

WPR UTILITY DISTRICT

36 S. State Street
Suite 500
Salt Lake City, UT 84111

NOTICE OF REGULAR MEETING AND AGENDA

DATE: Monday, August 25, 2025

TIME: 5:00 p.m.

LOCATION: 36 S. State St., Suite 500
Salt Lake City, UT 84111
And Via Microsoft Teams

ACCESS: To attend via Microsoft Teams Videoconference, use the below link:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_MDM5MmUyZTktODZiNi00MzU3LWEwNDEtZDM3N2IwZGQ2ZjY2%40thread.v2/0?context=%7b%22Tid%22%3a%223e95e77c-c839-42d7-a767-aac8531785ff%22%2c%22Oid%22%3a%228d48df21-9763-40d0-ba52-983e5a92dcea%22%7d

BOARD OF Gary Derck

TRUSTEES: Ed Schultz

Jenny Robinson

PUBLIC NOTICE is hereby given that the Board of Trustees (the “Board”), of the WPR Utility District (the “District”), will hold a meeting of the Board on Monday, August 25, 2025, commencing at 5:00 p.m., at 36 S. State St., Ste. 500, Salt Lake City, Utah, 84111 and via Microsoft Teams, at which time the Board shall proceed according to the following agenda:

[FOR REFERENCE] “As the Chair of the Board of Trustees of the WPR Utility District, I hereby call this regular meeting of the Board to order at 5:-- P.M. on Monday, August 25, 2025, at 36 S State Street, Suite 500, Salt Lake City, UT 84111. In compliance with the requirements of Utah’s Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept.”

I. ADMINISTRATIVE MATTERS

- A. Call to order.
- B. Public Comment. Members of the public may express their views to the Board on matters that affect the District that are otherwise not on the agenda. Comments will be limited to three (3) minutes per person.

- C. Review and consider approval of minutes from July 22, 2025 regular meeting and August 5, 2025 special meeting (enclosure).

II. FINANCIAL MATTERS

- A. Approve and/or ratify approval of payment of claims (enclosure).
- B. Conduct public hearing on the Operating and Capital Budget for fiscal year 2025-2026 and consider adoption of the same (enclosure).
- C. Approve and/or ratify 2024-2025 fiscal year audited financials (enclosure).

III. MANAGER AND OPERATIONAL MATTERS

- a. Propane RFP Update

IV. LEGAL MATTERS

V. BOARD MEMBER MATTERS

VI. OTHER BUSINESS

VII. ADJOURNMENT

[This notice to be published on the Utah Public Notice Website at least 7 days prior to the meeting.]

Draft July 22, 2025, Meeting Minutes

MINUTES OF REGULAR MEETING OF
THE BOARD OF DIRECTORS OF THE
WPR UTILITY DISTRICT (THE “DISTRICT”)
JULY 22, 2025

A regular meeting of the Board of Directors of the WPR Utility District (referred to hereafter as the “Board”) was convened on Tuesday, July 22, 2025, at 5:00 p.m., at 36 S. State St., Ste. 500, Salt Lake City, UT 84111 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Trustees in attendance were:

Gary Derck

Ed Schultz

Jenny Robinson

Also, In Attendance Were:

Nic Carlson, CliftonLarsonAllen LLP (“CLA”)

Carley Herrick, Evan Tufts, Suzanne Bennett, Nathan Bell, Matt Musil and Kelli Reid;
Wasatch Peaks Ranch

Todd Godfrey; Hayes Godfrey Bell, P.C.

ADMINISTRATIVE MATTERS

Call to Order:

The meeting was called to order at 5:02 p.m. by Trustee Derck, who recited the following:

“As a Trustee of the Board of Trustees of the WPR Utility District, I hereby call this regular meeting of the Board to order at 5:02 P.M. on July 22, 2025, at 36 S. State St., Ste. 500, Salt Lake City, UT 84111. In compliance with the requirements of Utah’s Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept.

Public Comment:

None.

Minutes from June 24, 2025 Regular Meeting:

Trustee Derck reviewed the minutes with the Board. Following discussion, Trustee Robinson made a motion to approve the minutes from the June 24, 2025, regular meeting. Trustee Schultz seconded the motion. The motion passed unanimously.

FINANCIAL MATTERS

Payment of Claims:

Mr. Tufts reviewed the claims with the Board. Following review, Trustee Robinson made a motion to approve the claims in the amount of \$29,178.96. Trustee Schultz seconded the motion. The motion passed unanimously.

Tentative Budget for Fiscal Year 2025–2026 and Scheduling a Special Meeting to Amend Prior to Public Hearing:

Mr. Tufts provided an update for the Board, noting that a special meeting needs to be held on August 5, 2025, at 10:00 a.m. to adopt the amended tentative budget.

District Budget Officer (Evan Tufts):

Trustee Derck provided an update for the Board regarding the appointment of a District Budget Officer. Trustee Schultz made a motion to appoint Evan Tufts as District Budget Officer. Trustee Robinson seconded the motion. The motion passed unanimously.

Engagement Letter with Hinton Burdick:

Trustee Derck reviewed the engagement letter with the Board. Trustee Robinson made a motion to approve the engagement letter with Hinton Burdick. Trustee Schultz seconded the motion. The motion passed unanimously.

MANAGER AND OPERATIONAL MATTERS

Mr. Bell provided an update for the Board, noting that the well A2 pump failure has been repaired and spare parts have been ordered.

LEGAL MATTERS

Public Hearing on the Addition of Propane as a District Service and Adoption of a Resolution Regarding the Same:

The Board opened the public hearing at 5:14 p.m. to consider the addition of propane as a District service. Ms. Herrick reviewed the resolution with the Board. No public comments were received. The Board closed the public hearing at 5:15 p.m.

