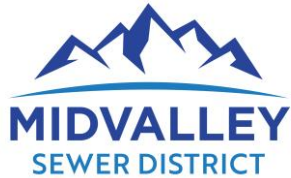


AGENDA

MIDVALLEY SEWER DISTRICT will hold its monthly Board of Trustees meeting at 5:00 PM on Wednesday, May 13, 2026.

- 1. PUBLIC COMMENTS/CEREMONIES/PRESENTATION**
- 2. AUDITOR'S REPORT – STEVE ROWLEY, KEDDINGTON & CHRISTENSEN, CPA**
 - a. Report on the Audit of the District
 - b. Financial Statements Audited for 2025
 - c. Supplemental Reports (on Compliance and Internal Controls) for 2025
- 3. MINUTES – APPROVAL**
 - a. April 8, 2026, Public Hearing
 - b. April 8, 2026
- 4. ATTORNEY REPORT**
 - a. Update and Discussion of Pending Matters
- 5. GENERAL MANAGER REPORT**
 - a. Legal Services – Discussion / Approval
 - b. Vehicle Fleet Update – Discussion
 - c. Update: Pending Matters
- 6. SOUTH VALLEY WATER RECLAMATION FACILITY (Information & Updates)**
 - a. Update: Pending Matters
- 7. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS**
 - a. April 2026
- 8. OFFICE REPORT**
 - a. Update: Pending Matters
- 9. CHIEF FINANCIAL OFFICER REPORT**
 - a. Balance Sheet Report for March 31, 2026 – Discussion



- b. Profit & Loss – Comparison to Prior Year report for 1st Quarter 2026 – Discussion
- c. Profit & Loss – Budget vs Actual report for 1st Quarter 2026 – Discussion
- d. Financial and Accounting Matters

10. SUPERVISOR’S REPORT

- a. Construction in the District – Discussion Only
- b. Update: Pending Matters

11. TRUSTEES

- a. Update: Pending Matters

12. CLOSED MEETING – (If Necessary) – For the purpose(s) described in U.C.A 52-4-205

ADJOURN

The order of agenda items may be changed at the discretion of the Board. Board members may participate electronically. In compliance with the Americans with Disabilities Act, individuals requiring special accommodations (including auxiliary communicative aids and services) during this meeting should notify Midvalley Sewer District at (801) 255-7321 at least three (3) working days prior to the meeting.

MIDVALLEY SEWER DISTRICT
Formerly Midvalley Improvement District

FINANCIAL STATEMENTS

For The Year Ended December 31, 2025

Together with Independent Auditor's Report



**MIDVALLEY SEWER DISTRICT
TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report	1
Management Discussion and Analysis	3
Financial Statements:	
Statement of Net Position	10
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13
Notes to Financial Statements	15
Required Supplementary Information:	
Schedule of Proportionate Share of the Net Pension Liability - Utah Retirement Systems	36
Schedule of Contributions – Utah Retirement Systems	38
Notes to Required Supplementary Information.....	39

INDEPENDENT AUDITOR'S REPORT



Board of Trustees
Midvalley Sewer District
Midvale, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Midvalley Sewer 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 financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2025, change in financial position, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards 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 generally accepted auditing standards 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 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, schedule of the proportionate share of the net pension liability, schedule of contributions, and notes to required supplementary information 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 April 30, 2026 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 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 the District's internal control over financial reporting and compliance.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
April 30, 2026

MIDVALLEY SEWER DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS

Midvalley Sewer District (the District) presents this Management's Discussion and Analysis to provide readers with an overview of the District's financial performance for the year ended December 31, 2025. This discussion should be read in conjunction with the accompanying financial statements and notes, which provide additional detail and context for understanding the District's financial activities.

OVERVIEW OF THE DISTRICT

In 2024, the District changed its name from Midvalley Improvement District to Midvalley Sewer District. The District was established in 1947 under the laws of the State of Utah for the purpose of constructing, operating, and maintaining public sanitary sewer collection and conveyance services for residents within its boundaries. All wastewater generated within the District is conveyed to the South Valley Water Reclamation Facility for treatment. The District's service area includes portions of Midvale City, Sandy City, Murray City, Cottonwood Heights, and unincorporated areas of Salt Lake County.

The District is a separate legal entity governed by a three-member Board of Trustees. The Board of Trustees is publicly elected and holds decision-making authority, including the power to levy taxes, appoint and oversee management, significantly influence operations, and maintain primary accountability for fiscal matters.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded their liabilities and deferred inflows as of the close of the most recent year by \$28,996,581. Of this amount, \$11,417,946 (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's Net Position increased by \$2,765,992 which was larger than the anticipated amended budgeted net income of \$1,790,000 by \$975,992. The majority of the unbudgeted net income was from receiving non-cash donations of \$261,298 in the form of sewer lines, the Utah Retirement Systems reducing the future retirement liability by \$173,244 (a non-cash reduction of expense) more than budgeted, and the disposal plant operations expense was \$403,440 less than budgeted.
- The District increased the monthly sewer service fee from \$30.70 to \$33.80, effective January 2025, and increased the impact fee from \$2,234 to \$2,241, also effective January 2025. These rate adjustments were approved by the Board of Trustees in November 2022. The additional revenue will be used to fund sewer system rehabilitation for pipes and manholes, support capital improvement projects, and replenish the District's reserves over the next five years.
- The District spent \$867,995 on sewer pipe-lining and manhole rehabilitation projects, exceeding the \$800,000 budget by \$67,995. The additional cost was due to conditions identified in certain areas of the system that the District determined were a priority to the rehabilitation of specific sewer lines.
- The District completed the 7500 South Sewer Line Project, which replaced the existing sewer main line with a larger-capacity main line and installed new manholes on 7500 South from State Street to 410 East. The cost of the project was \$2,883,624.

MIDVALLEY SEWER DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: 1) financial statements, and 2) notes to the financial statements.

The District's financial statements on a single enterprise fund basis. Enterprise funds are used to account for operations that are financed and operated in a manner like private businesses, where the intent is that all costs of providing certain goods and services to the public be financed or recovered primarily through user charges. The accrual method of accounting is used for this fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. These statements provide both long-term and short-term information about the District's overall financial status.

The financial statements are comprised of three statements and related notes to the financial statements.

The *Statement of Net Position* presents information on all the assets and liabilities of the District, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the District's net position changed during the fiscal year reported. 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, all of the current year's revenues and expenses are considered regardless of when the cash is received or paid.

The *Statement of Cash Flows* presents information on the cash receipts, cash payments, and change in cash resulting from operations, investing, and financing activities. This statement answers questions such as where the cash came from, what was the cash used for, and what was the change in the cash balance during the reporting period.

The *Notes to Financial Statements* provide additional information that is essential for a full understanding of the information provided in the financial statements. The notes are part of the basic financial statements.

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

The focus of the District's financial statements 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 that may arise. As applicable, the net position section on the statement of net position is divided between invested in capital assets, net of related debt, restricted net position, and unrestricted net position. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay any debt must be provided from other sources, since the capital assets themselves are not intended to be used to liquidate any debt or liabilities.

MIDVALLEY SEWER DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Net Position

The net position section on the *Statement of Net Position* is divided between invested in capital assets, net of related debt, restricted net position, and unrestricted net position.

Net investment in capital assets - this largest portion of the District's net position (61%) reflects the District's investment in capital assets (e.g. land, buildings, equipment, sewer collection pipe and manholes, and treatment plant capacity rights)

Unrestricted net position - this portion of the District's net position (39%) reflects the unrestricted portion of net position, which is available for the District to pay operating expenses and purchase capital assets.

FINANCIAL STATEMENT ANALYSIS

The following is a condensed presentation of the *Statement of Net Position*:

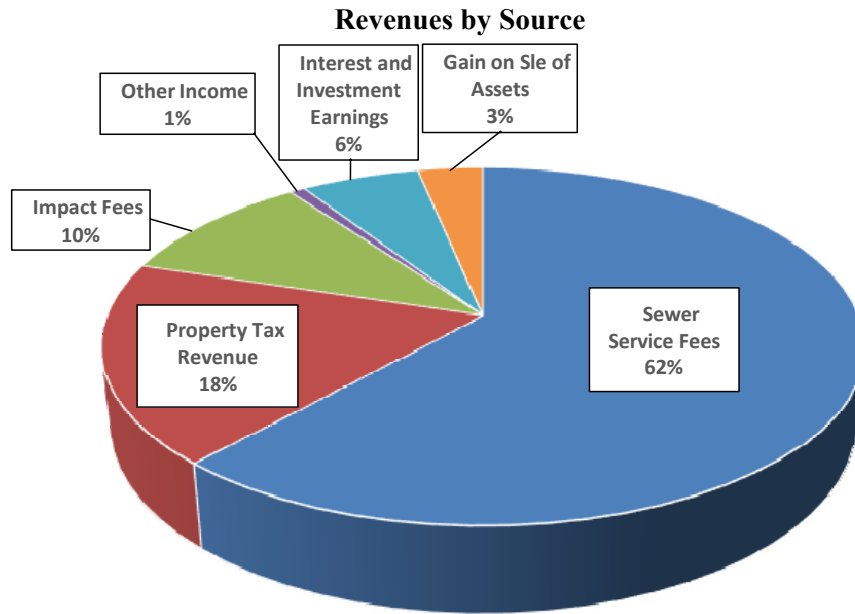
	<u>2025</u>	<u>2024</u>
Assets:		
Current Assets and Other Assets	\$ 13,622,014	\$ 12,320,065
Capital Assets, Net	<u>17,578,635</u>	<u>14,585,960</u>
Total Assets	<u>31,200,649</u>	<u>26,906,025</u>
Deferred Outflows of Resources	<u>375,858</u>	<u>374,855</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 31,576,507</u></u>	<u><u>\$ 27,280,880</u></u>
Liabilities:		
Current Liabilities	\$ 1,826,617	\$ 464,307
Non-Current Liabilities	<u>751,834</u>	<u>584,539</u>
Total Liabilities	<u>2,578,451</u>	<u>1,048,846</u>
Deferred Inflows of Resources	<u>1,475</u>	<u>1,445</u>
Net Position:		
Net Investment in Capital Assets	17,578,635	14,585,960
Unrestricted	<u>11,417,946</u>	<u>11,644,629</u>
Total Net Position	<u>28,996,581</u>	<u>26,230,589</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u><u>\$ 31,576,507</u></u>	<u><u>\$ 27,280,880</u></u>

MIDVALLEY SEWER DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL STATEMENT ANALYSIS (Continued)

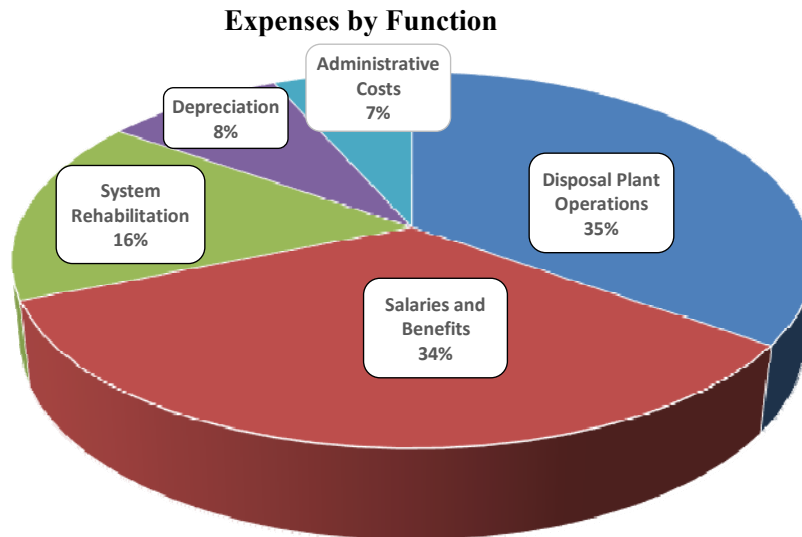
Overview of District Revenues

The District has two primary sources of revenue: sewer service fees from customers and property taxes composed primarily of real property taxes and motor vehicle taxes.



