorded as revenues in the statement of activities.		(82,171)
Debt proceeds provide current financial resources to governmental funds; issuing debt increases long-term liabilities in the statement of activities. Repayment of debt is an expenditure in the governmental fund; the repayment of debt reduces long-term liabilities in the statement of net position.		
Proceeds from issuance of note payable	(876,161)	
Repayment of debt principal	503,780	(372,381)
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 governmental funds.		
Pension expense	(11,840)	
Compensated absences	(62,055)	(73,895)
Change in net position of governmental activities		$ 301,033

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

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
Revenues:				
Property taxes	$ 2,296,753	$ 2,369,372	$ 2,798,783	$ 429,411
Intergovernmental	1,827,235	2,109,735	1,194,782	(914,953)
Investment earnings	10,000	10,000	10,814	814
Miscellaneous	30,600	48,875	48,853	(22)
Total revenues	4,164,588	4,537,982	4,053,232	(484,750)
Expenditures:				
Current:				
Public safety:				
Wages and payroll taxes	2,898,395	2,878,984	2,385,294	493,690
Insurance	76,670	38,940	101,686	(62,746)
Repairs and maintenance	109,000	115,000	105,686	9,314
Supplies	139,500	175,752	98,945	76,807
Utilities and fuel	84,150	75,400	67,842	7,558
Other	334,873	213,766	327,400	(113,634)
Equipment	271,500	427,473	365,669	61,804
Economic development	30,000	40,000	77,470	(37,470)
Capital outlay	-	250,000	669,963	(419,963)
Interest	-	-	40,476	(40,476)
Total expenditures	3,944,088	4,215,315	4,240,431	(25,116)
Excess (deficiency) of revenues over (under) expenditures	220,500	322,667	(187,199)	(509,866)
Other Financing Uses:				
Proceeds from issuance of note payable	550,000	450,000	876,161	426,161
Payments of note payable	(724,000)	(544,600)	(503,780)	40,820
Transfers, net	(46,500)	(153,067)	(153,067)	-
Total expenditures	(220,500)	(247,667)	219,314	466,981
Net change in fund balances	-	75,000	32,115	(42,885)
Fund Balances - Beginning	1,719,916	1,719,916	1,719,916	-
Fund Balances - Ending	$ 1,719,916	$ 1,794,916	$ 1,752,031	$ (42,885)

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

North Tooele Fire Protection Service District was organized on October 6, 1987. The District provides fire protection services to four communities in Tooele County. The District operates under a Board of Trustees, consisting of five members. Effective March 13, 2014, the District was reorganized from a special service district to a local district.

Reporting Entity

In evaluating how to define North Tooele Fire Protection Service District (the District) for financial reporting purposes, management has considered all potential component units. The decision of whether or not to include a potential component unit by the reporting entity is made by applying the criteria set forth in GASB statement No. 14. The basic, but not the only criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other considerations include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service, which considers whether the activity is conducted within the geographic boundaries of the District and is generally available to its citizens. A third criterion used is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities.

The District has no potential component units that meet the criteria set forth above. The financial statements of the District include all fund types required to be included within the financial statements under government accounting and reporting standards.

Government-Wide and Fund 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 primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are generally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applications that 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. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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.

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

Property taxes and interest 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government 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 *capital projects fund* accounts for the resources required for major capital improvements of the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Reconciliation of Government-wide and Fund Financial Statements

Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expense/expenditures reported on the fund financial statements and the government-wide financial statements. For example, many long-term assets and liabilities are excluded from the fund balance sheet but are included in the entity-wide financial statements. As a result, there must be reconciliation between the two statements to explain the differences. A reconciliation is included as part of the fund financial statements.

Budgetary Procedures and Budgetary Accounting

Budgetary procedures for the District have been established by the Uniform Fiscal Procedures Act adopted by the State of Utah, which requires the legal adoption of a budget for all funds. Furthermore, in accordance with state law, all appropriations, except capital projects fund appropriations, lapse at the end of the budget year; accordingly, no encumbrances are recorded. The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements.