Following discussion, Trustee Schultz made a motion to adopt Resolution No. 2025-01 Authorizing the District to Provide the Operation of a Propane System Within the Boundaries of the District. Trustee Robinson seconded the motion. The motion passed unanimously.

Propane Service Proposals:

Mr. Bell provided an update for the Board, noting that he is soliciting propane service proposals. Attorney Godfrey noted that the procurement code requires a formal process to be followed and a Request for Proposals be posted with the State of Utah. No action was taken.

TRUSTEES' MATTERS

None.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, Trustee Schultz made a motion to adjourn the meeting at 5:20 p.m. Trustee Robinson seconded the motion. The motion passed unanimously.

Respectfully submitted,

By _____

District Chair

Attest:

By _____

District Clerk

Draft August 5, 2025, Meeting Minutes

MINUTES OF SPECIAL MEETING OF
THE BOARD OF DIRECTORS OF THE
WPR UTILITY DISTRICT (THE “DISTRICT”)
AUGUST 5, 2025

A special meeting of the Board of Directors of the WPR Utility District (referred to hereafter as the “Board”) was convened on Tuesday, August 5, 2025, at 10:00 a.m., at 36 S. State St., Ste. 500, Salt Lake City, UT 84111 and via Microsoft Teams. The meeting was open to the public.

ATTENDANCE

Trustees in attendance were:

Gary Derck

Jenny Robinson

Also, In Attendance Were:

Nic Carlson, CliftonLarsonAllen LLP (“CLA”)

Carley Herrick, Evan Tufts, Nathan Bell, Matt Musil, Alex Gagnon and Kelli Reid;
Wasatch Peaks Ranch

Todd Godfrey; Hayes Godfrey Bell, P.C.

ADMINISTRATIVE MATTERS

Call to Order:

The meeting was called to order at 10:02 a.m. by Trustee Derck, who recited the following:

“As a Trustee of the Board of Trustees of the WPR Utility District, I hereby call this special meeting of the Board to order at 10:02 A.M. on August 5, 2025, at 36 S. State St., Ste. 500, Salt Lake City, UT 84111. In compliance with the requirements of Utah’s Open and Public Meetings Law: (i) notice of this meeting has been duly posted and published, and (ii) this meeting is being recorded and minutes of the meeting, in its entirety, are being kept.

Public Comment:

None.

FINANCIAL MATTERS

Tentative Budget for Fiscal Year 2025–2026:

Trustee Derck and Mr. Tufts reviewed the tentative budget with the Board, noting that property tax revenue has been updated, tax rates were finalized and expenses were updated. Discussion ensued. Trustee Robinson noted several property owners are appealing the payment of property taxes which may impact District revenue.

Following discussion, Trustee Robinson made a motion to adopt the amended Tentative

Budget for Fiscal Year 2025-2026. Trustee Derck seconded the motion. The motion passed unanimously.

Public Hearing on August 25, 2025, at 5:00 PM for Approval of the Final Budget for Fiscal Year 2025-2026:

Following discussion, Trustee Robinson made a motion to schedule a Public Hearing on August 25, 2025 at 5:00 p.m. for approval of the Final Budget for Fiscal Year 2025-2026. Trustee Derck seconded the motion. The motion passed unanimously.

OTHER BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board at this time, Trustee Robinson made a motion to adjourn the meeting at 10:20 a.m. Trustee Derck seconded the motion. The motion passed unanimously.

Respectfully submitted,

By _____

District Chair

Attest:

By _____

District Clerk

Payment of Claims

WPR Utility District

For the period 7/17/2025-8/12/2025

Paid Claims

Date	Person/Description	Reference	Balance	Remarks
7/21/2025	July 2025 Bank Fee		(10.55)	July 2025 Bank Fee
7/24/2025	WEBER BASIN WATER CONSERVANCY DISTRICT (v0000061)	2065	(12.00)	June Lab Billing
7/24/2025	AQUA ENVIRONMENTAL SERVICES (v0000223)	2066	(787.50)	Services through 5/31/25
7/24/2025	ALL WEST COMMUNICATIONS (v0000357)	2067	(456.93)	7/1/25-7/31/25
7/24/2025	UTAH LOCAL GOVERNMENT TRUST (v0000427)	2068	(2777.05)	Annual Billing 7/1/25-6/30/26
7/24/2025	UTAH LOCAL GOVERNMENT TRUST (v0000427)	2068	(1220.68)	Add F-250 VIN-50578 to auto policy
7/24/2025	UTAH LOCAL GOVERNMENT TRUST (v0000427)	2068	(21026.35)	Annual Buildings Endorsement 7/1/25-6/30/26
7/24/2025	USA BLUE BOOK (v0000623)	2069	(55.44)	Brush Set
7/24/2025	BLUE STAKES OF UTAH 811 (v0000728)	2070	(8.75)	March 2025 XMLE Notifications
7/24/2025	BLUE STAKES OF UTAH 811 (v0000728)	2070	(121.25)	Annual Membership & XMLE Notifications
7/25/2025	BLUE LINE TECHNOLOGIES INC (v0000039)	9999072525	(112.00)	Microsoft June 2025 Agreement
7/25/2025	STREAMLINE SOFTWARE INC. (v0000670)	9999072525	(1150.00)	Streamline Flex 5/1/25-5/1/26
7/25/2025	HINTONBURDICK CPAS & ADVISORS (v0000711)	9999072525	(3500.00)	FY 24 Audit
7/31/2025	BLUE LINE TECHNOLOGIES INC (v0000039)	9999080125	(112.00)	July 2025 Billing
7/31/2025	MOUNTAIN GREEN SEWER DISTRICT (v0000162)	9999080125	(3588.00)	23 Connections Monthly Service
7/31/2025	WATERFORD SERVICES, LLC (v0000665)	9999080125	(794.40)	Accutab (60 lb pail)
7/31/2025	TOM RANDALL DISTRIBUTING (v0000231)	2071	(3641.65)	Dyed Diesel Delivery Generator
7/31/2025	USA BLUE BOOK (v0000623)	2072	(140.74)	Rust-Oleum 3800 Acrylic Enamel Paint
7/31/2025	USA BLUE BOOK (v0000623)	2072	(27.72)	Brushes
7/31/2025	METRON FARNIER LLC (v0000669)	2073	(3540.37)	2 Voyager w-i8VNLZ-EXT-STUBBY
7/31/2025	WPR DEVELOPMENT COMPANY LLC (v0000069)	9999073125	(25.98)	Working Lunch
7/31/2025	WPR DEVELOPMENT COMPANY LLC (v0000069)	9999073125	(569.83)	Pump Shaft Measuring Gauge & Weed Eater
7/31/2025	WPR DEVELOPMENT COMPANY LLC (v0000069)	9999073125	(83.90)	June Verizon Bill
7/31/2025	WPR DEVELOPMENT COMPANY LLC (v0000069)	9999073125	(357.01)	20% of Tire Purchase
7/31/2025	WPR ROAD & FIRE DISTRICT (v0000708)	9999073125	(192.29)	15% of Tom Randall Invoice 0400003
8/7/2025	CLIFTONLARSONALLEN LLP (v0000514)	2074	(437.85)	District MGMT Services through 6/25/25