Overview of District Expenditures

The District has four major costs of operation: disposal plant operations, salaries and benefits, depreciation expense, and administrative costs. Depreciation expense represents the estimated cost or portion of existing system used for operations used during the year.



MIDVALLEY SEWER DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL STATEMENT ANALYSIS (Continued)

Overview of Major Revenues, Expenses, and Contributed Capital

The following is a condensed presentation of the *Statement of Revenues, Expenses and Changes in Net Position*:

	<u>2025</u>	<u>2024</u>
Revenues:		
Sewer service fees	\$ 4,923,904	\$ 4,385,504
Property taxes	1,449,587	1,465,701
Impact fees	815,417	132,326
Other income	60,952	31,587
Interest and investment earnings	472,414	448,617
Gain on disposal of assets, net	259,010	(15,347)
Total Revenues	<u>7,981,284</u>	<u>6,448,388</u>
Expenses:		
Disposal plant operations	1,907,560	1,977,072
Salaries and benefits	1,866,678	1,693,882
System rehabilitation	867,995	917,432
Depreciation	470,556	438,462
Administrative costs	363,801	378,859
Total Expenses	<u>5,476,590</u>	<u>5,405,707</u>
Net Income	2,504,694	1,042,681
Capital Contributions	261,298	175,966
Change in Net Position	2,765,992	1,218,647
Net Position - Beginning of Year	<u>26,230,589</u>	<u>25,011,942</u>
Net Position - End of Year	<u><u>\$ 28,996,581</u></u>	<u><u>\$ 26,230,589</u></u>

Capital Contributions

Capital Contributions are made in the form of main sewer lines which are dedicated to the District by developers. The District requires the developer to design and install, at the developer's expense, sanitary sewer lines for each new subdivision. The design and installation of the lines are reviewed and approved by the District's Engineer. The lines are subject to the District's specifications and are inspected by the District during construction. The District requires testing and approval before the lines are accepted into the system.

Overview of Capital Assets & Debt Administration

The primary area associated with capital costs within the District is with the repair of sewer lines, rehabilitation of manholes, increase in sewer line capacity, treatment plant construction assessments, and collection line maintenance.

MIDVALLEY SEWER DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FINANCIAL STATEMENT ANALYSIS (Continued)

Pipe-lining is a trenchless sewer line replacement process whereby the older or damaged sewer lines are lined with a high-density polyethylene that essentially creates new pipe within the old one. Pipe-lining costs are much lower than the traditional replacement costs of digging up the old or damaged pipes and replacing them with new ones.

The District has identified significant capital projects for the next five years as follows:

Costs for Maintenance Projects: in 2026 to 2030, the District is planning to replace certain sewer lines and manholes for an estimated cost of \$1,232,000.

Costs for Capacity Deficiencies: in 2026 to 2030, the District budgeted to replace certain sewer pipes with larger pipes to increase the line's capacity for an estimated cost of \$9,610,000.

Costs for Collection Line Maintenance: in 2026, the District has budgeted \$927,000 for pipe-lining and for manhole rehabilitation projects. The District has budgeted an average of \$950,000 a year for the years 2026 through 2030 for pipe-lining and manhole rehabilitation projects.

Costs for Treatment Plant Capital: In the next five years, the District anticipates paying about \$5,147,000 for the District's proportional share of the treatment plant capital upgrades and mainline rehabilitation. The capital upgrades will not increase the capacity of the treatment plant.

The District anticipates that the District's cash and investment reserves will be sufficient to pay for the above capital projects without incurring any debt.

OTHER SIGNIFICANT MATTERS

South Valley Water Reclamation Facility

The District has an intangible asset of sewer treatment capacity rights in the South Valley Water Reclamation Facility (SVWRF) treatment plant. These capacity rights consist of the right to have up to 3.8 million gallons a day (MGD) of the District's wastewater flow into the treatment plant.

The District has participated with SVWRF since 1976 when it was organized for the purpose of operating a regional sewage treatment facility for the benefit of two cities and three special districts. SVWRF was originally organized in 1978 with an Inter-local Agreement under the State of Utah, and in 2004 became a separate legal entity as an interlocal district under Utah State Law.

SVWRF is administered by a five-member board consisting of one board member from each of the five participating governmental entities. Each board member has an equal vote regardless of the capacity rights owned. The Board is responsible for adopting a budget and provides the financing for Facility operations.

**MIDVALLEY SEWER DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)**

OTHER SIGNIFICANT MATTER (Continued)

The following is a recap of the related capacity rights in the treatment plant as of December 31, 2025.

	<u>Percent</u>	<u>MGD</u>
Jordan Basin Improvement District	38.72%	19.36
West Jordan City Corporation	36.44%	18.22
Sandy Suburban Improvement District	11.00%	5.50
Midvalley Sewer District	7.68%	3.84
Midvale City Corporation	<u>6.16%</u>	<u>3.08</u>
Total	<u>100.00%</u>	<u>50.00</u>

The District is billed monthly for their proportional share of the operating costs of SVWRF's treatment plant. This expense can be observed on the *Statement of Revenues, Expenses and Changes in Net Position* under the Operating Expenses as Disposal Plant Operations.

Economic Factors and Next Year's Budget

On November 12, 2025, the District adopted the Operating Budget (the budget) for the next calendar year ending December 31, 2026. The details of the budget, including the economic and other major factors considered, can be found on the District's website at <https://MidvalleySewer.gov>.

As of the date of issuance of these financial statements and as pertaining to the 2026 budget, the District is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position (net position) or the results of operations (revenues, expenses, and other changes in net position).

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Midvalley Sewer District's finances for all those with an interest in the government's finances concerning any of the information provided in this report or requests for additional information should be addressed to the Midvalley Sewer District, Chief Financial Officer, P.O. Box 145 (160 East 7800 South), Midvale, Utah 84047. This report and other financial information can be found on the District's website at <https://MidvalleySewer.gov>.

BASIC FINANCIAL STATEMENTS

MIDVALLEY SEWER DISTRICT
STATEMENT OF NET POSITION
December 31, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$ 4,374,417
Receivables:	
Service fees	118,302
Property taxes	231,540
Certified liens on property	20,511
SVWRF - Sewer Treatment Plant	206,319
Other	1,960
Prepaid items	28,952
Prepaid disposal plant operations	178,935
Restricted cash and cash equivalents - developer deposits	229,326
Total Current Assets	5,390,262

Non-Current Assets

Capital Assets Not Being Depreciated:	
Land	300,370
Intangible asset - SVWRF capacity rights	3,414,424
Capital Assets Being Depreciated:	
Buildings and improvements, net	953,730
Sewer collection system, net	11,127,580
Equipment and vehicles, net	1,782,531
Total Capital Assets	17,578,635
Other Non-Current Assets	
Prepaid disposal plant operations	1,748,412
Restricted cash and cash equivalents - developer deposits	95,037
Investments	6,388,303
Total Non-Current Other Assets	8,231,752
Total Non-Current Assets	25,810,387

Total Assets 31,200,649

Deferred Outflow of Resources Relating to Pensions 375,858

Total Assets and Deferred Outflow of Resources **\$ 31,576,507**

The notes to the financial statements are an integral part of this statement.

MIDVALLEY SEWER DISTRICT
STATEMENT OF NET POSITION (Continued)
December 31, 2025

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$ 1,242,926
Unearned service fees	217,635
Developer deposits (payable from restricted cash)	229,326
Compensated absences	<u>136,730</u>
Total Current Liabilities	<u>1,826,617</u>

Non-Current Liabilities

Developer deposits (payable from restricted cash)	95,037
Compensated absences	427,295
Net pension liability	<u>229,502</u>
Total Non-Current Liabilities	<u>751,834</u>

Total Liabilities	<u>2,578,451</u>
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Deferred Inflows of Resources Relating to Pensions	<u>1,475</u>
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Total Liabilities and Deferred Inflow of Resources	<u>2,579,926</u>
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Net Position

Net investment in capital assets	17,578,635
Unrestricted	<u>11,417,946</u>
Total Net Position	<u>28,996,581</u>

Total Liabilities, Deferred Inflow of Resources, and Net Position	<u><u>\$ 31,576,507</u></u>
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The notes to the financial statements are an integral part of this statement.

MIDVALLEY SEWER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year Ended December 31, 2025

Operating Revenues:	
Sewer service fees	\$ 4,923,904
Other operating income	54,936
Total Operating Revenues	<u>4,978,840</u>
Operating Expenses:	
Disposal plant operations	1,907,560
Salaries and wages	1,015,042
Payroll taxes	76,492
System rehabilitation	867,995
Repairs and maintenance	32,842
Employee benefits	775,144
Depreciation	470,556
Office supplies and expense	203,208
Auto and truck expense	34,033
Insurance	42,171
Engineering fees	18,050
Legal and accounting	30,497
Election	3,000
Total Operating Expenses	<u>5,476,590</u>
Operating Loss	<u>(497,750)</u>
Non-Operating Revenues (Expenses):	
Property tax revenue	1,449,587
Impact fees	815,417
Interest earnings	169,302
Investment earnings	263,241
Investment earnings - change in fair value	39,871
Gain on disposal of assets, net	259,010
Other revenues	6,016
Total Non-Operating Revenues (Expenses):	<u>3,002,444</u>
Net Income Before Contributed Capital	<u>2,504,694</u>
Contributed Capital - Sewer Lines	<u>261,298</u>
Change In Net Position	2,765,992
Total Net Position, Beginning of Year	<u>26,230,589</u>
Total Net Position, End of Year	<u><u>\$ 28,996,581</u></u>

The notes to the financial statements are an integral part of this statement.

**MIDVALLEY SEWER DISTRICT
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2025**

Cash Flows from Operating Activities	
Receipts from customers and users	\$ 4,949,475
Payments to disposal plant and suppliers	(1,909,398)
Payments to employees for salaries and benefits	<u>(1,802,648)</u>
Net Cash From Operating Activities	<u>1,237,429</u>
Cash Flows From Noncapital Financing Activities	
Property tax receipts	1,411,164
Receipts from other sources	6,016
Developer deposits - net change	<u>277,124</u>
Net Cash From Noncapital Financing Activities	<u>1,694,304</u>
Cash Flows From Capital and Related Financing Activities	
Purchase of capital assets	(3,701,922)
Proceeds from sale of capital assets	759,000
Impact fees received	<u>815,417</u>
Net Cash From Capital and Related Financing Activities	<u>(2,127,505)</u>
Cash Flows From Investing Activity	
Interest earnings from PTIF	<u>169,302</u>
Net Cash From Investing Activity	<u>169,302</u>
Net Increase (Decrease) in Cash and Cash Equivalents	973,530
Cash and Cash Equivalents, Beginning of Year	<u>3,725,250</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 4,698,780</u></u>

The notes to the financial statements are an integral part of this statement.

MIDVALLEY SEWER DISTRICT
STATEMENT OF CASH FLOWS (Continued)
For the Year Ended December 31, 2025

Reconciliation of Operating Loss to Net Cash from Operating Activities

Operating Loss	\$ (497,750)
Adjustments to reconcile operating loss to net cash from operating activities:	
Depreciation expense	470,556
Amortization of Prepaid Disposal Plant Operations	178,937
Increase in compensated absences	43,927
Net pension obligation (Utah Retirement Systems)	62,551
(Increase) Decrease in current assets	
Receivables	(159,707)
Prepaid items	(6,114)
Increase (Decrease) in current liabilities	
Accounts payable	1,174,897
Accrued liabilities	(42,448)
Unearned sewer service fees	12,580
Net Cash From Operating Activities	<u>\$ 1,237,429</u>

Noncash Investing, Capital, and Financing Activities

Investment earnings, including a fair value increase of \$39,870	\$ 303,112
Contributed capital sewer lines received during the year	\$ 261,298

The notes to financial statements are an integral part of this statement.