A formal budget has been adopted and used as a control device during the year.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered and for short-term interfund loans or transfers. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Restricted Cash and Cash Equivalents

Certain resources are classified as restricted cash and cash equivalents on the statement of net position and the balance sheet because their use is limited by loan agreements or restricted by state law.

Capital Assets

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

In the government-wide financial statements, fixed assets are treated as capital assets. Capital assets include land, construction in progress, water rights, buildings, machinery and equipment, and vehicles. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-40
Machinery and equipment	5-15
Vehicles	10-20

Compensated Absences

All paid time off is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Employees can carry-over paid time off up to the maximum amount of 416 hours for permanent full-time administrative employees or 696 hours for permanent full-time firefighters. When employees terminate, they are paid for accrued and unused paid time off.

The District has adopted *Governmental Accounting Standards Board Statement No. 101, Compensated Absences*. The new standard requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized if the leave is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or paid out upon termination or retirement.

Fund Balance

In the fund financial statements, governmental funds report a hierarchy of fund balance classifications (nonspendable, restricted, committed, assigned, and unassigned) based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Board of Trustees is the highest level of decision-making authority and has the ability to establish (and modify or rescind) fund balance commitments by formal resolution. The authority to assign fund balance to be used for a specific purpose is delegated to the District Chief.

Restricted amounts are considered to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, and then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Property Tax Revenues

Property taxes are levied on January 1st based on the assessed value of property as listed on the previous May 31st. Assessed values are an approximation of market value. An evaluation of all real property must be made every year by the county assessor. Property taxes are delinquent after November 30th. The District's tax rate for 2025 was .000871. The District appropriates the entire amount to fire protection. There is no statutory maximum for the reduction of general obligation bonds.

Pensions

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

Deferred Outflows/Inflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period (s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

Deposits

	Bank Balances	Book Balances
Cash on deposit	$ 1,849,285	$ 1,821,988

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be recovered. The District's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the District to be in a *qualified depository*, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of December 31, 2025, $1,599,285 of the District's bank balance of $1,849,285 was uninsured and uncollateralized.

Investments

Credit Risk – Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investments transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services or Standard & Poor's; bankers' acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprises; bond and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined in the Act.

The District is authorized to invest in the Utah Public Treasurer's Investment fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balance. The District's investment in the PTIF is unrated. The majority of the PTIF's corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The fair vale of the position in the PTIF is basically the same as the value of the pool shares and it is not required to be reported in the fair value hierarchy.

As of December 31, 2025, the District had the following investments and maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
State of Utah Public Treasurer's Investment Fund	$ 596,355	$ 596,355	$ -	$ -	$ -

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limited the remaining term to maturity of commercial paper to 270 days or less and fixed rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the District's investments are noted above.

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 to reduce this risk is to adhere to the rules of the Money Management Council. The Council's Rule 17 limits investments in a single issuer of commercial paper and corporate obligations to between five and ten percent depending upon the total dollar amount held in the District's portfolio at the time of purchase.

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 does not have a formal policy for custodial credit risk.

NOTE 3 – CAPITAL ASSETS

Capital asset activity was as follows for the year ended December 31, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 240,778	$ -	$ -	$ 240,778
Water rights	8,500	-	-	8,500
Construction in progress	134,816	-	-	134,816
Total capital assets not being depreciated	384,094	-	-	384,094
Capital assets being depreciated:				
Buildings	3,894,911	-	-	3,894,911
Machinery and equipment	683,442	30,803	(9,294)	704,951
Vehicles	2,601,530	817,300	(413,918)	3,004,912
Total capital assets being depreciated	7,179,883	848,103	(423,212)	7,604,774
Less accumulated depreciation for:				
Buildings	(1,618,121)	(104,407)	-	(1,722,528)
Machinery and equipment	(438,696)	(43,122)	6,390	(475,428)
Vehicles	(1,517,791)	(141,042)	348,795	(1,310,038)
Total accumulated depreciation	(3,574,608)	(288,571)	355,185	(3,507,994)
Total capital assets being depreciated, net	3,605,275	559,532	(68,027)	4,096,780
Capital assets, net	$ 3,989,369	$ 559,532	$ (68,027)	$ 4,480,874