(44,750.24)

Unpaid Claims

	Vendor	Amount
8/1/2025	Mountain Green Sewer District	2023-43027 3744.00 24 Connections Monthly Service
7/16/2025	Mountain Green Sewer District	2023-41652 259782.93 Current Impact Fees - 23
8/1/2025	All West Communications	080125 5591900 347.34 Internet 8/1-8/31/25
8/1/2025	Morty's Car Wash LLC	1179 43.75 July 2025 Car Washes
4/3/2025	Mountainland Supply Company	06748668.004C (559.39) Credit on account
7/29/2025	Delco Western	25-01417 30979.00 Well A2 Pump Rebuild

294,337.63

Operating and Capital Budget for Fiscal Year 2025-2026

WPR Utility District

General Fund

Fiscal Year 2026 Final Budget

8/14/2025

Beginning Fund Balance

Revenues and other sources

	FINAL BUDGET FY2026	AMENDED FY2025
Beginning Fund Balance	556,685	103,151
Water usage	961,330	835,939
Sewer usage	60,900	29,750
Utility connections	675,000	281,000
Utility standby	4,920	180
Property taxes	586,173	205,170
Contribution from Fund Balance		1,190,820
Proceeds from the Issuance of Debt	400,212	228,942

Total revenues and other sources	2,688,535	2,771,802
Asset contribution	15,294,769	21,592,619

Total Funds Available	18,539,990	24,467,571
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Expenses and other uses

Equipment Rental	35,250	21,500
Water meters	43,500	31,528
Management fee	397,280	114,534
Dues and Subscriptions	6,200	3,869
Education and training	8,400	7,060
Uniforms	1,000	841
Construction water equipment	0	(4,342)
Sewer base rate	54,288	26,052
Utilities - general	269,772	245,248
Utilities - water rights	1,194,032	1,150,907
Sewer standby fees	21,190	20,000
Impact fees	259,783	565,936
Office supplies	1,000	1,000
Publications and Notices	1,500	0
Fuel and Lubricants	10,000	3,178
Repairs and maintenance	0	(15,464)
Repairs/Maintenance/Operating Costs - Transmission	116,400	
Repairs/Maintenance/Operating Costs - Distribution	29,200	
Repairs/Maintenance/Operating Costs - Sewer Collection	18,000	
Emergency Repair Contingency	60,000	
Supplies - Parts	62,400	11,263
Supplies - water treatment	0	1,075
Small tools	30,000	3,343
Other operating supplies	0	9,507
Sampling and testing	6,000	6,000
Bank fees	300	107
Software and subscriptions	4,500	3,545
Professional Fees - Legal	17,500	14,862
Professional Fees - Accounting	30,000	14,390
Professional Fees - Assurance	12,000	12,000
Consulting Fees	59,500	51,530
District Management	43,500	23,000
SCADA fees and maintenance		21,165
Cell and landline communications	1,500	830
Insurance	45,000	30,000
Security	1,000	10,000
Expenditures - budget contingency	78,725	0

Total Operating Expenses	2,918,720	2,384,461
Fixed Assets - Vehicles	94,000	0
Fixed Assets - PP&E	17,500	6,623
Capital Cost - Water Distribution & Treatment	215,000	

Total Fixed Assets & Capital Costs	326,500	6,623
Fixed Assets - Infrastructure	15,294,769	21,592,619
Contribution to fund balance		483,868

Total expenses and other uses	18,539,990	24,467,571
Total expenditures and transfers out requiring appropriation	18,539,990	24,467,571
Ending Fund Balances	0	0

Fiscal Year 2024-2025 Audited Financials

**WPR UTILITY DISTRICT
FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2024
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS**

WPR UTILITY DISTRICT
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Independent Auditors' Report

To the Board of Trustees of
WPR Utility District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund, of WPR Utility District (the District), as of and for the year ended June 30, 2024, 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 WPR Utility District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

The District's 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 one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the statement of revenues, expenditures, and changes in fund balance general fund budget to actual, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2025 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.