MIDVALLEY SEWER DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES

Reporting Entity

Midvalley Sewer District (the District) was formed by Salt Lake County in 1947 under the laws of the State of Utah for the purpose of constructing and maintaining the public sanitary sewer collection and conveyance services to residents situated within its boundaries. The District formally began operations in January 1955. The District was originally named Salt Lake City Suburban Sanitary District No. 2. In March 2005, the District changed its name to Midvalley Improvement District. In September 2024, the District changed its name to Midvalley Sewer District. The District's boundaries include parts of Midvale City, Sandy City, Murray City, Cottonwood Heights, and unincorporated areas of Salt Lake County.

The District is a separate legal entity and governed by a three-member Board of Trustees. The Board of Trustees is elected by the public and has decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. The District is not a component unit of any other government, nor does the District have any component units.

Summary of Significant Accounting Policies:

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to government entities. The *Governmental Accounting Standards Board* (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles. Financial reporting is based upon accounting guidance codified by GASB.

The following is a summary of the more significant policies.

Financial Statement Presentation and Basis of Accounting

The District prepares its financial statements on an enterprise fund basis, which is a type of proprietary fund. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private businesses, where the intent is that all costs of providing certain goods and services to the general public be financed or recovered primarily through user charges, or where it has been deemed that periodic determination of net income is appropriate for reserves for capital maintenance, public policy, management control, accountability, or other purposes.

Accordingly, the District's financial statements are presented on the accrual basis of accounting. Revenues from operations, investments, and other sources are recorded when earned and expenses are recorded when liabilities are incurred. Non-exchange transactions, in which the District receives value without directly giving value in return, includes property tax revenue and contributed sewer lines.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to customers to the system. Operating expenses for the District include the cost of sewage treatment, personnel, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

MIDVALLEY SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For the purposes of these financial statements, cash and cash equivalents are defined as cash on hand, demand deposits, and funds invested in the State Treasurer's Investment Fund (PTIF) which are available for withdrawal the next business day.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment earnings.

Restricted Resources

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

Allowance for Doubtful Accounts

The District has not set up an allowance for doubtful accounts for receivable of sewer service fees. Unpaid fees are certified to Salt Lake County and attached as liens on the related customer's real estate.

Capital Assets

Capital assets include land, construction in process, buildings and improvements, sewer collection system, equipment, and vehicles. Capital assets are defined by the District with an initial individual cost of more than \$15,000 and an estimated useful life in excess of one year. The District records capital assets additions at cost when purchased or constructed. Normal maintenance and repairs, which do not increase the capacity or efficiency of the asset or increase its estimated useful life, are charged to expense as incurred.

The District receives capital contributions in the form of sewer collection lines which are constructed by developers and conveyed to the District. The District requires developers to design and install, at the developer's expense, sewer collection lines for each new subdivision. The design and installation of the lines are reviewed and approved by the District's management. The sewer collection lines are recorded at the estimated fair value, provided by the District's management, as of the date the lines are completed and accepted.

The gain or loss from the disposal of assets is included as non-operating revenues or expenses. Interest incurred during the construction phase of capital assets of the District is included as part of the capitalized value of the assets constructed. Land and construction in process are not depreciated. Other capital assets are depreciated using the straight-line method over estimated useful lives of the assets as follows:

<u>Capital Asset Classes</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	10-40 years
Sewer collection system	50 years
Equipment and vehicles	1-10 years

MIDVALLEY SEWER DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (Continued)

Intangible Assets

The District has an intangible asset of sewer treatment capacity rights in the South Valley Water Reclamation Facility (SVWRF) treatment plant. These capacity rights consist of the right to have up to 3.84 million gallons a day (MGD) of the District's wastewater flow into the SVWRF treatment plant.

Vacation Time and Sick Leave Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Each employee may carry forward up to one year's worth of earned vacation days, after which, if the vacation days are not used, the hours will be paid out at the current hourly pay rate of the employee. Sick leave may accrue up to 1,200 hours. Employees with a minimum of 600 sick leave hours can: (1) cash out of any hours in excess of 600 hours any time during the year, (2) use any hours in excess of 600 hours as additional personal time off, up to a maximum amount of their annual vacation time, (3) continue to accrue their unused medical leave up to a maximum of 1,200 hours. At the end of the fiscal year, all unused medical leave, more than 1,200 hours, will be paid out at the current hourly pay rate of the employee.

Property Tax Revenues

Property tax rates are set in June of each year by the Board of Trustees for the District. All property taxes levied by the District are assessed and collected by Salt Lake County. Taxes are attached as an enforceable lien as of January 1, are levied as of October 1, and are due November 30. The District's certified tax rate in Salt Lake County for 2025 was 0.000401, all of which was used for operations and maintenance.

Post-Retirement Benefits

The District offers post-retirement health insurance benefits to employees based on their length of employment and only to employees that were hired prior to January 1, 1999. Expenditures for post-retirement health care benefits are recognized on a monthly basis as the premiums are paid. For the year ending December 31, 2025, the District paid \$5,467 in costs associated with these post-retirement benefits.

Unearned Service Fees

This liability represents sewer fees billed to customers in advance, for which payments have been received but not earned.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) including additions to and 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 they are due and payable in accordance with the benefit terms.

MIDVALLEY SEWER DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF ACCOUNTING POLICIES (Continued)

Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources and inflows of resources, certain items that were previously reported as assets and liabilities.

In addition to assets, the 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) until then.

The District reports deferred outflows of resources relating to pension, which consists of unrecognized items not yet charged to pension expense and contributions from the employer after the measurement date but before the end of the employer's reporting period.

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 (revenues) until that time.

The District reports deferred inflows of resources relating to the pension which consists of the unamortized portion of the net difference between projected and actual earnings on pension plan investments and other unrecognized items not yet charged to pension expense.

Budgets

The annual budget is adopted by a resolution of the Board of Trustees. All annual appropriations are maintained on an accrual basis and lapse at fiscal year-end.

New Accounting Standard

The District has adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). GASB Statement No. 96 requires entities to record a right-of-use asset, and a subscription liability for any qualifying SBITAs. The District evaluated all potential SBITAs and determined that none met the requirements to be reported under GASB 96.

Management Estimates and Assumptions

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 at December 31, 2025, and the revenues and expenses during the reporting year then ended. Actual results could differ from those estimates made in the preparation of the financial statements.

MIDVALLEY SEWER DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents

Cash includes amounts in demand deposits accounts. Cash equivalents are funds held in an investment pool at the Utah Public Treasurers' Investment Fund (PTIF) that is managed by the Utah State Treasurer's Office. Funds held by the PTIF are considered as a demand deposit account.

Deposits and Investment Policy

The District's deposits and investment policy is to follow the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7) and rules of the State Money Management Council (as described below); therefore, the District does not have a separate deposit or investment policy that addresses specific types of deposit and investment risks to which the District is exposed.

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the 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 (*Utah Code*, Title 51, Chapter 7) Act in handling its depository and investment transactions. The Act requires the depositing of District funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the District's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, certified investment advisors, or directly with issuers of the investment securities.

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 U.S. government-sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

MIDVALLEY SEWER DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH DEPOSITS AND INVESTMENTS (Continued)

Investment Advisors

The District uses a certified investment advisor to assist in investing only in securities that are allowable under the Utah Money Management Act (*Utah Code*, Title 51, Chapter 7). This investment advisor has discretionary authority to make decisions to buy and sell investments for the District. All investments are recorded in the name of the District and are held in a custodial account with Principal Financial Group.

Public Treasurers' Investment Fund (PTIF)

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). 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 Money Management Act (*Utah Code*, Title 51, Chapter 7).

The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Deposits and Investment Risk Disclosures

The District's cash, cash equivalents, and investments are exposed to certain risks as outlined below:

Custodial Credit Risk – Deposits: 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 comply with the Utah Money Management Act (the 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 Utah State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The District has funds deposited in a bank which is covered up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2025, \$820,331 of the amount held in deposit was uninsured and uncollateralized. The District also has deposits of \$3,653,553 in the PTIF which are not insured or otherwise guaranteed.

MIDVALLEY SEWER DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – Investments: 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 that are in the possession of an outside party. The District does have a formal policy for custodial credit risk.

All investments other than bank deposits or funds invested in the state treasurer's fund are to be held by a third party with securities delivered on delivery vs. purchase basis. As of December 31, 2025, the District safe-kept all investments with custodian counterparty Principal Financial Group, and all investments which was/were held by the counterparty's trust department or agent and are registered in the District's name. The District does not believe they are exposed to custodial credit risks related to their investments.

Interest Rate Risk: 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's Money Management Act. Section 51-7-11 of the Money Management 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 limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less.

The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate corporate note securities may not have a remaining term to final maturity exceeding three years.

Credit Risk: the risk that an issuer or the counterparty to an investment will not fulfill its obligations. The District's policy for limiting the credit risk is to comply with the Utah Money Management Act, as previously discussed. For cash deposits, the District uses only qualified depositories. For funds considered cash equivalents, 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's Office and subject to the Utah Money Management Act and the Utah Money Management Council requirements.

Concentration of Credit Risk: the risk of loss attributed to the magnitude of an investment in a single issuer. The District's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The District has determined that its investments have no concentration of credit risk.

At December 31, 2025, Midvalley Sewer does not hold more than 10 percent of total investments in any single security concentration other than U. S. Government Treasuries and Agencies.

MIDVALLEY SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH DEPOSITS AND INVESTMENTS (Continued)

The District's investments have the following attributes:

Investments	Fair Value	Weighted Average Maturity (Years)	Credit Rating
Money Market	\$ 54,372	-	AAA
US Treasuries	859,065	0.37	AA+
US Gov agencies	49,754	3.32	AAA
Certificate of Deposits	2,843,696	2.03	A+
Corporate Notes	2,581,416	2.05	A+
Total Investments	<u>\$ 6,388,303</u>		

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Valuations based on quoted prices in active markets for identical assets or liabilities that the District can access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail any significant degree of judgment. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.
- *Level 2:* Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include: corporate and municipal bonds, and "brokered" or securitized certificates of deposit; and,
- *Level 3:* Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At December 31, 2025, the District had the following recurring fair value measurements.

Investments by Fair Value Level	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Money Market	\$ 54,372	\$ -	\$ -	\$ 54,372
US Treasuries	859,065	-	-	859,065
US Gov Agencies	49,754	-	-	49,754
Certificate of Deposits	-	2,843,696	-	2,843,696
Corporate Notes	-	2,581,416	-	2,581,416
Total Investments				
By Fair Value Level	<u>\$ 963,192</u>	<u>\$ 5,425,112</u>	<u>\$ -</u>	<u>\$ 6,388,303</u>

MIDVALLEY SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 CASH DEPOSITS AND INVESTMENTS (Continued)

Debt and equity securities classified in *Level 1* are valued using prices quoted in active markets for those securities.

For securities that generally have market prices from multiple sources, it can be challenging to select the best individual price, and the best source one day may not be the best source on the following day. The solution is to report a “consensus price” or a weighted average price for each security.

The District receives market prices for these securities from a variety of industry standard data providers (e.g., Bloomberg), security master files from large financial institutions, and other third-party sources. Through the help of an investment advisor, the District uses these multiple prices as inputs into a distribution-curve based algorithm to determine the daily market value.