Depreciation expense was charged to functions/programs of the primary government as follows:

Public safety	$ 288,571
Total depreciation expense	$ 288,571

NOTE 4 – LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes payable	$ 598,898	$ 426,161	$ (53,780)	$ 971,279	$ 155,428
Compensated absences	122,064	133,634	(71,579)	184,119	184,119
Net pension liability	62,726	27,914	-	90,640	-
Total long-term liabilities	$ 783,688	$ 587,709	$ (125,359)	$ 1,246,038	$ 339,547

Compensated absences in the governmental activities are generally liquidated by the General Fund.

NOTE 5 – NOTES PAYABLE

During 2023, the District entered into a note payable in the amount of $650,000 for financing the remodel of the Stansbury Park station, of which $15,000 of the note proceeds were used for issuance costs. As of December 31, 2025 the balance of the note payable was $545,118. The District is required to make annual principal and interest payments of $85,162. The note has an interest rate of 5.24%. The remaining balance of note proceeds, net of interest earned, is held in escrow in the District's name and is reported as restricted cash in the Statement of Net Position.

During 2025, the District entered into a note payable in the amount of $426,161 for financing the purchase of a vehicle. As of December 31, 2025 the balance of the note payable was $426,161. The District is required to make annual principal and interest payments of $120,266. The note has an interest rate of 5.03%.

On July 30, 2025, the Service Area issued tax anticipation notes which provided short-term financing up to $450,000, providing the necessary cash flows for the Service Area to fund operations during the year until property taxes were collected. The Service Area drew down $450,000 in connection with these notes during the year, with principal and interest due on December 30, 2025, bearing an interest at a rate of 4.85%. As of December 31, 2025, all amounts were repaid and there was no balance outstanding on the notes.

The future principal and interest payments on the note as of December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 155,428	$ 50,000	$ 205,428
2027	163,364	42,064	205,428
2028	171,707	33,721	205,428
2029	180,475	24,953	205,428
2030	69,426	15,736	85,162
2031-2033	230,879	24,608	255,487
Totals	$ 971,279	$ 191,082	$ 1,162,361

NOTE 6 – INTERFUND TRANSFERS

During the year ended December 31, 2025, the District transferred $153,067 from general fund to the capital projects fund for future capital project expenditures.

NOTE 7 – RETIREMENT SYSTEMS AND PENSION PLANS

Description of Plans

Eligible employees are provided with following plans through the Utah Retirement Systems (the URS) administered by the URS:

Defined Benefit Plans (cost-sharing, multiple-employer plans):

- *Public Employees Noncontributory Retirement System* (Tier 1 Noncontributory System)
- *Firefighters Retirement System* (Tier 1 Firefighters System)
- *Tier 2 Public Employees Contributory Retirement System* (Tier 2 Public Employees System)
- *Tier 2 Public Safety and Firefighter Contributory Retirement System* (Tier 2 Public Safety and Firefighters System)

Defined Contribution Plans (individual account plans):

- 401(k) Plan which includes the *Tier 2 Public Employees Defined Contribution Plan* (Tier 2 Defined Contribution Plan)
- 457 Plan and other individual plans

Employees qualify for membership in the retirement systems if a) employment, contemplated to continue during a fiscal or calendar year, normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the District as approved by the Utah State Retirement Board, b) the employee is a classified employee whose employment normally requires an average of 20 hours or more per week regardless of benefits, c) the employee is a teacher who teaches half-time or more and receives benefits normally provided by the District as approved by the Utah State Retirement Board, or d) the employee is an appointed officer.

The Tier 2 systems 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 systems, are members of the Tier 2 systems. The plans are established and governed by the respective sections of Title 49 of the Utah Code. The plans are amended statutorily by the Utah State Legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

Benefits Provided

The URS provides retirement, disability, and death benefits to participants in the defined benefit pension plans.