HintonBurdick, PLLC

St. George, Utah
July 17, 2025

WPR UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The management of WPR Utility District (the District) offers the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

The Management Discussion and Analysis (MD&A) focuses on the presentation of the financial statements and the related activities in two distinct ways: 1) the review of government-wide financials that reflect the overall assets and activity of the government including the District's capital assets and long term debt obligations, and 2) the more traditional view of the governmental funds that have been established to account for specific activities of the District.

This MD&A will provide a quick look at the highlights of each of these presentations, a more definitive view of what comprises each of these presentations, and a more detailed analysis of each of the presentations, key components and the changes that occurred during fiscal year 2024.

Overview of the Financial Statements

Management's 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 financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-Wide Statements

The government-wide statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between these 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 flow in future fiscal periods.

The basic government-wide financial statements can be found on pages 10-11 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

Governmental funds: The District's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the government-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

WPR UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

The District maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the fund, which is limited to the general fund for the District – which is considered to be a major fund.

The District adopts an annual appropriated budget for each fund. A budgetary comparison schedule has been provided for the general fund in the required supplementary information section.

The basic governmental fund financial statements and reconciliation to the government-wide financial statements can be found on pages 12-15 of this report.

Financial Highlights

Government-wide financial statement highlights include:

- The District was created in the 2021 fiscal year and began offering limited water and sewage utility services during the 2024 fiscal period.
- The combined assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$56,928,459 (net position), \$56,286,687 of which is net invested in capital assets and \$641,772 is considered unrestricted.
- The District's non-current long-term liabilities increased \$1,335,765 to a total of \$1,439,964:
 - The District did not make any payments on the outstanding debt. Outstanding principal as of the end of fiscal year 2024 is \$1,383,733.
 - Interest accrued on the debt in the amount of \$56,231 for total unpaid, accrued interest of \$56,231. This is included in long-term liabilities due to the cash flow nature of these debts.
- The government's total net position increased \$56,825,820 from fiscal year 2023 under the full accrual method:
 - Revenues increased \$58,808,014, from the prior year primarily due to dedications of \$57,262,826, charges for service of \$1,488,589, and property tax revenues of \$240,654.
 - Expenses increased \$2,084,883 in the current fiscal year. The primary reason for the change was due to \$2,028,702 in increased operational costs and accrued interest expense of \$56,231.

Fund financial statement highlights include:

- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,871,018, with \$569,439 in non-spendable resources and \$1,301,579 in unrestricted fund balance.
- They are comprised of:
 - During 2024, the General Fund recorded \$172,621 in property tax, \$1,488,589 in charges for service, and \$57,262,877 in dedications for capital asset acquisition, \$1,279,534 in bond proceeds, with \$58,396,756 in expenses. Thereby, the net increase in fund balance for the year was \$1,806,865 resulting in an ending fund balance of \$1,871,018.

WPR UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

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. The notes to financial statements can be found on pages 16-26 of this report.

Supplementary information. The required supplementary information provided in this report after the basic financial statements includes a schedule of revenues, expenditures, and changes in fund balances, budget and actual comparison for the general fund. The schedule can be found on page 28 of this report.

Governmental Activities Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$56,928,459 at the close of the most recent fiscal year.

	Governmental activities	
	6/30/2024	6/30/2023
Current and other assets	\$ 2,195,095	\$ 207,381
Capital assets	56,286,687	50
Total assets	58,481,782	207,431
Long-term liabilities outstanding	1,439,964	104,199
Other liabilities	113,359	543
Total liabilities	1,553,323	104,742
Net position:		
Invested in capital assets, net of related debt	56,286,687	-
Unrestricted	641,772	102,639
Total net position (deficit)	\$ 56,928,459	\$ 102,639

WPR UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

	Governmental activities	
	<u>6/30/2024</u>	<u>6/30/2023</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,488,589	\$ -
Capital grants and contributions	57,262,826	-
General revenues:		
Taxes	240,654	158,814
Total revenues	<u>58,992,069</u>	<u>158,814</u>
Expenses:		
General government	2,166,249	81,366
Total expenses	<u>2,166,249</u>	<u>81,366</u>
Increase/(decrease) in net position	56,825,820	77,448
Net position (deficit), beginning	102,639	25,191
Net position (deficit), ending	<u>\$ 56,928,459</u>	<u>\$ 102,639</u>

The District's net position increased by \$56,825,820 during the current fiscal year. Revenues totaled \$58,992,069 while expenses totaled \$2,166,249.

Governmental Funds Financial Analysis

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

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,871,018, with \$569,439 of non-spendable fund balance which represents resources used but not yet expended, or for which a future benefit will be received, and \$1,301,579 of unrestricted fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the District had an unassigned fund balance of \$1,301,579. Expenditures of \$113,359 were incurred in fiscal year 2024 and recorded as payables until settled.

**WPR UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

General Fund Budgetary Highlights

The District prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sales of assets and debt repayments, as well as capital outlay. This budgetary accounting is required by State statutes.

Capital Assets

The capital assets of the District are those assets that are used in performance of District functions. Capital Assets include land, infrastructure, buildings and improvements, emergency vehicles, equipment and furniture and fixtures as applicable. At the end of fiscal year 2024, net capital assets of the government activities totaled \$56,286,687. Depreciation on capital assets is recognized in the Government-Wide financial statements. (See note 4 to the financial statements.)

Debt

At fiscal year end, the District had \$1,439,964 in governmental-type debt. This amount includes notes payable and its related accrued interest payable. The changes in the current year are a result of proceeds from the developer advance note payable. (See note 5 to the financial statements for detailed descriptions.)