- U.S. Treasuries and U.S. Agencies are quoted prices for identical securities in markets that are active.

Debt securities classified in *Level 2* are valued using the following approaches:

- Corporate and Municipal Bonds and Commercial Paper: quoted prices for similar securities in active markets.
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities’ relationship to benchmark quoted prices.
- Bond Mutual Funds: published fair value per share (unit) for each fund.

The following is a summary of the District’s deposits as of December 31, 2025:

	Carrying Amount
As reported on the Statement of Net Position:	
Cash and cash equivalents (current assets)	\$ 4,374,417
Restricted cash and cash equivalents:	
Developer deposits - current term	229,326
Developer deposits - long term	95,037
Total Cash and Cash Equivalents	<u>\$ 4,698,780</u>
Utah Public Treasurer's Investment Fund (PTIF)	\$ 3,653,553
Cash on deposit	<u>1,045,227</u>
Total Cash and Cash Equivalents	<u>\$ 4,698,780</u>

MIDVALLEY SEWER DISTRICT NOTES TO FINANCIAL STATEMENTS

NOTE 3 RECEIVABLES

The following is a description of the major receivables of the District:

- *Service Fees* - are receivables from customers for sewer service fees.
- *Property Taxes* – this receivable is from Salt Lake County for property taxes collected after year end on the District's behalf.
- *Certified Liens on Property* – is the uncollected total amount of past due accounts receivable for service fees, unpaid connection fees and penalties which have been certified to the Salt Lake County Treasurer's office for attachment to the related real estate property as liens. No reserve for uncollectible accounts has been established, as the property cannot be sold or transferred without first clearing those liens from the records.
- *SVWRF* – this receivable is from South Valley Water Reclamation Facility and represents a refund of a portion of the year's disposal plant operations expense.

NOTE 4 PREPAID DISPOSAL PLANT OPERATIONS

From 2006 to 2008 the District paid \$1,914,320 to South Valley Water Reclamation Facility (SVWRF) to provide SVWRF with funds to build certain portions of the sewage treatment plant. The District has recorded these payments as an asset on the *Statement of Net Position* as Prepaid Disposal Plant Operations. The District is amortizing \$80,585 a year over the estimated prepayment period until the year 2030. The amortized amount is included in the Disposal Plant Operations expense on the *Statement of Revenues, Expenses, and Changes in Net Position*.

From 2018 to 2021 the District paid \$1,967,002 to SVWRF to upgrade to the treatment plant to comply with the requirements of the Environmental Protection Agency and the Utah State Department of Water Quality. The District has recorded these payments as an asset on the *Statement of Net Position* as Prepaid Disposal Plant Operations. The District started amortizing these prepaid amounts in July 2021 and will be amortizing \$98,350 a year over the estimated prepayment period until the year 2041. The amortized amount is included in the Disposal Plant Operations expense on the *Statement of Revenues, Expenses, and Changes in Net Position*.

**MIDVALLEY SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 CAPITAL ASSETS

The following summarizes the District's capital assets for the year ending December 31, 2025:

	Balance 12/31/2024	Additions	Deletions	Balance 12/31/2025
Capital Assets not Being Depreciated:				
Land	\$ 300,370	\$ -	\$ -	\$ 300,370
SVWRF capacity rights	3,414,424	-	-	3,414,424
Construction in process	146,202	2,737,421	(2,883,623)	-
Total Capital Assets not Being Depreciated	3,860,996	2,737,421	(2,883,623)	3,714,794
Capital Assets Being Depreciated:				
Buildings and improvements	1,986,140	-	(13,018)	1,973,122
Sewer collection system	14,625,968	3,144,922	-	17,770,890
Equipment and vehicles	2,105,411	964,500	(944,636)	2,125,275
Total Capital Assets Being Depreciated	18,717,519	4,109,422	(957,654)	21,869,287
Less: Accumulated Depreciation:				
Buildings and improvements	(981,422)	(48,530)	10,560	(1,019,392)
Sewer systems	(6,358,047)	(285,263)	-	(6,643,310)
Equipment and vehicles	(653,086)	(136,763)	447,105	(342,744)
Total Accumulated Depreciation	(7,992,555)	(470,556)	457,665	(8,005,446)
Total Capital Assets Depreciated, net	10,724,964	3,638,866	(499,989)	13,863,841
Total Capital Assets, net	<u>\$ 14,585,960</u>	<u>\$ 6,376,287</u>	<u>\$ (3,383,612)</u>	<u>\$ 17,578,635</u>

Depreciation expense of \$470,556 was charged to operating expense for the year ended December 31, 2025.

MIDVALLEY SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 6 INTANGIBLE ASSET - SVWRF CAPACITY RIGHTS

The District has an intangible asset of sewer treatment capacity rights in the SVWRF treatment plant. These capacity rights consist of the right to have up to 3.84 million gallons a day (MGD) of District's wastewater flow in and be treated at the SVWRF treatment plant. The District accounts for the SVWRF Capacity Rights as a capital asset that is not being depreciated, as shown in Note 5 of these financial statements.

The District has participated with SVWRF since 1976 when it was organized for the purpose of operating a regional sewage treatment facility for the benefit of two cities and three local sewer districts. SVWRF was originally organized in 1978 with an Inter-local Agreement under the State of Utah, and in 2004 became a separate legal entity as a special district under State Law.

SVWRF is administered by a five-member board consisting of one board member from each of the five participating governmental entities. Each board member has an equal vote regardless of the capacity rights owned. The Board is responsible for adopting a budget and provides the financing for SVWRF operations.

The following entities have the rights to the SVWRF capacity at December 31, 2025, as follows:

	<u>Percent</u>	<u>MGD</u>
Jordan Basin Improvement District	38.72%	19.36
West Jordan City Corporation	36.44%	18.22
Sandy Suburban Improvement District	11.00%	5.50
Midvalley Sewer District	7.68%	3.84
Midvale City Corporation	<u>6.16%</u>	<u>3.08</u>
Total	<u>100.00%</u>	<u>50.00</u>

The District is billed monthly for their proportional share of the operating costs of SVWRF's treatment plant. This expense can be observed on the *Statement of Revenues, Expenses and Changes in Net Position* under the Operating Expenses as Disposal Plant Operations.

NOTE 7 LONG-TERM DEBT

The following is a summary of the changes in the compensated absences payable for the year ended December 31, 2025:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>12/31/2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2025</u>	<u>One Year</u>
Compensated					
Absences	\$ 562,546	\$ 1,479 *	\$ -	\$ 564,025	\$ 136,730
Total	<u>\$ 562,546</u>	<u>\$ 1,479</u>	<u>\$ -</u>	<u>\$ 564,025</u>	<u>\$ 136,730</u>

* The Change in the compensated absences liability is presented as a net change.

MIDVALLEY SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 8 RETIREMENT PLAN

Plan Description

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

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System. The Systems are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the System's Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. The Systems is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

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

Summary of Benefits by System

Benefits provided: The Systems provides retirement, disability, and death benefits. Retirement benefits are as follows:

<u>System</u>	<u>Final Average Salary</u>	<u>Years of Service and/or Age Eligible for Benefit</u>	<u>Benefit Percentage Per Year of Service</u>	<u>COLA**</u>
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* Actuarial reductions are applied

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**MIDVALLEY SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 RETIREMENT PLAN (Continued)

Contributions Rate Summary

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

Contribution rates as of December 31, 2025 are as follows:

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401(k)</u>
Noncontributory System:			
15 Local Government Div - Tier 1	N/A	15.97%	0.00%
Contributory System*:			
111 Local Government Div - Tier 2	0.81	14.19%	0.00%
Tier 2 DC Only:*		-	
211 Local Government	N/A	4.19%	10.00%

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

For the fiscal year ended December 31, 2025, the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 97,022	\$ N/A
Tier 2 Public Employees System	45,045	2,327
Tier 2 DC Public Employees Plan	8,773	N/A
Total Contributions	<u>\$ 150,840</u>	<u>\$ 2,327</u>

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

**MIDVALLEY SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 RETIREMENT PLAN (Continued)

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

At December 31, 2025, the District reported a net pension asset of \$0 and a net pension liability of \$229,502.

The measurement date for the following is December 31, 2024.

	Net Pension Asset	Net Pension Liability
Noncontributory System	\$ -	\$ 207,901
Tier 2 Public Employees System	-	21,601
Total Net Pension Asset / Liability	<u>\$ -</u>	<u>\$ 229,502</u>

	Proportionate Share 12-31-2024	Proportionate Share 12-31-2023	Change Increase (Decrease)
Noncontributory System	0.0655608%	0.0664133%	(0.0008525)%
Tier 2 Public Employees System	0.0072430%	0.0061279%	0.0011151%

The net pension asset and liability were measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, and rolled-forward using generally accepted actuarial procedures.

The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended December 31, 2025, the District recognized pension expense of \$213,244.

**MIDVALLEY SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 RETIREMENT PLAN (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 133,217	\$ 149
Changes in assumptions	24,412	2
Net difference between projected and actual earnings on pension plan investments	64,004	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,385	1,324
Contributions subsequent to the measurement date	150,840	-
Total	<u>\$ 375,858</u>	<u>\$ 1,475</u>

The District reported \$150,840 as deferred outflows of resources related to pensions results from contributions made by the District prior to the District's fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 120,873
2026	118,218
2027	(23,763)
2028	(2,589)
2029	4,851
Thereafter	5,954
Total	<u>\$ 223,544</u>

**MIDVALLEY SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 RETIREMENT PLAN (Continued)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2025, the District recognized pension expense of \$189,646. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 123,879	\$ -
Changes in assumptions	17,197	-
Net difference between projected and actual earnings on pension plan investments	62,623	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	1,002
Contributions subsequent to the measurement date	97,022	-
Total	<u>\$ 300,721</u>	<u>\$ 1,002</u>

The District reported \$97,022 as deferred outflows of resources related to pensions results from contributions made by the District prior to the District's fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 118,377
2026	114,371
2027	(25,410)
2028	(4,640)
2029	-
Thereafter	-
Total	<u>\$ 202,698</u>

**MIDVALLEY SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 RETIREMENT PLAN (Continued)

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended December 31, 2025, the District recognized pension expense of \$23,598. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,338	\$ 149
Changes in assumptions	7,215	2
Net difference between projected and actual earnings on pension plan investments	1,381	-
Changes in proportion and differences between contributions and proportionate share of contributions	3,385	322
Contributions subsequent to the measurement date	53,818	-
Total	<u>\$ 75,137</u>	<u>\$ 473</u>

The District reported \$53,818 as deferred outflows of resources related to pensions results from contributions made by the District prior to the District's fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2025	\$ 2,495
2026	3,847
2027	1,648
2028	2,051
2029	4,851
Thereafter	5,954
Total	<u>\$ 20,846</u>

MIDVALLEY SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 8 RETIREMENT PLAN (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 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 adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long- Term Expected Portfolio Real Rate of Return
Equity Securities	35%	7.01%	2.45%
Debt Securities	20%	2.54%	0.51%
Real Assets	18%	5.45%	0.98%
Private Equity	12%	10.05%	1.21%
Absolute Return	15%	4.36%	0.65%
Cash and Cash Equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
		Inflation	2.50%
		Expected Arithmetic Nominal Return	8.30%

MIDVALLEY SEWER DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 8 RETIREMENT PLAN (Continued)

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

Discount rate: The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate, and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the System's Board.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (5.85%) or 1% higher (7.85%) than the current rate:

System	1% Decrease 5.85%	Discount Rate 6.85%	1% Increase 7.85%
Noncontributory System	\$ 879,251	\$ 207,901	\$ (355,144)
Tier 2 Public Employees System	64,518	21,601	(11,784)
Total	<u>\$ 943,769</u>	<u>\$ 229,502</u>	<u>\$ (366,928)</u>

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

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

The District participates in the Defined Contribution Savings Plan for the 401(k) Plan, the 457(b) Plan, and the Roth IRA Plan with the Utah Retirement Systems.