Retirement benefits are determined from 1.50% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

As a condition of participation in the plans, 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 cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

For the year ended December 31, 2025, required contribution rates for the plans were as follows:

	Defined Benefit Plans Rates					
	District Contribution *	Amortization of UAAL **	Paid by District for Employee	Paid by Employee	District Rates for 401(k) Plan	Totals
Tier 1 Noncontributory System	11.86%	5.11%	-	-	-	16.97 %
Tier 1 Firefighter System	1.61%	-	15.05%	-	-	16.66 %
Tier 2 Public Employees System	10.08%	5.11%	-	0.70%	-	15.89 %
Tier 2 Public Safety and Firefighter System	14.08%	-	4.73%	-	-	18.81 %
Tier 2 Public Safety and Firefighter Defined Contribution System	0.08%	-	-	-	14.00%	14.08 %
Tier 2 Public Employees Defined Contribution System	0.08%	5.11%	-	-	10.00%	15.19 %

* District contribution includes 0.08% of covered-employee payroll of the Tier 2 plans for death benefits.

** Required contributions include an additional amount to finance any unfunded actuarial accrued liability in the Tier 1 plans.

Employees can make additional contributions to defined contribution plans subject to limitations.

Contributions to the plans were as follows for the year ended December 31, 2025:

	District Contributions *	Employee Contributions
Tier 1 Noncontributory System	$ 11,752	$ -
Tier 1 Firefighters System	2,825	26,403
Tier 2 Public Employees System	9,856	520
Tier 2 Public Safety and Firefighter System	110,578	36,403
Tier 2 Public Safety and Firefighter Defined Contribution System	84	-
401(k) Plan	31,811	24,965
457 Plan and other individual plans	-	4,841

* A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

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

At December 31, 2025, the District reported a net pension asset of $65,148 and a net pension liability of $90,640 for the following plans:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	$ -	$ 22,323
Tier 1 Firefighter System	65,148	-
Tier 2 Public Employees System	-	4,771
Tier 2 Public Safety and Firefighter System	-	63,546
Total	$ 65,148	$ 90,640

The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2024 and rolled-forward using generally accepted actuarial procedures. The District's proportion of the net pension liability (asset) is equal to the ratio of its actual contributions to the total of all employer contributions during the plan year. The following presents the District's proportion (percentage) of the collective net pension liability (asset) at December 31, 2024, and the change in proportion since the prior measurement date for each plan:

	Proportionate Share	
	2024	Change
Tier 1 Noncontributory System	0.0070394 %	0.0045887 %
Tier 1 Firefighter System	0.3708932 %	0.0231114 %
Tier 2 Public Employees System	0.0015998 %	0.0002718 %
Tier 2 Public Safety and Firefighter System	0.1404991 %	(0.0040639)%

The District recognized pension expense for the plans as follows for the year ended December 31, 2025:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	$ 18,932
Tier 1 Firefighter System	10,047
Tier 2 Public Employees System	5,209
Tier 2 Public Safety and Firefighter System	92,107
Total	$ 126,295
Defined contribution plans:	
Tier 2 Defined Contribution Plan	$ -
401(k) Plan	31,811
Total	$ 31,811

At December 31, 2025, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources Related to Pensions				
	Tier 1 Noncontributory System	Tier 1 Firefighter System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter	Total
Differences between expected and actual experience	$ 13,301	$ 71,580	$ 2,063	$ 38,472	$ 125,416
Changes of assumptions	1,846	5,226	1,593	35,638	44,303
Net difference between projected and actual earnings on pension plan investments	6,724	18,622	305	4,119	29,769
Changes in proportion and differences between District contributions and proportionate share of contributions	-	4,365	863	7,965	13,193
Contributions subsequent to the measurement date	11,752	2,825	9,856	110,662	135,094
Total	$ 33,624	$ 102,616	$ 14,679	$ 196,856	$ 347,775