Next Year's Budget and Rates

The District has appropriated \$2,161,247 in the General Fund for spending in the 2025 fiscal year. It is intended that fund balance plus property tax revenues will be sufficient to cover these expenditures.

Request for Information

Management's discussion and analysis is designed to provide a general overview of the District's finances. Questions concerning any of the information provided within this report or requests for additional information should be addressed to:

District Accountant of WPR Utility District
36 S. State Street, Unit 500
Salt Lake City, UT

BASIC FINANCIAL STATEMENTS

WPR UTILITY DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Total
Assets		
Cash and cash equivalents	\$ 115,976	\$ 115,976
Property tax receivables	216,268	216,268
Accounts receivable	1,293,412	1,293,412
Prepaid expenses	569,439	569,439
Capital assets, net of accumulated depreciation:		
Infrastructure	56,220,287	56,220,287
Vehicles	62,964	62,964
Equipment	3,436	3,436
	<hr/>	<hr/>
Total assets	<hr/>	<hr/>
	58,481,782	58,481,782
Liabilities		
Accounts payable and other current liabilities	113,359	113,359
Noncurrent liabilities:		
Due within one year	-	-
Due in more than one year	1,439,964	1,439,964
	<hr/>	<hr/>
Total liabilities	<hr/>	<hr/>
	1,553,323	1,553,323
Net Position		
Net investment in capital assets	56,286,687	56,286,687
Unrestricted	641,772	641,772
	<hr/>	<hr/>
Total net position	<hr/>	<hr/>
	\$ 56,928,459	\$ 56,928,459

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

WPR UTILITY DISTRICT
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions			
Primary Government							
Governmental activities:							
General government	\$ 2,166,249	\$ 1,488,589	\$ -	\$ 57,262,826	\$ 56,585,166		
Interest on long-term debt and related costs	56,231	-	-	-	(56,231)		
Total governmental activities	<u>2,166,249</u>	<u>1,488,589</u>	<u>-</u>	<u>57,262,826</u>	<u>56,585,166</u>		
Total primary government	<u><u>\$ 2,166,249</u></u>	<u><u>\$ 1,488,589</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 57,262,826</u></u>	<u><u>56,585,166</u></u>		
General Revenues:							
Taxes:							
Property taxes					240,654		
Total general revenues					<u>240,654</u>		
Change in net position					56,825,820		
Net position - beginning					102,639		
Net position - ending					<u><u>\$ 56,928,459</u></u>		

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

WPR UTILITY DISTRICT
Balance Sheets
Governmental Funds
June 30, 2024

	General Fund	Total Governmental Funds
Assets:		
Cash	\$ 115,976	\$ 115,976
Property tax receivables	216,268	216,268
Accounts receivable	1,293,412	1,293,412
Prepaid expenditures	569,439	569,439
Total Assets	<u>2,195,095</u>	<u>2,195,095</u>
Liabilities:		
Accounts payable	111,455	111,455
Accrued liabilities	1,904	1,904
Total Liabilities	<u>113,359</u>	<u>113,359</u>
Deferred Inflows of Resources		
Unavailable revenue - property taxes	210,718	210,718
Total deferred inflows of resources	<u>210,718</u>	<u>210,718</u>
Fund Balance:		
Nonspendable	569,439	569,439
Unassigned	1,301,579	1,301,579
Total Fund Balance	<u>1,871,018</u>	<u>1,871,018</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 2,195,095</u>	<u>\$ 2,195,095</u>

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

WPR UTILITY DISTRICT
Reconciliation of the Balance Sheets of Governmental Funds
to the Statement of Net Position
June 30, 2024

Amounts reported for governmental activities in the statement of net position are different because:

Total governmental fund balances	\$ 1,871,018
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of capital assets	\$ 57,402,844
Accumulated depreciation	<u>(1,116,157)</u> 56,286,687
Deferred inflows are not available to pay current-period expenditures and, therefore, are deferred in the governmental funds but are recorded as revenue on the government wide statements.	
	210,718
Some long-term liabilities, including notes payable, provide resources in the current year, but will be due and payable in later periods and therefore are not reported as revenue under full accrual accounting.	
Notes payable	(1,383,733)
Accrued interest	<u>(56,231)</u> (1,439,964)
Net position (deficit) of governmental activities	<u><u>\$ 56,928,459</u></u>

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

WPR UTILITY DISTRICT
Statements of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Total Governmental Funds
Revenues:		
Property taxes	\$ 172,621	\$ 172,621
Dedications	57,262,877	57,262,877
Charges for services	1,488,589	1,488,589
Total Revenues	<u>58,924,087</u>	<u>58,924,087</u>
Expenditures:		
Public Service		
Water operating expenditures	857,319	857,319
Administrative expenditures	136,592	136,592
Capital outlay	<u>57,402,845</u>	<u>57,402,845</u>
Total Expenditures	<u>58,396,756</u>	<u>58,396,756</u>
Excess of Revenues Over (Under) Expenditures	<u>527,331</u>	<u>527,331</u>
Other financing sources (uses)		
Proceeds from the issuance of debt	<u>1,279,534</u>	<u>1,279,534</u>
Total other financing sources (uses):	<u>1,279,534</u>	<u>1,279,534</u>
Net change in fund balance	1,806,865	1,806,865
Fund Balance - Beginning of Year	<u>64,153</u>	<u>64,153</u>
Fund Balance - End of Year	<u>\$ 1,871,018</u>	<u>\$ 1,871,018</u>

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

WPR UTILITY DISTRICT
Reconciliation of the Statements of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2024

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

Net change in fund balance - total governmental funds \$ 1,806,865

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

Capital outlays	\$ 57,402,844	
Depreciation/amortization expense	<u>(1,116,157)</u>	56,286,687

Accrued interest for long-term debt is not recorded as an expenditure for the current year
 while it is recorded in the statement of activities. (56,231)

The issuance of long-term debt (e.g., bonds, notes) provides current financial resources
 to governmental funds, while the repayment of the principal of long-term debt consumes the
 current financial resources of governmental funds. Neither transaction, however, has any effect
 on net position. This amount is the net effect of these differences in the treatment of long-term
 debt and related items.