**MIDVALLEY SEWER DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 RETIREMENT PLAN (Continued)

Employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal years ended December 31st were as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
401(k) Plan			
Employer Contributions	\$ 89,790	\$ 85,525	\$ 106,505
457 Plan			
Employer Contributions	\$ -	\$ -	\$ -
ROTH IRA Plan			
Employer Contributions	n/a	n/a	n/a

NOTE 9 RISK MANAGEMENT

The District is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District has commercial insurance. The District also carries commercial workers' compensation insurance. There were no significant reductions in coverage from the prior year, and there have not been any claims resulting from these risks in any of the past three years.

NOTE 10 SUBSEQUENT EVENTS AND COMMITMENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through May 13, 2026, the date the financial statements were available to be issued.

In August 2024, the District awarded a construction contract in the amount of \$2,575,000 for the 7500 South Sewer Line Project. This project replaced the existing sewer main line with a larger sewer main line and new manholes on 7500 South from State Street to 410 East. As of December 31, 2025, the project was complete and the District paid the contractor \$718,360 in January 2026.

During 2025, the sewer pipe-lining and manhole rehabilitation projects were completed and the District paid the contractor \$487,048 in January 2026.

REQUIRED SUPPLEMENTAL INFORMATION

Required supplementary information includes financial information and disclosures that are required by GASB but are not considered part of the basic financial statements.

**MIDVALLEY SEWER DISTRICT
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
Measurement Date of December 31, 2024
December 31, 2025**

		Noncontributory Retirement System	Tier 2 Public Employees Retirement System
Proportion of the net pension liability (asset)			
	2024	0.0655608%	0.0072430%
	2023	0.0664133%	0.0061279%
	2022	0.0635322%	0.0065135%
	2021	0.0640296%	0.0072133%
	2020	0.0620734%	0.0078533%
	2019	0.0610869%	0.0086443%
	2018	0.0677878%	0.0060362%
	2017	0.0646676%	0.0054786%
	2016	0.0577092%	0.0060134%
	2015	0.0540158%	0.0128656%
Proportionate share of the net pension liability (asset)			
	2024	\$ 207,901	\$ 21,601
	2023	\$ 154,050	\$ 11,927
	2022	\$ 108,815	\$ 7,093
	2021	\$ (366,704)	\$ (3,053)
	2020	\$ 31,840	\$ 1,130
	2019	\$ 230,229	\$ 1,944
	2018	\$ 499,171	\$ 2,585
	2017	\$ 283,328	\$ 483
	2016	\$ 370,564	\$ 671
	2015	\$ 305,648	\$ (28)
Covered employee payroll			
	2024	\$ 646,858	\$ 214,566
	2023	\$ 599,747	\$ 158,427
	2022	\$ 525,417	\$ 142,293
	2021	\$ 492,397	\$ 133,913
	2020	\$ 464,316	\$ 125,564
	2019	\$ 447,676	\$ 120,143
	2018	\$ 518,544	\$ 70,209
	2017	\$ 487,556	\$ 53,653
	2016	\$ 434,284	\$ 49,314
	2015	\$ 395,582	\$ 83,042

**MIDVALLEY SEWER DISTRICT
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
(CONTINUED)**

**Measurement Date of December 31, 2024
December 31, 2025**

	Noncontributory Retirement System	Tier 2 Public Employees Retirement System
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll		
2024	32.14%	10.07%
2023	25.69%	7.53%
2022	20.71%	4.98%
2021	-74.47%	-2.28%
2020	6.86%	0.90%
2019	51.43%	1.62%
2018	96.26%	3.68%
2017	58.11%	0.90%
2016	85.33%	1.36%
2015	77.27%	-0.03%
Plan fiduciary net position as a percentage of the total pension liability		
2024	96.02%	87.44%
2023	96.90%	89.58%
2022	97.50%	92.30%
2021	108.70%	103.80%
2020	99.20%	98.30%
2019	93.70%	96.50%
2018	87.00%	90.80%
2017	91.90%	97.40%
2016	87.30%	95.10%
2015	87.80%	100.20%

MIDVALLEY SEWER DISTRICT
SCHEDULE OF CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS
December 31, 2025

	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System					
2025	\$ 97,022	\$ 97,022	-	\$ 590,630	16.43%
2024	\$ 112,669	\$ 112,669	-	\$ 646,858	17.42%
2023	\$ 107,775	\$ 107,775	-	\$ 599,747	17.97%
2022	\$ 95,587	\$ 95,587	-	\$ 525,417	18.19%
2021	\$ 90,946	\$ 90,946	-	\$ 492,397	18.47%
2020	\$ 85,759	\$ 85,759	-	\$ 464,316	18.47%
2019	\$ 82,686	\$ 82,686	-	\$ 447,676	18.47%
2018	\$ 95,775	\$ 95,775	-	\$ 518,544	18.47%
2017	\$ 90,052	\$ 90,052	-	\$ 487,556	18.47%
2016	\$ 80,212	\$ 80,212	-	\$ 434,284	18.47%
Tier 2 Public Employees System*					
2025	\$ 45,045	\$ 45,045	-	\$ 307,153	14.67%
2024	\$ 33,434	\$ 33,434	-	\$ 214,566	15.58%
2023	\$ 25,364	\$ 25,364	-	\$ 158,427	16.01%
2022	\$ 22,824	\$ 22,824	-	\$ 142,293	16.04%
2021	\$ 21,346	\$ 21,346	-	\$ 133,913	15.94%
2020	\$ 19,753	\$ 19,753	-	\$ 125,564	15.73%
2019	\$ 18,745	\$ 18,745	-	\$ 120,143	15.60%
2018	\$ 10,791	\$ 10,791	-	\$ 70,209	15.37%
2017	\$ 8,054	\$ 8,054	-	\$ 53,653	15.01%
2016	\$ 7,353	\$ 7,353	-	\$ 49,314	14.91%
Tier 2 Public DC Only System					
2025	\$ 8,773	\$ 8,773	-	\$ 189,007	4.64%
2024	\$ 10,392	\$ 10,392	-	\$ 184,268	5.64%
2023	\$ 20,201	\$ 20,201	-	\$ 326,352	6.19%
2022	\$ 20,859	\$ 20,859	-	\$ 324,455	6.43%
2021	\$ 20,924	\$ 20,924	-	\$ 312,767	6.69%
2020	\$ 20,160	\$ 20,160	-	\$ 301,344	6.69%
2019	\$ 19,668	\$ 19,668	-	\$ 293,990	6.69%
2018	\$ 18,456	\$ 18,456	-	\$ 275,870	6.69%
2017	\$ 17,470	\$ 17,470	-	\$ 261,138	6.69%
2016	\$ 15,227	\$ 15,227	-	\$ 227,610	6.69%

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

The notes to the required supplemental information are an integral part of this schedule.

**MIDVALLEY SEWER DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE UTAH RETIREMENT SYSTEMS**

Notes:

1. In accordance with GASB 68, the District discloses a 10-year history of the proportionate share of the net pension.
2. In accordance with GASB 68, the District discloses a 10-year history of the contributions
3. Contributions as a percentage of covered payrolls may be different than the board-certified rate due to rounding and other administrative issues.
4. There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

MIDVALLEY SEWER DISTRICT
Formerly Midvalley Improvement District

SUPPLEMENTAL REPORTS

For The Year Ended December 31, 2025



**MIDVALLEY SEWER DISTRICT
SUPPLEMENTAL REPORTS
TABLE OF CONTENTS**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and on Other matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance and Report on Internal Control Over Compliance as Required by the <i>State Compliance Audit Guide</i>	2

**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
Midvalley Sewer District
Midvale, Utah



We have audited, in accordance with 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 Midvalley Sewer 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 and have issued our report thereon dated April 30, 2026.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 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.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
April 30, 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
Midvalley Sewer District,

Report on Compliance

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

State compliance requirements were tested for the year ended December 31, 2025 in the following areas:

- Budgetary Compliance
- Fund Balance
- Fraud Risk Assessment
- Governmental Fees
- Impact Fees
- Utah Retirement Systems
- Crime Insurance for Public Treasurers

Opinion on Compliance

In our opinion, Midvalley Sewer 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). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the government program as a whole.

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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 or significant deficiencies, 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.

K&C, CPAs

K&C, Certified Public Accountants
Woods Cross, Utah
April 30, 2026

MINUTES OF THE MEETING OF THE PUBLIC HEARING, MIDVALLEY SEWER DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE, UTAH 84047 ON APRIL 8, 2026, AT THE TIME OF 5:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

**BLAKE ROEMMICH – CHAIR
RONALD SPERRY – VICE-CHAIR
ALEX HANSEN – TRUSTEE**

OTHERS PRESENT

**MARK BELL – ATTORNEY (VIRTUALLY)
JARED SYME – GENERAL MANAGER
BRENT CHRISTENSEN – CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR
ZETH DOCTER – TREASURER**

The meeting was called to order at 5:10 PM by Chair Roemmich.

1. PUBLIC COMMENTS/CEREMONIES/PRESENTATION

No one in attendance

2. BOARD OF TRUSTEES PROPOSED COMPENSATION

Mr. Roemmich stated that the purpose of the Public Hearing, pursuant to Utah Code 17b-1-307, is intended for the Board of Trustees' proposed compensation. Mr. Roemmich turned the time over to Mr. Syme.

Mr. Syme stated that District has not updated the Board of Trustees' compensation for many years. He stated that even in a small district, board service includes year-round governance responsibilities, not just time spent in the monthly meetings. Mr. Syme noted that typical duties include packet review, agenda review, routine email/phone coordination, and attendance at monthly meetings or public hearings. Members may also review budgets, rates, capital projects, policies, contracts, audits, claims, and procurement matters as needed. Periodic office attendance may be requested for check signing, document execution, staff discussions, or other time-sensitive district business. Board service remains intermittent, but it carries ongoing legal, fiduciary, and oversight responsibility throughout the year.

Mr. Bell stated that he would like the Board of Trustees to document time spent attending meetings and reviewing monthly meeting packets.

Mr. Sperry explained that Board member compensation reflects both the time spent attending meetings and reviewing materials. He emphasized that serving on the Board is largely a matter of legal responsibility and maintaining the Trustee's and the District's reputation. Mr. Sperry also pointed out that being a Board member is not solely about financial rewards; it is equally about contributing to his community through involvement with the District.

ADJOURN

The Public Hearing was adjourned at 5:21PM

DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES, MIDVALLEY SEWER DISTRICT, HELD AT 160 EAST 7800 SOUTH, MIDVALE, UTAH 84047 ON APRIL 8, 2026, AT THE TIME OF 5:00 PM, PURSUANT TO NOTICE.

BOARD OF TRUSTEES PRESENT

BLAKE ROEMMICH – CHAIR
RON SPERRY – VICE-CHAIR
ALEX HANSEN – TRUSTEE

OTHERS PRESENT

MARK BELL –ATTORNEY (VIRTUALLY)
JARED SYME – GENERAL MANAGER
BRENT CHRISTENSEN – CHIEF FINANCIAL OFFICER, DISTRICT CLERK
RICK CECALA – OPERATIONS SUPERVISOR
ZETH DOCTER – TREASURER

The meeting was called to order at 5:08 PM by Chair Roemmich.