At December 31, 2025, the District reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources Related to Pensions				
	Tier 1 Noncontributory System	Tier 1 Firefighter System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter	Total
Differences between expected and actual experience	$ -	$ -	$ 33	$ 3,339	$ 3,372
Changes of assumptions	-	-	-	998	998
Changes in proportion and differences between District contributions and proportionate share of contributions	2,237	10,218	96	387	12,937
Total	$ 2,237	$ 10,218	$ 129	$ 4,724	$ 17,308

The $135,094 reported as deferred outflows of resources related to pensions results from District contributions subsequent to the measurement date of December 31, 2024 will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending December 31,	Tier 1 Noncontributory System	Tier 1 Firefighter System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter	Total
2025	$ 11,206	$ 31,342	$ 548	$ 7,494	$ 50,590
2026	11,655	50,611	848	11,462	74,576
2027	(2,728)	6,801	369	4,418	8,859
2028	(498)	818	459	5,978	6,756
2029	-	-	1,079	13,899	14,978
Thereafter	-	-	1,392	38,220	39,612

Actuarial Assumptions

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50% to 9.50%, average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the January 1, 2024 valuation were based on an actuarial experience study for the period ending December 31, 2022. The wage inflation assumption increased by 0.25% to a range of 3.50% to 9.50% from the prior measurement date.

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 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	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	35%	2.45%
Debt securities	20%	0.51%
Real assets	18%	0.98%
Private equity	12%	1.21%
Absolute return	15%	0.65%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.85%. 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, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' 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 (asset).

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

The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.85%, 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%) or 1-percentage-point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
District's proportionate share of the net pension (asset) liability:			
Tier 1 Noncontributory System	$ 94,407	$ 22,323	$ (38,132)
Tier 1 Firefighter System	141,781	(65,148)	(233,875)
Tier 2 Public Employees System	14,250	4,771	(2,603)
Tier 2 Public Safety and Firefighter System	216,686	63,546	(58,892)
Total	$ 467,124	$ 25,492	$ (333,503)

Pension Plan Fiduciary Net Position

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

NOTE 8 – SUBSEQUENT EVENTS

Subsequent to December 31, 2025, the Board of Trustees approved a policy related to the payout of compensatory time earned for salaried employees. As a result of this policy, a liability of approximately $475,000 was recorded.