Proceeds from the issuance of debt	(1,279,534)	
Principal payments	<u>-</u>	(1,279,534)

Revenues in the statement of activities that do not provide current financial resources
 are not reported as revenues in the governmental funds. 68,033

Change in net position of governmental activities \$ 56,825,820

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

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 1. Definition of Reporting Entity

On February 16, 2021, Morgan County, Utah (the County), acting in its capacity as the creating authority for the WPR Utility District (the District), adopted a resolution to create the District. The Office of the Lieutenant Governor of the State of Utah issued a Certificate of Creation for the District, which was recorded in the real property records of the County on August 26, 2021. The District was created for the purpose of (a) the operation of a sewage system; (b) the operation of collection, storage, retention, control, conservation, treatment, supplying, distribution, or reclamation of storm, flood, sewage, irrigation, and culinary water; and (c) the acquisition or assessment of groundwater rights for a management plan in coordination with and approved by the state engineer, including treatment and distribution.

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District has no employees and all operations and administrative functions are contracted.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Note 2. Summary of Significant Accounting Policies

Description of 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 primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, and intergovernmental revenues.

Basis of presentation – government-wide and fund financial statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and inter-governmental revenues.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

The statement of net position reports all financial and capital resources of the District. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect 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 applicants 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. 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.

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. The major sources of revenue susceptible to accrual are property taxes, and sales and use taxes. All other revenue items are considered to be measurable and available only when cash is received by the District. The District determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

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

As a general rule, the effect of interfund activity, when applicable, is eliminated from the government-wide financial statements.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Budgets

In accordance with the State Budget Law, the District's Board of Trustees holds public hearings in December each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures and other financing uses level and lapses at year-end. The District's Board of Trustees can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, cash equivalents, and investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain qualifying commercial paper, repurchase agreements and bankers' acceptances, and negotiable or nonnegotiable deposits of qualified depositories and the Utah Public Treasurers' Investment Fund. The Utah Public Treasurers' Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Investments for the District are reported at fair value determined on quoted market prices. Changes in the fair value of investments are recognized as a component of investment income.

Investments are carried at fair value.

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Also, the District's inventory of materials and supplies is deemed to be immaterial; thus, no provision for inventory has been made in these financial statements.

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

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as an item, or group of like-items purchased together, with a useful life greater than 12 months and initial, individual or group cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of dedication.

Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress until contributed to the other governmental entity, and are not included in the Capital assets which are anticipated to be conveyed to other governmental entities are recorded as construction in progress until contributed to the other governmental entity, and are not included in the calculation of net investment in capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Infrastructure	5-40 years
Vehicles	5-10 years
Equipment	5-7 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position 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 so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District currently has no items which qualify for reporting in this category.

In addition to liabilities, the statement of financial position 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 so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of items that qualify for reporting in this category. The item, *deferred property tax*, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 2. 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 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 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.

Fund balance policies

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Trustees. The constraint may be removed or changed only through formal action of the Board of Trustees.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes but is neither restricted nor committed. Intent is expressed by the Board of Trustees to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants 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, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

The County assesses, bills, collects, and distributes property taxes for all taxing jurisdictions within its boundaries, including cities, school districts, and special districts, in accordance with state law. Property taxes are collected on two types of assets: 1) personal property, which represents business assets other than real estate, and 2) real estate and improvements. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through a tax sale process that is conducted when property taxes have been delinquent for five years. Accordingly, no allowance for doubtful tax accounts is considered necessary. Property taxes become a lien against the property as of January 1 in the year in which taxes are due. Property valuation notices are mailed to property owners in July. Property owners can appeal the assessed valuation no later than September 15. Tax notices are mailed to property owners on or before November 1. Payments are due November 30.

Property taxes due in November that are uncollected by the following March are reported as a property tax receivable on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are considered to be a deferred inflow of resources. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a monthly basis. Tax collections are recorded as funds held in trust until disbursement. The County adheres to the following procedures set forth by the Utah State Tax Commission:

January 1: Lien Date – All property appraised based upon situs and status as of this date (real and personal).

May 22: County Assessor completes assessment roll and delivers roll to County Auditor with required signed statement.

June 22: All taxing entities with fiscal years ending in June adopt tentative budgets and proposed tax rates and report them to the County Auditor.

July 22: County Auditor prepares and mails Notice of Valuation and Tax Changes to all real property owners, including centrally assessed property owners. Notice is to include date, time, and place of public budget hearings.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 2. Summary of Significant Accounting Policies (Continued)

August 1: Taxing entities proposing judgment levies and tax increases are to advertise the tax increase and/or judgment levy, hold public hearings, adopt by resolution final budgets and tax rates, and report this information to the County Auditor.

September 15: Applications for appeal of locally assessed real property are due to the County's Board of Equalization. (Hearings are held and decisions made through October 1.)

September 30: Utah State Tax Commission approves certified and proposed tax rates for each taxing entity.

October 1: Calendar-year taxing entities notify County governing body of intent to increase property taxes for the next calendar year. Calendar-year taxing entities must meet statutory noticing requirements which include a public meeting fourteen or more days before the November election, mailings to property owners seven or more days before the November election, and a twice-advertised public hearing.