1. PUBLIC COMMENTS/CEREMONIES/PRESENTATION

No one in attendance

2. PUBLIC HEARING – BOARD OF TRUSTEES PROPOSED COMPENSATION

The District held a Public Hearing for the Board of Trustees proposed compensation in the District offices at 160 East 7800 South in Midvale, Utah. There is a separate set of minutes for the proceedings of the Public Hearing.

3. MINUTES – APPROVAL

February 11, 2026, Minutes

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen, and passed unanimously, the Board accepted February 8, 2026, minutes as written.

	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN/ABSENT</u>
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

4. GENERAL MANAGER REPORT

a. 2026 & 2027 Pipe & Manhole Rehab Projects

Mr. Syme stated that the Operations department is finalizing the 2026 and 2027 CIPP and Manhole Rehabilitation Projects for upcoming distribution to contractors selected via the District's RFP process. These projects are divided into two phases: phase one begins and ends in 2026 with expenses in 2026 year's budget, while phase two anticipates beginning in January or February 2027.

Mr. Syme pointed out that organizing projects this way should lower mobilization expenses and lead to savings across other areas related to the project. He also mentioned that set pricing helps staff estimate costs more accurately and enhances their ability to budget precisely.

Mr. Syme reported that the 2026 project includes about 7,216 feet of concrete pipe and 53 manholes, while the 2027 project consists of roughly 10,832 feet of concrete pipe and 63 manholes.

b. District Pipe & Manhole Rehabbed Data

Mr. Syme presented the Midvalley Operations Map to the Board. He noted his involvement with all CIPP projects over the past 16 years. Mr. Syme explained that, prior to the widespread adoption of pipeline lining, replacement of specific sections was more prevalent. He further stated that the objective is to rehabilitate all concrete pipes, including those with larger diameters, within the next 10 years.

c. 2026 MWPP Survey

Mr. Syme stated that every year the Utah Division of Water Quality requires the District to fill out a Municipal Wastewater Planning Program (MWPP). He stated that many of the questions do not pertain to the District but are required to answer to be completed.

Upon Motion made by Mr. Roemmich, seconded by Mr. Sperry, and passed unanimously, the Board approved the 2026 MWPP annual survey and authorize the District Manager (or designee) to submit the completed survey to the Utah Division of Water Quality.

	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN/ABSENT</u>
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

d. Board Member Compensation Approval By Resolution 2026-04-08A

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen, and passed unanimously, the Board approved to adopt Resolution No. 2026-04-08A approving compensation structure as presented.

	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN/ABSENT</u>
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

e. On-Call Employee Compensation Increase

Mr. Syme outlined the on-call requirements for the Operations department, clarifying that all staff must be available around the clock in case of significant backups. He added that one employee is assigned to after-hours on-call duty for two weeks at a time. Mr. Syme also mentioned that compensation for this role has remained unchanged for 20 years and suggested increasing the current on-call premium. Supporting this recommendation, Mr. Roemmich proposed raising the on-call premium to \$150 bi-weekly, stating that this adjustment would better align with the demands of after-hours availability and emergency response.

Upon Motion made by Mr. Sperry, seconded by Mr. Hansen and passed unanimously, the Board approved to increase the District's on-call premium for eligible employees from \$75 to \$150 per bi-weekly paycheck, effective April 1, 2026, and authorize staff to implement the change through payroll.

	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN/ABSENT</u>
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

f. Employee Cell Phone Upgrades

Mr. Syme stated that he upgraded the employees' on-call cell phones. He noted that the total price for all the equipment was above the small purchase procurement limit and received authorization from the Board Chair via email to proceed with the purchase. Mr. Syme stated that trade-ins and employees purchasing their old devices will reduce the cost.

g. Update: Pending Matters

No report currently

5. SOUTH VALLEY WATER RECLAMATION FACILITY (SVWRF) (Information & Update)

Mr. Syme announced that ownership of both the C-2 and interceptor lines has been confirmed. He explained that further surveying is required before continuing with the capacity analysis. Mr. Syme also mentioned that he has given SVWRF authorization to proceed, ensuring that the project remains on track. He noted that the District's share for the 48-inch interceptor survey is \$1,411, and for the 7200 South C-2 interceptor survey, it is \$5,138, resulting in a total expense of \$6,549 for the District.

6. REVIEW, APPROVE AND RATIFY CASH DISBURSEMENTS

a. February 2026

Upon Motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved February 2026 cash disbursements for \$312,127.63.

	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN/ABSENT</u>
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

b. March 2026

Upon Motion made by Mr. Sperry, seconded by Mr. Roemmich and passed unanimously, the Board approved March 2026 cash disbursements for \$334,890.12.

	<u>YEA</u>	<u>NAY</u>	<u>ABSTAIN/ABSENT</u>
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

7. OFFICE REPORT

No report currently

8. CHIEF FINANCIAL OFFICER REPORT

No report currently

9. ATTORNEY REPORT

a. Legislative Update

Mr. Bell reported on the 2026 Legislative. He stated that the House Bills that were changed do not pertain to the District. Mr. Bell stated that he would update the District with any changes in the future.

b. General Manager Authority and Responsibilities

Mr. Bell stated that he is in the final stages of drafting a resolution for the Authority of the General Manager and will have it complete for the meeting on May 13, 2026.

c. Update to the Employee Manual

Mr. Bell stated that he has one of his colleagues going through the updated employee manual. He stated that he will provide the District with any recommendations in the May meeting.

10. SUPERVISOR'S REPORT

Mr. Cecala stated that development in the District is steady.

11. TRUSTEES

No updates currently.

12. CLOSED MEETING-- (if Necessary) – For the purpose(s) described in U.C.A. 52-4-205

Mr. Roemmich requested to close the open meeting and go into a closed meeting to discuss character, professional competence, or physical or mental health of one or more individuals.

Upon motion made by Mr. Sperry and seconded by Mr. Hansen, and passed unanimously, the Board approved to close the open meeting and go into a closed meeting at 6:19 PM to discuss the character, professional competence, or physical or mental health of one or more individuals.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

Attendance in the closed meeting – Mr. Roemmich, Mr. Sperry, Mr. Hansen, Mr. Syme, Mr. Christensen, and Mr. Docter.

Upon motion made by Mr. Sperry and seconded by Mr. Roemmich, and passed unanimously, the Board approved to open the public meeting at 6:43PM.

Mr. Sperry stated that the closed meeting pertained only to discussing the character, professional competence, or physical or mental health of one or more individuals.

	YEA	NAY	ABSTAIN/ABSENT
Mr. Roemmich	X		
Mr. Sperry	X		
Mr. Hansen	X		

ADJOURN

The meeting was adjourned at 6:44PM and the next Board meeting will be on May 13, 2026, at 5:00 PM.

BOARD MEETING
ISSUE SUMMARY

Date: 05-13-2026

Subject: District Legal Counsel Services



Background: Staff recommends that the Board approve the retention of Ryan J. Richards of Ryan Richards Law as legal counsel for Midvalley Sewer District. This engagement will replace the District's current legal counsel arrangement. Notice was provided to the prior firm on April 8, 2026. After reviewing the District's legal service needs and qualifications, staff believes Ryan J. Richards is qualified to represent the District and provide legal counsel on District matters. Services will be provided under the terms of the engagement agreement presented to the Board. Staff further recommends that the Board authorize the Board Chair and/or District Manager to execute the agreement on behalf of the District.

Recommendation: Staff recommends approval of the engagement of Ryan J. Richards of Ryan Richards Law as legal counsel for Midvalley Sewer District. This will replace the District's current legal counsel arrangement. Notice was provided to the prior firm on April 8, 2026. Staff recommends approval of the engagement agreement as presented and authorization for the Board Chair and/or District Manager to execute the agreement on behalf of the District.

Suggested Motion: *"I move to approve the engagement of Ryan J. Richards of Ryan Richards Law as legal counsel for Midvalley Sewer District, replacing current legal counsel, and to authorize the Board Chair and/or District Manager to execute the engagement agreement on behalf of the District".*

BOARD MEETING
ISSUE SUMMARY

Date: 5-13-2026

Subject: Fleet Update



Background: Staff recently sold the 2025 3500 for the full asking price of \$75,000. The District still plans to replace two additional vehicles this summer, and those trucks are currently on order. Staff will continue to update the Board as those vehicles arrive.

Recommendation: None

Suggested Motion: *None*

**MIDVALLEY SEWER DISTRICT
Cash Disbursements**

April 2026

**Total Cash Disbursements of:
\$ 416,565.10**

Num	Date	Name	Account	Memo	Paid Amount
	04/01/2026	QuickBooks Payroll Service	Cash In Bank - WF	Created by Direct Deposit Service on 03/24/...	
			Bank & Credit Card Fees	Fee for 2 direct deposit(s) at \$1.75 each	-3.50
TOTAL					-3.50
	04/14/2026	QuickBooks Payroll Service	Cash In Bank - WF	Created by Payroll Service on 04/10/2026	
		QuickBooks Payroll Service	Direct Deposit Liabilities	Created by Payroll Service on 04/10/2026	-28,043.52
TOTAL					-28,043.52
	04/29/2026	QuickBooks Payroll Service	Cash In Bank - WF	Created by Payroll Service on 04/27/2026	
		QuickBooks Payroll Service	Direct Deposit Liabilities	Created by Payroll Service on 04/27/2026	-27,983.53
TOTAL					-27,983.53
	04/30/2026		Cash In Bank - WF	Service Charge	
			Bank & Credit Card Fees	Bank & Credit Card Fees	-6,635.51
TOTAL					-6,635.51
ACH-eftps	04/15/2026	United States Treasury	Cash In Bank - WF	Federal Withholding Taxes	
			Fed W/H & FICA Payable	Employee withholdings	-5,417.00
			Fed W/H & FICA Payable	District match	-639.12
			Fed W/H & FICA Payable	Employee withholdings	-639.12
			Fed W/H & FICA Payable	District match	-2,732.75
			Fed W/H & FICA Payable	Employee withholdings	-2,732.75
TOTAL					-12,160.74
ACH-eftps	04/30/2026	United States Treasury	Cash In Bank - WF	Federal Withholding Taxes	
			Fed W/H & FICA Payable	Employee withholdings	-5,416.99
			Fed W/H & FICA Payable	Employee withholdings	-639.11
			Fed W/H & FICA Payable	Employee withholdings	-639.11
			Fed W/H & FICA Payable	Employee withholdings	-2,732.76
			Fed W/H & FICA Payable	Employee withholdings	-2,732.76
TOTAL					-12,160.73
ACH-taps	04/30/2026	UTAH STATE TAX COMMISSION	Cash In Bank - WF	Utah State Withholding Taxes	
			UT State Withholding	Employee Withholdings	-3,936.00
TOTAL					-3,936.00
ACH-ulgt	04/14/2026	UTAH LOCAL GOVERNMENTS T...	Cash In Bank - WF		
			Life & Disability Insurance	April Accidental Dental Insurance	-7.80
TOTAL					-7.80
ACH-urs	04/30/2026	UTAH STATE RETIREMENT	Cash In Bank - WF		
			Retirement Expense	April retirement	-19,594.79
			401(k) Employee Contrib Paya...	Employee withholdings	-860.00
			401(k) Employee Loan pmts	Employee withholdings	-2,210.12
			Roth 401(k)	Employee withholdings	-2,836.66
			Roth 457(b)	Employee withholdings	-2,816.66
			Roth IRA	Employee withholdings	-1,160.00
			URS Employee Contribution	Employee withholdings	-238.20
TOTAL					-29,716.43