REQUIRED SUPPLEMENTARY INFORMATION

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
Schedules of the District's Proportionate Share of the Net Pension Liability (Asset)
Utah Retirement Systems
Last Ten Plan Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Tier 1 Noncontributory System:										
District's proportion of the net pension liability (asset)	0.0070394%	0.0024507%	0.0012163%	0.0011864%	0.0008470%	0.0000000%	0.0000000%	0.0003655%	0.0000000%	0.0000000%
District's proportionate share of the net pension liability (asset)	$ 22,323	$ 5,685	$ 2,083	$ (6,795)	$ 43	$ -	$ -	$ 1,601	$ -	$ -
District's covered payroll	$ 67,720	$ 16,270	$ -	$ -	$ -	$ -	$ -	$ 9,480	$ -	$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.0%	34.9%	0.0%	0.0%	0.0%	0.0%	0.0%	16.9%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	96.0%	96.9%	97.5%	108.7%	99.2%	0.0%	0.0%	91.9%	0.0%	0.0%
Firefighter System:										
District's proportion of the net pension liability (asset)	0.3708932%	0.3477818%	0.3613449%	0.3727471%	0.3478788%	0.2489233%	0.1923381%	0.1946694%	0.1863098%	0.2242620%
District's proportionate share of the net pension liability (asset)	$ (65,148)	$ (81,622)	$ (93,843)	$ (217,392)	$ (97,276)	$ (30,871)	$ 24,975	$ (12,158)	$ (1,469)	$ (4,062)
District's covered payroll	$ 151,331	$ 132,788	$ 147,987	$ 226,281	$ 195,100	$ 160,499	$ 132,745	$ 126,287	$ 120,325	$ 129,723
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(43.1)%	(61.5)%	(63.4)%	(96.1)%	(49.9)%	(19.2)%	18.8%	(9.6)%	(1.2)%	(3.1)%
Plan fiduciary net position as a percentage of the total pension liability	104.6%	106.8%	108.4%	120.1%	110.5%	105.0%	94.3%	103.0%	100.4%	101.0%
Tier 2 Public Employees Retirement System:										
District's proportion of the net pension liability (asset)	0.0015998%	0.0013280%	0.0000000%	0.0015926%	0.0001482%	0.0000000%	0.0000000%	0.0000000%	0.0000000%	0.0000000%
District's proportionate share of the net pension liability (asset)	$ 4,771	$ 2,585	$ -	$ (674)	$ 21	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 47,413	$ 34,333	$ -	$ 29,610	$ 2,352	$ -	$ -	$ -	$ -	$ -
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.1%	7.5%	0.0%	(2.3)%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	87.4%	89.6%	0.0%	103.8%	98.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Tier 2 Public Safety and Firefighter System:										
District's proportion of the net pension liability (asset)	0.1404991%	0.1445630%	0.1329894%	0.0827315%	0.0737386%	0.0556115%	0.0826083%	0.0867906%	0.0606067%	0.0809403%
District's proportionate share of the net pension liability (asset)	$ 63,546	$ 54,457	$ 11,095	$ (4,181)	$ 6,614	$ 5,231	$ 2,070	$ (1,004)	$ (526)	$ (1,183)
District's covered payroll	$ 641,337	$ 547,756	$ 409,179	$ 197,843	$ 146,265	$ 91,686	$ 110,632	$ 91,589	$ 50,075	$ 48,155
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	9.9%	9.9%	2.7%	(2.1)%	4.5%	5.7%	1.9%	(1.1)%	(1.1)%	(2.5)%
Plan fiduciary net position as a percentage of the total pension liability	90.1%	89.1%	96.4%	102.8%	93.1%	89.6%	95.6%	103.0%	103.6%	110.7%

NORTH TOOELE FIRE PROTECTION SERVICE DISTRICT
Schedules of District Contributions
Utah Retirement Systems
Last Ten Reporting Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tier 1 Noncontributory System:										
Contractually required contribution	$ 11,752	$ 11,823	$ 2,924	$ -	$ -	$ -	$ -	$ -	$ 627	$ -
Contributions in relation to the contractually required contribution	(11,752)	(11,823)	(2,924)	-	-	-	-	-	(627)	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 71,524	$ 67,720	$ 16,270	$ -	$ -	$ -	$ -	$ -	$ 9,480	$ -
Contributions as a percentage of covered payroll	16.43%	17.46%	17.97%	0.00%	0.00%	0.00%	0.00%	0.00%	6.61%	0.00%
Firefighter System:										
Contractually required contribution	$ 2,825	$ 3,969	$ 4,794	$ 5,309	$ 5,729	$ 5,220	$ 3,674	$ 2,549	$ 2,227	$ 2,062
Contributions in relation to the contractually required contribution	(2,825)	(3,969)	(4,794)	(5,309)	(5,729)	(5,220)	(3,674)	(2,549)	(2,227)	(2,062)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 175,437	$ 151,331	$ 132,788	$ 131,187	$ 226,281	$ 195,100	$ 160,499	$ 132,745	$ 126,287	$ 120,325
Contributions as a percentage of covered payroll	1.61%	2.62%	3.61%	4.05%	2.53%	2.68%	2.29%	1.92%	1.76%	1.71%
Tier 2 Public Employees System:										
Contractually required contribution	$ 9,856	$ 7,398	$ 5,497	$ -	$ 4,716	$ 372	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	(9,856)	(7,398)	(5,497)	-	(4,716)	(372)	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 67,529	$ 47,413	$ 34,333	$ -	$ 29,610	$ 2,352	-	-	-	-
Contributions as a percentage of covered payroll	14.60%	15.60%	16.01%	0.00%	15.93%	15.82%	0.00%	0.00%	0.00%	0.00%
Tier 2 Public Safety and Firefighter System:										
Contractually required contribution	$ 110,578	$ 90,076	$ 77,124	$ 57,613	$ 27,856	$ 18,687	$ 10,414	$ 12,262	$ 9,882	$ 5,383
Contributions in relation to the contractually required contribution	(110,578)	(90,076)	(77,124)	(57,613)	(27,856)	(18,687)	(10,414)	(12,262)	(9,882)	(5,383)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 785,356	$ 639,740	$ 547,756	$ 409,179	$ 197,843	$ 146,652	$ 91,686	$ 110,632	$ 91,589	$ 50,075
Contributions as a percentage of covered payroll	14.08%	14.08%	14.08%	14.08%	14.08%	12.74%	11.36%	11.08%	10.79%	10.75%
Tier 2 Public Safety and Firefighter DC Only System:										
Contractually required contribution	$ 84	$ 79	$ 72	$ 60	$ 57	$ 54	$ 52	$ 51	$ 48	$ 47
Contributions in relation to the contractually required contribution	(84)	(79)	(72)	(60)	(57)	(54)	(52)	(51)	(48)	(47)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 104,786	$ 99,171	$ 89,964	$ 75,668	$ 71,477	$ 66,796	$ 65,157	$ 63,563	$ 60,154	$ 58,402
Contributions as a percentage of covered payroll	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%	0.08%
Tier 2 Public Employees DC Only System:										
Contractually required contribution	$ -	$ -	$ 49	$ 2,428	$ 278	$ -	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	(49)	(2,428)	(278)	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -					
District's covered payroll	$ -	$ -	$ 794	$ 37,892	$ 4,160	$ -	$ -	$ -	$ -	$ -
Contributions as a percentage of covered payroll	0.00%	0.00%	6.17%	6.41%	6.68%	0.00%	0.00%	0.00%	0.00%	0.00%