November 1: County Auditor delivers the equalized assessment roll to the County Treasurer with affidavit and charges the County Treasurer to account for all taxes levied. County Treasurer mails tax notices.

December 1: Unpaid taxes on real property become delinquent and penalty is applied.

Use of 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 the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 3. Deposits and Investments

Deposits for the District at June 30, 2024 consist of \$115,976 in bank deposits and the District had no investments.

Deposits with Financial Institutions

The District's deposit and investment activities are governed by the Utah Money Management Act (Utah Code, Title 51, Chapter 7). The State of Utah Money Management Council has the responsibility to advise the Utah State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state of Utah, and review the rules adopted under the authority of the Utah Money Management Act that relate to the deposit and investment of public funds. The Utah Money Management Act requires deposits be 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.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 3. Deposits and Investments (Continued)

Investments

The State of Utah Money Management Council (the Council) has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the 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. Statutes authorize the District to invest in: negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as “first tier” by two nationally recognized statistical rating organizations; bankers’ acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by United States government-sponsored enterprises (United States 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.

The Utah State Treasurer’s Office operates the Public Treasurers’ Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah, and participants share proportionally in any realized gains or losses on investments.

As of June 30, 2024, the District had no investments

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government’s deposit may not be returned to it. The District does not have a formal policy for custodial credit risk. As of June 30, 2024, none of the District’s bank balance of \$115,976 was exposed to custodial credit risk because it was uninsured and uncollateralized.

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 the state statutes which define allowable investments.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 3. Deposits and Investments (Continued)

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 statutes which define allowable investments.

Note 4. Capital Assets

The following table summarizes changes to capital assets for the year ended June 30, 2024:

Governmental Activities:	<u>Balance</u>			<u>Balance</u>
	<u>6/30/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2024</u>
Capital assets, not being depreciated:				
Total capital assets, not being depreciated	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Infrastructure	-	57,334,663	-	57,334,663
Vehicles	-	64,500	-	64,500
Equipment	-	3,681	-	3,681
Total capital assets, being depreciated	-	57,402,844	-	57,402,844
Less accumulated depreciation for:				
Infrastructure	-	(1,114,376)	-	(1,114,376)
Vehicles	-	(1,536)	-	(1,536)
Equipment	-	(245)	-	(245)
Total accumulated depreciation	-	(1,116,157)	-	(1,116,157)
Total capital assets, being depreciated, net	0	56,286,687	-	56,286,687
Governmental activities capital assets, net	\$ -	\$ 56,286,687	\$ -	\$ 56,286,687

Depreciation expense of \$1,116,157 was charged to the general government function of the District.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 5. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

Governmental Activities:	Balance		Retirements	Balance		Current Portion
	<u>6/30/2023</u>	<u>Additions</u>		<u>6/30/2024</u>		
<i>Direct Placement</i>						
Developer Advance	\$ 104,199	\$ 1,279,534	\$ -	\$ 1,383,733	\$ -	
Accrued Interest on Advance	-	56,231	-	56,231		
Total	\$ 104,199	\$ 1,335,765	\$ -	\$ 1,439,964	\$ -	

The details of the District's long-term obligations are as follows:

A note payable for funding advances from the Developer. Details of the funding and reimbursement agreement can be found in note 6.

Debt Service

The annual debt service requirements of the long-term liabilities are not currently determinable since they are payable only from specific revenues as available.

Note 6. Related Parties

Wasatch Peaks Ranch, LLC (the "Developer") is a Delaware limited liability company, which is an owner of a majority share of the property within the District's boundaries, and is undertaking development of that property. All of the members of the Board of Trustees are employees, owners, consultants or otherwise associated with the Developer, and may have conflicts of interest in dealing with the District.

The WPR Road and Fire District (WPRRFD) and Wasatch Peaks Ranch Public Infrastructure District (WPRPID) are districts created within the same area as the District. The District and WPRRFD are the recipients of the infrastructure paid for by the WPRPID in 2024 and will manage and maintain the infrastructure going forward. All of the members of the Board of Trustees of these districts are members of the District's Board of Trustees in 2024.

WPR UTILITY DISTRICT
Notes to the Financial Statements
June 30, 2024

Note 6. Related Parties (Continued)

The District, WPRRF, WPRPID, and the Developer have agreements in place regarding capital infrastructure development and acquisition. Infrastructure developed and acquired under the terms of these agreements ultimately reside with the District and WPRRF. The WPRPID has been established, and is authorized under these agreements, to pay the related costs incurred in this development and acquisition. The WPRPID may acquire the capital assets, then transfer them to the District and WPRRF, or may pay related costs with title of the infrastructure assets passing directly to the District and WPRRF. In the fiscal year ended June 30, 2024 \$57,262,877 of the infrastructure capital costs were paid through this financing, with the Dedications revenue from WPRPID paying for the majority of the fiscal year 2024 capital outlay costs, with title passing directly from the Developer to the District.

On April 27, 2023, the District entered into the funding and reimbursement agreement with the Developer. The Developer is willing to advance funds to the District, from time to time, on the condition that the District agrees to repay such advances. Both parties agree the funds will be used for the District as specified in the District's budget. The repayment of the advances is subject to annual appropriations by the District. The simple interest rate shall be 0.5% per month from the date of each advance. The term of repayment shall not exceed beyond 40 years from the date of this agreement. As of December 31, 2024, \$1,383,733 in principal and \$56,231 in accrued interest is outstanding under this agreement.

Note 7. Risk Management

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

Note 8. Contingencies

The District may be involved with various matters of litigation from year to year. It is the opinion of the District that such cases will be handled by the District's insurance coverage or that they will not have a material effect on the District's financial condition.