MIDVALLEY SEWER DISTRICT Cash Disbursements

April 2026

Num	Date	Name	Account	Memo	Paid Amount
13218	04/01/2026	CASELLE	Cash In Bank - WF	Acct #: C-11521	
	04/02/2026		Computers & Software	April billing software support	-290.00
TOTAL					-290.00
13219	04/01/2026	PEHP HEALTH INSURANCE	Cash In Bank - WF	Acct #: 738 Policy #: AC-2050	
	04/02/2026		Health Insurance - Employees	April health insurance	-27,213.97
TOTAL					-27,213.97
13223	04/01/2026	ANSERFONE	Cash In Bank - WF	Acct # 2217	
	04/01/2026		Telephone & Internet	April after-hours answering service	-95.00
TOTAL					-95.00
13224	04/07/2026	ENRICO D CECALA	Cash In Bank - WF		
			Seminars & Education	WEAU Conference per diem	-272.00
TOTAL					-272.00
13225	04/07/2026	JAY E SHULAR	Cash In Bank - WF		
			Seminars & Education	WEAU Conference per diem	-334.20
TOTAL					-334.20
13226	04/07/2026	YOUNG AUTOMOTIVE GROUP	Cash In Bank - WF	VIN: TF247623 Invoice: 1S1770	
			Trucks & Equipment	GMC Sierra 3500 crew cab pickup	-78,658.00
TOTAL					-78,658.00
13227	04/07/2026	ACE RECYCLING & DISPOSAL	Cash In Bank - WF	Account #: 803150	
	04/07/2026		Utilities	April dumpster service	-110.39
TOTAL					-110.39
13228	04/07/2026	AT&T MOBILITY	Cash In Bank - WF	Account: 2872 8608 5147	
	03/31/2026		Telephone & Internet	March cell phone, iPad, & radio service	-742.60
			Telephone & Internet	New cell phones and ipad	-4,777.19
TOTAL					-5,519.79
13229	04/07/2026	BLUE STAKES OF UTAH	Cash In Bank - WF	MDVLYID	
	03/31/2026		Blue Stakes	March Blue Stakes Notifications	-280.18
TOTAL					-280.18
13230	04/07/2026	CURT LALLI	Cash In Bank - WF		
	03/31/2026		Computers & Software	Jan to March computer consulting	-131.25
TOTAL					-131.25
13231	04/07/2026	FUEL NETWORK	Cash In Bank - WF	Invoice #: F2609 E00858	
	03/31/2026		Auto & Truck Expense	March fuel costs	-2,037.62
TOTAL					-2,037.62

MIDVALLEY SEWER DISTRICT Cash Disbursements

April 2026

Num	Date	Name	Account	Memo	Paid Amount
13232	04/07/2026	HAYES GODFREY BELL, P.C.	Cash In Bank - WF		
	03/31/2026		Legal Fees	March legal services	-2,140.00
TOTAL					-2,140.00
13233	04/07/2026	HOJ DOCK & DOOR LLC	Cash In Bank - WF	Invoice #: 607881	
	03/31/2026		Property & Equipment	Garage door replacement spring	-1,571.40
TOTAL					-1,571.40
13234	04/07/2026	HOME DEPOT CREDIT SERVICES	Cash In Bank - WF		
	03/31/2026		Auto & Truck Expense	Shop bathroom repair parts	-10.95
TOTAL					-10.95
13235	04/07/2026	INDUSTRIAL SUPPLY	Cash In Bank - WF	Invoices: 21061310	
	03/31/2026		Shop Supplies	Safety equipment	-474.47
TOTAL					-474.47
13236	04/07/2026	LGG INDUSTRIAL	Cash In Bank - WF	Inv # SD 203613	
	03/31/2026		Auto & Truck Expense	Cleaning truck parts	-34.36
TOTAL					-34.36
13237	04/07/2026	PETE'S DIESEL REPAIR	Cash In Bank - WF	Invoices #: W43690 W43697 W43691	
	03/31/2026		Auto & Truck Expense	Vactors & flat bed trucks state inspection fees	-815.08
TOTAL					-815.08
13238	04/07/2026	UTOPIA	Cash In Bank - WF	Customer ID: # 368776	
	04/07/2026		Telephone & Internet	April internet service	-75.00
TOTAL					-75.00
13239	04/07/2026	WATER STAR USA	Cash In Bank - WF	Contract #: 100-9297501-001 Inv #: 20060651	
	03/31/2026		Supplies	March water coolers	-199.98
TOTAL					-199.98
13240	04/07/2026	ZIONS BANKCARD CENTER #06...	Cash In Bank - WF	Acct #: 0667	
	03/31/2026		Computers & Software	ChatGPT software	-96.71
			Computers & Software	Google email accounts	-28.00
			Postage, Forms, & Delivery	Stamps for office	-156.00
			Supplies	Employee birthday luncheon	-177.32
			Telephone & Internet	Cell phone cases	-92.16
			Shop Supplies	Operator certificate	-75.00
			Shop Supplies	Operator drinks	-32.65
			Supplies	Sams Club membership renewal	-118.42
			Shop Supplies	Shop kitchen supplies and drinks	-138.36
			Supplies	Admin kitchen supplies and drinks	-138.36
			Seminars & Education	UGFOA membership fee	-415.00
TOTAL					-1,467.98
13241	04/09/2026	Michael McOmber	Cash In Bank - WF	83.33% bond release on Bordeaux Townho...	
			Cash Bond Escrow Acct	83.33% bond release on Bordeaux Townhomes	-16,319.00
TOTAL					-16,319.00

MIDVALLEY SEWER DISTRICT Cash Disbursements

April 2026

Num	Date	Name	Account	Memo	Paid Amount
13242	04/09/2026	WELLS FARGO #0551	Cash In Bank - WF	Acct # 0551	
	03/31/2026		Supplies	Boardroom picture frames	-191.48
			Supplies	Employee birthday luncheon	-40.55
			Seminars & Education	WEAU conference registration	-950.00
			Shop Supplies	Safety vests	-48.60
TOTAL					-1,230.63
13243	04/09/2026	WELLS FARGO #3523	Cash In Bank - WF	Acct # 3523	
	03/31/2026		Supplies	Board meeting treats	-40.55
			Telephone & Internet	Cell phone cases	-103.90
			Shop Supplies	Shop printer ink	-228.38
			Auto & Truck Expense	Camera truck camera repairs & wheels	-3,411.22
			Supplies	Office supplies	-27.49
			Supplies	Employee birthday luncheon	-19.96
			Computers & Software	Online cloud storage	-0.99
TOTAL					-3,832.49
13244	04/09/2026	WELLS FARGO #4777	Cash In Bank - WF	Acct # 4777	
	03/31/2026		Computers & Software	Truck software subscription	-19.34
			Auto & Truck Expense	New truck registration	-25.00
			Telephone & Internet	Cell phone and table cases	-113.78
			Property & Equipment	Trimble renewal	-600.00
TOTAL					-758.12
13245	04/14/2026	BRENT E CHRISTENSEN	Cash In Bank - WF		
			Seminars & Education	UGFOA conference per diem	-127.00
TOTAL					-127.00
13246	04/14/2026	SOUTH VALLEY WATER RECLA...	Cash In Bank - WF		
			Sewage Treatment Expenses	April sewage treatment expense	-145,301.00
			Sewage Treatment Expenses	March YDM meter billings	-107.40
TOTAL					-145,408.40
13247	04/15/2026	ALLSTREAM	Cash In Bank - WF	Acct # 906629	
	04/13/2026		Telephone & Internet	April land-line phone service	-444.64
TOTAL					-444.64
13248	04/15/2026	ENBRIDGE	Cash In Bank - WF	4589520000	
	03/31/2026		Utilities	March natural gas	-491.48
TOTAL					-491.48
13249	04/15/2026	GOTO TECHNOLOGIES USA INC	Cash In Bank - WF	Invoice #: IN95AA 1859928 Cust #: 6031741...	
	04/13/2026		Computers & Software	Remote computer access software	-954.99
TOTAL					-954.99
13250	04/15/2026	NAPA AUTO PARTS	Cash In Bank - WF	Acct #16105666	
	03/31/2026		Auto & Truck Expense	Shop supplies	-25.37
TOTAL					-25.37

MIDVALLEY SEWER DISTRICT Cash Disbursements

April 2026

Num	Date	Name	Account	Memo	Paid Amount
13251	04/15/2026	SEAGULL PRINTING	Cash In Bank - WF	Invoices: 63391 & 63393	
	04/14/2026		Postage, Forms, & Delivery	Time Cards & door hangers	-384.79
TOTAL					-384.79
13252	04/23/2026	FCF BENEFITS & ADMINISTRAT...	Cash In Bank - WF		
			Other Employee Benefit Expen...	Admin fee	-75.00
			Flexible Spending	Employee withholdings	-1,566.62
TOTAL					-1,641.62
13253	04/23/2026	INTERMOUNTAIN HEALTH	Cash In Bank - WF	Invoice #: 6000 29321	
	04/21/2026		Shop Supplies	Operator DOT physicals & labs	-225.00
TOTAL					-225.00
13254	04/23/2026	MIDVALE CITY CORPORATION	Cash In Bank - WF	Acct # 4.4026.00	
	04/22/2026		Utilities	April water & storm drain & streetlight	-280.60
TOTAL					-280.60
13255	04/23/2026	MIDVALLEY SEWER DST - PETT...	Cash In Bank - WF	Petty Cash Refill	
	04/22/2026		Auto & Truck Expense Supplies	Window tinting for pickup Shipping	-175.00 -7.54
TOTAL					-182.54
13256	04/23/2026	PEHP LIFE AD&D	Cash In Bank - WF	Account # 738	
	04/21/2026		Life & Disability Insurance	April Life and AD&D insurance	-466.42
TOTAL					-466.42
13257	04/23/2026	PEHP LTD PROGRAM	Cash In Bank - WF	Acct # 738	
	04/22/2026		Life & Disability Insurance	April long-term disability insurance	-587.01
TOTAL					-587.01
13258	04/28/2026	ROCKY MOUNTAIN POWER	Cash In Bank - WF	Acct # 32065636-001 5	
	04/27/2026		Utilities	April power	-465.40
TOTAL					-465.40
40126	04/02/2026	CATHY M KINGSBURY	Cash In Bank - WF		
	04/02/2026		Health Insurance - Retire Reimb	April insurance reimbursement	-162.09
TOTAL					-162.09
40226	04/02/2026	SONDRA F. SMITH	Cash In Bank - WF		
	04/02/2026		Health Insurance - Retire Reimb	April insurance reimbursement	-198.13
TOTAL					-198.13