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

The information presented was presented as part of actuarial valuations performed. Over time the actuarial assumptions are periodically changed. Amounts reported in the current and prior plan years include the following significant actuarial assumption changes:

Plan Year	Discount Rate	Payroll Growth Rate	Wage Inflation Rate	Inflation Rate
2024	6.85%	2.90%	3.50 to 9.50%	2.50%
2023	6.85%	2.90%	3.50 to 9.50%	2.50%
2022	6.85%	2.90%	3.25 to 9.25%	2.50%
2021	6.85%	2.90%	3.25 to 9.25%	2.50%
2020	6.95%	2.90%	3.25 to 9.25%	2.50%
2019	6.95%	3.00%	3.25 to 9.25%	2.50%
2018	6.95%	3.00%	3.25 to 9.25%	2.50%
2017	6.95%	3.00%	3.25 to 9.25%	2.50%
2016	7.20%	3.25%	3.35 to 9.35%	2.60%
2015	7.50%	3.25%	3.50 to 9.50%	2.75%

NOTE B – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability in the Tier 1 plans.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Trustees
North Tooele Fire Protection Service District
Stansbury Park, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of North Tooele Fire Protection Service District as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise North Tooele Fire Protection Service District's basic financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Tooele Fire Protection Service 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 North Tooele Fire Protection Service District's internal control. Accordingly, we do not express an opinion on the effectiveness of North Tooele Fire Protection Service 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 North Tooele Fire Protection Service 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Squire & Company, PC

Salt Lake City, Utah
June 23, 2026

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 Trustees and Management
North Tooele Fire Protection Service District

Report on Compliance

We have audited North Tooele Fire Protection Service District's (the District's) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended December 31, 2025.

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Government Fees
Utah Retirement Systems
Crime Insurance for Public Treasurers
Open and Public Meetings Act

Opinion on Compliance

In our opinion, North Tooele Fire Protection Service District complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide), 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 on compliance. 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 state compliance 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 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.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose. However, pursuant to *Utah Code* Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

Squire & Company, PC

Salt Lake City, Utah
June 23, 2026