Required Supplementary Information

WPR UTILITY DISTRICT
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget to Actual
For the Year Ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property taxes	\$ 141,632	\$ -	\$ 172,621	\$ 172,621
Dedications	-	57,262,877	57,262,877	-
Connection fees	355,000	-	-	-
Charges for services	1,009,070	1,505,702	1,488,589	(17,113)
Total Revenues	1,505,702	58,768,579	58,924,087	155,508
Expenditures:				
Public Service				
Water operating expenditures	2,571,303	2,571,302	857,319	1,713,983
Sewer operating expenditures	5,000	5,000	-	5,000
Administrative expenditures	162,004	162,004	136,592	25,412
Capital outlay	-	57,262,877	57,402,845	(139,968)
Total Expenditures	2,738,307	60,001,183	58,396,756	1,604,427
Excess of Revenues Over/(Under) Expenditures	(1,232,605)	(1,232,604)	527,331	1,759,935
Other Financing Sources (Uses):				
Proceeds from the issuance of debt	1,194,058	1,194,058	1,279,534	85,476
Total other financing sources (uses):	1,194,058	1,194,058	1,279,534	85,476
Net change in fund balance	(38,547)	(38,546)	1,806,865	1,845,411
Fund Balance - Beginning of Year	63,152	64,153	64,153	-
Fund Balance - End of Year	\$ 24,605	\$ 25,607	\$ 1,871,018	\$ 1,845,411

Other Communications from Independent Auditors

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**Independent Auditors' 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 Trustees of
WPR Utility District

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 the WPR Utility District (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 17, 2025.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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*.

Purpose of this Report

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

HintonBurdick, PLLC

St. George, Utah

July 17, 2025



**Independent Auditor's Report on Compliance and
Report on Internal control over Compliance
as Required by the *State Compliance Audit Guide***

Trustees of the Board
WPR Utility District

Report on Compliance with General State Compliance Requirements

We have audited the WPR Utility District's (the District) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor that could have a direct and material effect on the District for the year ended June 30, 2024.

State compliance requirements were tested for the year ended June 30, 2024, in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Governmental Fees
- Cash Management
- Special and Local Service District Board Members
- Public Treasurer's
- Open and Public Meetings Act

Management's Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on General State Compliance Requirements

In our opinion, the District complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2024.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Compliance Audit Guide and which are described in the accompanying schedule of findings and recommendations as item 2024-001. Our opinion on compliance is not modified with respect to these matters. The District's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and recommendations. The District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah
July 17, 2025



**WPR Utility District
Schedule of Findings and Recommendations
For the Year Ended June 30, 2024**

WPR Utility District
Trustees of the Board

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. During our audit of WPR Utility District for the year ended June 30, 2024, we noted areas needing corrective action for the District to be in compliance with laws and regulations. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None noted

Significant Deficiencies:

None noted

COMPLIANCE AND OTHER MATTERS:

Compliance:

2024-001 Public Treasurer's Bond

Criteria: Utah Code 51-7-15 states that all entities are required to be properly bonded or insured in accordance with Utah Administrative Code R628-4-4 for the Money Management Council. Bonds must be issued by a corporate surety licensed to do business in the State of Utah and rated "A" or better. Bonds should be effective as of the date the treasurer assumed the duties of the office or is sworn in. The entity may elect to satisfy this requirement through a general fidelity or public employee blanket bond or theft or crime insurance coverage.

Condition: While the District did have coverage for fiscal year 2025, it did not hold the proper bond or insurance coverage during fiscal year 2024.

Cause: Internal controls needed to ensure the proper coverage was obtained were not implemented until fiscal year 2025.

Effect: The District was not in compliance with Utah code 51-7-15, which increases risk for the District that should be mitigated through the required insurance or bonding.

Recommendation: The District has acquired insurance coverage in fiscal year 2025, but we recommend the District periodically review its compliance requirements and ensure it meets each of its requirements.

Other Matters:

None noted

Please respond to the above findings and recommendations in letter form for submission to the state auditor's office as required by state law.

The District's written responses to the findings identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This letter is intended solely for the use of management and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the District this past year. We would like to express special thanks to each of you who assisted us in this year's audit. We invite you to ask questions of us throughout the year as you feel it necessary and we look forward to a continued pleasant, professional relationship.

Sincerely,

HintonBurdick, PLLC

July 17, 2025

WPR Utility District

August 14, 2025

To Whom it May Concern,

The following are the WPR Utility District Management Responses to the Findings for the Fiscal Year 2024 Audit:

2024-001 Public Treasurer's Bond

Criteria: Utah Code 51-7-15 states that all entities are required to be properly bonded or insured in accordance with Utah Administrative Code R628-4-4 for the Money Management Council. Bonds must be issued by a corporate surety licensed to do business in the State of Utah and rated "A" or better. Bonds should be effective as of the date the treasurer assumed the duties of the office or is sworn in. The entity may elect to satisfy this requirement through a general fidelity or public employee blanket bond or theft or crime insurance coverage.

Condition: While the District did have coverage for fiscal year 2025, it did not hold the proper bond or insurance coverage during fiscal year 2024.

Cause: Internal controls needed to ensure the proper coverage was obtained were not implemented until fiscal year 2025.

Effect: The District was not in compliance with Utah code 51-7-15, which increases risk for the District that should be mitigated through the required insurance or bonding

Response: The District has addressed this issue and is insured in accordance with Utah Administrative Code R628-4-4.

WPR Utility District

By  Greg S. Dick WPR UD BOARD PRESIDENT
Authorized Signatory