MIDVALLEY SEWER DISTRICT
Balance Sheet Two Year Comparison
As of March 31, 2026

	<u>Mar 31, 26</u>	<u>Mar 31, 25</u>	<u>\$ Change</u>
ASSETS			
Current Assets			
Checking/Savings	873,845	274,994	598,851
Other Current Assets			
Petty Cash	400	400	0
PTIF #666 - General Account	3,364,593	3,217,689	146,905
PTIF #4886 - SVWRF 4D Bond	797	388	409
Accounts Receivable - Customers	147,343	99,173	48,170
Liens Receivable	10,896	6,270	4,626
A/R - SVWRF	206,319	88,557	117,762
Prepaid Expenses	11,287	3,500	7,787
Prepaid Treatment Costs ST	178,935	178,935	0
Prepaid - SWVRF Bond Pmt	94,767	94,761	6
Total Other Current Assets	<u>4,015,337</u>	<u>3,689,672</u>	<u>325,665</u>
Total Current Assets	<u>4,889,182</u>	<u>3,964,667</u>	<u>924,515</u>
Fixed Assets			
Capital Assets - Not Depreciate			
Intangible Asset - SVWRF	3,414,424	3,414,424	0
Land	300,370	300,370	0
CIP 7500 S Sewer Line Project	0	524,206	(524,206)
Total Capital Assets - Not Depreciate	<u>3,714,794</u>	<u>4,239,000</u>	<u>(524,206)</u>
Capital Assets - Depreciated			
Buildings & Improvements	1,973,122	1,986,140	(13,018)
Sewer System - Contributed	5,202,943	4,941,645	261,298
Sewer System - Constructed	12,567,948	9,684,324	2,883,624
Trucks & Equipment	1,952,311	2,167,076	(214,764)
Machinery & Equipment	65,483	77,826	(12,343)
Office Equipment	105,745	112,864	(7,119)
Accumulated Depreciation	<u>(8,126,046)</u>	<u>(7,942,889)</u>	<u>(183,157)</u>
Total Capital Assets - Depreciated	<u>13,741,506</u>	<u>11,026,985</u>	<u>2,714,520</u>
Total Fixed Assets	<u>17,456,300</u>	<u>15,265,986</u>	<u>2,190,314</u>
Other Assets			
Prepaid Treatment Costs LT	1,703,679	1,890,812	(187,133)
Investments			
Investments - Cost	6,426,262	6,163,190	263,072
Investments - Fair Value Adjust	<u>24,983</u>	<u>(14,887)</u>	<u>39,871</u>
Total Investments	<u>6,451,245</u>	<u>6,148,302</u>	<u>302,943</u>
Deferred Outflows - Pensions	<u>375,858</u>	<u>374,855</u>	<u>1,003</u>
Total Other Assets	<u>8,530,782</u>	<u>8,413,969</u>	<u>116,813</u>
TOTAL ASSETS	<u>30,876,264</u>	<u>27,644,621</u>	<u>3,231,642</u>

MIDVALLEY SEWER DISTRICT
Balance Sheet Two Year Comparison
As of March 31, 2026

	<u>Mar 31, 26</u>	<u>Mar 31, 25</u>	<u>\$ Change</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	21,021	19,057	1,964
Other Current Liabilities			
Accounts Payable - Other	126,357	126,348	9
Deferred Revenue	217,635	205,055	12,580
Refundable Deposits	343,947	47,239	296,708
Comp Absences - Current	161,230	152,252	8,978
Total Other Current Liabilities	<u>849,169</u>	<u>530,894</u>	<u>318,275</u>
Total Current Liabilities	<u>870,190</u>	<u>549,951</u>	<u>320,240</u>
Long Term Liabilities			
Comp Absences - Long Term	427,295	383,368	43,927
Net Pension Liability	229,502	165,977	63,525
Deferred Inflows - Pensions	1,475	1,445	30
Total Long Term Liabilities	<u>658,272</u>	<u>550,790</u>	<u>107,482</u>
Total Liabilities	<u>1,528,462</u>	<u>1,100,741</u>	<u>427,721</u>
Equity			
Net Position			
Donated Sewer System	5,202,943	4,941,645	261,298
URS Net Pension Adjustment	(207,433)	(174,871)	(32,562)
Total Net Position	<u>4,995,510</u>	<u>4,766,774</u>	<u>228,736</u>
Retained Earnings	<u>24,001,071</u>	<u>21,463,815</u>	<u>2,537,256</u>
Net Income	<u>351,221</u>	<u>313,292</u>	<u>37,929</u>
Total Equity	<u>29,347,801</u>	<u>26,543,880</u>	<u>2,803,921</u>
TOTAL LIABILITIES & EQUITY	<u>30,876,264</u>	<u>27,644,621</u>	<u>3,231,642</u>

Midvalley Sewer District
Profit & Loss YTD - Comparison To Prior Year
January to March 2026

	2026	2025	Change	% Change
Operating Revenues				
Sewer Service Fees	\$ 1,422,676	\$ 1,218,456	\$ 204,220	A 16.76%
Finance Charges & Other	2,802	8,311	(5,509)	(66%)
Total Operating Revenues	<u>1,425,478</u>	<u>1,226,767</u>	<u>198,711</u>	<u>16%</u>
Operating Expenses				
Sewage Treatment Fees	512,386	520,330	(7,944)	(2%)
Salary and Wages	290,391	277,007	13,384	5%
Employee Benefits	184,122	172,439	11,683	7%
Depreciation and Amortization	129,000	107,100	21,900	B 20%
Pipe-Lining and Manhole Rehab	3,725	0	3,725	100%
Repairs & Maintenance	5,442	4,527	915	20%
Insurance	20,117	22,044	(1,927)	(9%)
Legal & Accounting Services	10,501	6,408	4,093	64%
Office & Administrative	52,384	50,730	1,654	3%
Auto & Truck Expense	11,935	12,052	(117)	(1%)
Engineering Fees	4,861	1,720	3,141	183%
Total Operating Expenses	<u>1,224,864</u>	<u>1,174,357</u>	<u>50,507</u>	<u>4%</u>
Net Income (Loss) From Operations	200,614	52,410	148,204	283%
Non-Operating Revenues				
Property Tax Revenue	36,687	40,435	(3,748)	(9%)
Impact Fee Income	15,155	8,964	6,191	C 69%
Interest Income	101,310	101,504	(194)	(0%)
Lien Fees	1,057	901	156	17%
Gain or Loss on Sale of Asset	(3,602)	109,078	(112,680)	D (103%)
Total Non-Operating Revenues	<u>150,607</u>	<u>260,882</u>	<u>(110,275)</u>	<u>(42%)</u>
Contributed Capital - Sewer Lines	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Income (Loss)	<u><u>\$ 351,221</u></u>	<u><u>\$ 313,292</u></u>	<u><u>\$ 37,929</u></u>	<u><u>12%</u></u>

Midvalley Sewer District
Profit & Loss YTD - Comparison To Prior Year
January to March 2026

Explanation of changes greater than \$10,000 and 10%.

- A** The increase is primarily due to the District's 10% sewer service fee increase implemented in January 2026. Additionally, updated water meter readings for all commercial accounts contributed to higher sewer service fees.
- B** The increase is expected, as the District capitalized the 7500 South Sewer Line project in December and has begun recognizing depreciation expense related to the project
- C** Impact fee revenue is not expected to be consistent with the prior year, as it is dependent on the level of construction activity within the District. The following provides a breakdown of the impact fees collected:

	Impact Fees 2026	Impact Fees 2025
Residential housing	\$ 15,155	\$ 8,964
Commercial / Business	-	-
January to March	<u>\$ 15,155</u>	<u>\$ 8,964</u>

- D** This account tracks gains and losses from the disposition of District assets, primarily vehicles. The current-year loss is related to the sale of a pickup truck. In the prior year, the District recognized a gain from the sale of the CCTV camera truck and the VACTOR jet cleaning truck. The District has noted a recent softening in the used truck market; therefore, it has increased depreciation expense on pickups.

Midvalley Sewer District
Profit & Loss YTD - Budget vs Actual
January to March 2026

	Actual	Budget	Over (Under) Budget	% Change
Operating Revenues				
Sewer Service Fees	\$ 1,422,676	\$ 1,350,249	\$ 72,427	5.4%
Finance Charges & Other	2,802	7,746	(4,944)	(64%)
Total Operating Revenues	<u>1,425,478</u>	<u>1,357,995</u>	<u>67,483</u>	<u>5%</u>
Operating Expenses				
Sewage Treatment Fees	512,386	531,000	(18,614)	(4%)
Salary and Wages	290,391	292,500	(2,109)	(1%)
Employee Benefits	184,122	186,249	(2,127)	(1%)
Depreciation and Amortization	129,000	114,750	14,250	A 12%
Pipe-Lining and Manhole Rehab	3,725	4,000	(275)	(7%)
Repairs & Maintenance	5,442	19,746	(14,304)	B (72%)
Insurance	20,117	23,000	(2,883)	(13%)
Legal & Accounting Services	10,501	10,500	1	0%
Office & Administrative	52,384	54,079	(1,695)	(3%)
Auto & Truck Expense	11,935	17,499	(5,564)	(32%)
Engineering Fees	4,861	8,334	(3,473)	(42%)
Total Operating Expenses	<u>1,224,864</u>	<u>1,261,657</u>	<u>(36,793)</u>	<u>(3%)</u>
Net Income (Loss) From Operations	200,614	96,338	104,276	108%
Non-Operating Revenues				
Property Tax Revenue	36,687	41,950	(5,263)	(13%)
Impact Fee Income	15,155	50,001	(34,846)	C (70%)
Interest Income	101,310	62,500	38,810	D 62%
Lien Fees	1,057	1,749	(692)	(40%)
Gain or Loss on Sale of Asset	(3,602)	750	(4,352)	(580%)
Total Non-Operating Revenues	<u>150,607</u>	<u>156,950</u>	<u>(6,343)</u>	<u>(4%)</u>
Contributed Capital - Sewer Lines	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Net Income (Loss)	<u><u>\$ 351,221</u></u>	<u><u>\$ 253,288</u></u>	<u><u>\$ 97,933</u></u>	<u><u>39%</u></u>

**Midvalley Improvement District
Profit & Loss YTD - Budget vs Actual
January to March 2026**

Explanation of major over or (under) budget line items (greater than 10% and \$10,000):

- A** The over budget amount is attributable to additional depreciation in the current year related to the 7500 South Sewer Line Project, as well as depreciation on the contributed sewer lines received in 2025.
- B** The under budget variance is expected, as the District did not incur any major repair projects during the year. Historically, the District has budgeted this category conservatively to account for potential unexpected emergency repairs or maintenance costs.
- C** The under budget amount is due to the District receiving less impact fees than originally projected. Estimating impact fee revenue is challenging because it can vary significantly from year to year and depends on levels of development and construction activity within the District.
- D** The over budget amount is due to interest rates remaining higher than anticipated during last fall's budgeting process.

Development in the District

Year plans submitted	Name	Address/location	Total Connections	Comments
2023	Midvale Mills Phase 2	264 E 8000 S	48	Still under construction 4/26
2023	Midvale Mills Phase 3	264 E 8000 S	11	No Construction yet 4/26
2022	Woodhaven	7635 S 300 E	24	8 unit complete, no occupancy 4/26
2023	Cottages at 7240	7240 S 525 E	4	units completed some occupied 4/26
2023	MADD Apartments	7488 S. Casa Blanca Dr	8	buildings under construction, no occupancy yet 4/26
2024	Torson Residence	972 E. Casa Roja St	1	building still under construction 4/26
2025	KV Larsen Sub	963 E. 8600 So.	8	Pipe & Manholes in building under construction 4/26
2024	Ottoson Duplex	461 E 7200 S	2	Still under Construction 4/26
2025	Trailside Reserve	6766 S. 300 E.	27	units still under construction 1/26
2025	Midvale Townhomes	7309 S. 180 W.	224	under construction, main line being installed 4/26
2025	Charlottes Fields Sub	6755 So Perrine Dr.	8	laterals connected units under construction 4/26
2025	Latitude 40 Sub	160 E. 7200 So.	18	Still under Construction 4/26
2025	Aaron Condos	7444 So State	28	buildings under construction 4/26
2025	Tate Wood Sub.	7800 So. 489 E.	1	Tied in lateral 4/26
2025	First Watch Restaurant	924 Fort Union Blvd	1	No Construction yet 4/26
2025	Office Building	7865 So 700 E	1	No Construction 4/26
2025	Sharp Sub	7615 So 120 E	3	Connections done/ Construction started 4/26
2026	Bordeaux Duplex	852 E Bordeaux Dr	2	construction started 4/26
2026	Take 5 Oil Changers	39 W 7200 S	1	Plans Received, No Construction Yet 4/26
2026	Lotus Embers	195 W 7200 S	106	Notified us they plan to develop in Jun-July 4/26
2026	Hubert Flag Lot	910 E 7800 S	1	notified of plan, no plans submitted yet 4/26
2026	McDougal Flag Lot	300 E 8080 So	1	Plans Submitted 5/26
Total			528	