



OFFICE OF THE
STATE AUDITOR

Auditor Alert 2023-02

Date: January 29, 2024

Subject: Impact Fee Reporting

Introduction

The Office of the State Auditor provides a sample impact fee report example on the [Local Government Resource Center](#) for local government entities to meet the annual impact fee report requirement. The impact fee report sample has been updated with additional reporting requirements that more closely adhere to statutory reporting requirements for impact fees collected by local government entities.

Impact Fee Reporting Requirements

The Office of the State Auditor has revised the impact fee report example to better comply with the reporting requirements outlined in *Utah Code* [11-36a-601\(4\)](#). The revised impact fee report example can be found at [this link](#). Using this revised report example, a local government entity that collects impact fees will be required to track and report:

1. All new revenues collected through impact fees by development project.
2. The specific project(s) for which the newly collected impact fee revenues are budgeted.
3. The project(s) where impact fees were spent (tracked by each fee).
4. Which specific project(s) on-hand impact fees from each development project are budgeted.

The purpose of these changes is to help local government entities adhere to statutory reporting requirements and to be able to track where impact fee funds collected from a specific development project are being spent to ensure they are being used in compliance with *Utah Code* [11-36a-602](#). This will allow the Office of the State Auditor and members of the public to verify that the funds collected from development projects through impact fees are being used on specific system improvements identified in the impact fee facilities plan.

Conclusion

All impact fee reports submitted to the Office of the State Auditor for years ending after December 15, 2023 should follow the new format found on the Local Government Resource Center. Additionally, the amounts reported on the annual impact fee report should agree to the restricted fund balance (for impact fees) on the financial statements. Reports that do not agree will be returned to the entity for correction.